

## **Christchurch City Council**

### **AGENDA**

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#### **Notice of Meeting:**

An ordinary meeting of the Christchurch City Council will be held on:

**Date:** Thursday 8 November 2018  
**Time:** 9.30am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

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#### **Membership**

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Vicki Buck
	Councillor Jimmy Chen
	Councillor Phil Clearwater
	Councillor Pauline Cotter
	Councillor Mike Davidson
	Councillor David East
	Councillor Anne Galloway
	Councillor Jamie Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Glenn Livingstone
	Councillor Raf Manji
	Councillor Tim Scandrett
	Councillor Deon Swiggs
	Councillor Sara Templeton

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**2 November 2018**

**Principal Advisor**  
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Chief Executive  
Tel: 941 8554

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Council Secretary  
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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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# Strategic Framework

**The Council's Vision – Christchurch is a city of opportunity for all.**

Open to new ideas, new people and new ways of doing things – a city where anything is possible.

## Whiria ngā whenu o ngā papa Honoa ki te maurua tāukiuki

Bind together the strands of each mat  
And join together with the seams of respect  
and reciprocity.

The partnership with Papatipu Rūnanga  
reflects mutual understanding and respect,  
and a goal of improving the economic,  
cultural, environmental and social  
wellbeing for all.

### Overarching Principle

Partnership – Our  
people are our taonga  
– to be treasured and  
encouraged. By working  
together we can create  
a city that uses their  
skill and talent, where  
we can all participate,  
and be valued.

### Supporting Principles

Accountability	Collaboration
Affordability	Prudent Financial Management
Agility	Stewardship
Equity	Wellbeing and resilience
Innovation	Trust

## Community Outcomes

What we want to achieve together as our city evolves

### Strong communities

Strong sense of  
community  
Active participation in  
civic life  
Safe and healthy  
communities  
Celebration of our  
identity through arts,  
culture, heritage and  
sport  
Valuing the voices of  
children and young  
people

### Liveable city

Vibrant and thriving  
central city, suburban  
and rural centres  
A well connected and  
accessible city  
Sufficient supply of, and  
access to, a range of  
housing  
21st century garden city  
we are proud to live in

### Healthy environment

Healthy waterways  
High quality drinking  
water  
Unique landscapes and  
indigenous biodiversity  
are valued  
Sustainable use of  
resources

### Prosperous economy

Great place for people,  
business and investment  
An inclusive, equitable  
economy with broad-  
based prosperity for all  
A productive, adaptive  
and resilient economic  
base  
Modern and robust  
city infrastructure and  
community facilities

## Strategic Priorities

Our focus for improvement over the next three years and beyond

Enabling active citizenship and connected  
communities

Maximising opportunities to develop a vibrant,  
prosperous and sustainable 21st century city

Climate change  
leadership

Informed and proactive  
approaches to natural  
hazard risks

Increasing active, public  
and shared transport  
opportunities and use

Safe and sustainable  
water supply and  
improved waterways



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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. Public Participation**

### **3.1 Public Forum**

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

### **3.2 Deputations by Appointment**

Deputations may be heard on a matter or matters covered by a report on this agenda and approved by the Chairperson.

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

## **4. Presentation of Petitions**

There were no Presentation of Petitions at the time the agenda was prepared.

**Report from Finance and Performance Committee – 31 October 2018**

## 5. Accounting Treatment of \$50 Million Capitalisation of Ōtautahi Community Housing Trust

**Reference:** 18/1153059

**Presenter(s):** Bruce Rendall – Head of Facilities, Property and Planning  
Len Van Hout – Manager, External Reporting and Governance

### 1. Finance and Performance Committee Consideration

This report was published in the Public Excluded agenda for the Finance and Performance Committee meeting but the Committee did not decide to exclude the public for the consideration of the item.

The Committee made the following amendments to the staff recommendations:

- Amending the third clause of the recommendation to clarify that the Council had previously received advice that the quantum of the write down would be \$29 million. This has been reviewed and the new advice is that the loan would need to be written down to zero.
- Removing the recommendation concerning when the report can be released from Public Excluded as this was no longer required.
- Adding a new fourth clause to the recommendation to confirm that the accounting treatment will not have a rates impact.

**Secretarial Note:** In the version of the staff report which was considered by the Finance and Performance Committee, paragraph 4.2 of the report stated that there would be a write down of \$39 million. This paragraph has been amended in this agenda to state the write down would be \$34 million.

### 2. Finance and Performance Committee Recommendation to Council

That the Council:

1. Note the accounting treatment implications of capitalising the Ōtautahi Community Housing Trust.
2. Note that the \$5 million gift was written off in the year ended June 2018.
3. Note that the previous advice was that the \$45 million loan, if granted, would need to be written down by \$29 million, for statutory reporting purposes. This has been reviewed in light of advice from Audit New Zealand and would now be written down to zero.
4. Note that this will impact on the net financial result for statutory reporting purposes in the statement of comprehensive revenue and expense but will not have a rates impact.

## Attachments

No.	Report Title	Page
1	Accounting Treatment of \$50 Million Capitalisation of Otautahi Community Housing Trust	7



## Accounting Treatment of \$50 Million Capitalisation of Ōtautahi Community Housing Trust

**Reference:** 18/1047563

**Presenter(s):** Bruce Rendall, Head of Facilities, Property & Planning  
Len Van Hout, Manager, External Reporting & Governance

### Confidentiality

<b>Section under the Act:</b>	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
<b>Sub-clause and Reason:</b>	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
<b>Plain English Reason:</b>	The proposed recommendations have yet to be formalised with the Trust.
<b>Report can be released:</b>	When the Chief Executive determines there are no longer grounds under the Act for withholding the report.

## 1. Purpose and Origin of Report

### Purpose of Report

- 1.1 To ensure visibility of the accounting treatment implications of earlier Council decisions to capitalise the Ōtautahi Community Housing Trust.

### Origin of Report

- 1.2 This report is staff generated in response to concerns and questions raised by the Audit & Risk Committee.

## 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.
  - 2.1.1 The recommended decision is whether or not to note the previous information. No engagement is required for this decision.

## 3. Staff Recommendations

That the Finance and Performance Committee recommends that the Council:

1. Note the accounting treatment implications of capitalising the Ōtautahi Community Housing Trust.
2. Note that the \$5 million gift was written off in the year ended June 2018.
3. Note that the \$45 million loan, if granted, will need to be written down, for statutory reporting purposes, to zero.
4. Agrees that the report may be released when the Chief Executive determines there are no longer grounds under the Act for withholding the information.

## 4. Key Points

- 4.1 On 8 September 2016 the Council resolved to capitalise the Ōtautahi Community Housing Trust through the progressive transfer of up to \$50 million of social housing assets. The \$50 million is structured as a loan of \$45 million and a gift of \$5 million;
- 4.2 The advice received at the time from our external advisor indicated that from an accounting perspective the Council's decision will effectively result in a write down of ~~\$39 million~~ \$34 million\* in asset value on the Council's balance sheet. For reasons that are not clear this advice did not consider the collectability of the receivable. (*\*Amended from report considered by the Committee.*)
- 4.3 In July 2018, the accounting treatment of the proposed loan was reviewed as part of the preparation of the 2017/18 annual report. This review not only considered the fair value of the proposed receivable but also considered the collectability of the loan. (see paragraph 5.23)
- 4.4 The review highlighted that the write down would extend to the full value of the \$45 million receivable / loan under the proposed terms and conditions of the loan.
- 4.5 The collectability of the receivable considered the terms of the loan, including repayment provisions and the likelihood of the Council ever enforcing the repayment conditions whilst it is still part of the Housing Accord.
- 4.6 From an accounting perspective, the nature of the Council's equity in the assets will change from a physical security to a contingent asset, with any one of the enforcement events being the trigger for the crystallisation of the asset back to the Council.
- 4.7 The write down does not impact the management accounts but forms part of the annual report preparation process. It is an accounting entry only which is reassessed each year to determine if the circumstances have changed.
- 4.8 While the write down will be larger than originally reported, the Council is still able to achieve its objectives including to increase the supply and quality of social and affordable housing, generate new social housing and comply with the Housing Accord. As such no change is required in either Council's strategic direction or implementation of its resolutions.

## 5. Background

### The Trust

- 5.1 Council established the Trust in 2016 to manage its social housing tenancies. The Council still owns its social housing buildings and land but leases these assets to the Trust.
- 5.2 The Trust is responsible for tenancy management, rent-setting and the day-to-day maintenance of units (from 1 July 2017), while major repairs and renewals remain the Council's domain.
- 5.3 Over time Council's expectations, as expressed in the Christchurch Housing Accord, are that the Trust will also develop its own social housing for Christchurch.

### Christchurch Housing Accord

- 5.4 The Christchurch Housing Accord is a 2014 agreement between the Council and the Government to work together to address housing supply and affordability issues in Christchurch.
- 5.5 Its long-term goal is to restore a well-functioning, private-sector-led housing market in Christchurch, with enough supply at the lower end of the market to ensure access to quality housing for those on lower incomes.

- 5.6 The Accord also aims to support social housing in Christchurch through increasing the quantity of social housing units available. An action to implement this goal was to “establish a housing entity or entities capable of meeting the requirements of being registered as a Community Housing provider, to redevelop Council owned social housing assets and to develop social and/or affordable housing to better meet the needs of the city.” Council agreed to progressively capitalise the entity, or entities with an injection of \$50 million of land and other assets.
- 5.7 Following consultation and exploration of issues such as access to government subsidies and tax efficiency, Council decided that the entity would be set up as both a community housing provider and a charitable trust. The resulting entity established is the Ōtautahi Community Housing Trust (the Trust).
- 5.8 Due to restrictions on the Council's ability to access the government subsidies, the Trust has been set up as an independent entity. The Council appoints three of the seven trustees.

### Asset Transfer Context

- 5.9 Key points from Council's earlier decisions include:
  - 5.9.1 On 08 September 2016 Council resolved to capitalise the Trust through the progressive transfer of up to \$50 million of social housing assets;
  - 5.9.2 The \$50 million is structured as a loan of \$45 million and a gift of \$5 million;
  - 5.9.3 The principal reason for structuring the capital in this way is to protect the community's interest in Council's social housing asset in the event that the Trust was wound up, or the Trust losing its Community Housing Provider status, or the lease to it of the Council's social housing assets being cancelled.
- 5.10 Officers are currently implementing Council's decisions. To date Council has transferred, by way of gift, assets with a value of \$4,776,129 to the Trust.
- 5.11 Council has also resolved to transfer assets valued at \$29,541,000 by way of loan. The remaining value still requires Council to approve the specific assets to be transferred.
- 5.12 Negotiations over the form of the loan contract and the general security arrangement that protects Council's interest in these social housing assets has delayed transfer of assets. These negotiations are nearing completion.

### Risk and Audit Committee Concerns

- 5.13 The concerns relate to the accounting treatment of the loan component of the asset transfer.
- 5.14 The accounting treatment for the transfer of assets to the Trust involves two stages.
  - 5.14.1 Firstly the \$45 million loan component is recorded as a loan on the Council's balance sheet.
  - 5.14.2 As accounting rules indicate that the loan should be recorded at its fair market value a fair market value assessment is carried out.
- 5.15 The fair market value is effectively zero due to the loan's interest free status and the limited circumstances under which it would be repaid. Accordingly the loan is written down on the Council's balance sheet.
- 5.16 The Committee was concerned that these accounting treatment implications may not have been fully explained nor fully understood when Council made their earlier decisions.

### Previous Financial and Accounting Information

- 5.17 There is no specific information about the accounting treatment in the Housing Accord ratification report (11 September 2014).

- 5.17.1 This report refers to the \$50 million capital commitment to an entity to be established for the purpose of developing social and affordable housing. The \$50 million was to come from land already held for social housing and the assets would not be made available until Council had received confirmation that the entity would be eligible for income related rents subsidies for current and future tenants.
- 5.17.2 It is likely that the accounting treatment was not addressed in this report as the form of the entity and its capitalisation was not known at this time. It also seems possible, given the information in the consultation document for the concurrent special consultative process for the future of social housing that the \$50 million was considered as an equity stake or gift.
- 5.18 Council further considered the capitalisation at its meeting of 9 July 2015. This report focused on the form and functions of the entity or entities. It indicated that if the community housing provider also provided development functions, then the balance sheet implications (i.e. accounting treatment) would depend on the way the assets were committed to the new entity. If the community housing provider only acted as a landlord, with development undertaken by a council owned organisation, then there would be no balance sheet implications for Council (as a group).
- 5.18.1 Council resolved “to approve in principle the transfer of \$50 million of assets to be provided to a social housing entity (or entities)”.
- 5.18.2 It also resolved to “agree that a finalised list of assets comprising the \$50 million and a process of transfer will be decided by the Council when the final structure and function of the entity/entities (CHP) is approved”.
- 5.19 At its 08 September 2016 meeting Council considered a report approving the final form of the capitalisation.
- 5.19.1 The report indicated that the fair value of the loan would be recorded on Council’s balance sheet at a value lower than its \$45 million face value. It specifically indicated that “As a result of the gift and loan there will be an overall reduction in the asset value of Council by approximately \$34m (based on 20 year repayment assumption and current interest rates).”
- 5.19.2 This report also contained independent advice from Deloitte setting out the Council Financial Statement Implications. This advice is: “As the loan is likely to be interest free over an extended period the loan would need to be fair valued under the application account framework. This means the value of the loan would likely be reported in Council’s financial statements at less than face value however the quantum of the loan would remain at the level originally agreed.”
- 5.19.3 Council resolved to progressively transfer the \$50 million to the Trust.
- 5.20 The 08 September 2016 report indicated that that “the overall reduction in the asset value of ... \$34m”. This was based on \$29m for the loan and \$5 million for the gift.
- 5.21 On 10 October 2017, Council considered a report on the transfer of the first “loan” properties. This report indicated that the “loan” transfer would be effectively the same as gifting the properties. It further indicates that the Council’s balance sheet would be reduced by the value of the assets gifted to the Trust.

#### **Updated Financial and Accounting Information**

- 5.22 At the time the agreement is executed, the amount that makes up the value of Trust properties to be transferred would convert to a receivable (i.e. loan). While the face value of the loan is \$45 million, the recorded book value, based on the fair value using the net present value calculation, will be lower.



- 5.23 Subject to the duration of the loan and discount rate used, the present value of such a \$45m receivable could be between \$10.6m and \$5.1m. The longer the duration of the loan the lower the present value e.g. 60 years @ 7.5% = present value is less than \$1m.
- 5.24 From an accounting perspective, all receivables are assessed for their collectability at each balance date. In this case, the terms of the loan agreement with the Trust suggests that if one of four events occur, the receivable will become collectable. The four events are:
- 5.24.1 The insolvency or the winding up of the Trust;
  - 5.24.2 The loss of the Trust's registered community housing provider status;
  - 5.24.3 The loss of the Trust's charitable status; and
  - 5.24.4 The termination of the lease of the Council's housing stock to the Trust.
- 5.25 If the receivable becomes collectable (i.e. one of the four events occur and the loaned amount needs to be recovered) then it would be recognised at its full value on the balance sheet.
- 5.26 The balance date assessment of the collectability of the loan to the Trust, may result in the value of receivable being impaired to zero. If this was to occur, a contingent asset may be disclosed in the financial statement of the Council at balance date. Declaring the loan as a contingent asset would have no impact on the delivery of services.
- 5.27 Future balance date reviews of receivables may result in a recalculation of the fair value assessment of the receivable and restatement of the impairment of residual value provided to the Trust.

## 6. Discussion

- 6.1 In 2014 Council made a commitment, through the Housing Accord, to capitalise a social housing entity to the value of \$50 million. When making this commitment Council indicated that its aim was to improve the supply and quality of social and affordable housing. The Council's means to achieve this goal was through establishing a housing entity or entities that could be registered as a Community Housing Provider and develop social and/or affordable housing to meet future needs. At the time of making the commitment Council did not have a finalised view of the form for either the entity to be established or its capitalisation.
- 6.2 As the form of the entity and capitalisation has evolved, more detailed information about all financial implications, including the accounting treatment has been presented. Most of the information has related to tax implications, rates impact and, income and expenditure matters with less attention paid to the balance sheet impacts. The chosen structure is tax efficient, has no impacts on rates, and has a net improved revenue position for Council (through additional rent associated with the IRRS).
- 6.3 Council's objectives have also developed and now include a desire to protect the Council's equity in the transferred assets in certain circumstances, generate new social housing and comply with the Housing Accord.
- 6.4 From an accounting perspective the advice has covered all of the options presented to Council from the whole \$50 million being gifted, which would see it all written off, through to its being held by a Council controlled entity, with no balance sheet impact across the wider Council group.
- 6.5 For the preferred and resolved option, the advice indicated that the loan would be recognised at less than its nominal value. The advice indicated that the effect on Council's balance sheet would be a write down of \$34 million. It is now apparent that the most likely outcome of the write down will be for the full value of the loan (\$45 million) as well as the gift (\$5 million).

- 6.6 These changes are not considered significant in terms of its effects on Council's objectives, its financial position or its legal obligations.
- 6.6.1 The balance sheet value has no impact on Council's ability to recover the assets in any of the loan repayment events.
- 6.6.2 The balance sheet value does not impact on rates.
- 6.6.3 The balance sheet value does not significantly impact on Council's performance against its financial prudence benchmarks (the only one that may be affected slightly is "Net debt as a percentage of equity" and performance is forecast to be well within parameters across the life of the Long Term Plan).
- 6.6.4 Council consulted on a \$50 million gift through the 2014 Special Consultative Process. A gift would have seen the whole \$50 million written down, with no ability to recover any of the assets. The current arrangements allows for Council to recover the \$45 million value in certain circumstances.
- 6.7 The idea that the assets be progressively transferred has been suggested to reduce the impacts on the balance sheet. This was the original intent contained in Council's resolution. To date the delays in finalising the General Security Agreement has meant that only gifted assets have been transferred, however, there remains the ability to transfer the loan component in two tranches (one in 2018/19 and the other in 2019/20). This would allow for the transfer of development and initial redevelopment sites to allow for the additional units in a timely fashion, while reducing the impact on Council's balance sheet in any one year.
- 6.8 The implementation of Council's decisions has been consistent with its resolutions.
- 6.9 There is evidence that Council's changes to social housing service delivery are working with improved levels of tenant satisfaction and the Trust paying higher than budgeted rent (due to better than expected IRRS returns). This higher than budgeted rent helps improve the housing fund and will ultimately be used for major maintenance or renewals within the housing portfolio. Additionally the Trust have obtained contracts for the provision of 40 additional social housing spaces and are in advanced negotiations for a further 130 additional spaces.
- 6.10 Based on the information presented in this report it is recommended that the concerns of the Audit and Risk Committee are noted, but no change be made to the arrangements.

## 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

<b>Authors</b>	Bruce Rendall - Head of Facilities, Property & Planning Len Van Hout - Manager External Reporting & Governance
<b>Approved By</b>	Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO) Anne Columbus - General Manager Corporate Services





**Report from Social, Community Development and Housing Committee – 31 October 2018**

## 6. \$30 Million Loan - Results of Consultation

**Reference:** 18/1155271

**Presenter(s):** Bruce Rendall, Head of Facilities Property and Planning

### 1. Social Community Development and Housing Committee Consideration

The Committee considered the staff recommendation.

Councillor Johanson moved an amendment that recommendation 10 be amended to:

*That the Council request staff to negotiate the long term social housing supply agreement and the terms and conditions of the loan, and report to Council for approval.*

This amendment was put to the meeting and was lost.

Councillors Johanson and Keown requested their vote in favour of the amendment be recorded.

Councillor Johanson moved an amendment than an additional recommendation 12 be added to the motion:

*That Council continues to seek from Central Government access to the income related rent subsidies for Council's Public Housing.*

This amendment was put to the meeting and was carried and became part of the substantive motion.

Councillor Scandrett requested that his vote against the amendment be recorded.

### 2. Staff Recommendations

That the Social, Community Development and Housing Committee noting that:

1. Council has a policy to grow social housing;
2. It is Council policy that rates are not to be used to fund the operation, maintenance and development of Council's social housing;
3. The proposal presented in this report will not require any rates funding;
4. In response to feedback received during the Long Term Plan consultation process, the Mayor has recommended that the Council supports the building of additional social housing in the city through the provision in the 2018-28 Long Term Plan of an up to \$30 million financing facility (repayable on a "rates neutral" basis) available to Community Housing Providers (or partnerships involving Community Housing Providers) from 2018/19;
5. Council subsequently resolved to make provision for a \$30 million financing facility (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city from 2018/2019 and requests staff to report back on the proposal for a decision and the options for utilising this facility;
6. On 04 July 2018 Council has resolved to consult on a proposal to use the financing facility for a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes

of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;

7. The community has now provided feedback;

Recommends to Council that it resolves:

8. To approve a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;
9. That as a precondition to entering the loan the Trust must hold a long term social housing supply agreement, acceptable to Council, that allows it to achieve sufficient guaranteed income to service the loans and repay all Council's costs without any ratepayer funding;
10. To delegate to the Chief Executive Officer authority to approve the acceptability of the long term social housing supply agreement to the Council, to negotiate the terms and conditions of the loan, and enter into the loan; and
11. Subject to the adoption of recommendations 8 to 10, instruct officers to provide further advice on ownership models for these new social housing units.

### 3. Social, Community Development and Housing Committee Recommendation to Council

#### Part A

That the Council, noting that:

1. Council has a policy to grow social housing;
2. It is Council policy that rates are not to be used to fund the operation, maintenance and development of Council's social housing;
3. The proposal presented in this report will not require any rates funding;
4. In response to feedback received during the Long Term Plan consultation process, the Mayor has recommended That the Council supports the building of additional social housing in the city through the provision in the 2018-28 Long Term Plan of an up to \$30 million financing facility (repayable on a "rates neutral" basis) available to Community Housing Providers (or partnerships involving Community Housing Providers) from 2018/19;
5. Council subsequently resolved to make provision for a \$30 million financing facility (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city from 2018/2019 and requests staff to report back on the proposal for a decision and the options for utilising this facility;
6. On 04 July 2018 Council has resolved to consult on a proposal to use the financing facility for a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;
7. The community has now provided feedback;

Resolves:

8. To approve a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all

borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;

9. That as a precondition to entering the loan the Trust must hold a long term social housing supply agreement, acceptable to Council, that allows it to achieve sufficient guaranteed income to service the loans and repay all Council's costs without any ratepayer funding;
10. To delegate to the Chief Executive Officer authority to approve the acceptability of the long term social housing supply agreement to the Council, to negotiate the terms and conditions of the loan, and enter into the loan; and
11. Subject to the adoption of recommendations 8 to 10, instruct officers to provide further advice on ownership models for these new social housing units.
12. That Council continues to seek from Central Government access to the income related rent subsidies for Councils Public Housing.

## Attachments

No.	Report Title	Page
1	\$30 Million Loan - Results of Consultation	18

No.	Title	Page
A <a href="#">↓</a>	Attachment 1 - July 2018 Report	33
B <a href="#">↓</a>	Attachment 2 - September 2018 Redacted submission - \$30m loan for social housing	50
C <a href="#">↓</a>	Attachment 3 - June 2018 OCHT Capitalisation Business Case	71

## \$30 Million Loan - Results of Consultation

Reference: 18/1016327

Presenter(s): Bruce Rendall, Head of Facilities Property and Planning

### 1. Purpose and Origin of Report

#### Purpose of Report

- 1.1 The purpose of this report is for the Social, Community Development and Housing Committee to consider community feedback on a proposal to lend \$30 million to the Otautahi Community Housing Trust (the Trust) for the purposes of developing 130 new social housing units.

#### Origin of Report

- 1.2 At its meeting of 4 July 2018 the Social, Community Development and Housing Committee made a recommendation to Council to approve the loan described in this report.
- 1.3 At its 12 July 2018 meeting Council resolved to consult on the proposal and requested “staff to provide a further report to the Council at the completion of the consultation process with a view to then considering whether to proceed with the proposed loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social units, or not”.

### 2. Significance

- 2.1 The original report indicated that the decisions were of low significance in relation to the Christchurch City Council’s Significance and Engagement Policy.
- 2.2 The primary reasons for the low assessment are:
  - 2.2.1 the low number of people affected by the proposal and the low level of impact. Ratepayers are not affected as no rates funding is required. Current tenants are not affected as this proposal has no impact on existing rents. Future tenants are positively affected but cannot be practically identified;
  - 2.2.2 there are known interest groups who support the provision of social housing as evidenced by their advocacy to Council to find ways to build new social housing in the Long Term Plan 2018-2028 consultation process. This proposal will have a low positive impact on these groups, given that it will increase the number of social houses (albeit not to pre earthquake levels);
  - 2.2.3 the limited financial impact and low financial risk of the proposal. The proposed level of borrowing is not significant in the context of Council’s overall operations. There is no rates expenditure required. Any financial risk can be mitigated by independent review of the project finances, oversight of project delivery and a condition that the proposal would only proceed if the Trust had long term contracts guaranteeing revenue;
  - 2.2.4 there is a wider community benefit from the OCHT proposal i.e. additional social housing however this does not lift the issue to a higher category of significance; and
  - 2.2.5 while social housing is a strategic asset the proposal will not lead to a change of ownership or control.
- 2.3 Council subsequently resolve to seek written submissions on the matter.
- 2.4 The decisions in this report are considered to be of low significance for the same reasons. No matters were raised in submissions that suggested there should be any change in significance.



### 3. Staff Recommendations

That the Social, Community Development and Housing Committee noting that:

1. Council has a policy to grow social housing;
2. It is Council policy that rates are not to be used to fund the operation, maintenance and development of Council's social housing;
3. The proposal presented in this report will not require any rates funding;
4. In response to feedback received during the Long Term Plan consultation process, the Mayor has recommended that the Council supports the building of additional social housing in the city through the provision in the 2018-28 Long Term Plan of an up to \$30 million financing facility (repayable on a "rates neutral" basis) available to Community Housing Providers (or partnerships involving Community Housing Providers) from 2018/19;
5. Council subsequently resolved to make provision for a \$30 million financing facility (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city from 2018/2019 and requests staff to report back on the proposal for a decision and the options for utilising this facility;
6. On 04 July 2018 Council has resolved to consult on a proposal to use the financing facility for a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;
7. The community has now provided feedback;

Recommends to Council that it resolves:

8. To approve a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;
9. That as a precondition to entering the loan the Trust must hold a long term social housing supply agreement, acceptable to Council, that allows it to achieve sufficient guaranteed income to service the loans and repay all Council's costs without any ratepayer funding;
10. To delegate to the Chief Executive Officer authority to approve the acceptability of the long term social housing supply agreement to the Council, to negotiate the terms and conditions of the loan, and enter into the loan; and
11. Subject to the adoption of recommendations 8 to 10, instruct officers to provide further advice on ownership models for these new social housing units.

### 4. Key Points

- 4.1 This report supports the [Council's Long Term Plan \(2018 - 2028\)](#):

4.1.1 Activity: Assisted Housing

- Level of Service: 18.0.1.0 Council makes a contribution to the social housing supply in Christchurch - 2,052 units.

- 4.2 The following feasible options have been considered:

- Option 1 - Approve a Financing Partnership (preferred option)
- Option 2 - Do not enter into a Financing Partnership

- 4.3 The option that Council builds the units and then leases them to the Trust was also considered, however, due to the extra cost and risks of this option, it was determined not to be feasible. These costs and risks are discussed further in the report.

4.4 Option Summary - Advantages and Disadvantages (Preferred Option)

4.4.1 The advantages of this option include:

- The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs.
- It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers.
- If the Trust secures a long term contract with the Government to fund IRRS places – and the report recommends that this is precondition to lending to the Trust – then the loan is backed with a very secure revenue stream.
- Compared with other options this proposal increases the supply of social housing in Christchurch without putting Council's existing social housing portfolio at risk.

4.4.2 The disadvantages of this option include:

- The approved financing facility will not be able to be used by other Community Housing Providers if it is fully allocated to the Trust. This disadvantage is considered tolerable given the opportunity that is currently available – potential contracts that guarantee revenue for 25 years. Additionally, Council could decide to retain the facility and to release spare capacity as the Trust repays capital.

## 5. Context/Background

### Background

- 5.1 The Council is exploring options to grow social housing in Christchurch in response to concerns about the loss of units as a result of earthquakes in 2010 and 2011, projections that indicate there will be growing demand for social housing in coming decades, and expressed community concern. Detailed background is contained in reports presented to the Social, Community Development and Housing Committee in February and July 2018 (attached as Attachment 1).
- 5.2 Based on these reports Council resolved to consult on a financing partnership arrangement. This partnership described in detail below. The results of the consultation follow in Section 6.

### Financing Partnership

- 5.3 The Otautahi Community Housing Trust is currently investigating opportunities to supply 130 new social housing units.
- 5.4 Should these investigations be successful the Trust would have access to revenue streams sufficient to meet the costs of meeting all financing costs, and operating and maintaining these units for a long period (expected to be 25 years).
- 5.5 As a new organisation, with limited balance sheet, the Trust is not in position to borrow sufficient money to meet the upfront costs of development.
- 5.6 Council is in position to borrow to meet the upfront costs, however, legislation prevents it accessing the same revenue streams that the Trust can. In the absence of other revenue streams, and without increasing rents significantly, Council is not in a position to sustainably fund the operation, maintenance and growth of its social housing portfolio.

- 5.7 Working in partnership, both parties could borrow to fund the development and generate sufficient revenue to meet all development and ongoing costs, while still being consistent with legislation and Council's "rates neutral" policy.

*Proposal*

- 5.8 This proposal would involve Council borrowing up to \$30 million to help meet the upfront development costs for 130 new social housing units. The development proposal would also involve the replacement of 50 existing "old and cold" units. The Trust would be responsible for financing this part of the development. Overall the proposal would result in 180 modern units.
- 5.9 The Trust would pay back the principal, interest and any administrative costs from the revenue generated from the units, including Government income rent related subsidies. Modelling shows that revenue is sufficient to meet all costs over likely terms. To provide certainty, in the event of policy change, the Government subsidy would need to be protected through contract conditions.
- 5.10 The proposal would be rates neutral, as all revenue required to meet Council's borrowing and administrative costs would be sourced from the Trust.
- 5.11 Council's interest would be protected through the loan documentation including security arrangements. Security options include a general security agreement or mortgages over developed properties and we will work these options through with our legal and financial advisors.
- 5.12 At a high level, the terms of the Council loan would broadly be:
- 5.12.1 Term: 25 years
  - 5.12.2 Interest Rate: At Council's actual cost of borrowing in line with the rates neutrality policy
  - 5.12.3 Repayment requirements: Principal, interest and Council costs
  - 5.12.4 Security: Mortgage over specific building assets / general security agreement
- Performance criteria: To include
    - the Trust successfully concluding negotiation with the Crown for a long-term social housing supply agreement that it allows it to achieve sufficient guaranteed income to service the loans;
    - the Trust contract to include conditions protecting the interest of financiers in the event of policy change; and
    - the Council loan to be used for new social housing only.
- 5.13 The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs. It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers. If the Trust secures the long term contract with the Government to subsidise tenancies – and the report recommends that this is precondition to lending to the Trust – then the loan is backed with a very secure revenue stream.
- 5.14 The additional borrowing will impact the Council's net debt to revenue ratio by up to 4% if an additional \$30m is borrowed. This would increase the ratio in the LTP in all years. The ratio currently ranges from 206% to 221% peaking in 2025. This is outside Council's target of 180%. While it is outside the target level, the ratio is still sufficiently within Council's maximum of <250% net debt to revenue to allow adequate borrowing in the event of a further disaster.
- 5.15 A further consideration is that the Council is aware that Central Government has a focus on housing including public (i.e. social) housing. It is possible that Government policy will change. Based on previous public statements, policy changes may create a new source of financing for either the Trust directly or in partnership with Council. While a new source of financing

presents a possible future opportunity, there is no certainty or detail yet. If Council wishes to grow social housing in the short term, it is advisable to proceed with this proposal. If any future Government financing (e.g. bond) arrangements allowed for better outcomes, Council could choose to refinance once details were known.

- 5.16 There is also the possibility that the Government could consider changes to the eligibility rules for the income related rent subsidy (IRRS). At present Councils are not eligible to receive this source of funding. A change to these rules could provide opportunities to grow social housing in a different way. With no certainty, an existing desire to grow social housing, and a public interest in increasing the number of units, it is advisable to consider the current proposal rather than wait and see what might emerge from the Government.
- 5.17 Some may be concerned that there is potential for the Government to change policy and not pay the IRRS. The mitigation to this concern lies in the initial contract to supply new places.
- 5.18 Questions of ownership are not central to the decision before the Committee and can be determined at a later date. External advice will be required and it is more efficient use of resources to do this after Council's position on the proposal is understood.
- 5.19 Additionally, Council's approach to growing social housing in recent times has been to work with partners. Taking this approach, the final ownership of the units is of less importance than actually growing numbers. Under the current proposal, ownership of the units could sit with the Trust, Council or jointly (Notwithstanding this the Trust has indicated that they would be comfortable for Council to own the units). Some of the considerations about ownership are:
  - 5.19.1 Responsibility for future maintenance costs and end of life replacements;
  - 5.19.2 Allocation of financial risks;
  - 5.19.3 Future institutional arrangements should Government policy change;
  - 5.19.4 Tenure arrangements; and
  - 5.19.5 Future decision making arrangements.
- 5.20 The proposal does have risks including:
  - 5.20.1 The Trust has no track record in development, which may impact on the total cost of and financial feasibility of the development;
  - 5.20.2 The Trust could lose its Government contracts through not meeting performance criteria, reducing revenue streams and affecting its ability to pay back the loans.
- 5.21 To date the Trust has focused on its role as landlord. Initially this involved tenancy management services only, with the Trust taking over minor maintenance services on the 1 July 2017. To date the Trust has not completed any developments. This lack of development track record presents a risk to Council.
- 5.22 The Trust already has a number of mechanisms to mitigate this risk including experienced personnel assisting governance, experienced property development staff and the use of qualified teams of consultants.
- 5.23 Officers believe this risk can be further mitigated through conditions and monitoring.
- 5.24 Possible conditions relate to:
  - 5.24.1 the Trust successfully concluding negotiation with the Crown for a long-term social housing supply agreement that it allows it to achieve sufficient guaranteed income to service the loans;
  - 5.24.2 The Council loan to be used for social housing only;
  - 5.24.3 The principal, interest and administration costs to be repaid in a set term or less;

- 5.24.4A target maximum average cost per dwelling (i.e. 'value for money' spent),
- 5.24.5The transaction is to be structured so that there is no cost to the ratepayer (i.e. it is rates neutral); and
- 5.24.6 Appropriate legal documentation is put in place to manage the loan to the Trust.
- 5.25 Monitoring would involve:
- 5.25.1 project management measures such as achievement of key consents, and on time and on budget delivery;
- 5.25.2 achievement of benefit measures such as valuation on completion versus costs' and
- 5.25.3 clear, accurate, and timely reporting is received.
- 5.26 With the aim of receiving early warning of any increased risk Council may also consider reviewing key project documentation such as business cases, any other loan documentation, construction contracts, and project status reports.
- 5.27 Ongoing contract performance can also be monitored, albeit within the restrictions of a loan agreement. Specific performance measures can be developed once the details of the funding contract are known.
- 5.28 With the described controls in place, and recognising the likely benefits of the proposal, officers believe that Council can tolerate the identified risks.
- 5.29 The issue of procurement processes has been considered through the preparation of this report. Traditional procurement processes do not apply in this case as Council is not procuring a good or a service. The proposed financing facility is similar to a loan under Council's Community Organisation Loan Scheme. Under that scheme, groups can apply to Council for a loan to help them develop new or improve existing facilities where these facilities provide social and other opportunities to the community generally of specific communities of interest. Groups wishing to access this scheme apply for financing on a case by case basis and are assessed on their merits. There is no formal procurement process associated with this scheme.
- 5.30 The current proposal reflects a policy compliant response by Council to an emerging opportunity. Council could decide to further develop the response used for this opportunity to create an ongoing scheme to assist other providers expand the supply of social housing. The current "agile" approach reflects Council's wish to be responsive, while further development of the scheme shows that it is proactive. Both of the approaches are supported by existing policy (ie Social Housing Strategy 2007, Housing Policy 2016).
- 5.31 In parallel to the growing social housing work stream, submitters to the Long Term Plan 2018-28 (LTP) expressed concerns about the loss of social housing in the 2010-11 Canterbury Earthquake sequence an interest. They also expressed a desire to increase the supply of social housing. Council has resolved, in response to these concerns, to make provision for a \$30 million financing facility (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city from 2018/2019 and requested staff to report back on the proposal for a decision and the options for utilising this facility.
- 5.32 The Trust's proposal allows for 130 new units in two to three years. This represents progress towards meeting Council's desire to increase the numbers of social housing units, however, other mechanisms will be needed to meet the suggested level of increase (500 units over ten years). Officers are exploring other mechanisms and these will be progressively reported to Council as they are further developed. A progressive approach is needed in the absence of sufficient guaranteed funding.

