

Finance and Performance Committee of the Whole

AGENDA

Notice of Meeting:

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

Date: Thursday 7 February 2019
Time: 9.30am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Councillor Raf Manji
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Mayor Lianne Dalziel
	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 Tim Scandrett
	Councillor Deon Swiggs
	Councillor Sara Templeton

1 February 2019

Principal Advisor

Carol Bellette
General Manager Finance

Samantha Kelly
Committee and Hearings Advisor
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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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<https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/>

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 tāuikiuki

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

Chair	Councillor Manji
Deputy Chair	Deputy Major Turner
Membership	The Mayor and all Councillors
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd
Meeting Cycle	Monthly
Reports To	Council

Area of focus

The focus of the Finance and Performance Committee is the financial and non-financial performance of the Council, including the delivery of the Council's Capital Programme, CCHL and its subsidiaries, and any other Council Controlled Organisations.

In making recommendations or exercising its delegations, the Committee must manage the matters referred to in section 101 of the Local Government Act 2002 which includes that the Council must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The Finance and Performance Committee considers and, if the matter is not within the Committee's delegated authority, reports to Council on matters relating to:

- The delivery of the Council's Capital Programme
- The Council's operational and capital expenditure, including any material discrepancies from planned expenditure
- Leading and overseeing the Council's strategic relationship with the Crown, including specific strategic projects of shared interest and interface with the Crown, including the Cost Share Agreement and matters under the Greater Christchurch Regeneration Act 2016
- The financial and non-financial performance of the Council and Council Controlled Organisations, and governance decisions related to Council Controlled Organisations
- The Council's financial and funding policies under section 102 of the Local Government Act 2002
- Debt write-offs and status of Council debtors
- Acquisition or disposal of property where required for the delivery of the Capital Programme
- Council insurance policies and related matters and litigation
- The development of the Annual Report for consideration by Council
- Advising and supporting the Mayor to lead the development of the Long Term Plan and Annual Plan, including setting the overall parameters, strategic direction and priorities, and the development of a consultation document.
- Reviewing the delivery of services under s17A
- Submissions to external bodies relating to the area of focus of the Finance and Performance Committee

Delegations

The Council delegates to the Finance and Performance Committee authority to:

- Monitor the delivery of the Council's Capital Programme, including inquiring into any material discrepancies from planned expenditure
- Monitor the financial and non-financial performance of the Council and Council Controlled Organisations, including carrying out all of the Council's obligations under sections 65 to 72 of the Local Government Act 2002
- Exercise the Council's powers directly as the shareholder, or through CCHL, or in respect of an entity (within the meaning of section 6(1) of the Local Government Act 2002) in relation to –
 - (without limitation) the modification of constitutions and/or trust deeds, and other governance arrangements, granting shareholder approval of major transactions, appointing directors or trustees, and approving policies related to Council Controlled Organisations
 - in relation to the approval of Statements of Intent and their modification (if any)
- Purchase or dispose of property where required for the delivery of the Capital Programme, in accordance with the Council's Long Term Plan, and where those acquisitions or disposals have not been delegated to another decision-making body of the Council or staff.
- Adopt funding and financial policies other than those that must be adopted as part of the Council's Long-Term or Annual Plans
- As may be necessary from time to time, approve amendments to the Capital Programme outside the Long Term Plan or Annual Plan processes
- Approve preferred suppliers for capital projects where the value of the contract exceeds \$15 Million
- Approve preferred suppliers and contracts from both capital and operational budgets relating to the Council's Information Technology systems where the value of the contract exceeds \$15 Million of capital expenditure or \$10 Million of operational expenditure.
- Amend levels of service targets, unless the decision is precluded under section 97 of the Local Government Act 2002
- Approve debt write-offs where those debt write-offs are not delegated to staff
- Insurance matters, including considering legal advice from the Council's legal and other advisers, approving further actions relating to the issues, and authorising the taking of formal actions.
- Authorise submissions to external bodies relating to the area of focus of the Finance and Performance Committee

The Committee delegates to the following subcommittees or working groups the responsibility to consider and report back to the Committee:

- Insurance Subcommittee

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

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FINANCE AND PERFORMANCE COMMITTEE

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1. Apologies

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

2. Declarations of Interest

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

3. Confirmation of Previous Minutes

4. Public Forum

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

It is intended that the public forum session will be held at 9.30am

5. Deputations by Appointment

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

6. Petitions

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

7. Finance and Performance Committee Minutes - 5 December 2018

Reference: 19/68824

Presenter(s): Samantha Kelly – Committee and Hearings Advisor

1. Purpose of Report

The Finance and Performance Committee held a meeting on 5 December 2018 and is circulating the Minutes recorded to the Council for its information.