## 6. Consultation Results

### The Consultation Process

- 6.1 Consistent with the significance assessment (see Section 2) and its resolution, the Council undertook consultation between 31st August 2018 and 1st October 2018.
- 6.2 Information was made available on Council's "Have your Say" website and known interested stakeholder groups were informed by letter. Information about the consultation was released through Newline and on Council's social media channels. The print media reported on the consultation twice during the consultation period.
- 6.3 Tenants were not specifically consulted as part of the consultation process.
  - 6.3.1 Current tenants are not affected, as the proposal to finance the construction of 130 new units will have no impact on existing rents or units.
  - 6.3.2 The proposal will not impact on Council's Housing Fund as all loan costs will be met through repayment by the Trust. This means that there will be no impact on Council's planned maintenance, renewals and end of life replacements. As such there will be no delay to works on existing tenants units.
  - 6.3.3 Future tenants are affected by Council's decisions, however, it is not reasonably practical to identify them (ie who will be on the waiting list at the time the units are complete) or appropriate to engage with them (the MSD waiting list has not been developed for this purpose and expectations may be raised that cannot be met). It is reasonably foreseeable that this group will benefit from the decision and support the proposal as it increases the supply of social housing.
- 6.4 At the time of closing Council received submissions from 59 individuals or groups. One submission was from the Trust, who have an interest in the matter, so this submission was not included in the analysis. Six groups or individuals requested to be heard in support of their submission and these groups will present deputations to the Committee at the meeting. Copies of the submission are attached (Attachment 2)

### Analysis

- 6.5 The majority of the 58 submissions analysed supported the proposal.

Position	Count	Percentage
Do not support the proposal	15	26%
Have some concerns	11	19%
Support the proposal	32	55%
Grand Total	58	100%

- 6.6 Analysis of the comments of those who indicated that they had concerns showed that eight of these were generally in support but had concerns about details, one did not support the proposal and two were unable to be categorised.
- 6.7 The analysis shows two distinct categories within the submissions of those who do not support the proposal.
  - 6.7.1 First, there are those who do not believe that Council should be involved in the provision of social housing. Comments indicate opposition to rates spending on social housing and indicate a preference for Government provision. Twelve submitters (21% of the total) fall into this category.



- 6.7.2 Second, there are those who support Council's involvement in social housing and want to see Council do more and deliver in different ways. Three of those who do not support the proposal fall into this account (5% of the total). Additionally, four of those who have concerns clearly fall into this category (the position of the remaining seven is unclear).
- 6.8 Submitters' arguments in support of the proposal include:
- 6.8.1 It will help meet the needs of older people, particularly as there is a decline in home ownership and aging population
- 6.8.2 Council has a responsibility to provide social housing
- 6.8.3 The loan should be interest free
- 6.8.4 This type of arrangement should be made available to other groups
- 6.9 Submitters' arguments against the proposal include:
- 6.9.1 Provision of social housing is the Government's responsibility / not council's responsibility
- 6.9.2 No rates funding should go to social housing / Council has too many other priorities
- 6.9.3 Commercial interest rates should apply
- 6.9.4 Council should be building itself / Council should be doing more to provide social housing
- 6.9.5 Rates should be used to fund the building of new social housing rather than this proposal
- 6.9.6 Council should prioritise spending on social housing over the stadium
- 6.9.7 Loans should not be used for renewals
- 6.10 Concerns raised include:
- 6.10.1 The location of the new builds
- 6.10.2 The risk of policy change relating to the IRRS
- 6.10.3 Checks and balances on the performance of the Trust
- 6.10.4 A desire for some new units to be targeted at youth accommodation
- 6.10.5 New builds should be of a high standard particularly around warmth, dryness and accessibility
- 6.10.6 Doubts that the proposal will be rates neutral

## 7. Submission Commentary

### Responsibility

- 7.1 Several submitters argued that the provision of social housing is the Government's responsibility / not Council's responsibility. These arguments include suggestions that Council should sell its existing portfolio and not be involved in the provision of social housing.
- 7.2 Others opposed the proposal arguing that provision of social housing is Council's responsibility and that it should do more in this space. These submitters preferred Council building new homes rather than the Trust.
- 7.3 While there is no legislative requirements for providing social housing, Council has made the decision in policy to be involved in the provision of social housing. Relevant policy documents include the Social Housing Strategy 2007 and the Housing Policy 2016.
- 7.4 Current policy regarding growth in its social housing stock is contained in the Social Housing Strategy 2007. Key requirements include:
- Council will maintain, upgrade and where appropriate increase its supply of social housing.

- Advocating to government, charitable trusts, non-profit organisations and private sector for the provision of social housing.
  - Enter into funding partnerships with other providers, including central government, NGOs, and the private sector, to maintain and where possible expand the supply of social housing.
  - The Council's social housing operation is rates neutral.
- 7.5 Taken together it is clear that Council's intent is to be involved in and grow social housing provision, on a rates neutral basis, and in partnership with other providers. This proposal is entirely consistent with Council's policy position.
- 7.6 Some submitters seem to want Council to change its policy settings. While the current decision is not the place to do this, if there was overwhelming concern Council might consider revisiting its policies. As there is not an over whelming concern, it is considered appropriate for Council to focus on the substantive decision only.

### Council delivery

- 7.7 Some of those who support Council providing social housing oppose the loan proposal because they believe Council should deliver new social housing itself. While Council could develop these units. There are four factors that may influence decision making on this:
- 7.7.1 **Council is ineligible for Government subsidies:** Government funding is important because social level rents do not cover the costs of developing, operating and replacing these units. The Government meets some of these costs through subsidies. These subsidies are not available to local government, however, they are available to community housing providers like the Trust. This proposal relies on, and can only go ahead, if the Trust secures long term contracts agreeing to subsidise the provision of social housing.
- 7.7.2 **It will cost Council more to develop than the Trust:** Council has a policy to offer rebates on social housing (<https://ccc.govt.nz/consents-and-licences/development-contributions/development-contributions-rebate-schemes/>). The Trust qualifies for this rebate, however, Council does not. For the new social houses we estimate that this could add over a \$1 million to the cost of development. Council could consider a departure from the development contributions policy and allowing a rebate application, however, this would be at odds with its rates neutrality policy for social housing.
- 7.7.3 **Cost overrun risk:** If Council developed then it would carry the cost overrun risk. This would need to be covered from the Housing Fund, delaying short term works and putting at risk medium to long term works. If the Trust develop, they carry this risk and Council is not exposed to additional costs.
- 7.7.4 **On time delivery risk:** The Trust's Government contract will includes on time delivery clauses. If Council was to develop, it is reasonably foreseeable that a prudent Trust would require similar (or tighter) clauses on Council, including penalties for late delivery (given that the Trust could be exposed to additional costs and could lose rental revenues).
- 7.8 Some submitters made reference to low interest Government loans as a potential means of financing new social housing. While this mechanism has been used in the past, it is not available today. The Government has also signalled, through its Public Housing Plan 2018-2022, that capital grants are also unlikely except in very limited circumstances and are not available to local government.

### Rates Funding

- 7.9 Submitters raised concerns about rates funding in two ways. First there were those who opposed rates funding being used for social housing generally and this proposal specifically.



Conversely there were those who felt that Council should fund the growth of social housing from rates.

- 7.10 Council current policy is for social housing operations to be rates neutral. This proposal is consistent with Council's policy with all costs associated with the loan to be repaid from by the Trust. Ultimately the revenue for paying back the loan comes from tenant's rents and Government subsidies.
- 7.11 Similar to the discussion on Council's roles, this decision is not the appropriate place to seek a change to Council's policy on rates neutrality.

### Interest Rates

- 7.12 Some submitters have argued that commercial interest rates should apply. Others argued that the loan should be interest free.
- 7.13 The proposal envisions the Trust paying back both principle and interest, and meeting any other Council costs associated with administering the loan. Repayment should be rates neutral, so that the ratepayer neither has to pay for nor is subsidised by social housing. To ensure compliance with Council's policy, the interest rates should be the same as the actual cost of borrowing (and not the average costs of capital across all Council's borrowings)

### Trust Performance and Role

- 7.14 Several submitters focused on aspects of the Trust's management of existing tenancies, including the model that sees the Trust leasing Council's portfolio for social housing purposes.
- 7.15 Some of these concerns relate to tenancy management rather than development and are not relevant to the decision. Notwithstanding this, the Trust already works with in an oversight framework that includes the Community Housing Regulatory Authority, Minister of Social Development, Tenancy Tribunal and Council (for lease compliance). Should there be major performance issues, then the oversight agencies are likely to take action. Council is unaware of any matters that require significant action.
- 7.16 Others concerns appear to be ideological, and better addressed through other mechanisms rather than this decision about the application of an existing financing mechanism.

### Other matters

- 7.17 A number of submissions focused on the form and location of, and target tenant group for, the new builds. These concerns will be forwarded to the Trust for consideration.
- 7.18 Others were concerned that the proposal relied on the current Government policy, which could change. To address this risk, Council would require the Trust to negotiate contracts so that if the government should change its policy within the term of the contract, then they would need to cover all of the Trust's obligations to financiers.
- 7.19 Raised by several submitters was that Council should prioritise expenditure on social housing rather than a stadium according to some submitters. It is not appropriate to compare these two objectives in this report, however, it should be noted that this proposal allows for the growth of social housing at the same time as Council is investing in other community infrastructure.
- 7.20 One submitter argued that the loan should not be used for renewals. The proposal is only to finance new builds. The Trust is planning to replace some existing units, but will do this through other financing mechanisms.
- 7.21 Some submitters felt that the proposal did not deliver the sufficient new social housing to meet current and emerging needs. Council acknowledges this and recognises that this proposal is only one step towards growing social housing. Other responses will also need to be developed over time. The current proposal is a policy compliant response by Council to an emerging

opportunity – it is not a comprehensive plan to grow social housing. In the absence of guaranteed funding sources, such a comprehensive plan is unlikely to succeed.

## 8. Discussion

- 8.1 Following consideration of the feedback, officers recommend that the proposal proceeds with no changes.
- 8.2 The consultation has not revealed any new information or a depth of feeling that justify changing the original recommendations in the 4 July 2018 report or the form of the proposal discussed earlier in the report.
- 8.3 The decisions in front of the committee relate to implementation of Council's previously resolved direction. The consultation has reinforced that there is a plurality of views about this direction. While there are different views on the direction, no compelling arguments have emerged to justify pausing implementation to allow a review of the previously resolved direction.
- 8.4 The feedback about the form, location and target tenant groups for the new builds will be sent to the Trust for their consideration. The Trust has already taken into account some of these matters, such as 6-star equivalent Homestar rating.
- 8.5 The proposal in front of the committee reflects an agile, policy compliant response by Council to an emerging opportunity. This agile approach reflects Council's wish to be responsive in an environment of funding uncertainty. Existing policy (ie Social Housing Strategy 2007, Housing Policy 2016) provides the strategic basis that underlies the proposal.

## 9. Option 1 – Approve a Financing Partnership (preferred)

### Option Description

- 9.1 This option involves Council borrowing up to \$30 million to finance the delivery of 130 new social housing units by the Trust.
- 9.2 All Council costs (principal, interest and other costs) will be repaid over a 25 year term by the Trust. The Trust will fund repayments through rent and government subsidies. The Government subsidies are dependent on the Trust successfully obtaining long term contracts for the supply of social housing places. Should the Trust not be successful in obtaining these long term contracts then Council should not proceed with this option as the rent alone will not generate sufficient revenue to cover costs.

### Significance

- 9.3 The level of significance of this option is low consistent with Section 2 of this report.
- 9.4 This report includes analysis of submissions received in a recent consultation process.
- 9.5 No further engagement is recommended on this matter.

### Impact on Mana Whenua

- 9.6 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

### Community Views and Preferences

- 9.7 There are a variety of community views on this proposal.
- 9.8 It is clear that there are individuals and groups within the community that support the proposal because they support the provision and growth of social housing. These views are evidenced by

submissions on the draft long term plan, the consultation process, general media comment and previous consultation processes. While those holding these views support the provision of new social housing, there are a variety of views on the funding and financing mechanisms. For instance, some support the proposed funding mechanism given that it is rates neutral. Others prefer alternative funding arrangements including possible ratepayer subsidy. Given Council's long standing policy of a rates neutral social housing service, these views should be noted.

- 9.9 There are those who oppose the proposal, primarily because they do not see a role for Council in the provision of social housing for philosophical reasons. Additionally, there is evidence that some individuals believe that social housing is funded from rates.
- 9.10 There will be a group of current or prospective tenants who will directly benefit from the replacement or new social houses. This group is likely to support the option, however it is not practicable or appropriate to consult with this group directly.
- 9.11 Other Community Housing Providers have an interest in the matter and particularly opportunities to access similar financing facilities. They are supportive of the financing facility.

#### **Alignment with Council Plans and Policies**

- 9.12 This option is consistent with Council's social housing and financial policies, including the Social Housing Strategy, and Revenue and Financing Policy.

#### **Financial Implications**

- 9.13 Cost of Implementation – There are no costs to the ratepayer for implementation of this proposal. The proposal would only proceed if all costs could be met by the Trust.
- 9.14 Maintenance / Ongoing Costs – The immediate ongoing costs are loan repayments. These will be offset by payments from the Trust, resulting in no net costs to Council.
- 9.15 If Council was to take over ownership of the units, there would be ongoing maintenance and renewal costs. These costs have been factored into the Trust's financial models over the 25 years required to repay the loans. After the 25 years there will be sufficient surplus to cover these costs. Council has not made any provision for them from year 25 on.
- 9.16 Funding source – Funding for repaying all costs will come from rents and Government subsidies. There may be a period during the development phase where there are interest costs as the new units are not generating income. The Trust will still need to meet these costs, but could do this within from revenues generated elsewhere within its portfolio. It currently generates a surplus so has the ability to do this.
- 9.17 The Trust has presented a financial feasibility model that shows that the development is feasible, with sufficient revenue generated to meet all costs, including financing costs. The model also tests the sensitivity of key assumptions and inputs, which shows that the model is feasible under most scenarios. The exceptions are unlikely to occur and can be addressed through the conditional approval stage and in the terms and conditions of the agreement.
- 9.18 The additional borrowing will impact the Council's net debt to revenue ratio by up to 4% if an additional \$30m is borrowed. This would increase the ratio in the LTP in all years. The ratio currently ranges from 206% to 221% peaking in 2025. This is outside Council's target of 180%. While it is outside the target level, the ratio is still sufficiently within Council's maximum of <250% net debt to revenue to allow adequate borrowing in the event of a further disaster.
- 9.19 Council has also had the feasibility model independently assessed (Attachment 3). Based on this independent assessment, Council can be comfortable with the mathematical reliability of the model.

#### **Legal Implications**

- 9.20 There is a legal context, issue or implication relevant to this decision

- 9.21 The legal consideration relates to the required loan documentation necessary to protect Council's interests. If Council supports the proposal and the Trust is successful in obtaining long term funding contracts, then Council will need to draw up appropriate loan documentation. Development of this documentation would be undertaken by Council's professional legal advisors and implemented under delegation.

### **Risks and Mitigations**

- 9.22 There is a risk that the Trust will not be able meet all Council's costs caused by:
- 9.22.1 the Trust's costs being greater than the expected;
  - 9.22.2 the Trust's revenue being less than they expected; or
  - 9.22.3 Council's costs being greater than expected.
- 9.23 This may result in Council needing to find funds to cover costs.
- 9.24 Residual risk rating: The residual rating of the risk after the below treatment(s) are implemented will be low and are considered tolerable.
- 9.25 Planned and current treatment(s) include:
- 9.25.1 Appropriate due diligence of the Trust's proposal including internal and external financial review;
  - 9.25.2A precondition that the Trust holds long term (i.e. at least the term of the loan) Government contracts for the supply of the new social housing places;
  - 9.25.3 Suitable commercial and legal documentation, and security; and
  - 9.25.4 Ongoing oversight at both construction and operational phases.

### **Implementation**

- 9.26 Implementation dependencies - The decision would only be implemented if the Trust was successful in obtaining long term Government contracts for the supply of new social housing places
- 9.27 Implementation timeframe – Specific timeframes are not known, as the Government is yet to make its decision about the long term contracts. The Trust is aiming to have the new builds completed by December 2020 so the loan would be drawn down in the 19/20 and 20/21 financial years.

### **Option Summary - Advantages and Disadvantages**

- 9.28 The advantages of this option include:
- 9.28.1 The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs.
  - 9.28.2 It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers.
  - 9.28.3 If the Trust secures a long term contract with the Government to fund IRRS places – and the report recommends that this is precondition to lending to the Trust – then the loan is backed with a very secure revenue stream.
  - 9.28.4 Compared with other options, this proposal increases the supply of social housing in Christchurch without putting Council's existing social housing portfolio at risk.
- 9.29 The disadvantages of this option include:
- 9.29.1 The approved financing facility will not be able to be used by other Community Housing Providers if it is allocated to the Trust. This disadvantage is considered tolerable given the opportunity that is currently available – potential contracts that guarantee revenue for 25

years. Additionally, Council could decide to retain the facility and to release spare capacity as the Trust repays capital.

## 10. Option 2 – Do not enter into a Financing Partnership

### Option Description

- 10.1 Council could decide not to lend to the Trust, and therefore other options will need to be explored to help Council meet its policy goal of growing social housing.

### Significance

- 10.2 If Council decided to take this option, the level of significance would be low. If it takes this option, there is effectively no change.
- 10.3 No engagement is required.

### Impact on Mana Whenua

- 10.4 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

### Community Views and Preferences

- 10.5 There are a variety of community views on this proposal.
- 10.6 For those who support growth in social houses, this option is likely to be of concern as it rejects a proposal that could have seen an increase in social housing numbers.
- 10.7 Those who oppose Council's involvement in the provision of social housing will be partly be satisfied with this option, as it does not increase Council's involvement. They are still likely to have concerns as Council's policy of increasing social housing numbers still remains in place.

### Alignment with Council Plans and Policies

- 10.8 This option is consistent with Council's Plans and Policies. While it rejects a specific action to implement the Social Housing Strategy 2007, it still allows for other actions to implement this policy to be explored.

### Financial Implications

- 10.9 Cost of Implementation – There are no additional costs to implement this option.
- 10.10 Maintenance / Ongoing Costs - There are no additional costs to implement this option.
- 10.11 Funding source – No additional funding is required. The LTP's debt to revenue ratio will improve by up to 4%.

### Legal Implications

- 10.12 The decision to adopt Option 2 has no specific legal implications.

### Risks and Mitigations

- 10.13 There is a risk that taking no action will result in the loss of a current (and potentially future) opportunities to obtain ongoing revenue to fund the provision of social housing.
- 10.14 Residual risk rating: The residual rating of the risk has not been assessed
- 10.15 Planned and/or current treatment(s) include an ongoing advocacy programme with the Government to continue to support the provision of social housing by community and other social housing providers.

### Implementation

- 10.16 Implementation dependencies - There are no implementation dependences for this option

10.17 Implementation timeframe – This option can be implemented immediately

#### Option Summary - Advantages and Disadvantages

10.18 The advantages of this option include:

10.18.1 There are no social housing related changes to Council's level of borrowings.

10.19 The disadvantages of this option include:

10.19.1 An opportunity to obtain Government support for new social housing in Christchurch is lost.

### Attachments

No.	Title	Page
A	Attachment 1 - July 2018 Report	
B	Attachment 2 - September 2018 Redacted submission - \$30m loan for social housing	
C	Attachment 3 - June 2018 OCHT Capitalisation Business Case	

### 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	Bruce Rendall - Head of Facilities, Property & Planning
Approved By	Carol Bellette - General Manager Finance and Commercial (CFO) Anne Columbus - General Manager Corporate Services

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## 16. Proposal to Assist the Development of New Social Housing

Reference: 18/488839

Presenter(s): Bruce Rendall, Head of Facilities

### Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.
Plain English Reason:	This report contains legal advice that should remain confidential until Council has had a chance to consider its position on the advice
Report can be released:	A decision by Council

## 1. Purpose and Origin of Report

### Purpose of Report

- 1.1 The purpose of this report is for the Social, Community Development and Housing Committee to consider and recommend to Council a proposal to utilise an existing financing facility to assist the development of new Social Housing in Christchurch. Other mechanisms for growing social housing will be presented for the Committee's consideration in the future.

### Origin of Report

- 1.2 At its meeting of 28 February 2018, the Social Community Development and Housing Committee requested further information on policy compliant financing tools that Council could use to assist community housing providers increase the stock of social housing.
- 1.3 This report identifies a possible policy compliant financing tool, a financing partnership with the Otautahi Community Housing Trust (the Trust), which will help provide 130 additional social housing units for 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.
- 2.2 The Council assess the importance of an issue, proposal or decision on the basis of its likely impact on the people expected to be most affected by or to have an interest in the matter, as well as the Council's capacity to perform its role, and the financial and other costs of doing so.
- 2.3 All of the following criteria were considered when determining the level of significance:
- 2.3.1 Number of people affected and/or with an interest;
  - 2.3.2 Level of impact on those people affected;
  - 2.3.3 Level of community interest already apparent for the issue, proposal or decision; or the potential to generate community interest;
  - 2.3.4 Level of impact on Māori, Māori culture and traditions;

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- 2.3.5 Possible environmental, social and cultural impacts;
- 2.3.6 Possible costs/risks to the Council, ratepayers and wider community of carrying out the decision;
- 2.3.7 Possible benefits/opportunities to the Council, ratepayers and wider community of carrying out the decision;
- 2.3.8 Level of impact on the capacity of the Council to carry out its role and functions;
- 2.3.9 Whether the impact of a decision can be easily reversed;
- 2.3.10 Whether the ownership or function of a strategic asset(s) is affected.
- 2.4 The primary reasons for the low assessment are:
  - 2.4.1 the low number of people affected by the proposal and the low level of impact. Ratepayers are not affected as no rates funding is required. Current tenants are not affected, as this proposal has no impact on existing rents. Future tenants are positively affected. There are known interest groups who support the provision of social housing, as evidenced by their advocacy to Council to find ways to build new social housing in the Long Term Plan 2018-2028 consultation process. This proposal will have a low positive impact on these groups, given that it will increase the number of social houses (albeit not to pre earthquake levels).
  - 2.4.2 the limited financial impact and low financial risk of the proposal. The proposed level of borrowing is not significant in the context of Council's overall operations. There is no rates expenditure required. Any financial risk can be mitigated by independent review of the project finances, oversight of project delivery and a condition that the proposal would only proceed if the Trust had long term contracts guaranteeing revenue.
  - 2.4.3 There is a wider community benefit from the OCHT proposal i.e. additional social housing but this does not lift the issue to a higher category of significance.
  - 2.4.4 While social housing is a strategic asset, the proposal will not lead to a change of ownership or control.
  - 2.4.5 In line with Council's policy, the recommended engagement approach is to inform the community about these decisions.

**3. Staff Recommendations**

That the Social, Community Development and Housing Committee noting that:

1. Council has a policy to grow social housing;
2. It is Council policy that rates are not to be used to fund the operation, maintenance and development of Council's social housing;
3. The proposal presented in this report will not require any rates funding;
4. In response to feedback received during the Long Term Plan consultation process, the Mayor has recommended that the Council supports the building of additional social housing in the city through the provision in the 2018-28 Long Term Plan of an up to \$30 million financing facility (repayable on a "rates neutral" basis) available to Community Housing Providers (or partnerships involving Community Housing Providers) from 2018/19.
5. Council subsequently resolved to make provision for a \$30 million financing facility (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city from 2018/2019 and requests staff to report back on the proposal for a decision and the options for utilising this facility.



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Recommends to Council that it resolves:

6. To approve a loan of up to \$30 million to the Otautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;
7. That as a precondition to advancing funds the Trust must hold a long term social housing supply agreement, acceptable to Council, that allows it to achieve sufficient guaranteed income to service the loans and repay all Council's costs without any ratepayer funding;
8. To delegate authority to approve the acceptability of the long term social housing supply agreement to the Council, and to negotiate the terms and conditions of, and enter into, the loan to the Chief Executive Officer; and
9. Subject to the adoption of recommendations 5 to 7, instruct officers to provide further advice on ownership models.
10. Subject to withholding the legal advice contained within it, to release this report once Council has made a decision on the matter.

#### 4. Key Points

- 4.1 This report supports the [Council's Long Term Plan \(2015 - 2025\)](#):
  - 4.1.1 Activity: Housing
    - Level of Service: 18.0.1 Provide a portfolio of Social Housing rental units that are fit for purpose
- 4.2 The following feasible options have been considered:
  - 4.2.1 Option 1 – A Financing Partnership with the Otautahi Community Housing Trust
  - 4.2.2 Option 2 – Do not enter into a Financing Partnership
  - 4.2.3 Option 3 – Consult on a Financing Partnership with the Otautahi Community Housing Trust
- 4.3 Option Summary - Advantages and Disadvantages (Preferred Option)
  - 4.3.1 The advantages of this option include:
    - The proposal allows for more disadvantaged residents to be housed, helping meet foreseeable community needs.
    - It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers.
    - If the Trust secures a long term contract with the Government to fund IRRS places – and the report recommends that this is precondition to lending to the Trust – then the loan is backed with a very secure revenue stream.
    - Compared with other options, this proposal increases the supply of social housing in Christchurch without putting Council's existing social housing portfolio at risk. Some of the other proposals include gifting social housing assets to the Trust or allowing the Trust to borrow against "loaned" assets. With these options there is a risk that equity could be lost for social housing purposes.
  - 4.3.2 The disadvantages of this option include:
    - The approved financing facility may not be able to be used by other Community Housing Providers if it is fully allocated to the Trust. This disadvantage is considered tolerable given

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the opportunity that is currently available – potential contracts that guarantee revenue for 25 years. Additionally, Council could decide to retain the facility and to release spare capacity as the Trust repays capital.

- A negative financial impact of the proposal is that the additional borrowing will impact the Council's net debt to revenue ratio by up to 4% if an additional \$30m is borrowed. Council's recent LTP decision has factored this increase into the LTP financial model.

## 5. Context/Background

### Background

- 5.1 Council has been providing affordable accommodation to low-income residents of Christchurch for almost 80 years, being a pioneer of social housing in New Zealand. The first units were built in 1938 – 16 pensioner units in Sydenham. Today it owns 2,478 units, located across the city and on Banks Peninsula.
- 5.2 While there is no legislative requirement to provide social housing, Council's role in provision is justified as it enables community outcomes, is consistent with its strategic directions, and is supported by appropriate policy validation.
- 5.3 As a result of earthquakes in 2010 and 2011, Council lost some social housing, resulting in a current net position of 366 units (including some still to be demolished) fewer than before the earthquake. Council's insurance payout was insufficient to fund the repair and replacement of all units. In line with Council's current policy settings, priority has been given to repairing damaged rather than replacing destroyed units.
- 5.4 Current policy regarding growth in its social housing stock is contained in the Social Housing Strategy 2007. Selected requirements are:
  - 5.4.1 Council will maintain, upgrade and where appropriate increase its supply of social housing.
  - 5.4.2 Advocating to government, charitable trusts, non-profit organisations and private sector for the provision of social housing.
  - 5.4.3 The Council's social housing operation is rates neutral.
  - 5.4.4 Council will "enter into funding partnerships with other providers."
- 5.5 Under these policies, current rents, and current and predicted spending, Council is effectively restricted to maintaining its existing social housing. The reason for this is, in simple terms, the rent received from tenants is not sufficient to both cover operating and capital (including new and replacement supply) costs. It can also work with other to build new social housing.

### Demand for New Social Housing

- 5.6 Council wants new social housing to be built within Christchurch, to meet both current and anticipated needs.
- 5.7 Some of the needs can be met by the Government, through Housing New Zealand (HNZ). HNZ's website indicates that they plan to build 100 to 150 new social houses annually in Christchurch. It is unclear from the website the mix between replacing existing capacity and growth.
- 5.8 While no targets have been set, the previous report dated 28th February 2018 suggests that Council could aim to facilitate the building of 50 new units per year over the next ten years. This would maintain the approximate ratio of HNZ to non-HNZ social houses in Christchurch.

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- 5.9 The Ministry of Social Development contains a register of those waiting for social housing. According to this register, there are 552 people on the register in Christchurch City as at March 2018, an increase of 120 people from March 2017.

**The Trust's Financing Context**

- 5.10 Council established the Trust in 2016 to manage its social housing tenancies. The Council still owns its social housing buildings and land but leases these assets to the Trust. The Trust is responsible for tenancy management, rent-setting and the day-to-day maintenance of units (from 1 July 2017), while major repairs and renewals remain the Council's domain. Over time Council's expectations are that the Trust will also develop its own social housing for Christchurch.
- 5.11 The Christchurch Housing Accord is a 2014 agreement between the Council and the Government to work together to address housing supply and affordability issues in Christchurch. One of the Accord's aims is to support social housing in Christchurch through increasing the quantity of social housing units available. An action to implement this aim was to "establish a housing entity or entities capable of meeting the requirements of being registered as a Community Housing provider, to redevelop Council owned social housing assets and to develop social and/or affordable housing to better meet the needs of the city." Council agreed to progressively capitalise the entity, or entities with an injection of \$50 million of land and other assets.
- 5.12 At its meeting of 8 September 2016 Council considered the process for transferring \$50 million of Housing Fund Assets to capitalise the Trust. Key points from the 8 September 2016 report (and earlier Council decisions) include:
- 5.12.1 Council resolved to capitalise the Trust through the progressive transfer of up to \$50 million of social housing assets;
- 5.12.2 The \$50 million is structured as a loan of \$45 million and a gift of \$5 million;
- 5.12.3 The capitalisation loan is made up of social housing assets (land and buildings);
- 5.12.4 The principal reason for structuring the capital in this way was to protect the community's interest in Council's social housing asset in the event that the Trust was wound up, or the Trust losing its Community Housing Provider status, or the lease to it of the Council's social housing assets being cancelled.
- 5.13 Council had previously made the decision that it wished to protect the community's interest in the social housing asset. On the 25 September 2014 Council resolved that "Any agreement will be structured such that in the event of winding up, or withdrawing from the entity that Council assets are returned to the Council's social housing portfolio." At its meeting of 9 July 2015 Council resolved that one of its objectives in relation to the "entity's [i.e. the Trust's] use of any transferred assets" was to "Protect Christchurch City Council equity/assets".
- 5.14 Council has proposed a general security agreement (GSA) that allows it to recover \$45 million value from the Trust in the following circumstances:
- 5.14.1 The insolvency or the wind of the Trust;
- 5.14.2 The loss of the Trust's registered community housing provider status;
- 5.14.3 The loss of the Trust's charitable status; and
- 5.14.4 The termination of the lease of the Council's housing stock to the Trust.
- 5.15 To meet its resolved position, Council has claimed first priority on the Trust's assets through the proposed GSA. It is anticipated, based on standard commercial practice, that potential financiers of the Trust will require security such as mortgages or first priority GSA as well.
- 5.16 These matters are being explored and will be put to Council in a future report.

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- 5.17 The relevant impact of these requirements is that they restrict the Trust's ability to borrow and finance the construction of new houses at scale in the immediate future. Even with sufficient income to cover costs, the restrictions on the use of the loaned assets mean that the Trust may find it difficult to borrow for developing at its preferred scale.

## 6. Financing Partnership

### Introduction

- 6.1 The Otautahi Community Housing Trust is currently investigating opportunities to supply 130 new social housing units.
- 6.2 Should these investigations be successful, the Trust would have access to revenue streams sufficient to meet the costs of meeting all financing costs, and operating and maintaining these units for 25 years.
- 6.3 As a new organisation, with limited balance sheet, the Trust is not in position to borrow sufficient money to meet the upfront costs of development.
- 6.4 Council is in position to borrow to meet the upfront costs, however, legislation prevents it accessing the same revenue streams that the Trust can. In the absence of other revenue streams, and without increasing rents significantly, Council is not in a position to sustainably fund the operation, maintenance and growth of its social housing portfolio.
- 6.5 Working in partnership, both parties could borrow to fund the development and generate sufficient revenue to meet all development and ongoing costs, while still being consistent with legislation and Council's "rates neutral" policy.

### Proposal

- 6.6 This proposal would involve Council borrowing up to \$30 million for 25 years to help meet the upfront development costs for 130 new social housing units. The development proposal would also involve the replacement of 50 existing "old and cold" units. The Trust would be responsible for financing this part of the development. Overall this proposal would result in 180 modern units.
- 6.7 The Trust would pay back the principal, interest and any administrative costs from the revenue generated from the units, including any Government income rent related subsidies. Modelling shows that revenue is sufficient to meet all costs over a 25 year term.
- 6.8 The proposal would be rates neutral, as all revenue required to meet Council's borrowing and administrative costs would be sourced from the Trust.
- 6.9 Council's borrowings will effectively be secured against the revenue from the Trust, which, subject to the recommended conditions and the Trust's negotiations, is guaranteed by a 25-year Government contract and rent revenue.
- 6.10 The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs. It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers. If the Trust secures a long term (25 year) contract with the Government to fund IRRS places – and the report recommends that this is precondition to lending to the Trust – then the loan is backed with a very secure revenue stream.
- 6.11 Compared with other options, this proposal increases the supply of social housing in Christchurch without putting Council's existing social housing portfolio at risk. Some of the other proposals include gifting social housing assets to the Trust or allowing the Trust to borrow against "loaned" assets. With these options there is a risk that equity could be lost for social housing purposes.

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- 6.12 For the sake of completeness, a negative financial impact of Council's prior decision to include the facility in the long term plan is that the additional borrowing will impact the Council's net debt to revenue ratio by up to 4% if an additional \$30m is borrowed. This would increase the ratio in the LTP in all years, with the peak year (2024) increasing from 206% to 221%. This is outside Council's target of 180%. While it is outside the target level, the ratio is still sufficiently within Council's maximum of <250% net debt to revenue to allow adequate borrowing in the event of a further disaster.
- 6.13 A further consideration is that the Council is aware that Central Government has a focus on housing including public (i.e. social) housing. It is likely that Government policy will change. Based on previous public statements, policy changes may create a new source of financing for either the Trust directly or in partnership with Council. While a new source of financing presents a possible future opportunity, there is no certainty or detail yet. If Council wishes to grow social housing in the short term, it is advisable to proceed with this proposal. If any future Government financing (e.g. bond) arrangements allowed for better outcomes, Council could choose to refinance once details were known.
- 6.14 There is also the possibility that the Government could consider changes to the eligibility rules for the income related rent subsidy (IRRS). At present Councils are not eligible to receive this source of funding. A change to these rules could provide opportunities to grow social housing in different way. With no certainty, an existing desire to grow social housing, and a public interest in increasing the number of units, it is advisable to consider the current proposal rather than wait to see what might emerge from the Government.
- 6.15 Some may be concerned that there is potential for the Government to change policy and not pay the IRRS. The mitigation to this concern lies in the initial contract to supply new places.
- 6.16 Questions of ownership are not central to the decision before the Committee, and can be determined at a later date. External advice will be required, and it is more efficient use of resources to do this after Council's position on the proposal is understood.
- 6.17 Additionally, Council's approach to growing social housing in recent times has been to work with partners. Taking this approach, the final ownership of the units is of less importance than actually growing numbers. Under the current proposal, ownership of the units could sit with the Trust, Council or jointly (Notwithstanding this the Trust has indicated that they would be comfortable for Council to own the units). Some of the considerations about ownership are:
- 6.17.1 Responsibility for future maintenance costs and end of life replacements;
  - 6.17.2 Allocation of financial risks;
  - 6.17.3 Future institutional arrangements should Government policy change;
  - 6.17.4 Tenure arrangements; and
  - 6.17.5 Future decision making arrangements.

**Discussion**

- 6.18 This proposal allows Council to facilitate the delivery of social wellbeing outcomes at no cost and little residual risk to Council.
- 6.19 Mitigation measures are presented in Clauses 6.20 to 6.25. The risks that these mitigation measures address are:
- 6.19.1 The Trust has no track record in development, which may impact on the total cost of and financial feasibility of the development;



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- 6.19.2 The Trust could lose its Government contracts through not meeting performance criteria, reducing revenue streams and affecting its ability to pay back the loans.
- 6.20 To date the Trust has focused on its role as landlord. Initially this involved tenancy management services only, with the Trust taking over minor maintenance services on the 1 July 2017. To date the Trust has not completed any developments. This lack of development track record presents a risk to Council.
- 6.21 The Trust already has a number of mechanisms to mitigate this risk including experienced personnel assisting governance, experienced property development staff and the use of qualified teams of consultants.
- 6.22 Officers believe this risk can be further mitigated through conditions and monitoring.
- 6.23 Possible conditions relate to:
- 6.23.1 the Trust successfully concluding negotiation with the Crown for a long-term social housing supply agreement that it allows it to achieve sufficient guaranteed income to service the loans;
- 6.23.2 The Council loan to be used for social housing only;
- 6.23.3 The principal, interest and administration costs to be repaid in 25 years or less;
- 6.23.4 A target maximum average cost per dwelling (i.e. 'value for money' spent),
- 6.23.5 The transaction is to be structured so that there is no cost to the ratepayer (i.e. it is rates neutral); and
- 6.23.6 Appropriate legal documentation is put in place to manage the loan to the Trust.
- 6.24 Monitoring would involve:
- 6.24.1 project management measures such as achievement of key consents, and on time and on budget delivery;
- 6.24.2 achievement of benefit measures such as valuation on completion versus costs' and
- 6.24.3 clear, accurate, and timely reporting is received.
- 6.25 With the aim of receiving early warning of any increased risk, Council may also consider reviewing key project documentation such as business cases, any other loan documentation, construction contracts, and project status reports.
- 6.26 Ongoing contract performance can also be monitored, albeit within the restrictions of a loan agreement. Specific performance measures can be developed once the details of the funding contract are known.
- 6.27 With the described controls in place, and recognising the likely benefits of the proposal, officers believe that Council can tolerate the identified risks.
- 6.28 The issue of procurement processes has been considered through the preparation of this report. Traditional procurement process do not apply in this case as Council is not procuring a good or a service. The proposed financing facility is similar to a loan under Council's Community Organisation Loan Scheme. Under that scheme, groups can apply to Council for a loan to help them develop new or improve existing facilities where these facilities provide social and other opportunities to the community generally of specific communities of interest. Groups wishing to access this scheme apply for financing on a case by case basis and are assessed on their merits. There is no formal procurement process associated with this scheme.
- 6.29 The current proposal in front of the committee reflects an agile, policy compliant response by Council to an emerging opportunity. Council could decide to further develop the response used

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for this opportunity to create an ongoing scheme to assist other providers expand the supply of social housing. The agile approach reflects Council's wish to be responsive, while further development of the scheme shows that it is proactive. Both of the approaches are supported by existing policy (ie Social Housing Strategy 2007, Housing Policy 2016).

11. In parallel to the growing social housing work stream, submitters to the Long Term Plan 2018-28 (LTP) expressed concerns about the loss of social housing in the 2010-11 Canterbury Earthquake sequence an interest. They also expressed a desire to increase the supply of social housing. Council has resolved, in response to these concerns, to make provision for a \$30 million financing facility (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city from 2018/2019 and requests staff to report back on the proposal for a decision and the options for utilising this facility.

6.30 The Trust's proposal allows for 130 new units in two to three years. This represents progress towards meeting Council's desire to increase the numbers of social housing units, however, other mechanisms will be needed to meet the suggested level of increase (500 units over ten years). Officers are exploring other mechanisms and these will be progressively reported to Council as they are further developed.

## 7. Option 1 – Approve a Financing Partnership (preferred)

### Option Description

- 7.1 This option involves Council borrowing up to \$30 million to finance the delivery of 130 new social housing units by the Trust.
- 7.2 All Council costs (principal, interest and other costs) will be repaid over a 25 year term by the Trust. The Trust will fund repayments through rent and government subsidies. The Government subsidies are dependent on the Trust successfully obtaining long term contracts for the supply of social housing places. Should the Trust not be successful in obtaining these long term contracts then Council should not proceed with this option as the rent alone will not generate sufficient revenue to cover costs.

### Significance

- 7.3 The level of significance of this option is low consistent with Section 2 of this report.
- 7.4 In line with Council's Engagement and Significance policy, it is recommended that the community is informed of Council's decision.
- 7.5 Council has recently received community submissions, through the LTP process, both supporting the growth of social housing (the majority) and opposing Council's involvement in the provision of social housing (a minority). These submissions provide information about the community's views and positions on the growth of social housing.
- 7.6 Given the value of the proposed financing partnership, consideration has been given to whether a higher level of engagement is justified. Following this assessment, a higher level of engagement is not considered necessary as:
  - 7.6.1 the level of additional borrowing is not material within Council's overall debt portfolio;
- 7.7 Council does not normally consult on individual borrowing proposals. It consults on total debt level and prudent financial benchmarks. If Council was to accept this proposal it would increase the ratio in the LTP in all years, with the peak year (2024) increasing from 206% to 221%, 4% of which is as a result of this proposal. This is outside Council's target of 180%. While it is outside the target level, the ratio is still sufficiently within Council's maximum of <250% net debt to revenue to allow adequate borrowing in the event of a further disaster.

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**Impact on Mana Whenua**

- 7.8 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

**Community Views and Preferences**

- 7.9 There is likely to be a variety of community views on this proposal.
- 7.10 It is clear that there are individuals and groups within the community that will support the proposal because they support the provision and growth of social housing. These views are evidenced by submissions on the draft long term plan as well as through more general media comment and previous consultation processes. While those holding these views are likely to support the provision of new social housing, there are likely to be a variety of views on the funding and financing mechanisms. For instance, some will support the proposed funding mechanism given that it is rates neutral. Others, again as evidenced by long term plan submissions, may prefer alternative funding arrangements including possible ratepayer subsidy. Given Council's long standing policy of a rates neutral social housing service, these views should be noted.
- 7.11 The submissions to the Long Term Plan also show there are those who will oppose the proposal, primarily because they do not see a role for Council in the provision of social housing for philosophical reasons. Additionally, there is evidence that some individuals believe that social housing is funded from rates.
- 7.12 There will be a group of current or prospective tenants who will directly benefit from the replacement or new social houses. This group is likely to support the option.
- 7.13 Other Community Housing Providers will have an interest in the matter and particularly opportunities to access similar financing facilities. They may be supportive of the financing facility but have concerns about it initially being made available to the Trust. While the financing facility might initially be fully used responding to the current opportunity, this does not preclude any discussions with other providers over time and particularly as capital is repaid.

**Alignment with Council Plans and Policies**

- 7.14 This option is consistent with Council's social housing and financial policies, including the Social Housing Strategy, and Revenue and Financing Policy.

**Financial Implications**

- 7.15 Cost of Implementation – There are no costs to the ratepayer for implementation of this proposal. The proposal would only proceed if all costs could be met by the Trust.
- 7.16 Maintenance / Ongoing Costs – The immediate ongoing costs are loan repayments. These will be offset by payments from the Trust, resulting in no net costs to Council.
- 7.17 If Council was to take over ownership of the units, there would be ongoing maintenance and renewal costs. These costs have been factored into the Trust's financial models over the 25 years required to repay the loans. After the 25 years there will be sufficient surplus to cover these costs.
- 7.18 Funding source – Funding for repaying all costs will come from rents and Government subsidies. There may be a period during the development phase where there are interest costs as the new units are not generating income. The Trust will still need to meet these costs, but could do this within from revenues generated elsewhere within its portfolio.
- 7.19 The Trust has presented a financial feasibility model that shows that the development is feasible, with sufficient revenue generated to meet all costs, including financing costs. The



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model also tests the sensitivity of key assumptions and inputs, which shows that the model is feasible under most scenarios. The exceptions are unlikely to occur and can be addressed through the conditional approval stage and in the terms and conditions of the agreement.

- 7.20 Council's asset management and housing staff have reviewed the relevant asset and service delivery inputs in the Trust's feasibility assessment. The assumptions in these inputs are considered acceptable and either within Council guidance or supported by evidence (e.g. independent valuation assessment for rents; a contract requirement for occupancy rates).

- 7.21 Council has also had the feasibility model independently assessed. This independent assessment indicates that Council can be comfortable with the mathematical reliability of the model.

**Legal Implications**

- 7.22 There is a legal context, issue or implication relevant to this decision

- 7.23 This report has been reviewed and approved (subject to the comments below) by the Legal Services Unit.

- 7.24 The Legal Services Unit: *considers that there is a legal risk of judicial review associated with option 1. The risk relates to the degree to which the Council has taken into account the views and preferences of interested and affected persons and the reliance on the submissions on the draft Long Term Plan. The draft Long Term Plan and the Consultation Document do not identify the Council's desire to facilitate the growth of the social housing portfolio in this ten year cycle. The Long Term Plan is largely silent on the matter. While some submitters on the draft Long Term Plan made it clear that they support the provision and growth of social housing, the public was not asked what they think of this proposal of growing the social housing stock in the next 3 years or the Council facilitating such growth through a financing facility. If the Council had specifically referred to this in draft Long Term Plan, the Council may have received a greater range of views and preferences on the matter. On this basis, the Legal Services Unit considers that an "inform the community" engagement approach creates a legal risk for the Council such that the Council has not complied with its decision-making obligations in the Local Government Act 2002 to an adequate extent. This risk could be mitigated by undertaking a consultation process and subsequently amending the Long Term Plan in 2019. This option is further canvassed in option 3 of this report.*

- 7.25 The Legal Services Unit's views have been considered by the author. While in general consultation is supported, in this case additional consultation is not considered for the reason already stated in this report, and in particular the high level of knowledge that Council has about the views and preferences of the community from submissions to the LTP.

- 7.26 Additionally, given the Council has only recently consulted on its LTP, there may be community concern about consultation that will lead to an amendment of the LTP. Delaying consultation to the next Annual Plan is not considered sensible as it would potentially put the Trust's funding at risk and would delay realising the benefits of new social housing.

- 7.27 In making its decision on this proposal the Council will have to make a decision about whether or not it has sufficient information to allow it to "give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter" (Clause 78 (1), Local Government Act 2002).

- 7.28 A further legal consideration relates to the required loan documentation necessary to protect Council's interests. If Council supports the proposal and the Trust is successful in obtaining long term funding contracts, then Council will need to draw up appropriate loan documentation. Development of this documentation would be undertaken by Council's professional legal advisors and implemented under delegation.

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**Risks and Mitigations**

- 7.29 There is a risk that the Trust will not be able meet all Council's costs caused by:
- 7.29.1 the Trust's costs being greater than the expected;
  - 7.29.2 the Trust's revenue being less than they expected; or
  - 7.29.3 Council's costs being greater than expected.
- 7.30 This may result in Council needing to find funds to cover costs.
- 7.31 Residual risk rating: The residual rating of the risk after the below treatment(s) are implemented will be low and are considered tolerable.
- 7.32 Planned and current treatment(s) include:
- 7.32.1 Appropriate due diligence of the Trust's proposal including internal and external financial review;
  - 7.32.2 A precondition that the Trust holds long term (i.e. at least the term of the loan) Government contracts for the supply of the new social housing places;
  - 7.32.3 Suitable commercial and legal documentation, and security; and
  - 7.32.4 Ongoing oversight at both construction and operational phases.

**Implementation**

- 7.33 Implementation dependencies - The decision would only be implemented if the Trust was successful in obtaining long term Government contracts for the supply of new social housing places
- 7.34 Implementation timeframe – Specific timeframes are not known, as the Government is yet to make its decision about the long term contracts. The Trust is aiming to have the new builds completed by December 2020 so the loan would be drawn down in 19/20 and 20/21 financial years.

**Option Summary - Advantages and Disadvantages**

- 7.35 The advantages of this option include:
- 7.35.1 The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs.
  - 7.35.2 It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers.
  - 7.35.3 If the Trust secures a long term contract with the Government to fund IRRS places – and the report recommends that this is precondition to lending to the Trust – then the loan is backed with a very secure revenue stream.
  - 7.35.4 Compared with other options, this proposal increases the supply of social housing in Christchurch without putting Council's existing social housing portfolio at risk.
- 7.36 The disadvantages of this option include:
- 7.36.1 The approved financing facility will not be able to be used by other Community Housing Providers if it is allocated to the Trust. This disadvantage is considered tolerable given the opportunity that is currently available – potential contracts that guarantee revenue for 25 years. Additionally, Council could decide to retain the facility and to release spare capacity as the Trust repays capital.

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## 8. Option 2 – Do not enter into a Financing Partnership

### Option Description

- 8.1 Council could decide not to lend to the Trust, and therefore other options will need to be explored to help Council meet its policy goal of growing social housing.

### Significance

- 8.2 If Council decided to take this option, the level of significance would be low. If it takes this option, there is effectively no change.
- 8.3 No engagement is required.

### Impact on Mana Whenua

- 8.4 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

### Community Views and Preferences

- 8.5 There is likely to be a variety of community views on this proposal.
- 8.6 For those who support growth in social houses, this option is likely to be of concern as it rejects a proposal that could have seen an increase in social housing numbers.
- 8.7 Those who oppose Council's involvement in the provision of social housing will be partly be satisfied with this option, as it does not increase Council's involvement. They are still likely to have concerns as Council's policy of increasing social housing numbers still remains in place.

### Alignment with Council Plans and Policies

- 8.8 This option is consistent with Council's Plans and Policies. While it rejects a specific action to implement the Social Housing Strategy 2007, it still allows for other actions to implement this policy to be explored.

### Financial Implications

- 8.9 Cost of Implementation – There are no additional costs to implement this option.
- 8.10 Maintenance / Ongoing Costs - There are no additional costs to implement this option.
- 8.11 Funding source – No additional funding is required. The LTP's debt to revenue ratio will improve by up to 4%.

### Legal Implications

- 8.12 The decision to adopt Option 2 has no specific legal implications.

### Risks and Mitigations

- 8.13 There is a risk that taking no action will result in the loss of a current (and potentially future) opportunities to obtain ongoing revenue to fund the provision of social housing.
- 8.14 Residual risk rating: The residual rating of the risk has not been assessed
- 8.15 Planned and/or current treatment(s) include an ongoing advocacy programme with the Government to continue to support the provision of social housing by community and other social housing providers.

### Implementation

- 8.16 Implementation dependencies - There are no implementation dependences for this option

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- 8.17 Implementation timeframe – This option can be implemented immediately

**Option Summary - Advantages and Disadvantages**

- 8.18 The advantages of this option include:

8.18.1 There are no social housing related changes to Council's level of borrowings.

- 8.19 The disadvantages of this option include:

8.19.1 An opportunity to obtain Government support for new social housing in Christchurch is lost.

**9. Option 3 – Consult on a proposal to enter into Financing Partnership with the Trust**

**Option Description**

- 9.1 This option involves Council consulting on the proposal. The proposal being for Council to borrow up to \$30 million to finance the delivery of 130 new (and 50 replacement) social housing units by the Trust.
- 9.2 All Council costs (principal, interest and other costs) will be repaid over a 25 year term by the Trust. The Trust will fund repayments through rent and government subsidies. The Government subsidies are dependent on the Trust successfully obtaining long term contracts for the supply of social housing places. Should the Trust not be successful in obtaining these long term contracts then Council should not proceed with this option as the rent alone will not generate sufficient revenue to cover costs.

**Significance**

- 9.3 The level of significance of this option is low consistent with Section 2 of this report.
- 9.4 Given the value of the proposed financing partnership, consideration has been given to whether a higher level of engagement is justified. If the Committee believes that the proposal is worthwhile, but that it lacks sufficient information to understand the views and preferences of the community, then it should choose this option.

**Impact on Mana Whenua**

- 9.5 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

**Community Views and Preferences**

- 9.6 There is likely to be a variety of community views on this proposal.
- 9.7 It is clear that there are individuals and groups within the community that will support the proposal because they support the provision and growth of social housing. These views are evidenced by submissions on the draft long term plan as well as through more general media comment and previous consultation processes. While those holding these views are likely to support the provision of new social housing, there are likely to be a variety of views on the funding and financing mechanisms. For instance, some will support the proposed funding mechanism given that it rates neutral. Others, again as evidenced by long term plan submissions, may prefer alternative funding arrangements including possible ratepayer subsidy. Given Council's long standing policy of a rates neutral social housing service, these views should be noted.
- 9.8 The submissions to the Long Term Plan also show there are those who will oppose the proposal, primarily because they do not see a role for Council in the provision of social housing for

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philosophical reasons. Additionally, there is evidence that some individuals believe that social housing is funded from rates.

- 9.9 There will be a group of current or prospective tenants who will directly benefit from the replacement or new social houses. This group is likely to support the option.

**Alignment with Council Plans and Policies**

- 9.10 This option is consistent with Council's social housing and financial policies, including the Social Housing Strategy, and Revenue and Financing Policy.

**Financial Implications**

- 9.11 Cost of Implementation – There are no costs to the ratepayer for implementation of this proposal. The proposal would only proceed if all costs could be met by the Trust. There will be costs associated with the consultation, however, these can be absorbed within operational budgets.
- 9.12 Maintenance / Ongoing Costs – The immediate ongoing costs are loan repayments. These will be offset by payments from the Trust, resulting in no net costs to Council.
- 9.13 If Council was to take over ownership of the units, there would be ongoing maintenance and renewal costs. These costs have been factored into the Trust's financial models over the 25 years required to repay the loans. After the 25 years there will be sufficient surplus to cover these costs.
- 9.14 Funding source – Funding for repaying all costs will come from rents and Government subsidies. There may be a period during the development phase where there are interest costs but the new units are not generating income. The Trust will still need to meet these costs, but could do this within from revenues generated elsewhere within its portfolio.
- 9.15 The Trust has presented a financial feasibility model that shows that the development is feasible, with sufficient revenue generated to meet all costs, including financing costs. The model also tests the sensitivity of key assumptions and inputs, which shows that the model is feasible under most scenarios. The relevant exceptions are if base market rents at the time of the contract fall below \$270 per week and the total turn out construction costs rise above \$4,100/m<sup>2</sup> (incl GST). Council should not proceed with the financing facility if the rent levels fall below \$270 per week. Based on Council's recent new builds, total turn out construction costs at this high level are considered unlikely. If construction costs exceed \$3,900/m<sup>2</sup> incl GST, Council and the Trust should discuss repayment arrangements.
- 9.16 Council's asset management and housing staff have reviewed the relevant asset and service delivery inputs in the Trust's feasibility assessment. The assumptions in these inputs are considered acceptable and either within Council guidance or supported by evidence (independent valuation assessment for rents; a contract requirement for occupancy rates).
- 9.17 Council has also had the feasibility model independently assessed. This independent assessment indicates that Council can be comfortable with the mathematical reliability of the model.

**Legal Implications**

- 9.18 There is a legal context, issue or implication relevant to this decision
- 9.19 This report has been reviewed and approved (subject to the comments below) by the Legal Services Unit.
- 9.20 The Legal Services Unit: *considers that there is a legal risk of judicial review associated with option 1. The risk relates to the degree to which the Council has taken into account the views and preferences of interested and affected persons and the reliance on the submissions on the*

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*draft Long Term Plan. The draft Long Term Plan and the Consultation Document do not identify the Council's desire to facilitate the growth of the social housing portfolio in this ten year cycle. The Long Term Plan is largely silent on the matter. While some submitters on the draft Long Term Plan made it clear that they support the provision and growth of social housing, the public was not asked what they think of this proposal of growing the social housing stock in the next 3 years or the Council facilitating such growth through a financing facility. If the Council had specifically referred to this in draft Long Term Plan, the Council may have received a greater range of views and preferences on the matter. On this basis, the Legal Services Unit considers that an "inform the community" engagement approach creates a legal risk for the Council such that the Council has not complied with its decision-making obligations in the Local Government Act 2002 to an adequate extent. This risk could be mitigated by undertaking a consultation process and subsequently amending the Long Term Plan in 2019.*

- 9.21 If Councillors do not believe they have sufficient information to take into account the views and preferences of interested and affected persons, then they should consult.
- 9.22 Given that Council has already decided to allow for the financing facility to be included in the LTP, any consultation would be limited to how the facility would be used. Consultation would be open for a period of two to four weeks, and involve both "broad", such as inclusion on Council website, and "narrow" cast mechanisms, such as letter targeted to social housing stakeholders.
- 9.23 A further legal consideration relates to the required loan documentation necessary to protect Council's interests. If Council supports the proposal and the Trust is successful in obtaining long term funding contractors, then Council will need to draw up appropriate loan documentation. Development of this documentation would be undertaken by Council's professional legal advisors and implemented under delegation.

**Risks and Mitigations**

- 9.24 There is a risk that the Trust will not be able meet all Council's costs caused by:
  - 9.24.1 the Trust's costs being greater than the expected;
  - 9.24.2 the Trust's revenue being less than they expected; or
  - 9.24.3 Council's costs being greater than expected.
- 9.25 This may result in Council needing to find funds to cover costs.
- 9.26 Residual risk rating: The residual rating of the risk after the below treatment(s) are implemented will be low.
- 9.27 Planned and current treatment(s) include:
  - 9.27.1 Appropriate due diligence of the Trust's proposal including internal and external financial review;
  - 9.27.2 A precondition that the Trust holds long term (i.e. at least the term of the loan) Government contracts for the supply of the new social housing places;
  - 9.27.3 Suitable commercial and legal documentation, and security; and
  - 9.27.4 Ongoing oversight at both construction and operational phases.

**Implementation**

- 9.28 Implementation dependencies - Consultation could occur immediately, but would depend on the Trust's agreement given that they are a stakeholder in the matter.

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- 9.29 If, after consultation, Council support the proposal, then Council's decision would only be implemented if the Trust was successful in obtaining long term Government contracts for the supply of new social housing places
- 9.30 Implementation timeframe – The consultation process, including preparation of the documents, consultation, hearings (if necessary) and a final decision, would take three to four months.
- 9.31 In terms of the proposal itself, specific timeframes are not known, as the Government is yet to make its decision about the long term contracts. The Trust is aiming to have the new builds completed by December 2020 so the loan would be drawn down in 19/20 and 20/21 financial years.

**Option Summary - Advantages and Disadvantages**

- 9.32 The advantages of this option include:
- 9.32.1 Community views and preferences about the proposal are obtained.
- 9.33 The disadvantages of this option include:
- 9.33.1 An opportunity to grow social housing is delayed.
- 9.33.2 The Trust has no short term certainty about financing options for growing social housing.

**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**

<b>Author</b>	Bruce Rendall - Head of Facilities, Property & Planning
<b>Approved By</b>	Anne Columbus - General Manager Corporate Services



SUBMISSIONS ON PROPOSAL TO GROW SOCIAL HOUSING THROUGH A \$30 MILLION LOAN

Submission No	First name	Last name	Name of organisation	I / We	Comments
18921	Ella	Allan	Working for Elderly	do not support the proposal	<p>1. This document is the submission of our group which is a South Island network of people in rental accommodation, their friends and family, and others, all interested and concerned about the situation for elderly tenants in today's political and economic environment of New Zealand.</p> <p>Our membership began in Christchurch in 2014 amongst elderly folk in Christchurch City Council rental accommodation who were struggling because their concerns were not being heard, or attended to, by their landlord. With the previous governments housing reforms, and the consequential deterioration of the situation for elderly tenants, networking took place, locally, regionally and then South Island wide. This has allowed a sharing of experiences, support, and engagement with other Councils, their leaders, managers and tenants. We are engaged with landlords and elderly tenants in private rentals and Housing New Zealand. We are also linked in with reputable institutions that do care about elderly people, and their future, in today's climate.</p> <p>This submission is presented on behalf of elderly people in Christchurch who have been contacted by the network. Publicity by the Council for this consultation has been very poor and elderly renters were completely unaware of the Councils intent. Had the consultation process been inclusive, we would have been alerted to the proposals early, held more discussions, and it is likely that our network would have been able to provide a more wide ranging submission.</p> <p>Accordingly, we want to present an oral submission to the Council and look forward to that opportunity.</p> <p>2. Details:</p> <p>* Secretary, Ella Allan * Working for Elderly</p> <p>3. Comments</p> <p>We do not support the proposal</p> <p>4. Supportive Comment</p> <p>a. The CCC is responsible for building, replacing and administering this Council asset. That responsibility was clearly endorsed by the people of Christchurch when they were asked to comment on the Councils forward looking plans.</p> <p>b. There is an absence of any information to substantiate the number of claims made in the section "Why is this approach being proposed". This section is thin on any detail!</p> <p>c. The Coalition Government has signalled a change in policies on housing in New Zealand, and the Minister of Housing has clearly opened the pathway for substantial consultation with all. We celebrate that change in the political horizon because there is now the opportunity for elderly renters to speak, to be heard and to influence, so a more caring and responsible environment emerges again in New Zealand for elderly citizens living in rental accommodation.</p> <p>Some South Island Councils never lost sight of their values and elected representatives, managers, tenants and local people have maintained their district pride, ownership and retention of their housing. The Christchurch Council went for the dollars, and commodified their tenants in exchange for a cash injection and property and property management.</p> <p>As a network we say that old age is a difficult pathway to travel without having to face the confusions and contradictions created for elderly tenants by the Council when they created a property management regime and transferred elderly tenants. The pressure and failings of this current system has been understated in information selected for disclosure by the Council.</p> <p>Our members who reside in C.C.C. housing have no confidence in the current property managers. They have not proved to us that their method of property management is adequate, sound or reliable. Evidential material from elderly renters assists us in the formation of our collective view.</p>



					<p>d. Our view is that the property managers should focus on the consolidation of their work so their commercial objective, being landlords, achieves the threshold which is required by the Residential Tenancies Act 1986. Taking a good hard look at their poor and confusing practice, since October 2016, would be a more worthwhile direction, leaving expansionism for the future, with one measure being confidence from elderly tenants and the public of Christchurch.</p> <p>e. Our network believe that the Council should follow the lead of other South Island Councils and engage with the Coalition Government in the resurrection of the low interest loans to Councils for housing. This initiative was instrumental in the building up of the C.C.C. housing assets but was wiped out in 1991 by the government of the day.</p> <p>5. To Conclude</p> <p>We do not support the proposal listed on "Have your Say" and we would like to speak to the Council on our submission.</p>
18909	Dave	Diggs		do not support the proposal	<p>This is not a rate payer problem but a government one.</p> <p>Christchurch city have enough on their financial plate</p>
18908	Dawn	Martin		do not support the proposal	<p>I already pay too much in rates. If a loan is given it needs to be at normal rates, not MATES rates and a Time set with penalties. The clause penalty needs to apply to all Council work and a lawyer needs to be present at signing.</p>
18906	shane	de Freitas		do not support the proposal	<p>why should tax payers have to chip in for someone else is home</p>
18903	John	Minto	Christchurch Progressive Network	do not support the proposal	<p>Christchurch Progressive Network</p> <p>29 September 2018</p> <p>The Mayor and Councillors Christchurch City Council Hereford Street Christchurch</p> <p>Submission on Proposed loan to Otautahi Community Housing Trust</p> <p>Kia ora koutou,</p> <p>1. The proposed \$30 million loan to Otautahi Community Housing Trust is misworded, misdirected and wholly inadequate to meet the housing needs of middle and low-income tenants and families in Christchurch.</p> <p>2. It is misworded because it uses the term social housing when the units should be referred to as council rental units. Social housing was promoted by the previous government for any income related housing to help create a market in social housing. It is a stigmatising term and should be resisted by the council.</p> <p>3. It is misdirected because the council itself should be building the homes required rather than passing this responsibility to an unelected entity at arms length from democratic community control.</p> <p>4. It is wholly inadequate because it would help rebuild only a small fraction of the council rental units so desperately needed and less than half the number of units which were destroyed by the earthquakes.</p> <p>5. The desperate is clear in the long waiting lists for council rental accommodation and state housing in Christchurch. This is unsurprising because there are 41,000 people facing severe housing need across the country. In Christchurch this is evidenced by the high number of people living in cars, vans, caravans, garages, sheds, hopelessly overcrowded homes or sleeping rough.</p> <p>6. House rents skyrocketed following the earthquakes and while the cost has plateaued recently this is at an unaffordable level for most families and tenants.</p> <p>7. The council proposal reiterates as some sort of holy mantra that council housing must be provided at no cost to ratepayers. However at the same time the council is spending millions in rates rebates for property developers building luxury apartments in the city centre (An OIA request shows \$8.5 million in city</p>



					<p>centre residential rate rebates â€“ a \$15,000 ratepayer subsidy per unit â€“ over the past 4 years)</p> <p>8. Why is the council providing millions in ratepayer subsidies to house high-income earners but refusing a single dollar of ratepayer money (aside from a loan which must be repaid on commercial terms) to house tenants and families on low incomes?</p> <p>9. To put this another way: Why is the City Council refusing to fund housing which brings in rental return to the council while giving away millions in ratepayer dollars to property developers to build houses which bring no return to the council?</p> <p>10. This is morally repugnant and should be a matter of shame for the mayor and elected councillors.</p> <p>What is needed</p> <p>11. The council must fund the immediate rebuild of all council rental housing destroyed in the earthquakes and develop a long-term plan to meet the housing needs of all tenants and families in Christchurch.</p> <p>12. \$200 million needs to be set aside to achieve this goal. If this means pushing out the timeline for the \$473 million spend on a new rugby stadium then this is the right thing to do.</p> <p>13. The council must retake control of its housing from the Otautahi Community Housing Trust and build and maintain council rental housing for the good of the community as a whole.</p> <p>14. The council must abandon the policy of council rebates for property developers across the city.</p> <p>We would like to be heard by the council on this submission.</p> <p>Na,</p> <p>John Minto Christchurch Progressive Network</p>
18900	Peter	McDougall	Ratepayer	do not support the proposal	<p>Christchurch Can Have Everything</p> <p>I am strongly opposed to the Council borrowing more money for this project.</p> <p>I appose this additional borrowing in the context of the Council's flawed Financial Strategy and Long Term Plan.</p> <p>I have no faith in this Council keeping rates under control and the borrowing within the projections stated in the LTP.</p> <p>I don't have faith in the Councils Risk Management Strategy and ultimately at some point around 2024/25 I believe the Council will require a Government bail out.</p> <p>I believe the Council should NOT be in the business of owning large Commercial Assets which are seriously under-performing in terms of return on assets.</p> <p>The current practice of borrowing to pay for dividends is not only reckless in my view but also prevents the CCOs from re-investing in its own business for maintenance and growth and therefore also slows economic growth.</p> <p>I believe the Council has a prime opportunity now to sell ALL CCHL assets at premium market values. By doing this the people of Christchurch can have all the facilities it deserves that other 1st world cities currently enjoy and we don't.</p> <p>In addition to selling assets, the Council needs to reduce operating expenditure in order to keep rates increases at no more than the rate of inflation. In order to this the CEO needs to reverse the shared service model that has been a complete and utter failure internally. The internal IT cost is rampantly out of control and may ultimately be the catalyst for a blowout in Council operating expenditure.</p> <p>I don't believe the current Council structure is Fit For Future (FFF) but rather Fit For Failure.</p>
18892	Phil	Ryan		do not support the proposal	<p>Chch has plenty of housing supply. The council needs to keep out of the housing market and support activities that benefit large number of citizens. Our central city is a disgrace and has no heart, why would the youth who we need to for our future or ratepayers who pay for everything want to support something that benefits a few . Concentrate on bringing a heart beat to the central city get the stadium built, complete the arts and health precincts. Sell down commercial asset to 51%. Get on with it!</p>

18889	Todd	McKenzie		do not support the proposal	I believe it is a central government issue and not a rate payer problem. The social houses sold be sold to Housing New Zealand.
18880	James	Meaclem		do not support the proposal	CCC should focus on the core responsibilities of provide essential services to rate payers. Social Housing is not a core feature and should not be. Asking for further increases to CCC rates is crippling rate payers. Social Housing should be a central Government responsibility. The CCC Mayor has also previously stated the Social Housing is net neutral and no impact on rates. Sell the Social Housing Unit to the Central Government ir my recommendation.
18879	Greg	Urquhart		do not support the proposal	I don't question the need for social housing requirements, I do question the role of a local authority in this. Central govt has the focus for social housing, CCC has forgotten its key responsibilities as a council, the people's choice driven governance of the view that they can continue spending and increasing rates for people who actually contribute to Chch is unreasonable. The CCC keeps stating that the social housing they provide doesn't cost rate payers and it is a cash neutral exercise. If these units go ahead, I would demand a independent audit review of this, to prove this theory... I highly doubt that is possible. A large portfolio of homes, housing the most troubling tenants, managed by a poorly performing local govt official....I would be confident that selling off the portfolio, removing all staffing and support costs from council for all aspects of social housing from CCC and utilising this for paying off debt would be a better financial outcome for the rate payers of Chch
18872	Luis	Arevalo		do not support the proposal	Kia ora,  I do not support the proposal.  My understanding is projections show that over a 5-year period, we will need an extra 750-900 new social housing units to meet the consecutive yearly demand; I cannot see how the Trust (or a combination of private sector organisations) could meet that demand. I believe only a combination of local and central Government can have any chance of reaching those targets, which will help our cities marginalised.  I also oppose the proposal ideologically as it shows to me a process of devolution from what I believe should be a Government responsibility, Social Housing should not be in the hands of the private sector.  On that front, the council needs to be transparent and honest with its constituents about its long term devolving strategy. To say the council is not devolving itself from its responsibility would be fallacy. One only needs to read the Christchurch Housing Accord 2017, which clearly states, "The ongoing goal is to support a well-functioning, private sector-led housing market in Christchurch."  Your default position of devolution will result in reduced numbers of social housing in-spite of projected increases in demand.  I urge you, as I did last week when the councilors selfishly voted to funnel much-needed social housing funds to a stadium, to work harder within local and central governmental circles to find a political solution to this human rights issue.
18857	Lara	Flavell		do not support the proposal	Why not let the Crown, through Housing New Zealand, meet social housing growth needs in Christchurch? Why is it important for the council to be involved?
18851	Andrew	McKay		do not support the proposal	Stick to core council activity and leave government function to them.  This is not for ratepayers to cover.  Stop wasting time and money.  Focus on rates reductions for all.

18820	Jacqueline	Leadbeater		do not support the proposal	Rate payers cannot afford any more increases in rates to fund such projects. Times are hard for everyone, not just those in need of new social housing.
18650	Trevor	Sennitt		do not support the proposal	people who need social housing usually need other social help. These wrap around needs are provided by the Government so they should be in charge of social housing so there is not a double up
18936	Fiona and Denis	Munro and O'Connor		have some concerns	<p>We agree that OCHT needs more money to build 130 rental units as well as replace 50 existing ones.</p> <p>We reluctantly support the proposed loan because CCC unwisely under-capitalised OCHT at its inception. We resentfully support it because the public feedback during the 2018 LTP process did not request a loan to be given. Also this consultation process is inadequate and rushed.</p> <p>The loan should be a direct grant from CCC with NO request for repayment.</p> <p>We will monitor how CCC deals with OCHT as it attempts to repay the loan, Council costs and the severity of the commercial terms imposed by CCC.</p>
18910	Michelle	Lomax		have some concerns	<b>See attachment</b>
18899	Daniel	Adams-Zarate		have some concerns	In principle the idea is good, however, I'm skeptical that this project will be 'rates neutral'. What guarantee and protection will the rate payers have? Until a robust proposal is released, I am against this project.
18893	David	Close		have some concerns	<b>Please see attachment. This is a ridiculously small window for a serious submission</b>
18874	Preston	Hegel	Exchange Christchurch (XCHC)	have some concerns	<p>I'm not a housing expert, but a year ago we made accommodation a part of what XCHC offers to support creative development and connection for people who visit the city (whether artists or tourists). The results have been INCREDIBLE because they got so much more than a bed/room/apartment, but a community.</p> <p>Since this, I've studied global examples of how housing alone does not have nearly the impact a multi-faceted approach could; which could include education and work opportunities. With slogans such as "ENTER WITH A HISTORY, LEAVE WITH A FUTURE", it's clear people need hope, opportunities, and others to believe in them and these units are a DREAM opportunity to design something better than the units alone. Off the top of my head:</p> <p><a href="http://manchesterbidwell.org/">http://manchesterbidwell.org/</a></p> <p><a href="http://www.delanceystreetfoundation.org/">http://www.delanceystreetfoundation.org/</a></p> <p>Beautiful work, and I know there are programs providing others with opportunities, but we need to combine some of these things if we want better/well-resourced results.</p>
18864	Scott	Menzies		have some concerns	<p>There should be two conditions built into the loan agreement, if they are not already:</p> <p>1) The new-build homes must meet a minimum NZGBC Green Star 4 rating, and if possible achieve a NZGBC Green Star 5 rating.</p> <p>2) A majority of the new-build homes must be located within the Four Avenues, thus contributing to Council's goal of boosting downtown's residential population.</p>
18859	Allison	Nichols-Dunsmuir		have some concerns	It is essential that all new and renovated social housing is warm, dry, affordable and ACCESSIBLE. The Council had make a commitment to using Lifemark (or equivalent) standards, and this must be continued in every development by the Otautahi Community Housing Trust. It is well recognised that building accessible, future proofed homes is cost effective. It will add to the scarce number of accessible homes for those who need them, and enables people to remain in their homes if they develop health problems or disabilities in future. Making, at minimum, all ground floor facilities comply with at least Lifemark 3 standards will improve social housing stocks and the wellbeing of vulnerable citizens.