2. Recommendation to Finance and Performance Committee of the Whole

That the Finance and Performance Committee of the Whole:

1. [Receives the Minutes from the Finance and Performance Committee meeting held 5 December 2018.](#)

Attachments

No.	Title	Page
A	Minutes Finance and Performance Committee - 5 December 2018	10

Signatories

Author	Samantha Kelly - Committee and Hearings Advisor
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Finance and Performance Committee OPEN MINUTES

Date: Wednesday 5 December 2018
Time: 9.34am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson
Deputy Chairperson
Members

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

4 December 2018

Principal Advisor
Carol Bellette
General Manager Finance and
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Item 7

Attachment A

Finance and Performance Committee
05 December 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 FPCM/2018/00072

Committee Decision

That the apology from Councillor Buck, and apologies for early departure from Councillor Gough and Councillor Chen be accepted.

Councillor Gough/Councillor Chen

Carried

2. Declarations of Interest

Part B

There were no declarations of interest recorded.

3. Confirmation of Previous Minutes

Part C

Committee Resolved FPCM/2018/00073

Committee Decision

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

Councillor Manji/Councillor Chen

Carried

4. Public Forum

Part B

There were no public forum presentations.

5. Deputations by Appointment

Part B

There were no deputations by appointment.

6. Presentation of Petitions

Part B

There was no presentation of petitions.

7. Regenerate Christchurch - Progress report for quarter ending 30 September 2018

Committee Comment

Ivan Iafeta, Chief Executive of Regenerate Christchurch, joined the table for this item.

Committee Decided FPCM/2018/00074

Part A

That the Finance and Performance Committee recommends that the Council:

1. Notes Regenerate Christchurch's Quarter 1, 2018/19 performance at **Attachment A**;
2. Notes that staff from the Council and the Department of the Prime Minister and Cabinet will report to shareholders in early 2019 with funding recommendations for Regenerate Christchurch's future operations; and
3. Notes that staff have consulted with Regenerate Christchurch Ltd in the preparation of this report.

Councillor Manji/Deputy Mayor

Carried

8. Dudley Creek Financial Close-Out Report

Committee Resolved FPCM/2018/00075

Part C

That the Finance and Performance Committee:

1. Receives the information in the Dudley Creek Financial Close-Out report.

Councillor Manji/Councillor Chen

Carried

9. Amalgamation of Tuam Limited and Vbase Limited

Committee Decided FPCM/2018/00076

Part A

That the Finance and Performance Committee recommends that the Council:

1. Notes that three options were considered in dealing with the remaining assets and obligations of Tuam Limited
2. Notes that the directors of Tuam Limited and Vbase Limited have agreed to the amalgamation of both Council-controlled organisations; and
3. Notes that shareholder approval is not required for a short form amalgamation under the Companies Act 1993 when the Directors of both companies agree to the amalgamation.

Councillor Gough/Deputy Mayor

Carried

Finance and Performance Committee
05 December 2018

Christchurch
City Council 

10. Otakaro Public Realm Property Transfers - Update

Committee Resolved FPCM/2018/00077

Part C

That the Finance and Performance Committee:

1. Receive the report and note the status of each project within the public realm property transfer programme.

Councillor Swiggs/Councillor Gough

Carried

11. Annual General Meetings for wholly owned subsidiary companies of the Council 2017/18

Committee Decided FPCM/2018/00078

Part A

That the Finance and Performance Committee recommends that the Council:

1. Note the contents of this report;
2. Note that no physical annual general meeting (AGM) will be held for wholly owned subsidiary companies of the Council as listed in paragraph 5.8 of the report, and that the business normally conducted at the AGM will be replaced by a resolution in lieu of meeting; and
3. Authorise two Councillors *[insert names here]* to sign the required shareholder resolutions on behalf of the Council, as set out in Attachments A-J, in lieu of a meeting for each company.

Councillor Swiggs/Deputy Mayor

Carried

Councillor Davidson and Councillor Gough declared an interest in this item as directors of Civic Building Limited and took no part in the discussion and voting on the matter.

Councillor Chen left the meeting at 10:00 a.m.