18836	Anni	Watkin	The Youth and Cultural Development Society Inc (YCD)	have some concerns	WE as an organisation support the proposal with the hope that there will be some commitment to Youth Accommodation. There is a shortage of accommodation for Young People aged 16 years up and landlords are reluctant to rent to Young People without references or a tenancy history. We encourage a condition with the loan that a percentage of the units be tagged for under 20 year olds. YCD would be prepared to support young tenants.
18835	Alan	Mayne		have some concerns	-Where would the proposed units go? -An Architectural Competition could help keep funding down? -Is there the option for people to invest in shares in the proposed development?
18818	Trevor	Sennitt		have some concerns	this group have been found wanoting as a landlord in a resent case. What checks and balances do you have on them
18706	Ann	Vanscheve nsteen		have some concerns	Tena koe,  Would it be possible to provide a (publicly available) map of where the 180 new units (50 replacements and 130 additional) are located in Christchurch?
18913	Faye	Collins	Spreydon Cashmere Community Baord	support the proposal	<b>See attachment</b>
18911	Cate	Kearney	Otautahi Community Housing Trust	support the proposal	<b>See attachment</b>
18907	Pett	Turei		support the proposal	
18905	Jill	Reesby		support the proposal	
18904	Jonathan	Davidson		support the proposal	
18902	Julie	Miller		support the proposal	
18901	Cameron	Archibald		support the proposal	We need more social housing but we also need it in useful places. Ideally we would have this housing placed in the center city so that we have more foot traffic in the city. At the moment businesses are closing down because so few people actually live there
18898	Kaylene	Wakefield		support the proposal	
18897	Courtenay	Feck		support the proposal	Awesome to see
18896	Lynda	Goodrick		support the proposal	
18895	V F	Aston		support the proposal	



18894	Leta & Michael	Quartermain & Bykerk	Cashmere/Port Hills Christchurch Community & Business Association	support the proposal	A good move If it helps the homeless and low income citizens to live in clean healthy easy low maintenance environment ... building new housing /shelter as a need will be good for all New Zealanders (young and old)
18891	Lynda	Grieve		support the proposal	Just do it.
18890	Ashley	Sweetman		support the proposal	
18887	Yvonne Susanne	Dixon		support the proposal	<p>I am excited about this initiative. More small units for low income residents are badly needed. Many places that provided low cost rentals were demolished after the earthquakes .</p> <p>There are lots of "baby boomers due to retire in the next decade who do not own their own homes, who may require subsidised housing. Expansion of the affordable rental stock should be an urgent priority for Christchurch.</p> <p>The Otautahi CHT needs more resources to participate in this expansion</p>
18884	Cody	Cooper		support the proposal	
18882	Chris	Glaudel	Community Housing Aotearoa	support the proposal	<b>Please see attached submittal in support of the proposal.</b>
18881	Duncan	Webb	MP for Christchurch Central	support the proposal	<b>See attachment</b>
18869	niwa	Rangiwhetu	na	support the proposal	Make the process a bit easier as people are not on benefits and make it much better
18868	Aaron	Tily		support the proposal	
18866	Marie	Malone		support the proposal	
18863	JANE	HARRISON	Sustain South Brighton	support the proposal	There is a desperate need for housing for vulnerable people in Christchurch and we totally support anything that will provide more homes.
18861	Debbie	Jones		support the proposal	While I am in favour of this I would like to see the housing distributed throughout all areas of the city and not confined to low economic areas so as not to create "state housing" type areas seen in the past. I think this would be a benefit to both the communities and the recipients of the housing.
18856	Patricia	Alderton		support the proposal	I am happy for my rates money to support social housing.



18840	Tim	Weir		support the proposal	
18826	Tracy	Abbot		support the proposal	Providing housing for those who cannot afford it is a key activity for any civilised society. It is appropriate that the City Council funds local housing of this type.
18731	Selina	Clare		support the proposal	
18727	Bruce	Coleman		support the proposal	I strongly support this proposal. With the current Government and Housing New Zealand Corporation's obsession with affordable and social housing in Auckland it is imperative that the Christchurch City Council, through the Otautahi Community Housing Trust, maintains a strong involvement in social housing. My one reservation is that the financial viability of the proposal seems to depend heavily on the on-going availability of the Income Related Rent Subsidy to OCHT tenants. I hope there is a Plan B for the affordability of the proposal if the subsidy is no longer available especially since any loan term is likely to be way beyond the term of the current government.
18718	Andrei	Moore		support the proposal	
18717	Rosemary	Neave		support the proposal	
18668	Aaron	Tily		support the proposal	
18629	Nathan	Punton		support the proposal	
18613	Simon	Templeton	Age Concern Canterbury	support the proposal	Social housing needs for older people is a major issue, and with the ageing population, coupled with the large decline in home ownership, this will be an ongoing issue for many years.



**Submission to Christchurch City Council on proposal for \$30m loan to Ōtautahi Community Housing Trust**

From Michelle Lomax

**I wish to speak to this submission.**

**Introduction**

I support and welcome the proposed Christchurch City Council (the Council) loan of \$30m to Ōtautahi Community Housing Trust (the Trust) to build additional social houses for Christchurch.

My reasons for supporting the proposal are as follows:

1. As the Council notes on its website, as at March 2018 there were 552 people in Christchurch city waiting for social housing – an increase of 120 people since March 2017. Demand for social housing is increasing. The need for more social houses is urgent.
2. The Council's social housing stock was severely impacted by earthquakes, losing 366 units. Christchurch still has fewer social houses than before the earthquakes, with increasing demand.
3. In a supplementary paper to the Council's Social, Community Development and Housing Committee on 28 February 2018 and entitled Growing Social Housing, the Council's vision for housing in Christchurch was stated as:

"That all people in Christchurch have access to housing that is secure, safe, affordable, warm and dry. We want a city where anyone who wants to be housed can be. As a basic human right, we recognise that good, adequate housing is the building block of individual wellbeing and strong communities, ensuring that all our citizens can be all that they wish to be."

There is a significant need for additional social houses in Christchurch, and the Council's own vision supports building as many social houses as possible.

**Further notes**

While I support the proposal, I would like to suggest that the entire \$30m loan be spent on additional social houses, making a total of 180 new social houses. The present proposal is for 130 new social houses, and 50 replacement builds for existing social houses. I would urge the Council to fund the 50 replacement houses out of the Social Housing Fund, not the loan. This would result in an additional 230 social houses.

I note that the Council's Long Term Plan 2018 – 2028 LTP) states at page 17 in the section entitled We listened / changes from draft to final plan that "Housing - Provision is made for a \$30million

financing facility in the first two years (repayable on a 'rates neutral' basis) to support the building of additional social housing in the city." I believe that replacing existing units is not the same as building additional units.

The Council's own website states under the heading "Social Housing" that the Trust is responsible for tenancy management, rent-setting and the day-to-day maintenance of units, while major repairs, renewals and the development of new social housing remain the Council's domain.

The Council should have funds for renewal of existing social houses from the rent paid to it by the Trust. In addition, by renewing existing social houses with loan money, the Council is not only transferring its obligations for renewals to the Trust, the Council will also be receiving interest from the Trust for those renewals.

Thank you for your time considering my submission.

CCC180928LoanHsg

**Submission to Christchurch City Council**

**Proposal for \$30m loan to Otautahi Housing Trust**

1. I support the proposal with reservations.
2. I support the proposal because it is a step – albeit a very small step – in the right direction.
3. I support the proposal because the arguments which the Council has set out in support recognise the current shortfall in social housing, the predicted growing need as the population ages, and the obligation of the Council to share in meeting that need.
4. My reservations, in the first place, are about the terms of the loan. The preamble explains that much of the existing stock was built with concessionary loans. If the Council is serious about helping the Trust in its building programme, it will make this loan interest-free, and it will commit to making further interest-free loans.

The 'commercial' terms of the loan are justified by a statement that the Council has a policy that social housing should be rates-neutral. If this is an official policy, when was it debated in open meeting and voted on by the Council? Which Councillors voted for it and which against?

What are the criteria for deciding whether an activity should be rates-funded or rates-neutral? Presumably the criteria are concerned with the balance of public and private good. There is certainly a large element of private benefit in housing, but is there not also private as well as public benefit in swimming pools, libraries, art galleries and museums? As for rugby stadiums, the dominance of private benefit is undeniable: professional rugby itself, commercial television, the hospitality industry, and the rugby fans – a small minority of the population – who attend matches.

However, a decision on whether an activity is to be rates-funded or rates-neutral is unlikely to be made on a rational basis of public versus private good. It is more likely to be an outcome of lobbying from influential, well connected people.

Ironically, the business interests that lobbied successfully for massive rates expenditure on a playing venue for professional rugby are the same people who oppose rate increases in general and would oppose rates funding of housing.

5. My other reservations about the loan are whether a loan is the best way for the Council to increase the social housing stock. There would be advantages in the Council undertaking the building programme itself; any additional debt it incurred would be balanced by new assets on its balance sheet, rather than a loan secured on an asset diminishing in value. Put more simply, the Council should be building up assets for itself, rather than another entity over which it has little control.

The Council has the opportunity, in this era of low interest rates, to undertake a major building programme that alleviates the chronic shortage of rental housing for low-income people. It appears that the Government is reluctant to extend the income-related rent subsidy to the Council. The Council should lobby Government hard for funding in lieu of the income-related rent subsidy, which has the effect of turning everyone wanting accommodation into a suppliant to Work and Income. In the past, the Council, as landlord, while operating a means test of sorts, allowed tenants to retain their dignity.

6. In conclusion, I support the current proposal, but urge the Council to recognise that its own assessment of the housing situation in our city demands much bolder action. I challenge the Council to go to the public with a major housing initiative in next year's Annual Plan.

David Close  
28 September 2018

**Spreydon-Cashmere Community Board**

**Submission on the Proposal to grow social housing through a \$30 million loan to the Otautahi Community Housing Trust**

**1. INTRODUCTION**

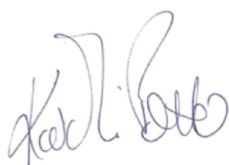
- 1.1 The Spreydon-Cashmere Community Board ("the Board") appreciates the opportunity to submit on the Submission on the Proposal to grow social housing through a \$30 million loan to the Otautahi Community Housing Trust.
- 1.2 The Board does not propose to speak to its submission.

**2. GENERAL**

- 2.1 The Board recognises the need for the Council to increase the number of social homes within Christchurch to help address current and future needs of its citizens
- 2.2 The Board notes the Council's long-standing policy of operating its social housing activity at no cost to ratepayers.
- 2.3 The Board acknowledges that a loan of \$30 million from the Council to the Otautahi Community Housing Trust would assist the trust to build an additional 130 social houses for Christchurch and replace 50 existing 'old and cold' Council units, with 50 new, warm, dry units making a total of 180 new social housing units for the city.
- 2.4 The Board notes also that the proposed loan is to be negotiated on normal commercial terms with the Trust with any loan to be secured against the Trust's assets and that the Trust will need to repay the loan and all Council's costs.

**3. SUBMISSION**

The Board therefore **supports** the Proposal for a \$30 million loan from the Council to the Otautahi Community Housing Trust to grow social housing, and wishes to speak at the hearing.



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Karolin Potter,  
Chairperson, Spreydon-Cashmere Community Board.



**Submission:** CCC Proposal to grow social housing through a \$30 million loan  
**Submitter:** Ōtautahi Community Housing Trust  
**Date:** 30<sup>th</sup> September 2018  
**Author:** Cate Kearney, CEO

## Introduction

Ōtautahi Community Housing Trust (Trust) is the subject of this consultation. If approved, the Trust will build new social homes at scale for government. Christchurch City Council (Council) and the Trust together can deliver efficiently performing new social houses in Christchurch by 2020-21 through the loan facility proposed by Council.

The Trust is extremely supportive of this Council initiative that will assist undercapitalised Community Housing Providers (CHPs) to build new social homes in Christchurch. While the Trust may be the first recipient of this loan facility it is feasible that other CHPs could be recipients in the future which will further increase housing stock for diverse groups in need of housing.

In building a gross 180 homes, 130 new supply will be long term public housing supply for central government, while 50 new warm and energy efficient homes will replace Council stock transferred to the Trust, that is old, cold and no longer fit for habitation.

## Social Housing Need

There is a serious shortage of social housing in Christchurch. Council needs an additional 366 houses to return their social housing portfolio to the size it was pre-earthquakes. The recent release of the Ministry of Social Development's (MSD) Public Housing Plan seeks 480 new supply, while the MSD June 2018 Canterbury Region quarterly report states there are 700 applicants seeking housing increased from 671 in the March 2018 quarter.

## New Supply Negotiations – Commercial in Confidence

The Trust wrote to government in February 2018 to propose that a social housing pipeline developed in a government procurement process in 2017 could supply up to 150 new social houses in Christchurch by 2020. The Trust sought a MSD 25-year contract and a rental operational subsidy as proposed in its 2017 documents.

The Trust was asked to submit a proposal to MSD. The Trust discussed this response with Council and submitted its financial modelling to Council to demonstrate the financial viability of the new social housing construction cost offset by the MSD 25-year contract and additional operational subsidy. The financial feasibility was independently evaluated for Council by consultants experienced in development models. The model was deemed to be robust and the returns more than adequately covered repayments of the loan facility, tenancy management, property maintenance, upgrades and replacements. Council proposed that they would consider a loan to the Trust to build 130/180 new social houses.

In May, the Trust submitted an Unsolicited Proposal to MSD for 130/ 180 new social houses in Christchurch. The submission advised of existing concepts designs, a construction partner, land, technical capacity and capability. MSD responded in June and advised they would consider the submission as a Proposal rather than an Unsolicited Proposal, reducing the information required for evaluation.



In discussion with MSD late July, it was agreed that the Trust would work up feasibilities in two tranches. This was due to more detailed investigations required for sites while there were two sites that the Trust could immediately work up. In August, the Trust submitted a detailed financial model for Tranche 1, 90 houses.

MSD advised the Trust in September that it wished to progress discussions on the new supply and would require:

#### FINANCIAL

- Bank or other funding support – due to scale, MSD requires evidence of documentation confirming that the required financing will be available, for example letters of support, pre-approval, indicative terms or commitment letters from financiers, as well as a timetable for completion of these documents.
- Due to scale of 90 dwellings, MSD requires evidence of title confirming ownership status of the land.

#### TECHNICAL

- Project plan, masterplans and detailed building plans
- Detailed development costing
- Building and resource consents

### Construction Credibility

The Trust may be criticised for entering the high-risk construction sector or for a lack of construction experience, given it is less than two years old. The Trust Board has mitigated these risks and its first development is underway in Opawa.

#### Risk Mitigation

The Ōtautahi Community Housing Trust Board has two independent expert advisors, one a CEO of a credible, large construction company with substantial construction experience, the other a technical expert in project management and architecture and the president of the National Association of Women in Construction.

The Trust's approach to procurement is based on the Ministry of Business and Innovation (MBIE) guidelines for not-for-profits. This approach relies on a range of tendering approaches from comprehensive open tender 'Requests for Proposals' to closed, selective or direct to market tender approaches. The Trust uses standardised short form contracts and contracting approaches that are described in the Trust's procurement policies, provided to the Community Housing Regulatory Authority and adopted by the Board of Trustees. Our approach is to be fair, systematic and cognisant of probity when procuring, but to reduce bureaucratic processes that local and central government entities must use which often add cost and time to projects.

The Trust appointed a panel of technical consultants in April 2018, after an open tender on Tenderlink. The Trust has a panel of geo-technical, civil, structural, architectural and project management experts available to consult on its development projects.

#### Development Experience

The Trust's first development is underway. After a successful closed tender to three reputable construction companies in Christchurch, each one experienced in social housing construction, a contract was awarded by the Trust's experienced Project Manager. While the plans were longer in

consenting due to Environment Canterbury's rigorous requirements around storm water, the programme and cost has not been greatly impacted. The development is under budget and on time.

We have proceeded to work on the plans for the next 40 new supply for government expected to be completed by the end of 2019. There 40 homes will be provided under a 25- year capacity contract receiving an additional 35% operating subsidy. We are about to enter into the design build contract phase for 40 units over four sites.

## Housing Design

In earlier correspondence with Council, the Trust advised that it's housing specification will deliver new homes that are the equivalent of Home Star 6. The Trust has recently met with the New Zealand Green Building Council's Homestar 6 and has now moved from equivalent to, to certified Home Star 6 standard of construction as its minimum specification.

This specification, alongside panellised repeatable designs, will result in speed and efficiency in building warm dry well insulation and energy efficient homes.

### OCHT and its construction partner propose new supply where:

- All units are designed to meet or exceed Homestar 6-star-rating requirements at a minimum. A 6 Homestar rating or higher provides assurance that a house will be better quality - warmer, drier, healthier and cost less to run - than a typical new house built to building code.
- Child safe design features are integrated to ensure that the developments have suitable amenity to protect the safety and wellbeing of young children in new supply properties.
- Apply the principles of CPTED in all aspects of public and community projects, undertaking design led research to ensure maximum benefits. The design of buildings and the arrangement of streets, parks and other outdoor spaces can influence the opportunity for crime and the level of fear of crime.
- Panellised construction and pre-fabrication manufacturing will build efficiently and with scale and speed.

## Summary

Christchurch needs more social housing. It especially need stock that is warm, dry, safe and energy efficient. The need for social housing continues to grow increasing by 4% between March and June 2018.

The Trust can be a vehicle to deliver on Council's aspirations to provide more social housing at speed in Christchurch City. If Council cannot provide a loan, the Trust cannot deliver housing at scale due to its lack of balance sheet.

The Trust has made steady incrementally positive progress with MSD and to progress to final approval must have confirmation of finance and land which is reliant on Council (the technical requirements are already underway).

People may say that the Trust does not have the experience of construction to ensure that there is limited risk to the Council. The Trust would counter this claim with its governance approach, in-house development expertise, construction partners and technical experts who are all ready to deliver social housing at scale.

The Trust, while young, has a track record of delivering on its promises and, it already has a strategic partnership with Council. Through Council's provision of a loan facility, the Trust can provide 180 new homes in Christchurch by 2020-2021, assisting Council to deliver new social housing for its citizens.



September 27, 2018

Christchurch City Council  
Attn: Paul Cottam

**RE: Proposal to grow social housing through a \$30 million loan**

1. Community Housing Aotearoa (CHA) is the peak body for the community housing sector that provides social and affordable housing throughout New Zealand. We represent the interests of our 100+ members on issues that impact their ability to fulfil their organisational missions. Our 80 provider members house approximately 25,000 people nationally across 13,000 houses. Our 24 partner members include developers, consultants and local councils.
2. The Christchurch City Council's proposal to grow social housing through a \$30million loan to Ōtautahi Community Housing Trust (The Trust) is of great interest to our members both nationally and in Christchurch. It not only meets some of the affordable housing needs of the community, but also enables OCHT to realise its potential to develop and retain social and affordable housing in Christchurch.
3. The proposal is consistent with the Council's Housing Policy adopted on 2<sup>nd</sup> November 2016. In addition to the vision "that all people in Christchurch have access to housing that is secure, safe, affordable and dry" the proposal supports goal 7: Retaining affordable housing – develop a range of creative, collaborative and innovative ways to ensure the co-ordinated long-term promotion, provision and retention of both social and affordable housing.
4. CHA provides support to the Te Waipounamu Community Housing Providers Network. The proposal was discussed at the 20<sup>th</sup> September 2018 meeting and there was a consensus of support, and encouragement that the Council should consider making future loans available to other Christchurch Community Housing Providers.
5. In summary, we strongly support the proposal. On behalf of our members, we also ask that Council consider making loans available for more social and affordable housing delivered by Christchurch Community Housing Providers. The Council's leadership in this approach demonstrates the way forward for other Council's around New Zealand.

CHA applauds the work of Christchurch City Council in delivering to the goals set out in its housing policy.

Thank you for the opportunity to submit.

Kind regards,

A handwritten signature in blue ink, appearing to read "Chris Glaudel".

Chris Glaudel, Acting Chief Executive

**Dr Duncan Webb**  
MP for Christchurch Central



September 17, 2018

**Submission on proposed Christchurch City Council loan to Ōtautahi Community Housing Trust**

**Submission**

I support the proposal that the Christchurch City Council loan \$30m to Ōtautahi Community Housing Trust for additional social Housing.

**Background**

I am the Member of Parliament for Christchurch Central, and a resident and ratepayer. As the Member of Parliament for Christchurch Central my office deals with constituency issues on a daily basis. I am very aware of the need for more and better social housing.

I hope you will also take into consideration individual and community concerns with regard to social housing as outlined below.

**Leadership Role of council**

I congratulate Christchurch City Council on the leadership role it has taken over many decades in ensuring that there is sufficient affordable housing to people of Christchurch. This has occurred in the face of considerable political and economic hurdles.

The people of Christchurch are far better off for it. Not only those who would otherwise be homeless, or in inadequate accommodation, but also the wider citizenry who benefit from a well community.

**Submission**

- CCC and OCHT should maintain their leadership roles in providing good quality and affordable housing to the vulnerable to ensure the wellness of the whole of Christchurch.

**Current unmet need**

New Zealand's housing crisis has left a significant portion of the population out in the cold with regard to housing. Of significant concern is the increasing number of older single people without assets who require low-cost housing.

This group is a target market for the trust and the provision of 130 new one-bedroom homes as a result of this loan would make a significant dent in the ever-increasing waitlist.

**Submission**

- This loan is supported due to the critical need for affordable housing in Christchurch.

**Ōtautahi Community Housing Trust well placed to provide housing**

The Ōtautahi Community Housing Trust is well placed to deliver this housing and as it continues its operations it will need to develop expertise in building housing as the stock of dwellings needs replacement.

It is of note that this new housing will also attract full government subsidies.

**Submission**

- OCHT is best placed to deliver additional housing in Christchurch.

#### **Appropriate and safe**

Constituents presenting in my electorate office for assistance with housing report that the need is not only in simply a roof over their heads, but in taking care to provide appropriate housing for each individual.

Single people present a particular challenge. They can include former prisoners, people with mental health and addiction issues, the physically disabled and older single men and women who have become impoverished after a relationship breakdown or loss of a job due to ill health.

The mix of tenants in a complex can be cause for concern. Many single women in particular feel threatened by neighbours with criminal pasts or mental health challenges. These issues are especially acute in very high density complexes. Consideration should be given to planning complexes with safety a key element.

We have also seen many young people struggling with mental health issues who, while grateful for the provision of housing, find themselves isolated in complexes dominated by older people.

Complexes designed and located with particular groups in mind are more complicated but would have social and health benefits in the longer term. They would provide a sense of community for occupants, making them more likely to stay and become part of the wider community in which they reside.

#### *Submission*

- Design needs to take into account the special attributes of the tenants, including the safety of tenants from each other in some instances.
- A feeling of security (as well as actual security) is important to a sense of place and home, including in affordable housing.

#### **Location**

I share the concern of many of my constituents about the concentration of social housing in lower-socioeconomic suburbs, in particular the inner city east.

A wider spread of locations for social housing, while still taking into consideration factors such as accessibility to shops, doctors and other amenities, is desirable for both residents and communities.

Social housing battles image problems and "NIMBY" attitudes. Spreading housing across the city would not only reduce the perception of social housing as being something for "poor" areas but would narrow the divides that have crept into our society.

#### *Submission*

- The development of housing in smaller developments in diverse suburbs should be encouraged to provide a full spread of available accommodation.
- Careful attention to safety (actual and perceived) should be given in design.

#### **Housing quality**

Low-income people are especially vulnerable to poor quality housing. New builds financed through a council loan should be built "smart" with energy efficiency and health in mind. My electorate office receives numerous requests for assistance from social housing tenants struggling with high power bills or dampness in their accommodation.

The proposal also includes replacement of 50 existing homes. With a large proportion of enquiries to my office about the poor condition of OCHT's housing stock I support every effort to upgrade these properties to ensure healthy and dignified living standards for residents.

I also note that the existence of the government "Green Fund" and would encourage OCHT to investigate whether that may be a source of funds for going beyond the norm in terms of efficiency and sustainability.



*Submission*

- Housing quality and durability should be a focus.
- New housing should be sustainable.
- The Green Fund may be able to assist in cost.

**Density**

High-density housing places pressure on communities and has contributed to the negative public perception of social housing in general. Medium-density builds would be more likely to fit into and be accepted by city suburbs, and make for a more pleasant living experience for residents.

*Submission*

- Very high density housing should be used with real caution.
- Some low/medium density housing should be provided for those where high density housing is not appropriate.

**Cost and impact on ratepayers**

The proposed arrangement allows for the council to leverage against its strong balance sheet to obtain funds at the lowest cost. At the same time OCHT is able to obtain the maximum available government support, while at the same time charging tenants an appropriate amount.

It is understood that this framework will add to the asset base of OCHT and its income. It will also be asset and revenue neutral for the council. This is clearly an optimal outcome and therefore is strongly supported.

Thank you for the opportunity to make this submission. I am happy to speak in support of it.

Ngā mihi,



Dr Duncan Webb  
MP for Christchurch Central







***Commercial in Confidence***

Bruce Rendall  
Christchurch City Council  
53 Hereford Street  
Christchurch 8013

By Email: bruce.rendall@ccc.govt.nz

26 June 2018

***RE: OCHT Capitalisation Business Case - Agreed Upon Procedures***

Dear Bruce

***Background and Scope***

1. Otautahi Community Housing Trust ("OCHT") was established as an independent entity to manage the Christchurch City Council ("Council") social housing portfolio.
2. Council proposed OCHT's capitalisation be a \$5m gifted component and \$45m of land with a corresponding \$45m interest-free 20-year loan. OCHT have now prepared an OCHT Capitalisation Business Case ("Business Case") requesting Council increase the gift from \$5m to \$25-\$50m and reduce the loan by a corresponding amount.
3. Council staff requested PwC do an independent third-party review of the Business Case. That third-party review was completed on the 12 December 2017 version of the Business Case and PwC's comments were provided in the "RE: OCHT Capitalisation Business Case" letter dated 13 February 2018 ("High-level Desktop Review").
4. Council has further asked PwC to perform certain model test procedures (the "Procedures") agreed with you in relation to the "NPV Model 130-50 New Builds @ 10% subsidy (130) - 2018-05-25.xlsx" model ("Model").
5. Following our draft observations, OCHT made amendments to the model based on those draft observations. OCHT provided us with the amended model "Copy of NPV Model 130-50 New Builds @ 10% subsidy (130) - 2018-05-25 (JW Updated for GB).xlsx" model ("Amended Model"). Our comments/resolutions on the Amended Model are included in italics, below our initial observation, in the table below.



Christchurch City Council  
26 June 2018

#### Model Observations

Section	Description	Potential Impact
Input Assumptions	Cost of the land is hard-coded in the formula in cell F14.  <i>Amendment: Cost of land is now disclosed as an input on the face of the model.</i>	Medium
Input Assumptions	Assumptions that are on a 'per unit' basis are all hard-coded and would not change with a change in the number of new builds. Would need to consider if the size of the units and the rent/rates would be impacted if there was a change in the number of buildings built.  <i>No amendments or changes required. This point is to keep in mind the results of any changes in inputs.</i>	High
Input Assumptions	The ongoing market supplement has been adjusted, the assumption looks to be that the supplement is capped at 10% for only 130 new builds.  <i>Our understanding is that this rental subsidy is limited to the 130 new builds at this stage. Therefore this assumption is correct. However, if this was to change this assumption would need to be considered again.</i>	Medium
Average Yields	Net Yield (after interest) is calculating an average yield based on a yield which is already on an average of the year to date.  <i>After discussing with OCHT, we understand that this formula is using the average value of the land and buildings for the period. The existing formula is performing this function.</i>	Medium
Number of units ready for letting	The number of units ready has been hardcoded. If the construction time is reduced the Model does not allow for units to be ready any sooner.  <i>After discussion with OCHT, we understand that this row is allowing for manual override to phase the number of units. If the default function is dragged across the row it does increase the number of units ready to let based on the construction duration.</i>	High
Tenancy management fees	Consider whether these should be adjusted based on the occupancy rate of the units.  <i>OCHT has confirmed their view that the tenancy management fees would be payable whether or not the unit is tenanted.</i>	Medium
Debt Drawdown	Change in formula in cell U113.  <i>Amended to consistent formula across the row.</i>	Low

PwC

2



Christchurch City Council  
26 June 2018

Factor for bell curve approximation	Change in formula in cell AP118. <i>Amended to consistent formula across the row.</i>	Low
Factor for bell curve approximation	Inconsistent formulas across the factoring. <i>No amendments made, however with the check in place in column F this should always be checked when any changes are made to the curve.</i>	Medium
Project Cashflow	Inconsistent formula for the purpose of adjusting the maintenance cost for year 6 onwards. Calculation would not be correct if there were still flats that were under construction at that time. <i>No amendments made, this is to allow for a step up in the maintenance from year 6 onwards. Risk is minimal as if the units are still under construction at that point there are bigger issues with the overall project.</i>	Medium
Project Cashflow	#ref error on row 149. <i>This was a cross-check against a prior version of the model. This has been removed in the Amended Model.</i>	Low
Project Cashflow	Capital value of land and buildings (less subsidy). Formulas don't allow for additional construction costs in Yr1 and Yr2. <i>This formula has been amended in the Amended Model and now incorporates any construction costs and subsidy in the future years.</i>	High
Gross Yield/Net Yield	These appear to be overstated due to the point above. <i>With the amendment for the above point this has also amended the yields.</i>	High
Row 184	Unlabelled hard-coded input. <i>This has now been labelled and also shifted up to the input assumptions section. This is an assumption to include a buffer in the bank balance so its doesn't go too low.</i>	Medium

PwC

3



Christchurch City Council  
26 June 2018

**PwC Comments**

6. All but one of the 'high' impact observations have been addressed in the Amended Model.
7. The outstanding high potential impact observation relates to the input assumptions which are hard coded into the model. A number of these could be impacted by the number of units and/or the size of the units. As they are hard coded they would need to be manually updated if there was an adjustment to those assumptions.
8. Inherent in any model is the reliance on the assumptions provided to a model and the aim of this observation is to highlight the need to review all input assumptions following any changes to other assumptions in the model.

Yours sincerely



Murray Harrington  
Partner, PwC

PwC

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Christchurch City Council  
26 June 2018

#### **Appendix 1 – Procedures**

The agreed upon procedures which have been undertaken in relation to the model are below:

- Assess key calculation logic and consider reasonableness
- Formulae checks:
  - Formulae appear in correct cells (e.g. years, line items)
  - Formulae copied across columns correctly (especially absolute vs relative cell references)
  - Formulae contain no inputs
  - Range names correct
  - Identify any circular references
- Model responsiveness to input changes

We have conducted this assignment in accordance with the Statement of Agreed Upon Procedures Engagement Standards Number 1, issued by the New Zealand Institute of Chartered Accountants.

You are solely responsible for determining the adequacy or otherwise of the Procedures. As the Procedures detailed in this report do not constitute either an audit performed in accordance with New Zealand Auditing Standards, or a review performed in accordance with New Zealand's Professional Engagement Standards and Guidance applicable to review engagements, we do not express any assurance on the Model. It is not practical to test a computer application to an extent whereby it can be guaranteed that all errors have been detected and accordingly we give no such guarantee. The comfort we provide on the Model is subject to the specific tests we have performed and the matters we have identified.

The purpose of the Procedures is to provide you with some comfort as to the mathematical reliability of the Model, which you propose to use as part of your assessment of the Business Case. The Procedures have been performed solely for that purpose.

Had we performed additional procedures or had we performed an audit in accordance with New Zealand Auditing Standards, or a review performed in accordance with New Zealand's Professional Engagement Standards and Guidance applicable to review engagements, other matters might have come to our attention that would have been reported to you.

PwC

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Christchurch City Council  
26 June 2018

#### **Appendix 2 – Limitations**

The Procedures under this engagement excluded the following:

- Any assurance that the Model reflects the anticipated commercial conditions;
- Any work in the nature of a financial audit, and we have not verified the quantitative inputs used in the Model (to extent any were included);
- Any review of or opinion on the reasonableness of the operational or financial assumptions used in the Model or supporting documentation;
- Any consideration of how closely the results actually achieved might compare with the Model's projections;
- Any review of the projections produced by the Model. Accordingly we make no comment in any form on the outputs produced by the Model, other than to confirm that the outputs generated by the Model appear to be consistent with the input assumptions considered;
- Any comparison of the Model against key documentation;
- Any check as to whether the accounting assumptions and outputs of the Model are in accordance with Generally Accepted Accounting Policies or New Zealand International Financial Reporting Standards; and
- Any check whether the income and indirect taxation assumptions and outputs from the Model are in accordance with the relevant Income Tax or GST Legislation.

PwC

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## 7. Innovation and Sustainable Development Committee Minutes – 24 October 2018

Reference: 18/1124026

Presenter(s): Christopher Turner-Bullock, Committee Advisor


### 1. Purpose of Report

The Innovation and Sustainable Development Committee held a meeting on 24 October 2018 and is circulating the Minutes recorded to the Council for its information.

### 2. Recommendation to Council

[That the Council receives the Minutes from the Innovation and Sustainable Development Committee meeting held 24 October 2018.](#)

### Attachments

No.	Title	Page
<a href="#">A</a> 	Minutes Innovation and Sustainable Development Committee - 24 October 2018	78

### Signatories

Author	Christopher Turner-Bullock - Committee Advisor
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## Innovation and Sustainable Development Committee OPEN MINUTES

**Date:** Wednesday 24 October 2018  
**Time:** 2.01pm  
**Venue:** Committee Room 1, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

**Present**

Deputy Chairperson  
Members

Councillor Tim Scandrett  
Councillor Mike Davidson  
Councillor Jamie Gough  
Councillor Glenn Livingstone  
Councillor Deon Swiggs  
Councillor Sara Templeton  
Deputy Mayor Andrew Turner

24 October 2018

**Principal Advisor**

Brendan Anstiss  
General Manager Strategy &  
Transformation  
Tel: 941 8472

Christopher Turner-Bullock  
Committee Advisor

941 8233  
christopher.turner@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

To view copies of Agendas and Minutes, visit:  
[www.ccc.govt.nz/Council/meetingminutes/agendas/index](http://www.ccc.govt.nz/Council/meetingminutes/agendas/index)

Innovation and Sustainable Development Committee  
24 October 2018



- 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 ISDC/2018/00030**

That the apology for absence from Councillor Buck and the apology for lateness from Deputy Mayor Turner be accepted.

Councillor Templeton/Councillor Gough

Carried

**2. Declarations of Interest**

**Part B**

There were no declarations of interest recorded.

**3. Confirmation of Previous Minutes**

**Part C**

**Committee Resolved ISDC/2018/00031**

That the minutes of the Innovation and Sustainable Development Committee meeting held on Wednesday, 26 September 2018 be confirmed.

Councillor Scandrett/Councillor Templeton

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.

Innovation and Sustainable Development Committee  
24 October 2018

Christchurch  
City Council 

**7 Resolution to Exclude the Public**  
**Committee Resolved ISDC/2018/00032**

That at 2.01pm the resolution to exclude the public set out on pages 10 to 11 of the agenda be adopted.

Councillor Davidson/Councillor Templeton

Carried

The public were re-admitted to the meeting at 2.58pm at which time the meeting concluded..

CONFIRMED THIS 21<sup>ST</sup> DAY OF NOVEMBER 2018

COUNCILLOR VICKI BUCK  
CHAIRPERSON

Unconfirmed

**Report from Strategic Capability Committee – 24 October 2018**

## 8. Miscellaneous Delegation Issues

**Reference:** 18/1120236

**Presenter(s):** Vivienne Wilson, Associate General Counsel

Item 8

### 1. Strategic Capability Committee Recommendation to Council

#### Part A (original staff recommendation accepted without change)

That the Council:

1. Relying on clause 32 of Schedule 7 of the Local Government Act 2002 and for the purposes of the efficiency and effectiveness in the conduct of the Council's business, and relying on any other applicable statutory authority,
  - a. Delegate to the persons and the Social, Community Development and Housing Committee as set out in Attachment A to the report in the agenda (as so highlighted) the responsibilities, duties and powers as shown; and
  - b. Amend the delegations as set out in Attachment A to the report in the agenda (as so shown).

Note that Attachment A has been updated following the Committee meeting to correct minor typographical errors.

### Attachments

No.	Report Title	Page
1	Miscellaneous Delegation Issues	82

No.	Title	Page
A <a href="#">↓</a>	Marked up changes to Delegations	88

## Miscellaneous Delegation Issues

Reference: 18/936253

Presenter(s): Vivienne Wilson, Associate General Counsel

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### 1. Purpose and Origin of Report

#### Purpose of Report

- 1.1 The purpose of this report is for the Strategic Capability Committee to recommend to Council that it makes some changes to delegations relating to Heritage Conservation covenants, and some minor delegation changes relating to trees and housing delegations.

#### Origin of Report

- 1.2 This report is being provided to fulfil Council resolution CNCL/2018/00054 which requested staff to report on whether a delegation for conservation covenants can sit with the Social, Community Development and Housing Committee.
- 1.3 Additionally, staff are seeking some minor delegation changes relating to trees and housing delegations.

### 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.

### 3. Staff Recommendations

That the Strategic Capability Committee recommend that the Council:

1. Relying on clause 32 of Schedule 7 of the Local Government Act 2002 and for the purposes of the efficiency and effectiveness in the conduct of the Council's business, and relying on any other applicable statutory authority,
  - a. Delegate to the persons and the Social, Community Development and Housing Committee as set out in Attachment A (as so highlighted) the responsibilities, duties and powers as shown; and
  - b. Amend the delegations as set out in Attachment A (as so shown).

### 4. Key Points

- 4.1 This report supports the [Council's Long Term Plan \(2018 - 2028\)](#):
  - 4.1.1 Activity: Governance & Decision Making
    - Level of Service: 4.1.22.0 Provide services that ensure all Council and Community Board decisions are held with full statutory compliance - 100% compliance
- 4.2 The following feasible options have been considered:
  - Option 1 – Amend the delegations (preferred option)
  - Option 2 – Do not amend the delegations
- 4.3 Option Summary - Advantages and Disadvantages (Preferred Option)
  - 4.3.1 The advantages of this option include:



- Staff and the Social, Community Development and Housing Committee have the necessary delegations in place to act on any matter before the Council (except for those matters specifically reserved to the Council).
- The delegations register remains current and fit for purpose.

4.3.2 The disadvantages of this option include:

- There are no identified disadvantages with this option.

## 5. Context/Background

- 5.1 The Council has identified some changes that could be made to the Council's delegations to the Social, Community Development and Housing Committee relating to Heritage Conservation covenants.
- 5.2 Staff have identified some minor changes to delegations around trees and housing delegations.
- 5.3 The Local Government Act 2002 (LGA) emphasises that delegations are made for the purposes of efficiency and effectiveness of the organisation. The Council's Delegations Policy states that the Council supports the principle of delegating decision-making to the lowest competent level.

### **Delegation relating to consents required under the terms of a Heritage Conservation Covenant**

- 5.4 From time to time, the terms of heritage conservation covenants will require Council consent.
- 5.5 The terms of heritage conservation covenants require Council consent in very limited circumstances.
- 5.6 The Council has not made any delegations of the power to grant consent under conservation covenants, and therefore any decision to grant consent must be decided by the Council by resolution. However, for the purposes of efficiency and effectiveness, it would be desirable to delegate to the Social, Community Development and Housing Committee the power to decide whether to grant consent required under the terms of a heritage conservation covenant.
- 5.7 In addition, it would also be desirable for there to be delegation in place to the Committee where there is a request to remove a redundant conservation covenant if the subject heritage building has been removed as a result of the earthquakes. For example, heritage buildings may have been demolished by order of CERA but the covenant was left on the title. This presents a problem for the owner of the vacant section. In this circumstance the covenant needs to be removed.
- 5.8 Therefore, for the purposes of efficiency and effectiveness, it would also be desirable for the Committee to hold the delegation to authorise the removal of a conservation covenant where there is vacant section.

### Delegation relating to trees

- 5.9 There is a staff delegation to the General Manager Citizens and Community and the Head of Parks as follows:

*In consultation with any other units affected, to authorise the following work on any tree from any reserve, park, open space or road corridor: planting and maintenance; removal of structurally unsound and unhealthy trees, trees causing damage to infrastructure or other safety concerns where there is no viable alternative other than to remove the tree. The relevant Community Board is to be informed of any removals that have been carried out under this delegation.*

*This delegation may be sub-delegated.*

- 5.10 In all other instances Community Boards have the delegated authority to make decisions in relation to trees.
- 5.11 The operational responsibility for trees in the road reserve now sits with the Transport Unit, and for the purposes of efficiency and effectiveness it would be desirable for the Head of Transport to also be able to exercise this delegation.
- 5.12 There has been a further issue with this delegation when it is applied to vehicle crossings where a tree needs to be removed for a consented vehicle crossing. For efficiency and effectiveness, it would be desirable to confirm that staff are able to authorise the removal of a tree to enable the construction of a previously consented vehicle crossing. These requests primarily arise in new subdivision areas and are generally street trees less than 6m in height.
- 5.13 An additional clause can also be inserted in the staff delegation that reiterates any tree removals must comply with the District Plan and the Resource Management Act 1991.

### Housing delegations tidy-up

- 5.14 The current delegations to the Chief Executive provides her with

*Authority to generally exercise the powers of the Council contained in the Residential Tenancies Act 1996 in relation to any property not contained in the Council's social housing portfolio; and to sign all required documentation.*

- 5.15 Given that the social housing portfolio has been transferred to the Ōtautahi Community Housing Trust, there is no longer any requirement for this delegation to refer to the "any property not contained in the Council's social housing portfolio". These words should be deleted.

- 5.16 There is also a delegation to the General Manager City Services as follows:

*To adjust City Housing rentals annually in accordance with movement in the Capital Goods Price Index (CGPI) - Residential Buildings Index, with the Council being advised prior to the rental adjustment taking effect, and with any proposal to adjust rentals in excess of this mechanism to be reported to the Council for approval.*

- 5.17 Again, with the transfer of the social housing portfolio has been transferred to the Ōtautahi Community Housing Trust, there is no longer any requirement for this delegation, and it should be removed from the register.

## 6. Option 1 – Amend the delegations (preferred)

### Option Description

- 6.1 Make the delegations to the Social, Community Development and Housing Committee, and staff as outlined in this report and shown in Attachment A.

### Significance

- 6.2 The level of significance of this option is low consistent with section 2 of this report.

### Impact on Mana Whenua

- 6.3 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

### Community Views and Preferences

- 6.4 The community views are not specifically affected by this option because it relates to internal Council processes.

### Alignment with Council Plans and Policies

- 6.5 This option is consistent with Council's Plans and Policies.

### Financial Implications

- 6.6 Cost of Implementation – there is minimal staff costs to implement this change in delegations.

### Legal Implications

- 6.7 There is a legal context, issue or implication relevant to this decision.
- 6.8 This report has been prepared by the Legal Services Unit.
- 6.9 Clause 32(1) of Schedule 7 of the LGA provides a general power of delegation as follows:
- Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except—*
- (a) *the power to make a rate; or*
  - (b) *the power to make a bylaw; or*
  - (c) *the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or*
  - (d) *the power to adopt a long-term plan, annual plan, or annual report; or*
  - (e) *the power to appoint a chief executive; or*
  - (f) *the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or*
  - (g) *[Repealed]*
  - (h) *the power to adopt a remuneration and employment policy.*
- 6.10 The proposed changes (including new delegations) do not infringe the restrictions in the LGA.

### **Risks and Mitigations**

6.11 There are no identified risks caused by this option.

### **Implementation**

6.12 Implementation timeframe - the amended delegations will be recorded in the Council's Delegations Register by the Legal Services Unit as soon as possible. The amended delegations will be exercised as and when required.

### **Option Summary - Advantages and Disadvantages**

6.13 The advantages of this option include:

- Staff and the Social, Community Development and Housing Committee have the necessary delegations in place to act on any matter before the Council (except for those matters specifically reserved to the Council).
- The delegations register remains current and fit for purpose.

6.14 The disadvantages of this option include:

- There are no identified disadvantages.

## **7. Option 2 – Do not amend the delegations**

### **Option Description**

7.1 Do not amend the delegations as outlined in this report.

### **Significance**

7.2 The level of significance of this option is low consistent with section 2 of this report.

### **Impact on Mana Whenua**

7.3 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

### **Community Views and Preferences**

7.4 The community views are not specifically affected by this option because it relates to internal Council processes.

### **Alignment with Council Plans and Policies**

7.5 This option is consistent with Council's Plans and Policies.

### **Financial Implications**

7.6 Cost of Implementation - there are no implementation costs with this option

7.7 Maintenance / Ongoing Costs – as above.

7.8 Funding source – as above.

### **Legal Implications**

7.9 There are no legal risks with this option.

### **Risks and Mitigations**

7.10 There are no risks with this option.

### **Implementation**

7.11 Implementation dependencies - none.

7.12 Implementation timeframe – as above.

### Option Summary - Advantages and Disadvantages

7.13 The advantages of this option include:

- There are no identified advantages of this option.

7.14 The disadvantages of this option include:

- The Council's delegation register does not remain fit of purpose.

### Attachments

No.	Title	Page
A	Marked up changes to Delegations	

### Confirmation of Statutory Compliance

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

(a) This report contains:

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

<b>Author</b>	Vivienne Wilson - Associate General Counsel
<b>Approved By</b>	Aaron Haymes - Team Leader Partnership Approvals Andrew Rutledge - Head of Parks Richard Osborne - Head of Transport Carolyn Ingles - Head of Urban Regeneration, Design and Heritage Mary Richardson - General Manager Citizen and Community David Adamson - General Manager City Services Bruce Rendall - Head of Facilities, Property & Planning Anne Columbus - General Manager Corporate Services

ATTACHMENT A

AMENDMENTS TO DELGATIONS AS SET OUT BELOW

Page 28, Part A, Sub-part 3

6. Other land dealings – excluding reserves under the Reserves Act 1977

Delegation	Date Amended
Authority to deal (other than acquiring, disposing, leasing or licensing) with Council land (including interests in land), including without limitation granting, entering into, varying, surrendering, releasing or discharging mortgages, easements, encumbrances, bonds, covenants, or other instruments, and to sign all required documentation.	
Authority to manage, administer and enforce the terms and conditions of any Easement Instrument of which the Council is the grantor or the grantee (including authority to agree to any variation or surrender), or any encumbrance, bond, or covenant, and to give or decline any consent or approval requested by any party to such Instrument, and to sign all required documentation.	
Authority to generally exercise the powers of the Council contained in the Residential Tenancies Act 1996 in relation to any property <b>not contained in the Council's social housing portfolio; and to sign all required documentation.</b> <sup>1</sup>	
Authority to consent (or to decline consent) as landowner and affected neighbour in relation to any resource consent, and to lodge any submission as an affected landowner in respect of any notified resource consent application or plan change.	
Where the Council is the landowner, to sign subdivision plans as owner on behalf of the Council, except where part of the land to be subdivided is vested in the Council.	
Where the Council is the holder of a land use consent or a discharge permit, to decide to transfer the whole or part of the holder's interest in the consent or permit to any other person.	
<b>Limitations, etc</b> All of the above delegations are subject to the terms of the General Financial Delegation to the Chief Executive.	

<sup>1</sup> The Tenancy Officers Subcommittee holds the delegation with respect to the social housing portfolio.



All of the above delegations are subject to any specific statutory requirements, for example, the Property Law Act 2007.	
All of the above delegations are subject to any applicable Council Policy.	
For delegations under section 176 of the Resource Management Act 1991 see Part B of this Delegations Register.	

Page 66, Part B, Sub-part 3  
6. City Housing Rentals

Delegation	GMCS
To adjust City Housing rentals annually in accordance with movement in the Capital Goods Price Index (CGPI) – Residential Buildings Index, with the Council being advised prior to the rental adjustment taking effect, and with any proposal to adjust rentals in excess of this mechanism to be reported to the Council for approval.	<input checked="" type="checkbox"/>

Page 74, Part B, Sub-Part 3  
21. Parks / Trees etc

Delegation	GMCC	HOP	HOT
<b>These delegations may be sub-delegated</b>			
To approve intrusions or not allow intrusions through recession planes of buildings adjoining parks.	✓	✓	
To grant or decline permits (other than leases or licences) for activities on reserves.	✓	✓	
To require bonds for any use on Council parks property.	✓	✓	
To make decisions on the siting of floodlights on sports parks, subject to the necessary resource consents and consultation with the appropriate community board.	✓	✓	
<p>In consultation with any other units affected, to authorise the following work on any tree from any reserve, park, open space or road corridor: planting and maintenance;</p> <ul style="list-style-type: none"> <li>removal of structurally unsound and unhealthy trees,</li> <li>trees causing damage to infrastructure or other safety concerns where there is no viable alternative other than to remove the tree,</li> <li><b>removal of a tree where the tree is impeding the consented legal access to the road (eg vehicle crossing).</b></li> </ul> <p>The relevant Community Board is to be informed of any removals that have been carried out under this delegation.</p> <p><b>To avoid any doubt, this delegation is subject to all requirements of the Christchurch District Plan and the Resource Management Act 1991.</b></p> <p>This delegation may be sub-delegated.</p>	✓	✓	✓

Page 154, Part D, Sub-Part 2

1. Social, Community Development and Housing Committee

Delegation	Date Amended
Referral - the application from the Free Theatre Incorporated for Free Theatre – Wages of the Manager and Administrator. For consideration and to make a decision on this application.	2 March 2017
To approve heritage incentive grant applications up to a value of \$150,000.	10 May 2017
The approval of extensions of up to two years for the uptake of Heritage Incentive Grants.	10 May 2017
<b>To give Council's consent under the terms of a Heritage Conservation Covenant.</b>	
<b>To give Council's consent to the removal of a Heritage Conservation Covenant from a vacant section.</b>	



## 9. Strategic Capability Committee Minutes - 24 October 2018

Reference: 18/1120244

Presenter(s): Christopher Turner-Bullock, Committee Advisor

### 1. Purpose of Report

The Strategic Capability Committee held a meeting on 24 October 2018 and is circulating the Minutes recorded to the Council for its information.

### 2. Recommendation to Council

[That the Council receives the Minutes from the Strategic Capability Committee meeting held 24 October 2018.](#)

### Attachments

No.	Title	Page
<a href="#">A</a> 	Minutes Strategic Capability Committee - 24 October 2018	94

### Signatories

Author	Christopher Turner-Bullock - Committee Advisor
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## Strategic Capability Committee OPEN MINUTES

**Date:** Wednesday 24 October 2018  
**Time:** 9.51am  
**Venue:** Committee Room 1, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

**Present**

Chairperson  
Deputy Chairperson  
Members

Mayor Lianne Dalziel  
Deputy Mayor Andrew Turner  
Councillor Phil Clearwater  
Councillor Pauline Cotter  
Councillor David East  
Councillor Raf Manji

24 October 2018

**Principal Advisor**

Brendan Anstiss  
General Manager Strategy &  
Transformation  
Tel: 941 8472

Christopher Turner-Bullock  
Committee Advisor  
941 8233

Christopher.Turner@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

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[www.ccc.govt.nz/Council/meetingminutes/agendas/index](http://www.ccc.govt.nz/Council/meetingminutes/agendas/index)



Strategic Capability Committee  
24 October 2018



- 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 SCCM/2018/00020

That the apology for absence from Councillor Buck be accepted.

Councillor Cotter/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 SCCM/2018/00021

That the open and public excluded minutes of the Strategic Capability Committee meeting held on Monday, 3 September 2018 be confirmed.

Councillor Cotter/Deputy Mayor

Carried

**4. Deputations by Appointment**

Part B  
There were no deputations by appointment.

**5. Presentation of Petitions**

Part B  
There was no presentation of petitions.

Strategic Capability Committee  
24 October 2018

Christchurch  
City Council 

## 6. Miscellaneous Delegation Issues

Committee Decided SCCM/2018/00022

### Part A (original staff recommendation accepted without change)

That the Strategic Capability Committee recommends that the Council:

1. Relying on clause 32 of Schedule 7 of the Local Government Act 2002 and for the purposes of the efficiency and effectiveness in the conduct of the Council's business, and relying on any other applicable statutory authority,
  - a. Delegate to the persons and the Social, Community Development and Housing Committee as set out in Attachment A to the report in the agenda (as so highlighted) the responsibilities, duties and powers as shown; and
  - b. Amend the delegations as set out in Attachment A to the report in the agenda (as so shown).

Deputy Mayor/Councillor East

Carried

Meeting concluded at 9.52am.

CONFIRMED THIS 21<sup>ST</sup> DAY OF NOVEMBER 2018

MAYOR LIANNE DALZIEL  
CHAIRPERSON

## 10. International Relations Working Group - Terms of Reference

**Reference:** 18/1027890

**Presenter(s):** Councillor Jimmy Chen, Chairperson International Relations Working Group

### 1. Purpose of Report

- 1.1 The purpose of this report is for the Council to approve the amended Terms of Reference for the International Relations Working Group to enable the Group to report to the Strategic Capability Committee.

### 2. Staff Recommendations

[That the Council:](#)

1. [Approve the amended Terms of Reference of the International Relations Working Group.](#)

### 3. Key Points

- 3.1 The International Relations Working Group have agreed to undertake a review of the International Relations Policy 2013 and Sister Cities Strategy 2000 during the 2018/19 financial year.
- 3.2 The Working Group is in the process of holding workshops with stakeholders it has identified to be part of the review process.
- 3.3 The Council, at its meeting on 12 July 2018 requested the International Relations Working Group to report the proposed International Relations Policy Framework to the Council through the Strategic Capability Committee, with updates as necessary. Going forward the Working Group will report to the Strategic Capability Committee for all other business.
- 3.4 The amended Terms of Reference are attached to the report as Attachment A.

### Attachments

No.	Title	Page
A <a href="#">↓</a>	International Relations Working Group - Terms of Reference	98

### Signatories

<b>Author</b>	Matthew Nichols - Manager Civic & International Relations
<b>Approved By</b>	Murray Dickson - Director of Office of Chief Executive

## International Relations Working Group – Terms of Reference

<b>Chair</b>	Councillor Chen
<b>Membership</b>	Councillor Johanson (Deputy Chair) CEO, ChristchurchNZ <b>or representative</b> Christchurch Educated Representative CEO, Development Christchurch Limited <b>or representative</b> Representative(s) from Sister City Chairs Director Christchurch Ministry of Foreign Affairs and Trade <b>or representative</b> CEO, Canterbury Employers Chamber of Commerce <b>or representative</b> CEO, Christchurch International Airport Limited <b>or representative</b> CEO, New Zealand Trade and Enterprise <b>or representative</b> Other members to be appointed by the Strategic Capability Committee
<b>Quorum</b>	Half of the members if the number of members (including vacancies) is even, or a majority if the number of members (including vacancies) is odd with at least one of those present being a Christchurch City Council Councillor.
<b>Meeting Cycle</b>	Quarterly
<b>Reports To</b>	Strategic Capability Committee

### Responsibilities

The International Relations Working Group is responsible for:

- Providing strategic oversight and advice on the city's international relations and cultural links.
- Advising on strategy to:
  - Promote Christchurch city's international links in city to city and city to region relationships where the opportunity exists for high value investment, growth, tourism and cultural links.
  - Strengthen international education opportunities.
  - Expand international economic, tourism and education opportunities.
- Providing a point of engagement for the Council with the international community in relation to all international relations matters.
- Oversight of Sister City programme:
  - Strengthen relationships with existing Sister Cities,
  - Develop further relationships, and
  - Receive annual reports from Sister City committees.
- Consider and make recommendations to the Council with regards to travel in support of international relationships, including ad hoc requests during the course of the term.
- Assisting the Mayor in receiving overseas visitors and representatives to Christchurch.
- Other issues referred by the Strategic Capability Committee.

## 11. Appointments to Community Liaison Committees under the Oranga Tamariki (Residential Care) Regulations 1996

Reference: 18/987180

Presenter(s): Judith Cheyne, Associate General Counsel

### 1. Purpose of Report

- 1.1 The purpose of this report is so the Council can appoint a Council representative to each of two community liaison committees under the Oranga Tamariki (Residential Care) Regulations 1996 (Te Poutama Ārahi Rangatahi Residence and Te Oranga Care and Protection Residence (Kingslea).
- 1.2 Waipuna/Halswell-Hornby-Riccarton Community Board Chair, Mike Mora, has previously been the Council appointee for Te Poutama, and needs to be reconfirmed. There has been no Council appointee for some time at Te Oranga, but Councillor Glenn Livingstone was approached by the manager of the residence to be the Council appointee for Te Oranga.

### 2. Staff Recommendations

That the Council:

1. Receive the information in this report, noting that the Council can consider delegating the power of appointment under regulation 34(2)(b) to the relevant Community Boards as part of the Community Board delegations project.
2. Under regulation 34(2)(b) of the Oranga Tamariki (Residential Care) Regulations 1996 appoint:
  - a. Councillor Glenn Livingstone to the Te Oranga Care and Protection Residence Community Liaison Committee.
  - b. Community Board Chair Mike Mora to the Te Poutama Ārahi Rangatahi Residence Community Liaison Committee.

### 3. Key Points

- 3.1 The Council has power to appoint representatives on behalf of the Council to community liaison committees (CLC) of residential care facilities under regulation 34 of the Oranga Tamariki (Residential Care) Regulations 1996.
- 3.2 There are two residential care facilities in the Council's district:
  - 3.2.1 Te Oranga Care and Protection Residence in Christchurch which can house up to 10 children and young people. Most people also know this as Kingslea. It is located in the Waitai/Coastal-Burwood Community Board area. There has not been a Council appointee to the CLC for this residence for some time. However, Councillor Glenn Livingstone has been approached about being on the CLC.
  - 3.2.2 Te Poutama Ārahi Rangatahi (Harmful Sexual Behaviour programme) in Christchurch which can house up to 12 young people. It was known as the Juvenile Sex Offenders Unit in early Council reports - it opened in 1999, after the 1996 Regulations came into force. It is located in the Waipuna/Halswell-Hornby-Riccarton Community Board area. Mike Mora is currently on this CLC.
- 3.3 Regulation 34(2) requires the manager of every residence to establish a CLC, and the manager must *'endeavour to ensure the committee has the following membership:*
  - (a) 2 persons resident in and representative of the community in which the residence is situated:

*(b) 2 persons appointed by the local authority having jurisdiction over the area in which the residence is situated:*

*(c) 2 persons representing the tangata whenua of the area in which the residence is situated:*

*(d) a constable:*

*(e) the manager of the residence, or a senior member of staff of the residence to attend meetings of the committee in the absence of the manager:*

*(f) a representative of the members of staff of the residence:*

*(g) a representative of the children and young persons in the residence:*

*(h) such other person or persons as the committee invites to be members of the committee.*

- 3.4 Regulation 34(3) provides that the manager appoints the members to the committee, other than the members referred to in paragraph (b), (c) or (h) of subclause (2).
- 3.5 The local authority appointees under (b) (and appointees under (a), (c) and (h)) are not entitled to any remuneration from the Crown for being on a CLC. The other appointees to a CLC are remunerated.
- 3.6 The manager must 'endeavour' to ensure the CLC has the membership as set out, but this is not a mandatory requirement, and so it is also not mandatory for Council to have two appointees. Given this is an unpaid position, and there has only been one appointee from Council in recent times at Te Poutama (and none at Te Oranga), staff recommend 1 appointee be made by Council to each CLC, rather than 2.
- 3.7 In the early days after the Regulations came into force there were delegations of the regulation 34(2) power to the relevant Community Boards, but the delegations, and the appointments, have not been made or followed up since around 2004/2005 (although Mike Mora has continued as an appointee on the CLC for the Te Poutama residence).
- 3.8 As the result of an enquiry by staff at Te Poutama, Council staff realised there were no longer any delegations in place, and that, for the Kingslea/Te Oranga residence there were no Council appointees on the CLC.
- 3.9 The following table sets out some of the historical position re delegations and appointments:

	1998	2001	2004/5	2007
<b>Council</b>	Appointed Cr Carole Anderton to Kingslea CLC (and a delegation provided that the other Council appointee be appointed by the Board)	Appointed Cr Megan Evans as Council appointee, noting that the Community Board would appoint the other Council representative	No reference in the Council reports on representatives to outside bodies of an appointment to Kingslea (or Te Poutama), despite this being a feature of the previous 2 post-election reports, as a statutory requirement appointment needing to be made.	Once again, no reference in the Council report on representatives to outside bodies of an appointment to Kingslea or Te Poutama (or of the statutory requirement in regulation 34).



<b>Burwood/ Pegasus Comm Board</b>	Cannot find any record of a Board appointment/an exercise of the delegation from Council	Appointed Don Rowlands to Kingslea CLC (Carole Evans as alternate)	Appointed Don Rowlands to Kingslea CLC (no alternate)	No reference in the report on outside bodies appointments to any appointee being made to Kingslea CLC (not sure if Don Rowlands simply continued - but there has been no Council representative on the Kingslea CLC for some time)
<b>Riccarton/ Wigram Comm Board</b>	Juvenile Sex Offenders Unit/ Te Poutama not established by 1998	Te Poutama opened in 1999, but cannot find any reference to an appointment to this body in the 30/1/02 Board minutes/ report to Council on 28/2/02 (covering its appointments to other organisations)	Board appoints Mike Mora to the ' <i>Justice Juvenile Sex Offenders Committee</i> ' (Not clear if Board had a delegation from Council – this might have happened 'mid-term' – there does not appear to have been a Council/second appointee.)	There is reference in the Board report that an appointment to the CLC is needed but no appointment is recorded in minutes (previous appointment of Mike Mora may simply have continued/view taken no reappointment needed)

- 3.10 Staff consider that a new delegation could be made to the two Boards giving them the authority to appoint the Council's representative to the CLC for each residence, but this should be dealt with as part of the larger project on Community Board delegations.
- 3.11 However, in the meantime, Council should make the appointments under regulation 34(2)(b) to the two CLCs. Community Board Chair, Mike Mora, is willing to continue as the Council appointee to Te Poutama, and Councillor Glenn Livingstone is willing to be the Council appointee to Te Oranga.

## Attachments

There are no attachments to this report.

## Signatories

<b>Author</b>	Judith Cheyne - Associate General Counsel
<b>Approved By</b>	Aaron Haymes - Head of Legal Services John Filsell - Head of Community Support, Governance and Partnerships Mary Richardson - General Manager Citizen and Community



## 12. Hearings Panel Report to the Council on the Proposed Amendment to the Freedom Camping Bylaw 2015 - Akaroa

Reference: 18/1068203

Presenter(s): Liz Ryley, Committee Advisor

### 1. Purpose of Report

- 1.1 The purpose of this report is to recommend to Council the adoption of the proposed amendments to the Freedom Camping Bylaw 2015 to address concerns in Akaroa, in the form appended, which incorporates changes to what was consulted on, as Attachment A, and maps at Attachment B and Attachment C.
- 1.1 The Hearings Panel report and associated documentation is attached as Attachment D. The Regulatory Performance Committee's report to the Council can be found on page 35 of the following link:  
[http://christchurch.infocouncil.biz/Open/2018/07/CNCL\\_20180712\\_AGN\\_2337\\_AT.PDF](http://christchurch.infocouncil.biz/Open/2018/07/CNCL_20180712_AGN_2337_AT.PDF)
- 1.2 The Volumes of Submissions to be heard in person and those who no longer wished to be heard are available at the link:  
[http://christchurch.infocouncil.biz/Open/2018/09/BLHP\\_20180917\\_AGN\\_2966\\_AT.PDF](http://christchurch.infocouncil.biz/Open/2018/09/BLHP_20180917_AGN_2966_AT.PDF)

### 2. Key Points

- 2.1 The purpose of the Freedom Camping Bylaw 2015 (the Bylaw) is to help manage the impact of freedom camping across the district. The proposed changes to the Bylaw were prepared in response to concerns about freedom camping impacts in Akaroa, and focused on Akaroa township.
- 2.2 The Hearings Panel of Councillor David East (Chairperson), Community Board Member Tim Lindley, and Deputy Mayor Andrew Turner generally supports the proposed amendments to the Bylaw to address concerns in Akaroa, and recommends adopting the amendments to the Bylaw with minor changes to what was proposed, as a result of the consultation and hearing process.
- 2.3 Adoption of the report will enable the Bylaw changes to come into effect at the commencement of the 2018/2019 summer season, on 1 December.
- 2.4 The proposed amendment, as consulted on, would prohibit freedom camping in the whole of Akaroa (except for one area). The Akaroa Freedom Camping area would continue, enabling a limited number of certified self-contained vehicles to camp for up to two nights within a 30 day period. A new clause would limit overnight parking to one vehicle per marked parking space to prevent overcrowding.
- 2.5 Additional changes recommended by the Hearings Panel include a requirement to confine camping activities to within a marked parking space (to avoid encroaching into other parking spaces or other areas). A redesign of the Akaroa Freedom Camping Area's layout will result in 18 marked parking spaces (an increase of three from the current capacity).
- 2.6 The Hearings Panel has no decision-making powers but, in accordance with its delegation, has considered the written and oral submissions received on the proposal and is now making recommendations to the Council. The Council can then accept or reject those recommendations as it sees fit bearing in mind that the Local Government Act 2002 s.82(1)(e) requires that "the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration."

- 2.7 The Council, as the final decision-maker, should put itself in as good a position as the Hearings Panel having heard all the parties. It can do so by considering this report which includes a summary of the written and verbal submissions that were presented at the hearings, any additional information received by the Panel, and the Hearings Panel's considerations and deliberations.

### 3. Hearings Panel Recommendations

That the Council:

1. Adopt the amendments to the Christchurch City Council Freedom Camping Bylaw 2015, in the form attached as Attachment A, including map 10.3 Attachment B, and map 11.3 Attachment C.
2. Note that after considering the matters raised in submissions, the Hearings Panel supports the proposal to prohibit freedom camping in Akaroa township, and allow freedom camping in certified self-contained vehicles for up to 2 nights in any 30-day period in a limited area in Akaroa (the existing freedom camping area).
3. Note that the Hearings Panel supports a redesign of the existing freedom camping area to enable eighteen freedom camping parking spaces.
4. Note the Hearings Panel considered whether the carpark immediately behind the Grand Hotel (between Rue Jolie and the Croquet Club) would accommodate a further parking area for freedom camping. On considering initial feedback from potentially affected immediate neighbours, the Panel decided not to pursue this option at this time.
5. Note the following changes (incorporated in Attachment A, including map 10.3 Attachment B, and map 11.3 Attachment C), as a result of the consultation and hearings process:
  - a. An addition to clause 7(1)(c) of the Bylaw (which limits freedom camping to one vehicle per marked parking space in a freedom camping area), to add that all freedom camping activities must be confined to the marked parking space (and related changes to the explanatory note).
  - b. Prohibiting freedom camping in Akaroa township, but allowing freedom camping in certified self-contained vehicles for up to 2 nights in any 30-day period, in the area described as follows:

Akaroa Freedom Camping Area is located at the northern end of Akaroa, south of Woodhills Road / State Highway 75, and in the north eastern part of Akaroa Boat Park. There are two rows of freedom camping parking spaces to the west of the Akaroa Croquet Club (one row with seven larger parks, and one row with eight medium parks). A third row of freedom camping parking spaces is located alongside the northern fork of Grehan Stream (with three medium parks). Freedom camping parking spaces are clearly marked on-site.
  - c. Changes to the Bylaw's tables describing the prohibited areas and restricted areas for freedom camping to reflect the changes.
  - d. Changes to the Bylaw's maps showing the 'Akaroa Freedom Camping Area' and 'Akaroa Prohibited Area' to reflect the changes.
6. Determine that the amendments to the Christchurch City Council Freedom Camping Bylaw 2015 is the most appropriate and proportionate way of addressing the perceived problems, and therefore meets the requirements of section 11 of the Freedom Camping Act 2011.
7. Authorise staff to make any typographical changes or to correct minor errors or omissions as the case may be, and to prepare a consolidated version of the Bylaw, before the Bylaw amendments come into force.

8. Approve the amendments, and changes/corrections under resolution 4, to the Bylaw to come into force on 1 December 2018.
9. Give public notice that the Christchurch City Council Freedom Camping Bylaw 2015 has been amended by the Council; that the amendments come into effect on 1 December 2018; and that copies of the amended Christchurch City Council Freedom Camping Bylaw 2015 may be inspected and obtained at the Council's offices or on its website, without payment.

#### 4. Background

- 4.1 On 12 July 2018 the Council considered a report from the Regulatory Performance Committee regarding the Freedom Camping Bylaw 2015. The Council resolved that it was satisfied that the proposed amendments to the Bylaw was the most appropriate and proportionate way of addressing the perceived problems, approved the use of the Special Consultative Procedure for public consultation, and that the Hearings Panel should consider any submissions and report back to the Council.
- 4.2 The Hearings Panel has now heard submissions on the proposed amendments and deliberated on those submissions, and here reports back to the Council on the final form of the Bylaw amendments.

#### 5. Context

- 5.1 Freedom camping is generally permitted in New Zealand, unless specifically restricted or prohibited by a bylaw. Bylaw restrictions can only be put in place if it is necessary to protect the area, to protect the health and safety of people who visit the area, or to protect access to the area, as set out in the Freedom Camping Act 2011.
- 5.2 While freedom camping can bring benefits to communities such as increased business, it can also have negative impacts such as pressure on local infrastructure and services. For small communities the environmental and economic costs can be significant, especially as freedom camper numbers and impacts increase, and services and infrastructure struggle to cope.
- 5.3 In 2015 the Council brought in a new bylaw to help manage the impact of freedom camping across the district. This included putting in place some restrictions in Akaroa and the surrounding area.
- 5.4 At the end of the 2015/2016 summer season, concerns were raised about some locations where the number of freedom campers had far exceeded expectations, and had strained infrastructure and services. This led to the prohibition of freedom camping in Wainui and French Farm foreshore areas (across the harbour from Akaroa), in late 2016, as well as the 2016 prohibition of freedom camping in non-self-contained vehicles (those with little or no on-board or built-in sanitary and ablutionary facilities) across the district.
- 5.5 Since the 2016 amendment the only form of freedom camping that is allowed in Council managed areas in the district is in certified self-contained vehicles. The recent summer season in Akaroa (2017/18) saw further increases in the numbers of freedom campers, and calls from the community for further restrictions to help reduce the impacts from freedom campers.
- 5.6 The Council proposed changes to its Freedom Camping Bylaw in relation to Akaroa to prohibit all freedom camping in Akaroa township, except for one area where self-contained vehicles can continue to camp for up to two nights in any 30 day period.
- 5.7 From a national perspective, the Minister for Tourism's Responsible Camping Working Group is looking at legislative changes to the entire freedom camping regime in New Zealand, including the Freedom Camping Act and its bylaw-making powers, the Standard for certification for self-containment, and the Camping Grounds Regulations 1985. Staff are awaiting the results of these reviews to understand how freedom camping impacts can be managed across the district.

- 5.8 Additionally, the Council's Freedom Camping Bylaw 2015 is due for a full review in 2020 (due to the bylaw review requirements of the Local Government Act 2002).

## 6. Consultation Process and Submissions

- 6.1 The consultation period for the Proposed Amendment to the Freedom Camping Bylaw 2015 occurred between 1 August and 3 September 2018. A total of 79 submissions were received. A Summary of Submissions is included in the Hearings Panel Report at page 3 of Attachment D.
- 6.2 Four submissions were received from Community Boards, 66 from individuals and nine from organisations or businesses.
- 6.3 On balance, submissions were generally supportive of the proposed changes. Some submitters were of the view that the changes had gone too far, some that they had not gone far enough, and many submitters made suggestions for other changes that could help to address freedom camping issues in and around Akaroa.
- 6.4 As noted, the Volumes of Submissions to be heard in person and those who no longer wished to be heard are available at the link:  
[http://christchurch.infocouncil.biz/Open/2018/09/BLHP\\_20180917\\_AGN\\_2966\\_AT.PDF](http://christchurch.infocouncil.biz/Open/2018/09/BLHP_20180917_AGN_2966_AT.PDF)

## 7. The Hearing

- 7.1 The Hearings Panel convened on Monday 17 September 2018 in Akaroa, and again on Thursday 20 September 2018 at the Council's Civic Offices, to hear verbal submissions on two Bylaws; Alcohol Restrictions in Public Places Bylaw 2018, and Proposed Amendment to the Freedom Camping Bylaw 2015 (Akaroa). On Monday 17 September the Hearings Panel also undertook a site visit to the Akaroa Freedom Camping Area.
- 7.2 The Hearings Panel reconvened on Monday 1 October 2018 and conferred with staff on a matter relating to freedom camping parking it wished to be clarified coming out of the submissions. This was, a proposal to extend the Akaroa Freedom Camping Area into an area next to the Croquet Club, alongside Rue Jolie.
- 7.3 The Hearings Panel reconvened on Monday 8 October 2018. Deputy Mayor Andrew Turner chaired the Hearing in Councillor East's absence. Council officers presented the Panel with information about plans to improve the Akaroa Freedom Camping Area generally, and information about the proposal to extend it (as raised in submissions). Staff reported the results of some rapid targeted consultation, and, on considering initial feedback from potentially affected immediate neighbours, the Panel decided not to pursue this option at this time.

## 8. Consideration and Deliberation of Submissions

- 8.1 On Monday 8 October 2018 the Hearings Panel considered and deliberated on all submissions received on the proposal on freedom camping. This included some additional information received from submitters, as Attachment E. Some of the key issues that were addressed by the Hearings Panel are as follows:
- 8.1.1 The Hearings Panel discussed signage. They agreed to remove some signs that had been installed in car parks along the Summit Road to make it clear that only certified self-contained freedom camping was allowed, but that had unintentionally appeared to promote freedom camping in sensitive areas.
- 8.1.2 The Panel discussed extending the Akaroa prohibited area for a short distance past the top of Rue Balguerie, up Stony Bay Road and Purple Peak Road, due to concerns about displacement, and directed staff to alter the description of the prohibited area, and the relevant map, accordingly.



- 8.1.3 The plans of the Akaroa Freedom Camping Area (including the numbers of parks provided, and maps of the area), were considered and discussed in detail, including the proposal to extend the Freedom Camping Area into the space next to the Croquet Club, alongside Rue Jolie. The Panel decided not to pursue the extension, but was otherwise satisfied with the plans to improve the layout of the Akaroa Freedom Camping Area.
- 8.1.4 The Panel, after considering a request by the New Zealand Motor Caravan Association (NZMCA) for NZMCA only freedom camping parks, agreed they did not want to restrict parking spaces specifically for that purpose in Akaroa due to limited opportunities and space available for freedom camping.
- 8.1.5 Clear signage is needed to manage issues around the Akaroa Freedom Camping Area and the nearby boat ramp parking area, to make the requirements of the amended Bylaw clear, and to suggest other options when the Akaroa Freedom Camping Area is full (such as nearby camping grounds).
- 8.1.6 Staff outlined the initiatives and changes for the upcoming summer season, covering:
- Funding, education and information plans, including: improving the Council's maps with information relating to freedom camping and associated activities, ensuring correct information is in freedom camping apps; using targeted social media campaigns; working across the region on consistent messaging; and gateway, information and enforcement signage in and around Akaroa.
  - Engaging a third party contractor for monitoring and enforcement morning and evening, seven days a week and public holidays in Akaroa and the surrounding area
  - Two police officers in Akaroa warranted for enforcement.
- 8.1.7 The Hearings Panel discussed a possible trial using the CamperMate app and parking sensors in the Akaroa Freedom Camping Area to reduce the potential for overcrowding. This would enable app users to see whether or not there are any available parking spaces, and make travel decisions in advance of travelling to Akaroa if the freedom camping parks are full. The Panel asked staff to pursue/investigate this option.
- 8.1.8 Changing the road markings at the entrance to Akaroa to make it safer for users to turn into the Akaroa Freedom Camping Area was discussed, but is an issue to be addressed with NZTA as the Road Controlling Authority on the State Highway.
- 8.1.9 Certification and self-containment issues were a matter raised during submissions, including whether the Council has powers to enter vehicles to verify self-containment arrangements, and a detailed response was provided by staff. (In summary, enforcement officers do not have any legal power to enter a vehicle, but can ask to see self-containment certification documents).

The certification regime was discussed, including its known failings, and the review being undertaken at the national level as part of the Minister for Tourism's Responsible Camping Working Group legislative review. Staff also clarified that there is a four year transitional period for the amended Standard, which means vehicles certified under the old regime and shortly before the amendment came into force remain compliant until 31 January 2022.<sup>1</sup>

- 8.1.10 The Panel was satisfied with the plan to improve the layout of the Akaroa Freedom Camping Area and to increase its capacity from 15 to 18 parks. (Attachment F). The Panel requested that staff continue to work towards operational improvements to the Akaroa Freedom Camping Area to reduce the impacts on nearby infrastructure and services (such as exploring whether rubbish and recycling facilities and a fresh water tap could be provided).
- 8.2 Following consideration and deliberation of submissions, the Hearings Panel agreed to recommend to Council to adopt the Proposed Amendment to the Freedom Camping Bylaw 2015 (Akaroa).

## Signatories

**Author** Liz Ryley - Committee Advisor

**Approved By** Councillor David East - Chair of Hearings Panel

## Attachments

No.	Title	Page
A <a href="#">↓</a>	Amendments to the Freedom Camping Bylaw 2015	109
B <a href="#">↓</a>	Akaroa Freedom Camping Area - Map 10.3	111
C <a href="#">↓</a>	Akaroa Prohibited Area - Map 11.3	112
D <a href="#">↓</a>	Hearings Panel Report - 17 September 2018	113
E <a href="#">↓</a>	Additional Information from submitters - Freedom Camping	125
F <a href="#">↓</a>	Map Complete - Freedom Camping Area	133

<sup>1</sup> The NZ Standard 'Self containment of motor caravans and caravans, Amendment 2' (NZS 5465:2001 A2) was adopted by NZ Standards (a business unit within the Ministry of Business, Innovation and Employment) on 31 May 2017 and came into force on 31 January 2018. Vehicle certification under the Standard lasts for four years. The amendment contains a four-year traditional clause, meaning that any vehicle certified shortly before the amendment came into force will remain certified until four years later, despite not meeting the requirements of the current Standard.



## Amendments to the Freedom Camping Bylaw 2015 – Akaroa

The Hearings Panel recommends amending the [Freedom Camping Bylaw](#) in the following ways (to be incorporated into the full Bylaw, once adopted by the Council):

### Additions to clause 7 of the bylaw

Add new subclause (c) to clause 7(1), and new explanatory notes. New wording underlined, to read:

#### **Clause 7. Freedom camping in certified self-contained vehicles**

- (1) *In any area marked orange on any map in the Schedule, freedom camping is allowed subject to the following restrictions:*
- (a) *The freedom camping must only take place in a certified self-contained vehicle; and*
  - (b) *The maximum period of stay in any location within an orange area is 2 nights within a 30-day period; and*
  - (c) *If there are marked parking spaces in an orange area, only one vehicle may park overnight per marked parking space, and all freedom camping activities must be confined to that parking space.*

Explanatory note: Clause 7(1)(c) is to prevent overcrowding and overflow in freedom camping areas. This means 'double-bunking' (where more than one vehicle occupies a parking space intended for one vehicle) is not allowed. Freedom camping activities (including awnings or shade structures) cannot spread outside of the marked parking space and encroach onto neighbouring spaces or into other areas, including any nearby grassed areas. These kinds of freedom camping areas are not intended to support traditional camping set-ups.

### Deletions to the Freedom Camping Bylaw Schedule (including maps)

Amendment action	Title and description in current bylaw schedule
Delete red (Prohibited) table entry titled: Map 10 red areas	<b>"Akaroa Main Business Area and Boat Ramp – All Council-owned and/or -managed land.</b> Beach Road from Bruce Terrace to Rue Benoit; Rue Lavaud from Rue Benoit to Woodills Road; Woodills Road from Rue Lavaud to Rue Jolie north; Rue Jolie South from Bruce Terrace to Beach Road; Rue Jolie North from the waterfront to Rue Brittan; Rue Balquerie from Rue Lavaud to Dalys Wharf; Bruce Terrace – from Beach Road to Rue Jolie South; Aubrey Street – all; Church Street – all; Rue Croix – all; Akaroa boat park area from Rue Brittan along the foreshore to Woodills Road up to Rue Lavaud and includes Children's Bay foreshore. Note: Excluding the areas designated for self-contained vehicles."
Delete red (Prohibited) table entry titled: Map 11 red areas	<b>"Takapūneke – All Council owned- and/or -managed land at Takapūneke Reserve, Green Point Park and Beach Road Park"</b> [Note: Takapūneke will remain prohibited and form part of the Akaroa prohibited area]
Delete orange (Restricted) table entry: Maps 10 & 11 orange area	<b>"Akaroa – residential zone – All Council-owned and/or -managed land comprising the urban area within the Akaroa residential and urban area, including the boat ramp, excluding the prohibited areas."</b>
Delete map 10.3	<b>Freedom camping restrictions: Jubilee Park Akaroa</b> (This map shows the freedom camping area on Rue Brittan, surrounded by a mixture of prohibited and restricted areas)

Amendment action	Title and description in current bylaw schedule
Delete map 11.3	<p><b>Freedom camping restrictions: Akaroa</b></p> <p>(This map shows the two prohibited areas in Akaroa (the commercial and partial waterfront area, and Takapūneke) and the residential zone and remaining part of the waterfront area, where self-contained vehicles can currently stay for a maximum of 2 nights in any 30-day period)</p>

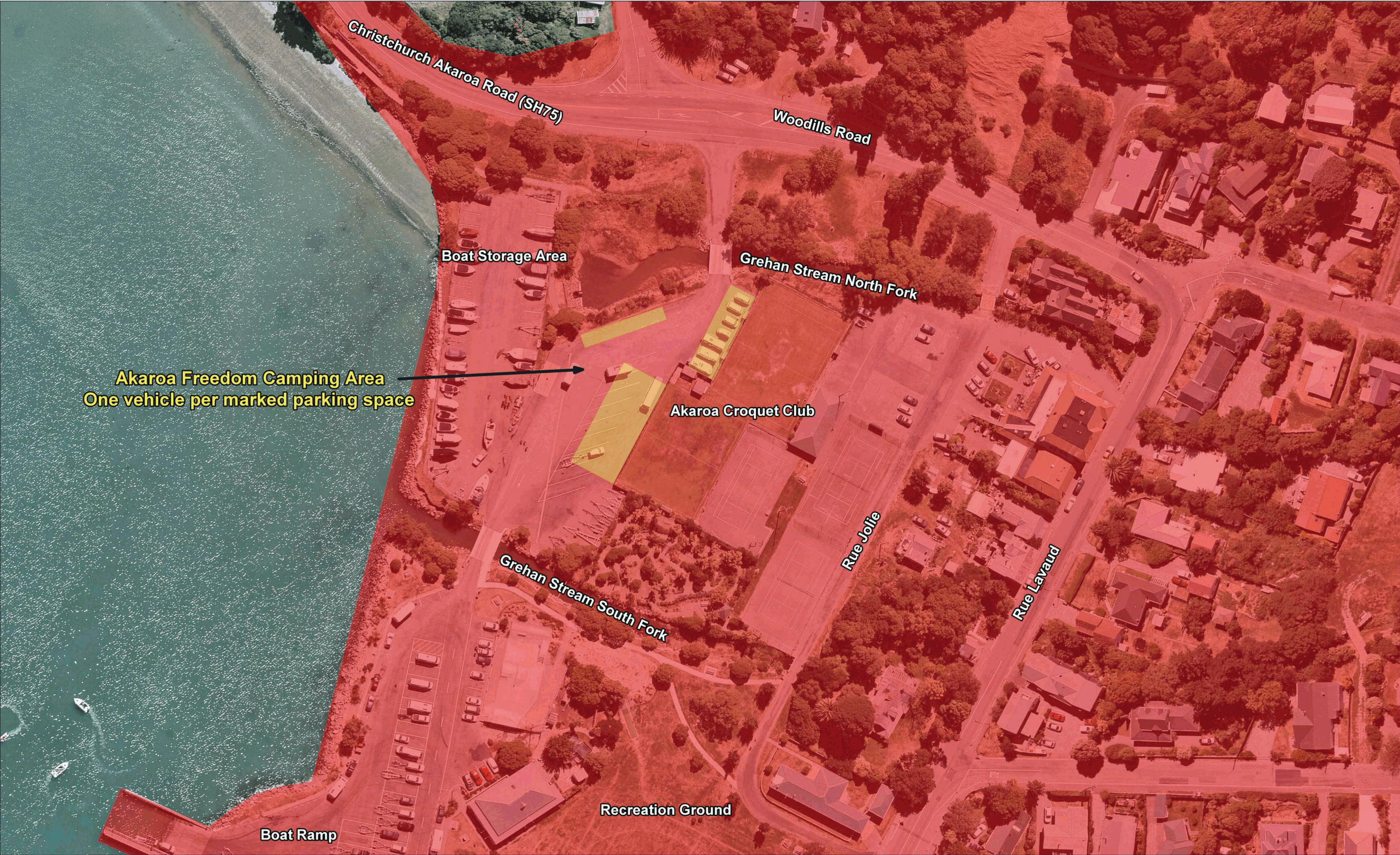
**Additions to the Freedom Camping Bylaw Schedule (including maps)**

Amendment action	Replacement title and description in amended bylaw schedule
Add replacement red (Prohibited) table entry titled: Maps 10 & 11 red area	<p><b>Akaroa Prohibited Area – All Council-owned and/or managed land in Akaroa township is prohibited to freedom camping</b> (other than in the marked parking spaces in the Akaroa Freedom Camping Area, where certified self-contained vehicles can camp for up to two nights in any 30-day period).</p> <p>The Akaroa prohibited area includes:</p> <ul style="list-style-type: none"> <li>the whole of the Akaroa waterfront (from Children's Bay to Red House Bay (including the whole of Beach Road));</li> <li>Takapūneke Reserve (from and including Beach Road to Onuku Road);</li> <li>the residential part of Lighthouse Road (as shown on the map);</li> <li>Grehan Valley Road and Aylmers Valley Road (including the parking area for Misty Peaks Reserve);</li> <li>Rue Balguerie and the first parts of Purple Peak Road and Stony Bay Road (as shown on the map);</li> <li>Old Coach Road up to and including the turnaround area by Long Bay Road / State Highway 75; and</li> <li>part of Morgan's Road (as shown on the map).</li> </ul>
Add replacement orange (Restricted) table entry titled: Maps 10 & 11 orange area	<p><b>Akaroa Freedom Camping Area</b> is located at the northern end of Akaroa, south of Woodills Road / State Highway 75, and in the north eastern part of Akaroa Boat Park. There are two rows of freedom camping parking spaces to the west of the Akaroa Croquet Club (one row with seven larger parks, and one row with eight medium parks). A third row of freedom camping parking spaces is located alongside the northern fork of Grehan Stream (with three medium parks). Freedom camping parking spaces are clearly marked on-site.</p>
Add replacement map – Map 10.3	<p><b>Map 10.3 - Akaroa Freedom Camping Area</b></p> <p>(Map to show the Akaroa Freedom Camping Area, surrounded by the nearby portion of the Akaroa Prohibited Area)</p>
Add replacement map – Map 11.3	<p><b>Map 11.3 – Akaroa Prohibited Area</b></p> <p>(Map to show the whole of the Akaroa Prohibited Area, and indicate where the Akaroa Freedom Camping Area is located)</p>
<p>Note:</p> <ol style="list-style-type: none"> <li>The maps are separately attached to the Council report.</li> <li>The information in the maps will also be incorporated into the interactive freedom camping map on the Council's website, if adopted by Council.</li> </ol>	



Map 10.3

Akaroa Freedom Camping Area



Freedom Camping is camping outside a camping ground within 200 metres of a motor vehicle accessible area or the mean low-water springs line of any sea or harbour, or on or within 200 metres of a formed road or a Great Walks Track; using a tent or other temporary structure, a caravan, a car, campervan, house-truck, or other motor vehicle. It does not include temporary and short-term parking of a motor vehicle, day-trip excursions, or resting or sleeping at the roadside in a caravan or motor vehicle to avoid driver fatigue.

**Self-Contained Only**  
Certified self-contained vehicles only. No time limit

**Self-Contained 2 Nights Only**  
Certified self-contained vehicles only for up to two nights per location in any 30-day period

**No Camping**  
No camping of any kind

Self contained camping vehicles must display a current self-containment warrant issued under the New Zealand Standard for Self Containment of Motor Caravans and Caravans, NZS 5465:2001.

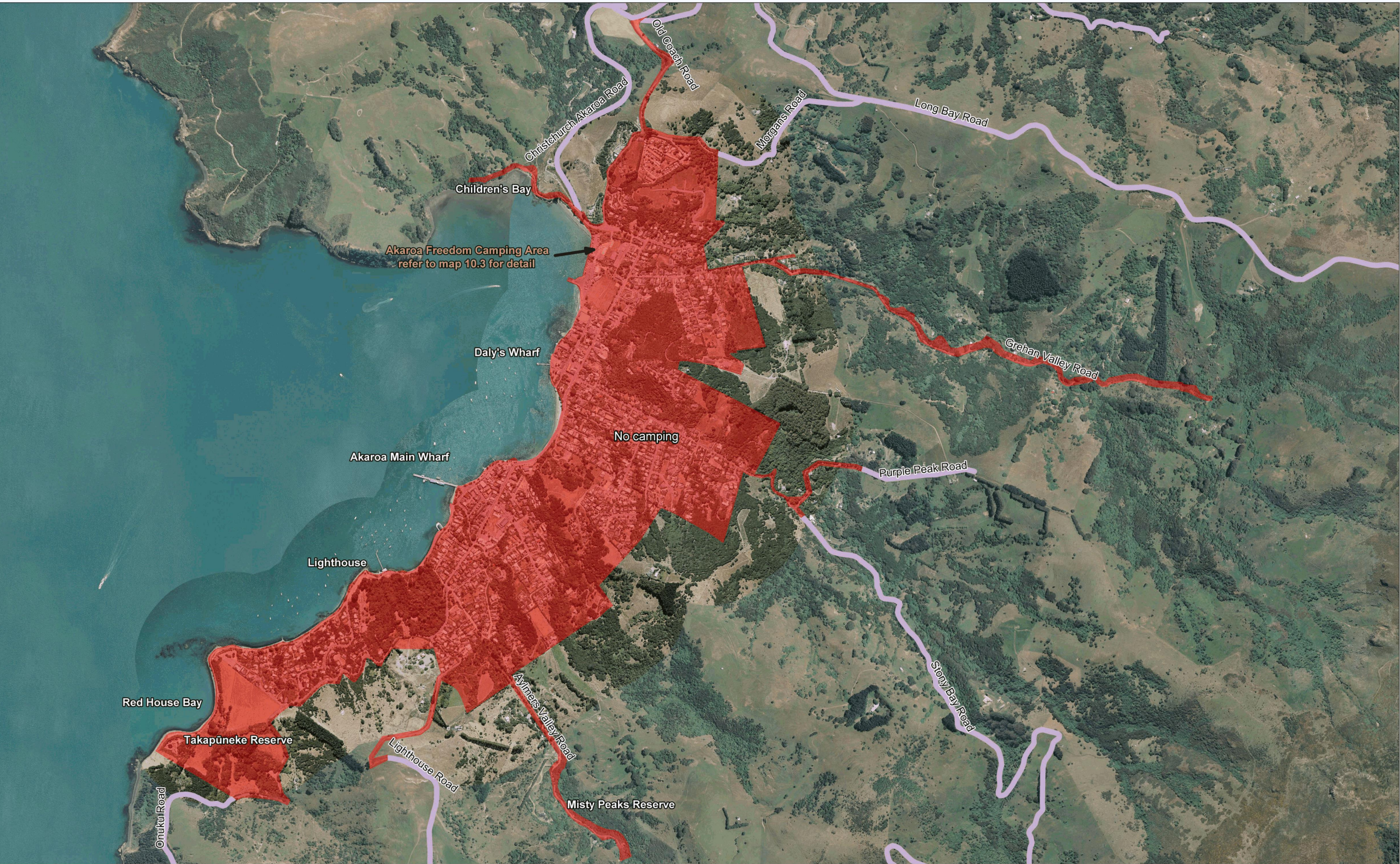
Restricted and prohibited freedom camping areas are defined by map and a written description of their locality. The written description is conclusive if there is any inconsistency between the map and the description.

Scale: 1 : 500  
Layout: A1  
Dated: 19 October 2018  
Workspace: 102377/AkaroaFinalMaps  
GIS and Analytics





Map 11.3 Akaroa Prohibited Area



Freedom Camping is camping outside a camping ground within 200 metres of a motor vehicle accessible area or the mean low-water springs line of any sea or harbour, or on or within 200 metres of a formed road or a Great Walks Track; using a tent or other temporary structure, a caravan, a car, campervan, house-truck, or other motor vehicle. It does not include temporary and short-term parking of a motor vehicle, day-trip excursions, or resting or sleeping at the roadside in a caravan or motor vehicle to avoid driver fatigue.

**Self-Contained Only**  
Certified self-contained vehicles only. No time limit

**Self-Contained 2 Nights Only**  
Certified self-contained vehicles only for up to two nights per location in any 30-day period

**No Camping**  
No camping of any kind

Self contained camping vehicles must display a current self-containment warrant issued under the New Zealand Standard for Self Containment of Motor Caravans and Caravans, NZS 5465:2001.

Restricted and prohibited freedom camping areas are defined by map and a written description of their locality. The written description is conclusive if there is any inconsistency between the map and the description.

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Workspace: 102377\_AkaroaFinalMaps  
GIS and Analytics





Hearings Panel  
17 September 2018

Christchurch  
City Council 

#### 4. Proposed changes to the Freedom Camping Bylaw 2015 (Akaroa) - Summary of Submissions

Reference: 18/942826

Presenter(s): Teena Crocker, Senior Policy Analyst

##### 1. Purpose of Report

- 1.1 The purpose of this report is for the Hearings Panel to be informed about the submissions received on the proposed changes to the Freedom Camping Bylaw to address concerns in Akaroa.

##### 2. Staff Recommendations

That the Hearings Panel:

1. [Receive the information in the attached Summary of Submissions.](#)

##### 3. Key Points

- 3.1 Following on from summertime complaints to the Banks Peninsula Community Board, the Board asked staff to undertake a survey to better understand the community's views on freedom camping issues and solutions in Akaroa.
- 3.2 The survey was completed in May 2018, with more than 280 mostly local people taking part (summary attached). The results of the survey formed the basis for the proposed changes to the [Freedom Camping Bylaw 2015](#).
- 3.3 The purpose of the bylaw is to control freedom camping in order to protect local authority areas, protect the health and safety of people who may visit local authority areas, and to protect access to local authority areas.
- 3.4 The proposed changes would prohibit freedom camping in Akaroa township area, and continue to allow limited freedom camping for self-contained vehicles in the designated area on Rue Brittan. Complementary non-regulatory measures to better manage freedom camping impacts in Akaroa are being explored alongside this bylaw amendment process.
- 3.5 The full report on the proposed bylaw changes was considered by the Council on 12 July 2018, and can be viewed [here](#), agenda item 7.
- 3.6 Consultation on the proposed amendment was open from 1 August until 3 September 2018. Seventy-nine submissions were received.
- 3.7 On balance, submissions were generally supportive of the proposed changes - some submitters were of the view that the changes had gone too far, some that they had not gone far enough, and many submitters made suggestions for other changes that could help to address freedom camping issues in and around Akaroa.
- 3.8 The attached report provides a summary of the submissions.



Hearings Panel  
17 September 2018

Christchurch  
City Council 

#### Attachments

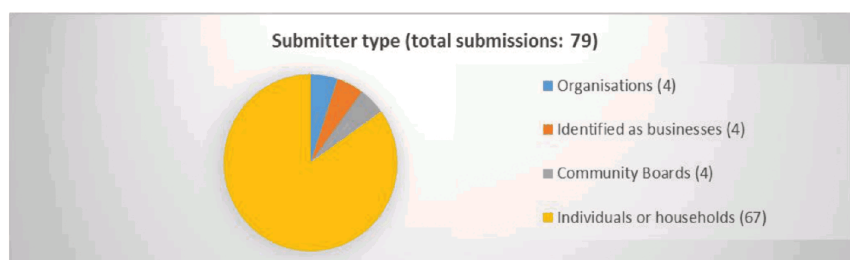
No.	Title	Page
A	Summary of Submissions - proposed amendment to the Freedom Camping Bylaw 2015 (Akaroa) (Sept 2018)	
B	Freedom camping survey summary one-pager	

#### Signatories

Author	Teena Crocker - Senior Policy Analyst
Approved By	Emma Davis - Acting Head of Strategic Policy Brendan Anstiss - General Manager Strategy and Transformation

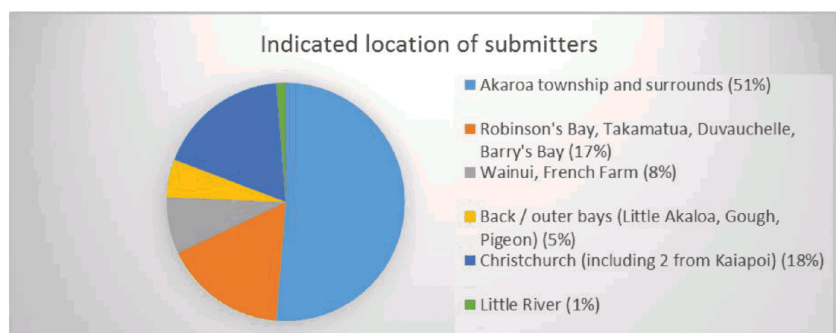
# **Summary of Submissions - proposed amendments to the Freedom Camping Bylaw (Akaroa)**

Seventy-nine submissions were received on the proposed amendment to the Freedom Camping Bylaw to prohibit freedom camping in Akaroa, and continuing to allow limited freedom camping for self-contained vehicles in the designated area on Rue Brittan.



Organisations	4 submissions	New Zealand Motor Caravan Association (National), New Zealand Motor Caravan Association (Canterbury Branch), Wildside Community, Akaroa Yacht Club
Identified as businesses	4 submissions	Little River Campground, French Peak Wines, Akaroa Kayaks, CamperMate
Community Boards	4 submissions	Banks Peninsula, Linwood Central Heathcote, Fendalton Waimairi, Halswell Hornby Riccarton
Individuals or households	67 submissions	

Of the 79 submitters, most indicated addresses in or around Akaroa township or Banks Peninsula, with only 18 per cent of submitters not submitting from Banks Peninsula.

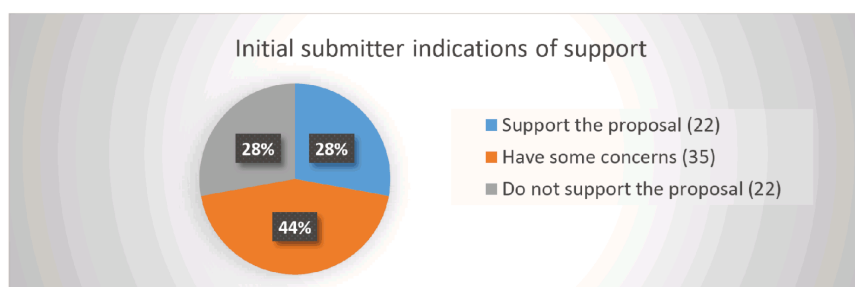


### Support and opposition for the proposal

#### Overall results

These results are from the online Have Your Say form, which allows submitters to select from the following options, with the results as follows<sup>1</sup>:

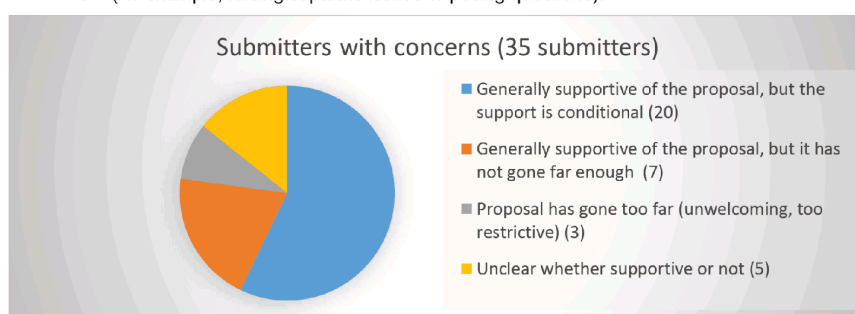
- support the proposal (22)
- have some concerns (35)
- do not support the proposal (22).



#### Submitters that have some concerns (35)

Through further analysis of the information contained in submissions, it is clear that of the 35 submitters that indicated they 'have some concerns':

- twenty submitters are generally supportive of the proposal, but the support is conditional
  - (for example, on better or local enforcement, concerns about the freedom camping area being too small / adding additional areas, clear signage, providing facilities, etc)
- seven submitters are supportive of the proposal, but believe it has not gone far enough
  - (for example, suggesting other areas, often outside of Akaroa, that would benefit from similar restrictions)
- three believe the proposal has gone too far
  - (for example, is unwelcoming to tourists, suggesting new areas to accommodate greater numbers of freedom campers)
- for five submissions it was unclear whether they supported the proposal or not
  - (for example, raising separate issues or posing questions).



<sup>1</sup> For those that submitted through other means (eg via email or hard copy), a category based on the content of their submission was selected.

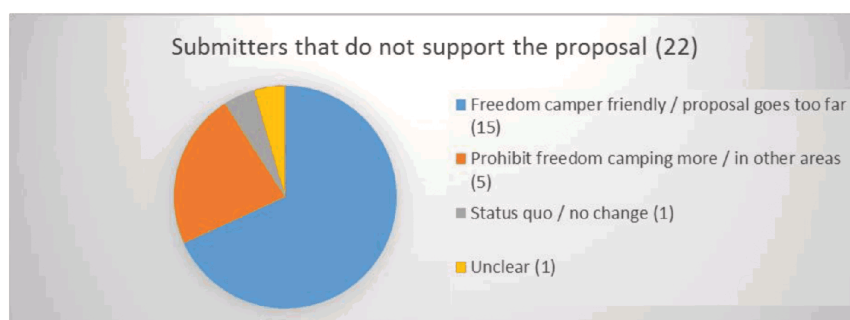
The numbers below indicate the main themes / reason submitters gave for having concerns about the proposal (note that submitters gave multiple reasons, so numbers will not tally). Concerns included:

Goes too far / should be freedom camper friendly and more welcoming	8
Needs to be monitored and enforced to work, needs local enforcement	8
Freedom camping area not large enough, need to expand / add new areas	12
Needs facilities / infrastructure / services to work (eg dump stations, rubbish and recycling bins, toilets)	8
Self-containment: concerned about non-self-contained vehicles, fake self-contained vehicles, or self-contained vehicle users not using on-board facilities	13
Concerned about displacement / new problems areas arising elsewhere	5
Needs to go further / does not go far enough (prohibit in a wider area / other areas eg to protect habitat / prevent fire)	9

#### Submitters that do not support the proposal (22)

Of those that do not support the proposal (22 submitters):

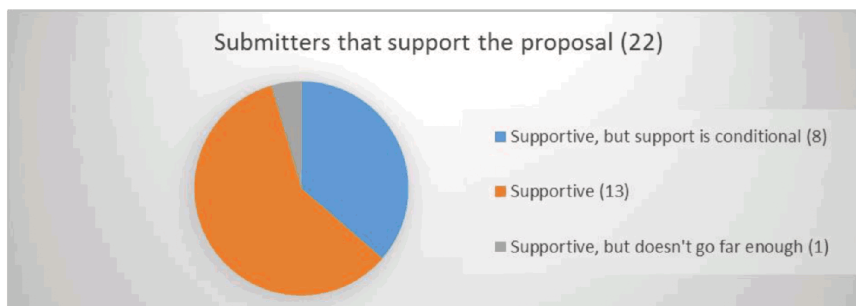
- five did not support it because it does not go far enough
  - (for example, wanting freedom camping prohibited across the whole of Banks Peninsula or in areas other than Akaroa township)
- fifteen did not support it because it goes too far
  - (for example, not wanting freedom camping prohibited in most of Akaroa, or wanting more opportunities for freedom camping in Akaroa)
- one opposed it because the status quo is sufficient, and one did not provide any further views.



#### Submitters that support the proposal (22)

Of those submitters that support the proposal, many did so with conditions, or made suggestions (similar to those that 'had some concerns', above). Generally, comments included:

- concerns about the limited capacity of the freedom camping area in Rue Brittan, suggesting additional areas / greater capacity
- suggestions about better provision of facilities / infrastructure / services (toilets, dump station, rubbish and recycling, making the freedom camping area nicer)
- local / better enforcement
- concerns about self-containment (non-self-contained vehicles, fake self-contained vehicles, or self-contained vehicle users not using on-board facilities).



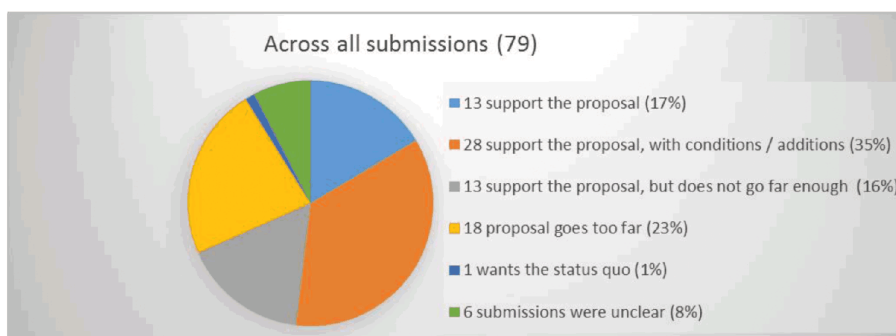
For those wanting the proposed changes to go ahead, typical comments included:

- These changes were overdue. Thank you for getting it sorted now
- I support the proposed changes in their entirety and believe they will go a long way to addressing the concerns
- Akaroa has had a very rapid expansion of freedom camping and the problems associated with this expansion in such a small and under-resourced tourist town
- Freedom camping should be limited to that area only. We have an excellent camping ground for those who miss out
- I think it's a good solution and responsible campers will still have two nights free.

#### Overall numbers

With the above accounted for, the results across all 79 submissions are as follows:

- Support the proposal (13)
- Support the proposal, with conditions / additions (28)
- Support the proposal, but does not go far enough (13)
- Proposal goes too far (18)
- Status quo (1)
- Unclear (6)





**General themes / comments across all submissions**

For those wanting Akaroa to be more welcoming to freedom campers (with more areas to accommodate freedom campers), typical comments included:

- There is a minority of disgruntled locals and a minority of freedom campers causing a problem
- Cruise ships, day trippers and freedom campers are all targets of locals who want to keep Akaroa as a Retirement Village
- Freedom campers are bringing a lot of money into the community, and are valuable customers and should be welcomed as such
- Be smart CCC and bring the campervans with their money and vibrancy of people to Akaroa
- A more positive way needs to be found for these many adventurous young people
- Too many people in Akaroa are employed because of tourism, to simply ban a whole section of potential customers
- Banning freedom campers is a negative, knee-jerk reaction, that sends a very uninviting message
- The Council is being very short-sighted with this issue by looking at a total ban in Akaroa
- I am deeply concerned about our lack of vision - we are being very narrow-minded hosts
- The suggested controls reflect a lack of generosity by sections of the community which is regrettable and I feel restrictions go too far
- The solution to the campervan 'problem' is not to regulate and enforce, but to look for positive outcomes for all parties
- A friendly, controlled, freedom campers policy is what Akaroa needs to survive and not depend on very carbon hungry cruise ships
- The money spent by the CCC on initially creating and then continually amending this bylaw would have been better spent on accommodating these tourists
- NZ / Akaroa should be encouraging all forms of tourism and creating a desirable place for travellers to come, want to come back and tell others to come
- Growth in this area will be exponential and should be catered for
- It is only the minority that leave rubbish etc around and most of the time it would be because of lack of infrastructure like rubbish bins
- It is not welcoming for one sector of our tourists to feel like they are not wanted and like they are unpleasant people, when they are people just like you and me
- Once again the vocal minority seem to be leading the charge to ban all freedom camping in Akaroa
- The Council needs to put a lot more money into Akaroa and instead of treating it like the poor cousin, value it as the jewel in Christchurch's crown
- Akaroa is in desperate need of money spent on infrastructure, money that should have been spent over the last 50 years
- I am heartened by more and more towns declaring themselves "campervan friendly" and encouraging campervanners to stay longer – let's make Akaroa a motorhome friendly town
- These changes are not in-line with the current national view which aims to allow responsible self-contained freedom camping - the proposed bylaw is out of line with the general NZ attitudes
- Please do not penalise everyone because a small group of campers aren't being responsible, this will stop many kiwis from visiting and staying in our piece of paradise
- Freedom campers need to be welcomed and minimal facilities supplied
- More restrictions seem crazy. Don't use a sledge hammer to crack a walnut.

For those wanting tighter restrictions in Akaroa, in specific other areas, or on Banks Peninsula generally, typical comments included:

- The limitation of self-contained vehicles is ineffective as even these do not use the on board facilities for various reasons and are therefore essentially the same as the vehicles without any facilities
- Prefer to ban freedom campers from the Akaroa township entirely. It is an idyllic town and does not need more strain on its public resources, such as bins and toilets
- Freedom camping should be banned on the Peninsula
- Great idea imposing more restrictions to freedom camping, but in my opinion, it should be completely banned in all of Banks Peninsula
- There should be no freedom campers in Akaroa or around the whole Akaroa Harbour

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- I do not want to see any freedom camping whatsoever in our district
- Banks Peninsula is the city's premium tourist attraction and has special environmental and cultural significance so therefore needs to be protected.

In this category, fire risk, and biodiversity and habitat protection were also raised, for example:

- One great danger of having unchecked freedom campers on the Peninsula is the fire risk and also potential wildlife smuggling
- Freedom camping in reserves increases the risk of man-made wildfires, which poses a risk to both residents and specific rare or threatened species
- The significant threats from freedom camping are: fire, human faeces and poaching of rare species...Fire is one of the biggest threats to biodiversity, but also poses a risk to livelihoods and homes...The risks should not be underestimated
- The fire risk around reserves is extreme and there have already been instances of campers lighting fires and even leaving them. There should be no freedom camping on Banks Peninsula as the costs in the end will be too high, one way or another.

**A brief summary of some comments and suggestions made in submissions**

The Rue Brittan designated freedom camping area:

- The area has never been set up to adequately accommodate freedom campers (it is essentially a parking lot with a toilet 300m away)
- The Council needs to provide adequate, modern and convenient facilities
- Charge a fee or donation per night of stay
- There is an area that has had old boats stored there for many years - why can't this area be designated for responsible campers?
- This is the most ideal site in Akaroa for the activity to occur, however, capacity may be severely limited during the cruise ship season and/or the height of summer, as campers will be competing for parking space with the influx of tour buses and boat trailers
- Increase the area at Rue Brittan to accommodate additional motorhomes and caravans
- Restrict the placement of camping gear and other paraphernalia outside of a vehicle - this approach is ideal for township car park areas that have limited space and are not designed to support traditional forms of camping
- We need more space for freedom camping in and around Akaroa
- The Council needs to get serious about providing suitable infrastructure, i.e. safe parking, toilets, lighting, cooking facilities maybe, water, pay to use public showers
- The Council should not compete with existing campgrounds and holiday parks by providing accommodation, toilet and cooking facilities.
- I object as a ratepayer if rates are used to upgrade existing facilities or for 'improvements' to accommodate freedom campers
- I don't think the Council should be putting local campgrounds out of business by providing free toilets and other things to freedom campers
- You don't need to provide toilets / kitchen area (for self-contained campers)
- Those 16 allocated spaces are insufficient for the number of self-contained vans that visit Akaroa between December and March. The overflow will probably fill up the parking area around the sports complex so there needs to be a back-up plan to open the public parking area behind the Grand Hotel as a space for 2 night self-contained vans
- The designated self-contained area has about 16 parking spaces which will not be adequate given the high number of freedom campers that arrive. The area is sufficient for off-season but more space will be required if the situation is going to be dealt with in an effective manner
- If it is necessary, the Council should convert the public parking area behind The Grand Hotel, inclusive of the damaged tennis court, to accommodate the overflow of certified self-contained campervans for a 2 night stay
- Freedom campers that cannot be accommodated should be directed to campgrounds and holiday parks which provide accommodation and toilets.
- I think the space will be too small to accommodate the hordes of freedom campers
- Sites could be developed in partnership with DOC and the business community

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- Please make sure the new signage for freedom campers is attractive yet discreet. There is a tendency for signage to be oversized and ugly and looks totally unsuitable for such a beauty spot as Akaroa
- The proposed bylaw essentially fixes the immediate problem but there is no "plan" to provide "additional" facilities for freedom campers. Growth in this area will be exponential and should be catered for.

**Other notable suggestions not already summarised:**

- The Banks Peninsula Community Board:
  - advises that the area referred to as "Rue Brittan" is a reserve
  - supports additional freedom camping sites, and suggests land adjacent to the croquet club, and that the earthquake damaged Akaroa netball court could be converted into a freedom camping area
  - suggests monitoring or prohibiting freedom camping in specific reserve areas that contain rare or threatened indigenous species
- The Canterbury Branch of the NZMCA set out some information on the size of the parking spaces and how best to accommodate vehicles
- The National NZMCA suggests:
  - applying to the NZMCA for funding towards the installation of new waste disposal facilities, e.g. rubbish and recycling bins, and a wastewater dump station
  - leasing a section of reserve land at Rue Brittan to the NZMCA to help manage capacity issues (NZMCA operates 43 parks for its members' exclusive use across New Zealand).
- A land owner offered land for the Council to buy to use to accommodate freedom campers.
- CamperMate suggests the installation of sensors. Visitors can view real-time availability through the CamperMate app through the use of Smart Parking sensors installed in the ground, before they commit to driving to the sites. The app gives visitors access to real time information and key locations, as well as an option to make a donation. Around 25% of tourists are making their decision out of town - bringing availability data would likely create positive behaviour change.

**Additional areas suggested for freedom camping:**

The following areas were suggested in submissions as areas where freedom camping should be allowed:

- the areas where old boats are stored next to the freedom camping area on Rue Brittan
- by the Akaroa Lighthouse
- the Akaroa meat works site / behind the Akaroa Butchery and Deli (pedestrian access from Rue Lavaud, vehicle access off Rue Balquerie)
- behind the Recreation Ground / by the boat ramp
- farm land / private land
- re-opening French Farm (currently prohibited)
- by the tennis / netball courts / croquet club / behind the Grand Hotel (on Rue Jolie)
- convert the damaged tennis / netball court into a parking area (near the croquet club).

The suggestion of opening the area behind the Recreation Ground / by the boat ramp to freedom camping is the most controversial, with views supporting and opposing the idea. This was also reflected in the online community survey (covered later in this report).

The boat ramp area has high use through the busy summer period, and space is needed to park and manoeuvre boat and jet-ski trailers for launching at the boat ramp. It is also used by buses and larger vehicles for parking, as it is one of the few large, flat, sealed areas in Akaroa.

Some submitters suggested allowing freedom camping within certain hours in this area (eg 7pm until 7am). However, other submitters argued that use of the boat ramp relates not just to the time of day, but to the tides. Generally, boat ramp users were opposed to overnight use.

**Additional areas suggested to prohibit freedom camping:**

- specifying Britomart Monument is prohibited to make it clearer (already covered)
- the flat area in Barry's Bay alongside SH75 between the Cheese Factory and Onawe Flat Road
- reserves along the Summit Road
- the car parks at Ellangowan Reserve and Misty Peaks Reserve
- the Wildside area
- Montgomery Reserve (along the Summit Road)
- extend up Purple Peak Road from the end of Rue Balguerie
- extend further up Lighthouse Road to where the sealed road ends
- Onuku Road
- Stony Bay Road
- the whole of Banks Peninsula.

**Online community freedom camping survey April / May 2018**

Following repeated complaints from Akaroa residents to the Banks Peninsula Community Board about issues relating to freedom camping in Akaroa over the late summer / early 2018, the Board asked staff to investigate freedom camping issues in Akaroa through an online survey.

The online community survey on freedom camping issues was sent to over 200 Akaroa-related stakeholder email addresses, and was open from 23 April until 10 May 2018.

More than 280 people completed the survey. Most respondents indicated living in or near Akaroa (85% lived in the area, and 16% owned a holiday home in the area).

The information below is from the 11 July report to the Regulatory Performance Committee, which was considered and [accepted by the Council on 12 July](#), and led to the current proposal.

Report excerpt:

- 1.1 *In terms of general views on freedom camping in Akaroa:*
  - 83 per cent said freedom camping comes with some negative impacts, while 67 percent thought it causes significant problems in Akaroa.
  - 39 per cent said freedom campers should be welcomed in Akaroa, but 50 per cent disagreed.
  - 41 per cent thought freedom campers bring a range of benefits to Akaroa (this increased to 49 per cent for those who own, manage or work in a business relying on tourism), while 43 per cent disagreed that freedom campers brought a range of benefits to Akaroa.
  - 30 per cent thought freedom camping in self-contained vehicles should not be allowed anywhere in Akaroa.
  - 82 per cent of those living in Akaroa said they came across freedom campers daily over the recent summer season.
- 1.2 *In terms of views on regulation in the Freedom Camping Bylaw in Akaroa:*
  - 81 per cent thought the current ban on non-self-contained freedom camping was not working.
  - 63 per cent thought there should be more restrictions on overnight freedom camping in Akaroa than in the current bylaw (22 per cent were comfortable with the status quo).



- 77 per cent oppose freedom camping in self-contained vehicles in residential areas.
  - 65 per cent oppose freedom camping in self-contained vehicles alongside the waterfront (from the Lighthouse to near Green Point).
  - 65 per cent support the current freedom camping area for self-contained vehicles on Rue Brittan (47 per cent thought it could be expanded, but 44 per cent disagreed).
- 1.3 In terms of other changes that could improve matters, the survey returned the following:
- 48 per cent said they have experienced issues with daytime parking of motorhomes and campervans in Akaroa.
  - Several areas were mooted as suitable locations for encouraging day-time parking of motorhomes and campervans:
    - 68 per cent said the area by the tennis courts on Rue Jolie was suitable.
    - 66 per cent said the current freedom camping area on Rue Brittan was suitable.
    - 43 per cent said near the boat ramp, while 46 per cent did not support this.
  - 80 per cent thought the infrastructure in Akaroa limits the amount of freedom camping that can be accommodated.
  - 75 per cent said the Council should provide more signage to encourage freedom campers to do the right thing.

This information is included in the summary of submissions as it directly led to the proposed changes to the Freedom Camping Bylaw, and because it indicated the recent views of over 280 mostly local people.

The proposed changes to the bylaw received 79 submissions. It is possible that some people who had been involved in the survey were experiencing 'consultation fatigue' and did not want to make a submission on the proposed changes because they so recently gave their views on similar issues (the proposed bylaw changes were sent to the same stakeholder email list).

# Survey shines spotlight on freedom camping in Akaroa



## Freedom camping – general

- 75%** thought there was a problem with freedom camping in Akaroa.
- 83%** said freedom camping comes with some negative impacts, while 67% thought it causes significant problems.
- 81%** think the current ban on non-self-contained freedom camping isn't working.
- 82%** of locals said they come across overnight freedom campers in Akaroa daily over summer.
- 63%** think there should be more restrictions on overnight freedom camping in Akaroa than in the current bylaw.



## Tourism and freedom camping

- 39%** said freedom campers should be welcomed in Akaroa, but 50% disagreed.
- 41%** thought freedom campers bring a range of benefits to Akaroa, while 43% say they don't.
- 49%** of people who own, manage or work in a business relying on tourism think freedom campers bring a range of benefits to Akaroa.



## Freedom camping in self-contained vehicles

- 77%** oppose freedom camping in self-contained vehicles in residential areas.
- 65%** oppose freedom camping in self-contained vehicles alongside the waterfront (from the Lighthouse to near Green Point).
- 65%** support the current freedom camping area for self-contained vehicles on Rue Brittan.
- 30%** thought freedom camping in self-contained vehicles shouldn't be allowed anywhere in Akaroa.



## Motorhome and campervan daytime parking

- 48%** said they have experienced issues with daytime parking of motorhomes and campervans in Akaroa.
- Where should daytime parking be encouraged?**
- 68%** said by the tennis courts on Rue Jolie.
- 66%** said in the current self-contained area on Rue Brittan.
- 43%** said near the boat ramp / slip way, but 46% don't support this.



## Freedom camping facilities

- 47%** thought the freedom camping area for self-contained vehicles on Rue Brittan could be expanded, but 44% said it shouldn't.
- 48%** think Akaroa should provide additional facilities for freedom campers, but 44% said no.
- 80%** thought the infrastructure in Akaroa limits the amount of freedom camping that can be accommodated.
- 75%** said the Council should provide more signage to encourage freedom campers to do the right thing.

Your feedback will help us better understand the issues and work out next steps for your community.

We will keep the local community updated on progress.

For updates and general information on freedom camping, visit [ccc.govt.nz/freedomcampingbylaw](http://ccc.govt.nz/freedomcampingbylaw)

Christchurch  
City Council



## Additional Information from Submitters

Submission re Proposed Freedom Camping Bylaw Changes  
Submitted by Margaret Rose Morris  
Submission Number : 18512

### ADDITIONAL INFORMATION TO SUPPORT MY SUBMISSION :

I'm speaking on behalf of my wife's submission. We are permanent residents of Akaroa and have lived here for 22 years. We are business owners that rely on tourism. We also have a self-contained campervan and have witnessed what other communities are doing to cater for this type of tourism.

It's good to see in your proposed amendments that you recognise the clear difference between properly self-contained campervans and 'bed in the back of the van or station wagon' campers. We agree with your proposal that all non-self-contained camper vans should be directed to camp grounds where facilities are provided for them and not be allowed to camp in the township overnight.

Even if the non-self-contained campers stay in camp grounds overnight some submitters are still not going to be happy. One impact of non-self-contained campers is that, during the daytime, some spill out onto picnic tables and use other public spaces for cooking, eating and washing. The Bylaw changes are not going to address this type of 'perceived nuisance' caused by these travellers.

Our main concern is that the limited parking spaces that have been allocated in the proposed amendments for self-contained vehicles is inadequate for the number of self-contained campervans arriving in Akaroa each summer.

We strongly encourage the Panel to consider the following points when finalising the Freedom Camping Bylaw changes :

- Increase the number of self-contained campervan parking spaces in Akaroa. Use the area next to the boat park and the old tennis courts in order to cater for the growing number of self-contained campervan tourists now and in the future. The current proposal is too restrictive in the number of parking spaces available.
- Invest in a dump station close to the designated parking area. Use the funds available to Council from the Minister of Tourism and if further assistance is required consult with the New Zealand Motor Caravan Association.
- Non-self-contained campervans should be directed to Camping Grounds through signage.
- Set up a 'fine' system and include "an instant fine applies for non-self-contained campervans found parking overnight" in all signage. This would be a sensible deterrent.
- Employ a "parking warden" during the busy summer months to monitor non-self-contained campervan parking overnight. No matter what the outcome of these proposed bylaw changes, a monitoring system needs to be implemented.

Akaroa is dependent on tourism for economic stability and growth and needs to come into line to become a 'campervan friendly' town just like many other towns in New Zealand. Akaroa is grossly lagging behind in this area and this is an opportunity to plan for the future.

I thank you for your time today and urge the Panel to seriously consider our proposals for the future management of self-contained campervan tourism to Akaroa.



The Christchurch Replacement District Plan

Tabled by Jon Cook

- b. Any building listed as a permitted activity in Table 3 shall meet the built form standards in Rule 9.2.7.
- c. The activities are also subject to compliance with any activity status, rules and standards specified elsewhere in the District Plan for that activity.
- d. Z means Rule 9.2.6 - Landscape overlays - outstanding natural features and landscapes - does not apply to the activity listed. Instead, the rules in the relevant zone chapters, and the activity status tables and standards in the chapters listed in 9.2.3 e. apply.

Table 3: Rules - Overlays for areas of natural character in the coastal environment

Activities	Areas of natural character in the coastal environment	Areas of at least high natural character	Areas of outstanding natural character
a. Any building, except as listed below.	D1	NC1	NC2
b. Any residential unit, except as listed below.	D2	NC3	NC4
c. A residential unit (including additions that are 40 m <sup>2</sup> or greater) within an identified building area.	RD1	RD2	RD3
d. A farm building with a footprint ≤100m <sup>2</sup> . Limited to one per site.	RD4	D3	D4
e. A recreation facility or park management facility building with a footprint ≤100m <sup>2</sup> . Limited to one per site.	RD5	D5	D6
f. A tramping hut with a footprint ≤100m <sup>2</sup> . Limited to one per site.	P1	D7	D8
g. A building for public amenities with a footprint ≤ 100m <sup>2</sup> . Limited to one per site.	P2	P3	D9
h. An addition to an existing building, where the ground floor area is increased by less than 40 m <sup>2</sup> .	P4	P5	P6
i. New access tracks that have a formed width of 5 m or greater.	RD6	RD7	RD8
j. Construction of a new road.	D10	NC5	NC6
k. Plantation forestry.	NC7	NC8	NC9
l. Quarrying activity.	NC10	NC11	NC12
m. Any building listed as a permitted activity in Table 3 which does not meet the built form standard in Rule 9.2.7.1	RD9	RD10	RD11

Key: P = Permitted; RD = Restricted Discretionary; D = Discretionary; NC = Non-complying.

9.2.6.2 Non-notification

- a. Any application arising from Rule 9.2.6.1 RD1 to RD3 and RD6 to RD11 in Table 3 shall not be limited or publicly notified.



Tabled by Victoria Andrews

Further Submission to the Freedom Camping Bylaw Review September 17, 2018 Thank you for holding the hearing in Akaroa, I would like to briefly discuss several aspects of the bylaw review.

- There must be a clear distinction between certified and non-certified vehicles. An actual inspection may be necessary since many cars and old vans display blue self-contained stickers. Small vehicles can be easily viewed via open doors and windows therefore no search warrant is required as has been advised by the Council's legal team.
- Non complying vehicles should be directed to camp grounds with appropriate facilities; if caught freedom camping a fine should be imposed.
- Unfortunately the bylaw review does not include all of Banks Peninsula since the entire area is affected. Freedom campers, especially those in non-self contained vehicles, pose serious risk with regard to fire and leaving behind rubbish, toilet paper and human waste.
- Monitoring must be undertaken early morning and again late evening by a locally based warden. Wardens driving from Christchurch Monday-Friday on an occasional basis is a waste of ratepayer's money because they usually arrive midmorning after freedom campers have moved to new locations. Monitoring should be done 7 days a week inclusive of holidays.
- If the NZ Motor Caravan Association wishes to provide freedom camping facilities in association with local businesses they should do so but without ratepayers underwriting the cost. However the Council could provide advice about consenting processes in association with DOC.
- Few ratepayers are willing to speak out publicly on the topic. I have been told (by members of the business community) that I would be banned from the petrol station, 4 Square, Bully Hayes and Akaroa Butchers unless I "embraced freedom camping and cruise ships". Such verbal abuse is the likely reason few residents ticked the box they wished to be heard today. Others are burned out by rounds of consultation. Many assumed they had already contributed during the early consultation phase that considered the need of a review.
- Appropriate signage and education will have a positive impact on responsible individuals but some overseas visitors have little regard or interest in preserving the environment. They avoid camp grounds in order to save money for harbour based activities. So yes, there is a positive economic impact but at the cost to New Zealand's clean, green 100% pure image. Visitors on a limited budget should come for a few weeks instead of several months.

Freedom camping combined with 200,000 or so cruise ship passengers and crew per season has turned Akaroa into an overcrowded tourist hot spot and if allowed to continue the impact will have serious consequences for both residents and businesses. Leadership is needed to turn a negative situation into one that supports and benefits local commerce and communities.

Akaroa should remain welcoming to visitors, it is timely to consider an article from the business section of the Sunday Star Times (Ahamubee! Eaqub, September 9, 2018)

*Beyond a certain point tourists metamorphose from an economic-life-giving force into economic and social predators changing and swallowing up the very things that attracted them initially. Locals seemingly become extras at a theme park. Many local jobs tend to be seasonal, insecure and low-paid. Tourists don't need a hardware store or a shoe repair shop. When tourism takes over the makeup of a community changes rapidly.*

A balance must be found that supports and enhances Akaroa as a community instead of 'killing the goose that laid the golden egg' with mass tourism, overcrowding and cruise ships.

Instead of spending \$1 million on coloured lights for the Botanic Gardens and another \$1.25 million for a touch screen wall at the new city library why doesn't the Council deal with the well-being of Akaroa's 540 ratepayers and Peninsula residents as a rural community?

Victoria Andrews

\*\* Welcome to Akaroa and The Bays, produced by Hollie Hollander and ADP may require updating as quickly as possible; CCC should provide revised information should the bylaw be amended.





## Welcome to Akaroa & The Bays

Information for Motor Caravan Drivers,  
Camper Vans and Freedom Campers



### WELCOME

Just 75 kilometres from the city of Christchurch, New Zealand, Akaroa is a historic French and British settlement nestled in the heart of an ancient volcano.

Explore the village with its colonial architecture, galleries, craft stores, and cafés. Relax or take part in the many activities that are on offer. Explore the dramatic outer bays and take your time to soak in the magic of this area. You will need more than a day to explore this little piece of paradise.

A very big welcome to our wonderful home from all the residents of Akaroa and the Bays. Thank you for visiting here.

*Akaroa*



[www.akaroa.com](http://www.akaroa.com)

City Council 

Item 12

Attachment E



D2 | SUNDAY STAR+TIMES • SEPTEMBER 9, 2018

## BUSINESS VIEWPOINT

Beware overtourism, says Shamubeel Eaqub. The sector might be our biggest earner but the benefits and costs are unevenly spread and the market is fickle.

In a world of easy and affordable travel, it is easy to become strangers in your own city, while tourists stay in an Airbnb of Ikea-catalogue charm, and sit in "authentic" local establishments watching other tourists. In the world of tourism, overtourism is the buzzword and we need a plan.

Global tourism has grown exponentially over recent decades. The cost of travel has come down. It's easy to research and organise a weekend away with a few clicks, and more people have the income to travel. We shouldn't expect global tourism to slow. Travel is becoming cheaper and easier. In our selfie world of cheap consumer goods, travel offers a great way to break the boredom of daily life.

In New Zealand, we now get nearly 4 million visitors a year, up four-fold since 1990. Kiwis took nearly 4 million trips overseas, also up four-fold since 1990. Sometimes it's cheaper to go on an overseas trip than a local holiday.

For a long time, tourism policy

has been about luring in more people, often with little thought of what it means for the hosts.

Yet, hospitality can be exhausted. In Palma, locals threw horse manure on tourists. Police stand guard at the Trevi Fountain. In Paris, Airbnb is strictly regulated. In Venice, activists have stopped cruise ships from entering the harbour.

In Barcelona, "tourists go home" graffiti has appeared. Tourists don't want the same things as locals. Airbnb prices are much higher than the same place rented to a local. The local pub or cafe will serve tourist-friendly fare at tourist prices, often crowding out locals. Staff in the industry can no longer afford to live where they work.

Tourists don't need a hardware store, or a shoe repair shop. When tourism takes over, the makeup of a local community changes rapidly.

Beyond a certain point, tourists metamorphose from an economic-life-giving force into economic and social predators, changing and swallowing up the very things that attracted them

initially. Locals seemingly become extras at a theme park.

We also need to be mindful of the benefits, which are not spread far and wide. Airlines, hotels, transport and hospitality operators benefit, but many of the local jobs tend to be seasonal, insecure and low-paid.

The alternative may be no job, so tourism shouldn't be scorned. But you cannot build a resilient and successful economy on tourism alone. Places too exposed to tourism are also at the mercy of market fluctuations.

The costs and benefits are shared unequally across local communities and central government. The stresses on the community infrastructure are borne by locals, but most of the spoils go to central government in tax revenue from sales, wages and profits.

Unless tourism can grow alongside looking after the host community, including affordable housing and maintaining the authenticity and social fabric of a location, it becomes overtourism.

What we sell to tourists is perishable. The silence on the

mountaintop or the expansiveness of a pristine beach are gone when hordes invade. There is good reason to think about an optimal level of tourism and for using tools such as limiting flight numbers, taxes on accommodation, responsive housing supply and redistribution of tax revenue to tourism-intensive regions.

Often one place may become over-touristed, but its neighbour is under-done. It's difficult to spread the hordes. They'd rather have the same Instagram post than something different. Many places are trying, but with limited success.

Fundamentally, overtourism represents a frequent economic problem. The externalities or costs to the community and environment are not fully accounted for, or compensated.

Tourism is our biggest export and too big to be complacent. We should seriously plan against overtourism. There can be too much of a good thing.

■ Shamubeel Eaqub is an independent economist.



# Crowded house

E6 | SUNDAY STAR+TIMES • SEPTEMBER 16, 2018

## We could learn from Bhutan

The landlocked country focuses on high value, not higher numbers.

Bhutan. If you've heard of it, a certain image may come to mind: ornate and intricate temples clinging to bare cliffs, with names like "The Tiger's Nest".

An overwhelmingly Buddhist kingdom, land-locked high in the Himalayas between India and China this country of under 1 million people doesn't have much in common with New Zealand.

It only lifted the ban on TV and the internet just over a decade ago and tobacco is banned. To say the government is hands-on may be an understatement.

The heavy-handed state doesn't hold back when it comes to tourism strategy and entry requirements, which has limited visitor numbers to the beautiful country despite being neighbours to the two most-populated and fastest-growing economies in the world.

Despite these differences, both New Zealand and Bhutan regularly top the list of dream destinations for intrepid or adventurous tourists. Both are often out of reach and require meticulous planning. New Zealand, because of the long and expensive flights to reach us while Bhutan remains exclusive because of its strict entry requirements that seem out of sync with an otherwise very happy and peaceful country.

Bhutan's government adopted a



In Bhutan, gross national happiness more important than GDP. GETTY

low-volume, high-value approach to tourism that is in line with the country's progressive, if unconventional Gross National Happiness measure of growth and its laws around environmental sustainability, which pledge to keep 60 per cent of the country under native forest cover.

The result is that to receive a tourist visa, travellers must be part of an organised tour and a guaranteed minimum spend applies of US\$250 a person, a day (this does cover

transport, accommodation and food). Central to the set of laws governing how many backpack and bum-bag wearing well-wishers can enter the country is the idea that tourism is not an endless cash cow, and can, in fact, be a liability and a strain on resources and infrastructure.

So, which, if any, of these policies could be applied to New Zealand's model of tourism development?

That is to keep the faith that there is an effective strategy from the New Zealand government on tourism sustainability. For years, we have seen campaigns to boost tourist numbers prove incredibly successful, however Tourism New Zealand's own data on average holiday tourist spend per person showed it stall or not keep pace with the growth in arrivals at about \$3800 per visitor last year and the year before. It has been as high as \$4000.

Tourism NZ numbers do show an increase in tourist spending in the regions, but it wasn't until the locals had, quite literally, had enough of tourists' s... that the reputation of being a bucket-list destination became somewhat soiled.

The recently announced levy on incoming visitors is the first major policy tool to acknowledge that perhaps we'd be OK if fewer tourists arrived, particularly if they were put off by a measly \$35 charge (our biggest provider of tourists, Australia, is exempt).

Tourism NZ chief executive Stephen

England-Hall says the proposed charge, officially called the International Visitor Conservation and Tourist Levy, "is about ensuring New Zealand is well-equipped to continue to welcome international visitors, with it being used to fund infrastructure and conservation efforts".

"New Zealand offers visitors the ability to experience stunning natural environments and unique wildlife. These are incredibly important to New Zealanders and the conservation element of the levy will be used to preserve and protect these for future generations," England-Hall says.

Although the introduction of a levy can seem elitist and opponents say it will make an expensive destination more costly, the government body is wise to join the list of places charging tourists for the pleasure of enjoying our place.

Most Kiwis still view our biggest export dollar earner with pride, but we would be stupid to let the situation deteriorate into what has happened in cities such as Venice and Barcelona, where residents view their popularity with travellers with disdain rather than pride.



Email [josh.martin@stuff.co.nz](mailto:josh.martin@stuff.co.nz) if you have a travel issue you'd like Josh Martin, a London-based travel journalist, to write about.



Tabled Rev Sherrin

## Freedom campers in Rotorua : It's a great way to travel.



**FRENCH CAMPERS:** Anne-line Bechu and Vincent Bacq-Brillet have chosen to freedom camp because they can travel to different destinations at a reduced cost.

"It's creative. You learn to appreciate things a lot more. Like hot showers."

Although different parts of the country had different rules for freedom camping, Koch said that wasn't particularly confusing. "We just Google where we can and can't stay."

The pair said they found places to shower and stay using a phone app called **Campermate**. Gentz said it was a popular app among freedom campers.

They said they mainly used the cold, but free, showers on beaches or paid a small fee to use those in aquatic centres. When it came to doing washing, they used laundromats.

Freedom campers in Rotorua came under the spotlight this week when one group was spotted with their washing strung between trees in Kuirau Park which is not a designated freedom camping spot. Gentz said she'd seen similar things on her journey and didn't think it was much of an issue if it didn't affect the environment.

Anne-line Bechu was also camped at the lakefront by the yacht club with her travel companion. The French couple were near the start of their trip to New Zealand and Bechu said they were enjoying the experience.

"It's less expensive. We can travel and not waste a lot of money." "We are close to 30 years old and we want to travel before we settle down."

Bechu said she also used **Campermate** and having a vehicle gave them more freedom. "We don't have to book buses and we can get to places where the bus doesn't go."

The pair also used laundromats for doing washing. Their vehicle had a kitchen, storage and space for a mattress. Another person at the lakefront had a solar shower for times of need.

Rotorua does not have a freedom camping bylaw but the Government is looking at the issue nationwide.



*Rotorua mayor Steve Chadwick previously said freedom camping had not been much of an issue this year and she planned to provide input into discussions being led by the new tourism minister.*

*She said a national approach would make things clear and simple.*

*"The current Freedom Camping Act is very permissive and local bylaws aren't necessarily the answer." Chadwick said the council was actively working on hotspots in Rotorua.*

*Regional Tourism New Zealand executive officer Charles Ives said some freedom campers gave others a bad name. He said freedom campers were an important part of the mix of visitors attracted to New Zealand.*

*"There is a wide diversity of people who camp for a variety of reasons including visitors, seasonal workers, and New Zealanders who own their own motor-homes and the vast majority of freedom campers do so responsibly," Ives said. He said a lot of issues were a result of campers not knowing the rules because they differed between regions.*

*NEW ZEALAND HERALD. 16 FEBRUARY 2018.*

1. I invite all to recall they were young once and made their share of mistakes in behaviour. Celia Lashley noted young men especially made rash decisions but grew to be fine men when given space and advice.
2. I would support good clear, practical directions that the vast majority of these adventurous young would follow and who will probably return to NZ when they have led successful business and family lives. We do them a dis- service by condemning all freedom campers based on stupid, immature and selfish and thoughtless unacceptable practices.
3. I suggest Akaroa give freedom campers a welcome by providing a dedicated space for them and where washing and showering facilities exist and a small payment made in a secure box or on line and where toilets are freely available as they are now at Duvauchelle and Pigeon Bay. Or also have a local person visit early morning and collect a small charge for parking and the right to use the above facilities.
4. Finally – I embrace the words of today's editorial in the Ch Ch Press. (17<sup>th</sup> September) . It points out that international visitors bring \$40 million each day to NZ in foreign currency and freedom campers are among them. That is only going to get bigger.  
"Communities around NZ need to recognise the benefits in this reality and treat the regulations of tourism accordingly. But rather than banning freedom campers from scenic spots why not build the infrastructure so they can use it with minimal impact. Facilitate rather than alienate. After all tourists don't have to chose New Zealand as a destination."

Fr Paul G Shannahan sm 29 Rue Lavaud Akaroa. paulgshan@gmail.com



### Canterbury Area

82 - Additional

Resource Management Representative – John Allen: 10A Penelope Place, Casebrook,  
Christchurch 8051, Telephone: 352-5304, Email: [kjallen60@gmail.com](mailto:kjallen60@gmail.com)

18 September 2018

TO THE HEARINGS PANEL

Email [bylaw@ccc.govt.nz](mailto:bylaw@ccc.govt.nz)  
Freedom Camping Bylaw

#### **ADDITIONAL SUPPORTING INFORMATION FOR THE HEARING FOR PROPOSED AMENDMENTS TO THE FREEDOM CAMPING BYLAW 2015 FOR AKAROA**

When considering imposing further restrictions on the motor caravanning community, The Hearings Panel should be mindful of the financial benefits that motor caravanners bring to the many communities that they pass through while holidaying around New Zealand.

With on-the-road motor home expenditures exceeding \$650 million annually, (\$211 million of which comes from New Zealand Motor Caravan Association, (NZMCA), members), the message is clear – motor-homers and communities can certainly establish a mutually beneficial relationship. NZMCA members travel all year round; especially during the spring, summer, and autumn months. There are often NZMCA members still travelling during times of the year when other tourists are not so prevalent, most of the member's vehicles being fitted with heating systems for use during the colder winter months. It has been found that when NZMCA members stay overnight in a town they often spend money on such things as meals out, groceries, supplies, fuel, local tourist events etc; resulting in extra patronage for the businesses in the towns they pass through. An NZMCA survey undertaken by a professional survey company in 2012 indicated that at Murchison a typical couple spend on average \$117 per day in the local shops. This greatly assists businesses with their cash flow, especially those catering for the tourist market, during periods when there are not so many tourists about.

Yours faithfully

*John Allen*

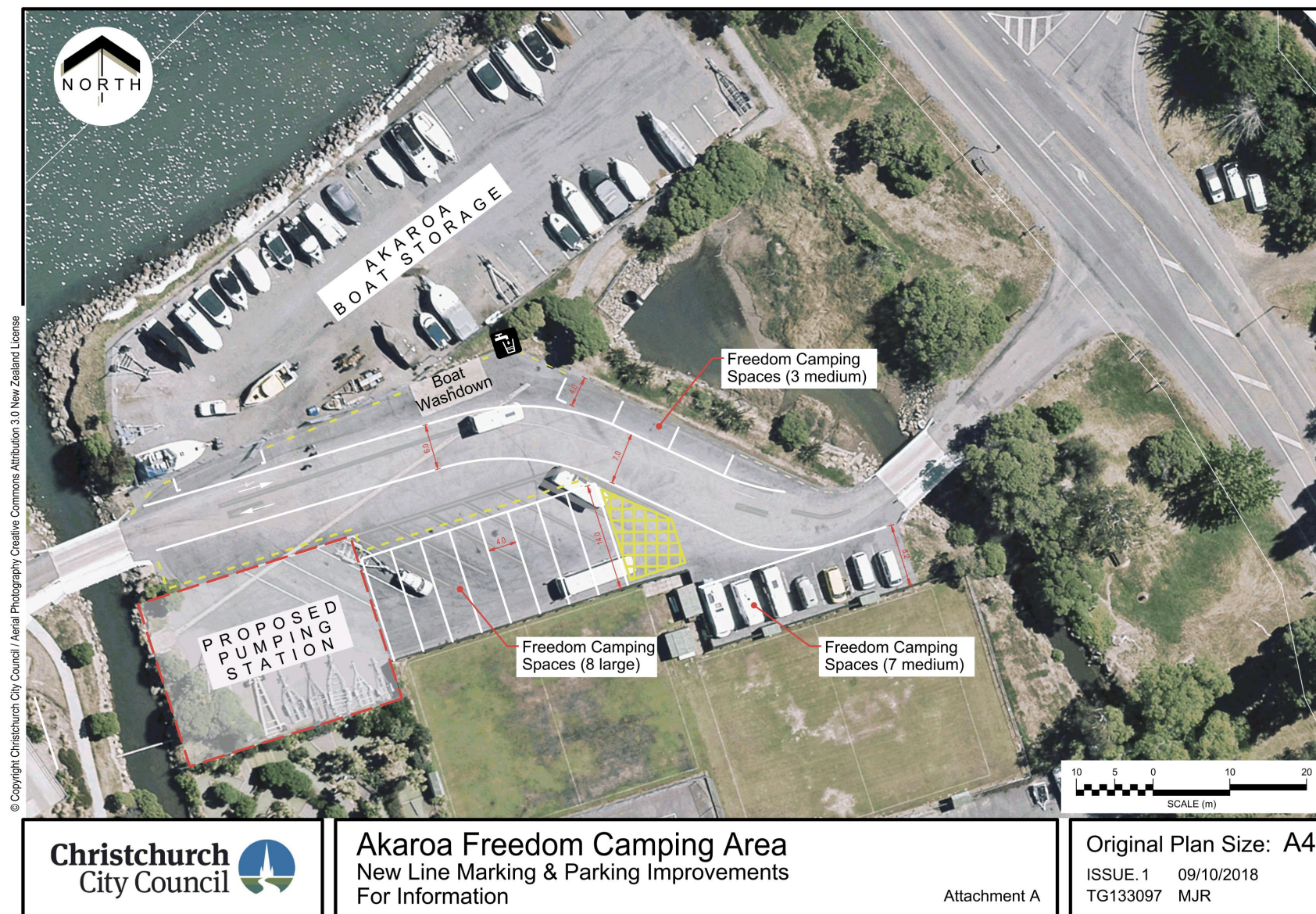
Resource Management Representative  
Canterbury Area  
New Zealand Motor Caravan Association

Telephones: - (03) 352-5304 or 021-144-1902

Copies To: James Imlach National Policy & Planning Manager NZMCA  
Neil Stewart Canterbury Area Chairperson NZMCA

Driving towards a Sustainable Future







## 13. Chief Executive's Report - October 2018

Reference: 18/1088384

Presenter(s): Karleen Edwards, Chief Executive

### 1. Purpose of Report

- 1.1 This Chief Executive's Report provides a summary of the Council's organisational performance for October 2018.

### 2. Recommendation to Council

That the Council:

1. Receive the report.

### Attachments

No.	Title	Page
A <a href="#">↓</a>	Chief Executive's Report October 2018	136

### Signatories

Author	Karleen Edwards - Chief Executive
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# Chief Executive's Report to Elected Members



October 2018

## Chief Executive's Foreword

### Tūranga

The opening of Tūranga on Friday 12 October was a very significant milestone in our city's regeneration – and what a fantastic opening it was. Public response to the facility itself has been overwhelmingly positive. The numbers recorded speak for themselves. From Friday 12 October through to the end of opening weekend, 12,768 people explored their new library, and the total number of visitors reached 64,455 by the end of October. From opening day until Sunday 21 October, 25,262 physical items were issued (in comparison 14,824 items were issued at South Library, one of our busiest libraries). There were over 2 million touches recorded on the Discovery Wall by the end of October.



This was a key anchor project, and is a flagship facility delivery for the Council and all involved. There has been a large team working on this complex project from various units over the last two years and

I would like to acknowledge and thank them for their commitment and determination to see this facility through to completion. Nearly 2,500 ideas from the public helped the designers to develop the plan for Tūranga and many of those have come to life inside the library. As well as housing more than 180,000 items, Tūranga holds a suite of technology features including New Zealand's largest digital touch-screen, the Discovery Wall on the ground floor, which allows users to swipe through a virtual world of photos, videos and information. There is also a music studio, video editing suite, 3D printing, robotics, exhibition spaces, a conference room, café, a TSB Space community arena, and a children's play area.



It's a striking building and absolutely stunning. We're so proud of what we've achieved for Christchurch.

### Water conservation

We launched our water conservation campaign on 23 October. The aim of the campaign is to spread the message among our communities that we need to start conserving water now if we are to continue with

our well head improvement programme at the rate we want to over summer. Our staff will be monitoring water consumption over the coming weeks and targeting those parts of the city where works are being carried out. If necessary, water restrictions to manage garden watering may be introduced. Residents who took the survey on conservation measures were overwhelmingly positive. Two-thirds of the 500 questioned agreed to reduce use, while 78 percent favoured restrictions. We are hoping the people of Christchurch will get on board.

### E-scooters

Bike and scooter share company, Lime, has been granted a permit to operate e-scooters in Christchurch on a trial basis. Lime launched their fleet on 15 October, for a three-month trial period.



We note the high profile response from the community, from great enthusiasm to concerns voiced over the safety aspects of e-scooter use. We are working closely with Lime and NZTA to monitor the situation and to deal with any issues that arise.



We will be reviewing all aspects of the scooter trial towards the end of the three-month permit.

### Review into management of bore water security

On 16 October, we released the findings of the external review I commissioned to look at the events leading up to the loss of the secure status for Christchurch's water supply. We have already taken many steps to address the issues raised in the review, including the \$35 million well head improvement works underway. The reviewer has acknowledged our progress with the recommendations. Our key objective remains to be able to return unchlorinated water to our community. We are also expecting stricter standards being introduced nationally. Along with the Mayor and Councillors we have been ensuring Christchurch's views are being heard ahead of not only the changes to regulatory standards, but also central Government proposals for Three Waters responsibility and delivery.

### My Council update

Citizen feedback (compliments, suggestions and complaints) went live on 1 October. Citizens can now provide feedback to the Council easily - online, by phone, email, post and face to face. We're gaining greater visibility of what's important for our citizens as one organisation and this will give us good information from which to learn and improve. The programme now moves to continue working with business units to report, monitor and improve how

we deliver services for citizens. We've also begun to promote these new services and raise awareness in our communities of what can now be achieved online.

### Nurses Memorial Chapel

The Nurses Memorial Chapel repairs have been completed and the historic chapel was re-opened on 27 October by the Governor-General, the Right Honourable Dame Patsy Reddy. The chapel is the only one in the world built to honour nurses killed during the twentieth century wars, and is a very special place.



### Nga Puna Wai – Skills Active

The inaugural event took place at Nga Puna Wai sports hub on 20 October, with the opening of the new home of Athletics Canterbury.



The event was a huge success and a testament to the hard work of so many who have worked to make the day enjoyable, and the facility an asset for the whole community.

### Stormwater consent application

Environment Canterbury's Section 42A report on the Comprehensive Stormwater Network Discharge Consent application has been received. The statements of evidence of Council's witnesses were submitted to ECan on 15 October. Submitters are able to submit expert evidence to which Council, as the applicant, has the right to provide rebuttal evidence up to 30 October. The hearing commences on 5 November, and could run for up to five days. In light of the submissions received through the public notification process and the S42A report, changes to the draft consent conditions will be considered and discussed with other parties as part of the next stage of the application process.





## Citizens & Community

### Community Support, Governance & Partnerships

#### Walking Festival 2018

The Breeze Walking Festival, which took place from 29 September to 14 October, was enjoyed by many. The awesome Spring weather increased participation in some of the walks to their biggest numbers yet!

The "Gruffalo Explorer", "Pukeko Stomp" and "Going on a Bear Hunt" events were once again a great hit with families on school holidays, with much positive feedback received.



The Gruffalo Explorers event exceeded previous numbers, with 800 maps were handed out to families to explore Bottle Lake Forest. St Margaret's School drama and dance students helped bring the Gruffalo

story to life, with owls, snakes and foxes seen throughout the forest.

The "All Right? Amble", held by All Right and the University of Canterbury at the Botanic Gardens, incorporated exploring the Gardens and connecting with nature for wellbeing benefits. Activity stations focused on the Five Ways to Wellbeing.

#### Pukeko Stomp

This was a great day for hopping and stomping around Halswell Quarry in search of Perky the Pukeko and his friends!



#### Innovative traffic management for Little River

This is a community-led planning initiative, with a focus on pedestrian safety and traffic management. The Little River Village Planning Committee, with support from staff, is implementing a low-cost measure to improve safety in front of the Little River Craft Station and around the Café & Store. The

measures act like speed bumps but aren't actually speed bumps - through innovative painting methods that trick the human eye, four "3D speed bumps" will be installed to keep speedy motorists in check and safely lead visitors to attractions within the village. This is a great example of what a community can create, leading initiatives in partnership with the Council.

#### Odyssey House social enterprise

Odyssey House in Burnside has developed a small carpentry social enterprise, with support from the Council. This enterprise will not only provide residents with a small income, but will also provide them with new skills, and most importantly work experience. This is invaluable for them when they leave Odyssey House and reintegrate with their communities to seek employment. They have also recently picked up a contract to assist with the repairs being undertaken to Housing NZ houses in Christchurch.

#### Revitalisation of Waltham

At the request of the local community, the Council recently completed research on the needs and aspirations of children and young people in Waltham, and a Crime Prevention through Environmental Design assessment of Waltham Park. A community working group has now started meeting to develop and implement an action plan, including organising a free or low cost touch rugby tournament, and

Waltham Primary School students painting a mural in Waltham Park.

### UC CHCH101 Course projects

University of Canterbury CHCH101 course students have been working on two projects to improve local areas.

One group undertook a clean-up of the underpass between Denton and Kyle Parks, removing graffiti and painting a geometric design on the walls to deter future graffiti. Painting took place on 10 October.



Another group worked on putting in a community library box in Clarence Reserve opposite the Westfield carpark building on Clarence Street. This is similar to the one at the corner of Barbadoes Street

and Armagh Street, and will enable local residents and workers to share books.

### The Narrative of Lyttelton

Staff from the Lyttelton libraries and Governance teams recently led the third of a series of community workshops intended to build a five-year vision for Lyttelton. The question asked this time was, "What is the Narrative of Lyttelton?" About 30 people participated, from a range of local Lyttelton groups, organisations and businesses, and many sectors' views were represented. During the evening, main themes were identified and developed into narrative statements that describe what Lyttelton was and is, and how we may define it for others. Watch this space for future developments.

### Customer Services

#### Citizens Enquiry Volume

The group received the following volumes from each channel for the month of September. Call volume was 34,044, which is 10 percent more than the forecasted call volume of 31,103. Service desk receipting transactions numbered 6,672. There were a total of 7,054 emails received, which is a 30 percent increase against September 2017's volume. Snap, Send, Solve received 1,648 incidents. A total of 10,662 requests for service (RFS) were received. Only 151 complaints were received for the month of September.

### Libraries & Information

#### Tūranga Central Library Opening

Tūranga opened its doors on Friday 12 October, as noted earlier. Mayor Lianne Dalziel stated in her speech at the opening that the landmark building is a "game changer" for the central city. It marks the return of Christchurch's cultural and community heart. It is jam packed with new experiences, technology and knowledge, and will hopefully excite everyone who visits into dreaming about their future and the part they can play in shaping our city and our world.



Feedback received so far has been very positive, including the following:

- Two women who are regular users of South Library thought the Library was stunning and that "whoever worked on it had done a great job". They loved the fact that Te Reo had prominence on the signage, loved the art, loved that there were spaces for everyone – including quiet spaces around the library (in addition to the quiet room).



- They thought Tūranga was a “foundation building for the city”.
- An older couple said they loved the library and are going to visit again once schools are back, when it might be quieter. The gentleman told staff that what he really liked was the accessibility of everything. Things that previously might have been locked away were out and accessible for all.
  - One man was literally shaking his head in wonder as he walked around. He said that he was just stunned at it all – that everywhere he looked there was something amazing. He is going to come back when it was a bit quieter and he could have a really good look. He asked a staff member if she was proud of it. When she said yes, he said “you should be”! And then said it was the “best library I’ve ever seen” and “I hope it stays that way”!
  - A visitor from the University of Canterbury said that she thought the library was beautiful and that our Archivists probably have the best workplace in the building!

### Chinese Language Week Celebrations at Shirley Library

This year the Chinese mid-Autumn Festival and the birthday of Confucius fell during New Zealand Chinese Language Week. Shirley Library collaborated with the Confucius Institute of the University of Canterbury and co-delivered a celebration programme on 24 September and 27 September.

Both days were well attended with participants enjoying a variety of activities, including trying calligraphy by writing their Chinese name with a brush pen. Visitors enjoyed blossom plate painting and paper cutting, making rings and bracelets with Chinese knots, martial arts, and Chinese folk dance. Library staff used the opportunity to promote the Chinese language collection with a display and shared information about Mango Languages.

The successful co-delivery of the programme enabled library staff to form a strong connection with the Institute for future collaborations, and the great feedback received from attendees has inspired staff to create more “family-friendly” and fun activities to engage with their customers.

## Parks

### Port Hills Restoration

Over 2,500 native plants were planted by many new and regular volunteers over the planting season.



We had plenty of rain during the weekdays, leaving weekends dry for planting, and we only had one postponement day. The wet, warmer conditions should help provide a good start for the plants to get established.

We were delighted to have the help of various groups - Over 40s Tramping Group; Bishopdale Trampers; MacPac; Forest & Bird; Sumner Environment Group; Ilam School; ARA; Cashmere Rotary; and Roots & Shoots, and hole digging assistance from Eastenders Track Maintenance Team.

### Lower Heathcote River Cleanup

A sunny Saturday morning in late September saw 10 volunteers from Revolution Church hard at work for the community, cleaning up litter beside the lower Heathcote River, along the Charlesworth Wetland road frontage and around the Estuary edge at Ferrymead.

Their service project coincided with other Conservation Week events and was one of a number of projects supported by ranger staff from the Council's regional parks team.

Not only did they collect the usual muddy and smelly trailer load of mixed debris, including takeaways, plastics, rusty car parts and bottles but one amazed young collector also found a crisp \$100 dollar note!

The kids have now been 'ruined' for future such litter clean ups, with their prize resulting in ice creams all round and high expectations for similar finds in the future. So it's true, good deeds don't go unrewarded,



although most don't have such immediate and tangible results! Thanks to the Revolution team.

### Take a Kid Fishing at the Groynes Reserve

Due to the combined efforts of City and Regional Councils, as well as key community groups who run this event, the 30th anniversary of the annual Take a Kid Fishing event went ahead on 14 October with over 5,000 people in attendance.

Lagarosiphon major, an invasive weed, has formed choking mats in the lakes at the popular reserve for several years. There were fears the thick weed mass this year could mean the children's fishing day – the biggest in New Zealand – would have to be cancelled or postponed. However, actions taken by the Regional Park Rangers, the Land Drainage team and Environment Canterbury avoided this eventuality. Work to eradicate the weed will continue over the next 9 months.

## Recreation, Sports & Events

### QEII Park

One of the most popular open spaces in the city's east is a step closer to a major redevelopment, with the release of the Draft QEII Park Master Plan for public consultation on 12 October.



A total of \$3.4 million in funding, gained from land sold to the Ministry of Education in 2016 for a new school campus, has been set aside for the initial park development.

All other developments are unfunded and further progress will be subject to budget being allocated through future Council Long Term Plans. The two-month feedback period runs until 13 December, and a hearings panel is due to consider the submissions in February next year.

### Nga Puna Wai - Skills Active

Many people helped make the season opening day happen for Canterbury's athletic community at Nga Puna Wai Sports Hub. It looked fantastic and worked brilliantly. Thanks to all involved.

Everyone enjoyed competing, watching and socialising. During the day the Athletics community said they felt like Nga Puna Wai had always been their home.

An anecdote from Saturday epitomises the culture

that has built up around Nga Puna Wai, of everyone working together to make it happen: In the morning a member of staff was trying to hang a 50m banner on the fence next to the entrance to the athletics arena, and a parent simply came over and offered to help...it wasn't possible to do it alone, but together they got it done!

It was good to watch the day unfold, simply soak up the good feelings and see so much activity. Media coverage of the event can be found [here](#).

### Fitness Expo

We've started our Spring Membership Acquisition Campaign this month and we had a presence at the recent Fitness Expo at Horncastle Arena to kick it off.

## Vertical Capital Delivery

### Christchurch Civic Trust Awards

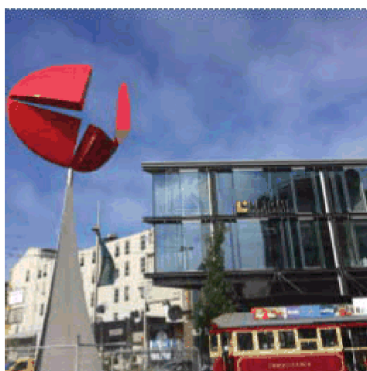
At Christchurch Civic Trust Awards, commendations were presented to the Council for restoring the Rose Historic Chapel (Richie Moyle, Project Manager) and for the building of Taiora: QEII Recreation & Sports Centre (Mark Noonan, Project Director). Congratulations to everyone involved in these projects.

### Nucleus Artwork

The artwork Nucleus by Phil Price has recently been reinstated back in its prime position on the corner of



High, Manchester and Lichfield Streets. The artwork was commissioned in 2006 as a part of the SCAPE 2006 Biennial, and is a permanent artwork for the city of Christchurch. The artwork was dismantled and the top kinetic forms opened up and rebalanced by adding and subtracting the lead weights inside. The forms were then reshaped, painted and carefully returned together. In 2010 a new taller base was fabricated to raise the kinetic forms higher above the tram lines, however following the earthquake events of 2010/2011 this was kept in storage. As a part of this project, the taller base was cleaned up, painted and installed. The artwork was installed on 28 September in time for the 2018 SCAPE season.



**Scott's pole has returned. Scott statue is complete once more.**

Scott Statue's bronze pole has been repaired and returned after it was vandalised one week after the

earthquake repair of the Statue. The pole had been found broken with the circular basket section missing. Despite a thorough search, this piece was never recovered. The project team had undertaken a 3D scan of the pole as a part of the repair project, allowing a new replica basket to be cast in bronze. This was attached to parts of the original salvaged pole and installed back with the statue in September in time for the 2018 Antarctic Season opening events.

#### Wigram Air Crash Memorial

The Wigram Air Crash Memorial was unveiled on 15 October. A [newsline story](#) was issued on this.

The memorial was completed in time for the 65th Anniversary of the air crash.

#### Jellie Park Recreation and Sports Centre

The run out and indoor hydroslide have been completed and are now opened to the public.

#### Vbase

#### Domestic Cricket Season

The domestic cricket season is now in full swing, with Vbase taking the lead on hosting a variety of teams at the Hagley Oval throughout October. At this fabulous venue, surrounded by first class cricket, a great summer ahead is set to play out.

#### Fight for Christchurch

The Fight for Christchurch boxing event to be held on 2 November is selling extremely well and we anticipate a successful evening. Vbase is taking the lead on the occasion to guarantee a fantastic event for the city.

#### CDEM

#### Exercise Pandora

The Civil Defence Emergency Management Emergency Operations Centre was utilised for Exercise Pandora on 20 September - a table-top exercise designed to simulate a response to an 8.2 magnitude Alpine Fault earthquake. Over 55 people participated in the exercise, which marked a major step towards officially transitioning the Council's EOC base from the Civic building over to the Justice & Emergency Services Precinct – a process that is on track to be finalised later this year. More exercises and workshops are planned for the future.

#### ShakeOut

'ShakeOut' - the national earthquake drill, took place on 18 October at 9.30am.

This year, the Ministry of Civil Defence Emergency Management (MCDEM) focused 'ShakeOut' on schools and early-childhood-education (ECE) centres. Participating schools and organisations in Christchurch's tsunami evacuation zones had the

chance to practice their tsunami hikoi as part of this year's exercise. This is essentially where schools get to walk their planned evacuation routes.

The Council's CDEM Unit has been working with schools and ECE centres, and has developed tsunami hikoi guidance for schools and ECEs to use to plan their tsunami hikoi.

Community Resilience Coordinators (CRC) from the CDEM Unit were out in the community during the event to take part in hikoi and also to discuss CDEM-related issues such as emergency preparedness. An estimated 36,000 people participated in the event. Further detail can be found [here](#).

## Christchurch Art Gallery Te Puna o Waiwhetu

This last month included the school holidays and the gallery had a very busy two-week period with its Wall to Wall exhibition. This was a huge public paint out of one of our downstairs exhibition spaces and people of all ages were invited in to add their own piece of art to the walls. Paint and supplies were freely available. It proved so popular people (mainly children and their parents) were queuing up outside the area's doors waiting for opening at 11am each day. The walls were painted over each night to allow for clean, fresh walls the following day.



A new Philip Trusttum exhibition has just opened. Now into his sixth decade working as a painter, Trusttum is one of Christchurch's most respected artists. In 2009, just prior to the Canterbury earthquakes, he generously presented ten paintings to Christchurch Art Gallery and this year allowed the Gallery to select a further five paintings for the city's collection. Trusttum is known for his large, high-energy paintings, often inspired by everyday life.

## Corporate Services

### Spatial Excellence Award

The Council's use of spatial technology won a significant award at the New Zealand Spatial Excellence Awards held at Te Papa Museum in Wellington on 18 October. Congratulations to everyone involved.

Maximising our Talent is stage one of a four-step transformation focusing on spatial capability, technology and governance. Council staff will be able to use this platform to create and share their own spatial applications and data, without relying solely on the Council's GIS team. Now people who aren't spatial experts can innovate with spatial data in their day to day work, helping them to work smarter and more efficiently.

Around 80 Council staff are currently innovating with spatial, already saving time and money and delivering better results. Projects that have successfully used spatial include:

- **Roading** – the Council's Transport Asset Management team is responsible for prioritising road repairs and upgrades. The team is developing an interactive map that will show the public what's being fixed, why and when. People will be able to comment on the map and highlight areas that need urgent attention.
- **Footpath leasing** – the Council's leasing team is able to respond faster to café owners requesting



pavement space to put tables on, using a portal to draw out seating areas, which includes rates. This was previously done using static PDGFs to manually draw out pavement space and rates calculated didn't flow back into the rating system.

- Cleaning up graffiti – Snap, Send, Solve is a free-to-use app that allows the public to tell Council about graffiti, pot holes and other issues around the city. This has been made more efficient by linking the app to location data in their portal. People can pinpoint graffiti more accurately and send in photos as well as a description. The Council can now send precise information to contractors, making it much easier for them to find the graffiti. This means more efficient use of time and resources and a faster clean-up job.
- Transport network - all information about traffic modes in Christchurch has been loaded into Council's portal for everyone to see. This will inform many decisions about what the Council builds and why (such as where to put traffic lights, cycle lanes, and arterial routes). By making the data transparent, the Council hopes to avoid the usual conflicts between different parties.
- Monitoring and Research - this team does a lot of statistical and financial analysis using spatial data. It previously created single maps or PDF spreadsheets to answer specific questions, such as "Where is my nearest cycleway?" Now, with the portal, the team can easily update the data and reuse the resources. Allowing people to zoom into the data and answer their own questions provides

a better level of insight, and saves the M&R team significant time.

#### Local Government Official Information and Meetings Act (LGOIMA)

The Chief Ombudsman Peter Boshier has commenced a round of self-initiated investigations into the official information practices of the public sector. The previous round investigated the Department of Conservation, the Ministry for Culture and Heritage, LINZ, and the Ministry for the Environment. These investigations aim to establish whether agencies have the leadership, culture, organisational systems, policies and procedures in place to support good official information practices to achieve the purposes of the official information legislation relevant to their organisation. The Chief Ombudsman has now commenced this investigation into the Local Government Official Information and Meetings Act policies and practices within the Christchurch City Council. This is very important work to ensure we provide the public with continuing trust and confidence in public sector agencies' ability to operate effectively.

## Facilities, Property & Planning

### Universo

A seamless transition has been achieved from the old to new owners of the café and bar operating from the Christchurch Art Gallery.



New owners, Wayne and Madlen Shaw, commenced their new business on 15 October and have some exciting changes to consider and introduce to the café/bar to broaden their clientele's options. These include live music, different food choices and styles and seasonal cuisine.

Wayne and Madlen Hospitality Ltd are the previous owners of several similar businesses – Therapy in the city and The Pedal Pusher gastropubs in Addington and Rolleston. Wayne and Madlen will be keeping the 'Universo' name and are delighted that many of the staff will remain with them.





### LED Lighting

According to the industry practices, many of the current fluorescent lighting units within the Civic building have reached their expected end of life. With LED lighting now available, and our focus on climate change and resource efficiencies, an upgrade process commenced in May of this year with the track lighting of the atrium (levels 1 and 2). The bathroom lighting in the building has also been completed. This work will continue over the next two years with a scheduled completion date of June 2020.

The transition to LED lighting units gives us five times the life of fluorescent lighting and has a saving in energy usage. It also means the Council has reduced repair operational costs in maintenance – the bulk 'relamping' is more cost effective than carrying out individual tubes reactively.

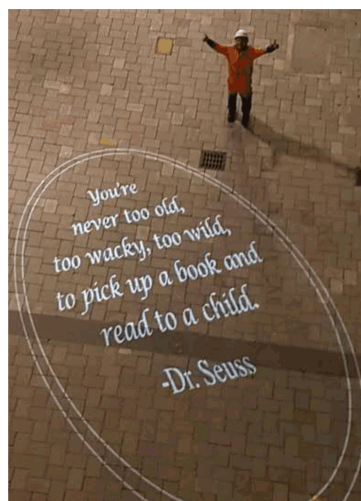
## Strategy & Transformation

### Urban Regeneration, Design & Heritage

#### Enliven Places Programme

This Programme has enlivened a number of public spaces in the past month, in the following areas:

- Tūranga library plaza: Gobo lights have been installed, incorporating fun and inspirational quotes.



- The Commons: Work on temporary landscaping has commenced and is due for completion in mid-November.
- Former Westpac Lane (between Cathedral Square and Hereford Street): a temporary pedestrian pathway was installed during October. Other installations, such as artworks, lighting and edge treatment will be delivered in November, in collaboration with property owners and artist Fayne Robinson.
- Cathedral Square: The Pop Up Gardens design competition was launched at the beginning of October, with three winning designs to be delivered in Cathedral Square for the 2018/19 summer season.
- Residential Red Zone: The installation of a portion of the former Medway Street Bridge as a commemorative structure will be completed by the end of October. This project was undertaken in collaboration with the community and the Avon Otakaro Network.

#### Bishopdale revitalisation

The Council and DCL led an Inquiry by Design workshop with key stakeholders from the Bishopdale community in early October, with a follow-up presentation at the end of the month.

#### Future of Heritage Strategy

Public consultation is now underway through until the 12 November on the Future of Heritage Strategy,



the Council's proposed new direction, and a broadened definition of heritage in the City and on Banks Peninsula.

### Central City Landmark Heritage Grant Approvals

In October, two heritage buildings defined as 'Highly significant' in the Christchurch District Plan were the subject of Central City Landmark Heritage Grant approvals from the Council of up to \$900,000. These are the former Chief Post Office Building in Cathedral Square and the former Sargood, Ewen & Son Building in Lichfield Street, close to the Bus Exchange. These very prominent large-scale masonry buildings both require strengthening works in addition to repairs and renovations. The grants will assist with ensuring these works are undertaken as soon as practicable.



Former Chief Post Office Building, 31 Cathedral Square



Former Sargood, Ewen & Son building, 92 Lichfield Street

In addition to the Landmark grants above, seven Heritage Incentive Grants were also approved by the Council in October, to heritage building projects ranging from a replacement roof on a dwelling in Riccarton to the repairs and restoration to working order of a vintage wooden waterwheel in Diamond Harbour.

### Media enquiries

The Council's media team received 297 enquiries over the month of October.

The highest number of queries were related to Citizens & Community followed by City Services. The full breakdown is as follows: CEO: 18; City Services: 66; Consenting & Compliance: 27; Corporate Services: 9; Elected Members: 33; Citizens & Community: 89; External total: 1; Finance & Commercial: 1; Mayor's Office: 28; Strategy & Transformation: 25

## Social Media

### Trends

Free sunscreen, Tūranga's Grand Opening and Treotech Fireworks Spectacular were among October's many hot topics.

Overall engagement increased by 31 percent on Instagram during the period 29 September to 25 October, which we believe is due to the excellent standard of the photos taken by our Newsline team. Our following base continues to increase across all platforms.

### Facebook

This month we had 358 page likes in total, and 1.8 million post views throughout the month. There were 18,269 link clicks to either a Newsline story or a page within the Council website. Our followers continue to increase, with the number of total followers sitting at 48,468 by the end of October.

We posted 137 times on Facebook over this period, including 28 videos. Top posts for engagement were:

- Electric scooters – a "convenient" and "environmentally friendly" travel option. Find out how you can give it a go! (Newsline story) This post was seen 36,563 times. There were 543 comments and 77 shares. 949 people clicked the link to read the Newsline story.

- Madlen and Wayne Shaw have big plans for Universo (Newsline story) This post was seen 13,875 times. There were 37 comments and 10 shares, and 949 people who clicked the link to the Newsline story.
- Sunscreen dispensers will be installed at the Margaret Mahy Playground and the Botanic Gardens Playground later this week! (Newsline story) This post was seen 7,326 times. 716 people reacted to the post, 79 commented and 49 shared. Feedback was mostly positive.

#### Twitter

In October we had 80,418 post views, 1,260 total engagements and 595 link clicks. We gained 107 new followers and 'tweeted' 85 times.

Top tweets:

- Sunscreen dispensers will be installed at the Margaret Mahy Playground and the Botanic Gardens Playground later this week! A third dispenser is also planned for Sumner's Scarborough Park Playground (Newsline story) This post was seen 27,979 times.
- Tūranga opens its doors tomorrow from 1pm! Come on down and take a walk-through the epic building and grab some lunch from the food trucks in Cathedral Square. This post was seen 24,973 times.
- Ride the bus to next weekend's Tretech Fireworks Spectacular event for free and get a free hydroslide

pass for each passenger aged 5 years and older (Newsline story) This post was seen 19,510 times.

#### Instagram

Our Instagram account is continuing to grow, with an increase of 149 new followers this month. We currently have 4,816 followers. In the past month we have had 746 individual likes from a total of six posts. Top Instagram posts for the month were:



Christchurch, we're lighting up pink for Breast Cancer Awareness Month! (3 Oct)



Mirror image: Kotuku can be found in North Hagley Park! Part of SCAPE Season 2018 (5 Oct)



Tūranga opens its doors tomorrow from 1pm! (11 Oct)

#### Engagement

We are conducting a lot of work in the engagement space - 18 consultations and engagements started, finished, or ran in October. Since August, every consultation and engagement we have run (except one) has consistently received more online submissions than hard copies. With increasing frequency, we are receiving more than 90 percent of submissions online.

During October our Have Your Say pages had 19,232 views, with 7,451 sessions.



## Consenting and Compliance

### Building consenting

We continue to meet our targets in processing building consents, with 95.8 percent of building consents processed within 19 working days and 99.4 percent of code compliance certificates issued within 19 days of acceptance (the target for both is 95 percent). A hundred percent of our building inspections were carried out within the three-day target.

#### Eco Design Service

The Eco Design Service continues to be popular. In August there were 31 individual consultations for residential buildings and more than 10 consultations with the building industry. There were also 186 introductions over events organised by the Council and the Super Home Movement.

#### Earthquake prone buildings

At the end of August 2018, there were 589 Christchurch buildings on the national earthquake prone building register. Nine buildings were removed from the register during July due to structural strengthening being completed. During August, we sent two 133AH notices to owners requesting Detailed Seismic Assessment reports to clarify the earthquake prone building status of their buildings.

Link to the register: <https://epbr.building.govt.nz/>.

### Resource consenting

Resource consent applications received increased from 272 in July to 310 in August. No temporary accommodation applications were received, and 26 District Plan certificates were issued. Ninety-nine percent of applications in August were processed within the statutory timeframe. This meets the processing target.

### Regulatory Compliance

#### Abandoned/vacant properties

The June meeting of the Regulatory Performance Committee resolved to provide bi-monthly information updates on investigations undertaken in relation to abandoned/vacant properties.

For this reporting period, compliance officers have received 11 reports of nuisance associated with vacant properties across the City. A summary of these complaints is provided below.

- There is currently an open investigation in relation to flooding caused by a natural spring under a property. The Council has engaged with the absentee owner who has appointed an agent, and we are working with them to mitigate the flooding.

- One dangerous building complaint was received, a Section 124 notice under the Building Act has been issued for repair work to be undertaken. The site is fenced to ensure safety of the public and the Compliance and Investigations team is continuing to work with the property owner to achieve a resolution.
- Five complaints relating to vermin on vacant properties were received. No rodents were sighted at the time of the site visit and no health nuisances have been detected. Bait stations were left at all properties. Two of these complaints have been resolved, with ongoing monitoring occurring for the remaining three sites.
- Two complaints were received, both complaints were investigated with no health nuisance concerns or Litter Act breaches.
- It was reported that a semi-demolished building had water pooling and there were associated concerns with whether mosquitoes were breeding on site. This was investigated, but no health nuisance was evident. This site will continue to be monitored.
- A report of persons occupying a vacant building was received. This was referred to the Police for investigation and resolution.



## City Services

### Three Waters and Waste

#### Project management

The Riccarton Road upgrade of replacing underground water pipes and installing bus priority measures, from Deans Avenue to Matipo Street, is progressing well. Procurement of the works for stages 3 and 4 (between the Three Waters and Waste and Transport units) is almost complete, between Harakeke and Matipo Streets.

Our contractor, McConnell Dowell, has completed the launch of the 5.2 kilometre Governors Bay submarine pipeline, which passed its hydrostatic test successfully on 22 September. Burial of the pipeline is underway. Practical completion of the Governors Bay pipeline (Separable Portion 1) was achieved on 12 October.



The Duvauchelle wastewater working party has identified irrigation of treated wastewater to the golf course as their preferred solution for a land-based alternative for the treated wastewater from the treatment plant. The next step is to formally notify and seek feedback from the local community on this solution, and the storage options for the volume that cannot be irrigated during the winter months.

#### Rawhiti water supply

A trial reduction in pressure in the Rawhiti water supply zone aims to reduce energy consumption, leakage and pipe bursts. The trial started on 24 October and will run for a year. This will bring it in line with pressure in the west of the city. MyCouncil will be used to capture any customer complaints in the area related to the trial. Staff will report back to the Council on the costs and benefits, with a recommendation on whether pressure reduction should be implemented in the rest of the city.

#### Solid Waste

A waste audit is taking place on rubbish collected by the Council through kerbside collection bins and transfer stations, including on Banks Peninsula. This will inform the strategy for waste reduction, and the Waste Management and Minimisation Plan.

A one year battery collection trial has commenced, with drop off points in supermarkets, hardware stores and Transfer Station recycling centres. Investigation is now underway for participating stores.

#### Stormwater and land drainage

The report to the Infrastructure, Transport and Environment Committee on Bells Creek Stage 2 works has been delayed until late 2019. This is because the City Wide Modelling project has not yet been completed and calibrated. A report in advance of this project being completed would be limited, as it relies on the completion of the modelling project to quantify the number of commercial properties at risk of flooding across the city. This would allow the Bells Creek works to be put in perspective, and determine the scale of any precedent it might set. Following analysis of the modelling project, the report to ITE will present a more informed analysis of how the issues identified in the Bells Creek Stage 2 catchment compare in terms of priority with other catchments in the main commercial areas in the city.

#### Wastewater Treatment Plant

Disturbance in the form of dragging chains through the sediment at the bottom of the ponds to disrupt the early aquatic stage of the midge lifecycle is being trialled, and is progressing well. The design has been modified a number of times to ensure the system is as efficient as possible. It is anticipated that the trials will be completed, and final adjustments made before the traditional 'midge season' is in full swing. Twice-weekly sampling of the 30 midge traps, which are used to assess midge populations, has already begun. These will also allow us to assess the effectiveness of the trial.



The site's first preliminary audit against ISO14001, the International Standard that details the framework for an Environmental Management Plan, was completed on 10 September. Work is now underway preparing for a full audit, which has been scheduled in two months' time.



### Transport

The North Avon Road reconstruction project between Hills Road and North Parade was completed on 2 October. North Avon Road has completed construction and all facilities are open for public use.



## 14. 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
15	PUBLIC EXCLUDED INNOVATION AND SUSTAINABLE DEVELOPMENT COMMITTEE MINUTES - 24 OCTOBER 2018			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
16	CHRISTCHURCH CITY HOLDINGS LTD - APPOINTMENT OF DIRECTOR TO ENABLE SERVICES LTD	S7(2)(A), S7(2)(F)(II)	PROTECTION OF PRIVACY OF NATURAL PERSONS, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT	TO PROTECT THE DIRECTOR CANDIDATE FROM PUBLIC EXPOSURE WHICH COULD BE DETRIMENTAL TO HIS INTERESTS IF HE IS NOT APPOINTED, AND TO ALLOW THE COUNCIL TO BE ABLE TO CONSIDER THE DECISIONS WITHOUT UNDUE PRESSURE FROM INTERESTED PARTIES.	AFTER THE APPOINTMENTS HAVE BEEN ANNOUNCED PUBLICLY.
17	ASSIGNMENT OF SUBLEASE - COUNCIL APPROVAL	S7(2)(B)(II), S7(2)(C)(I)	PREJUDICE COMMERCIAL POSITION, PROTECTION OF SOURCE OF INFORMATION	TO PROTECT THE COMMERCIAL POSITION OF THE SUBLESSEE AND TO RESPECT ITS REQUIREMENT THAT THE INFORMATION IT HAS PROVIDED TO COUNCIL BE KEPT CONFIDENTIAL	THE DATE OF COMMENCEMENT OF ANY SUBLEASE