12. Performance Reporting for October 2018

Committee Resolved FPCM/2018/00079

Part C

That the Finance and Performance Committee:

1. Receive the information in the Level of Service Exceptions report for October 2018.

Councillor Manji/Deputy Mayor

Carried

Item 7

Attachment A

Finance and Performance Committee
05 December 2018

Christchurch
City Council 

13. Development Christchurch Ltd - Performance Report for Quarter 1 2018/19

Committee Comment

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

Committee Decided FPCM/2018/00080

Part A

That the Finance and Performance Committee recommends that the Council:

1. Receives Development Christchurch Limited's Quarter 1, 2018/19 performance report.

Councillor Manji/Deputy Mayor

Carried

14 Resolution to Exclude the Public

Committee Resolved FPCM/2018/00081

Part C

That the following people be permitted to remain after the public have been excluded for the respective items:

- Paul Munro and Leah Scales of Christchurch City Holdings Limited, and Rob Hall and Joel Lieschke of Development Christchurch Limited for item 16
- Joanna Norris, Jane Carr, Boyd Warren, Laura Dawson and Anna Elphick of ChristchurchNZ for item 17
- Leah Scales, Paul Munro and Steve Ballard of Christchurch City Holdings Limited for item 18

as they have knowledge that is relevant to those items and will assist the Committee.

AND

That at 10:17 a.m. the resolution to exclude the public set out on pages 83 to 84 of the agenda be adopted.

Councillor Manji/Deputy Mayor

Carried

The public were re-admitted to the meeting at 11:40 a.m. at which time the meeting concluded.

CONFIRMED THIS 7TH DAY OF FEBRUARY 2019

**COUNCILLOR RAF MANJI
CHAIRPERSON**

8. Christchurch Town Hall Project Monthly Update

Reference: 19/49234

Presenter(s): John Rossetter - Project Director

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to be updated as to the current status of the Town Hall Rebuild Project.

Origin of Report

- 1.2 This report was requested by the Council under resolution CNCL/2018/00312.

That the Council:

1. Approves an increase of up to \$15 million to the Town Hall Project budget.
2. Notes that the exact cost of the Town Hall project will not be known until project completion and close out of the Financial Accounts.
3. Agrees that the additional budget funding be allocated from within the existing capital programme and will not impact on rates.
4. Requests a report to Finance and Performance Committee detailing the savings identified across the multi-year capital programme that will enable the additional funds to be reallocated to the project. Noting that no approval is given to delay or re-scope projects beyond the current delegations.
5. Notes the Christchurch Town Hall completion programme, including a staged reopening and public opening day at the end of February.
6. Notes the changes made to the Project's governance and management.
7. Requests that the project provides a monthly status report to Finance and Performance Committee.

2. Staff Recommendations

[That the Finance and Performance Committee of the Whole:](#)

1. [Receives the report.](#)

3. Context/Background

- 3.1 Under Council resolution dated 19 December 2018 the budget for the Town Hall Rebuild Project was increased by up to \$15M to a total budget allowance of up to \$167.2M. The staged completion of the project as described below was also noted by the Council:
 - Auditorium, Foyer, Function and Limes rooms - 20 February 2019
 - James Hay Theatre - 5 April 2019
 - CSO - CPU 7 May 2019 and project completion 15 August 2019
- 3.2 Under this resolution the Council also agreed that the additional funding would be allocated from within the existing capital programme and would not affect rates. The Council requested that a report be presented to the Finance and Performance Committee of the Whole detailing the savings identified across the multi-year capital programme that will enable the additional

funding to be allocated to the project. The Council noted that no approval was given to delay or re-scope projects beyond the existing delegations.

4. Project Status

Programme

- 4.1 The date for the stage one handover of the auditorium, function and Limes rooms remains unchanged as 20 February 2019.
- 4.2 The next submission of the construction programme is expected to be received 25 January 2019. By mutual agreement between the parties programmes will now be presented by the Contractor on an approximately fortnightly basis.
- 4.3 A review of the project programme has been completed by an independent consultant. The consultant's report does not raise concerns beyond those that are already being addressed by the project team.

Progress

Construction

- 4.4 Works within the areas forming the first staged handover are approaching completion with final finishing works, the removal of protections and cleaning underway.
- 4.5 Consent for the taking and use of groundwater for the ground source heating and cooling system has now been granted by Ecan and the commissioning of the system is underway.
- 4.6 The refurbishment of the organ has been completed and the tuning of the instrument is underway.
- 4.7 Works within the James Hay Theatre, kitchen and Christchurch Symphony Orchestra rehearsal building (CSO), which form the subsequent stages of handover, continue to progress.
- 4.8 Externally works are now well progressed with the Kilmore Street frontage having largely been completed. To the south the paving of the terraces and the reinstatement of the fountain are approaching completion.

Establishment

- 4.9 The majority of the main procurement packages with respect to the fit-out works are now in contract and the equipment has begun to arrive in Christchurch.
- 4.10 On site the fitting-out of the kitchens is underway, the communications network is operational and Wi-Fi access points are being installed.
- 4.11 Handover preparation has commenced with the scheduling of weekly meetings involving the establishment work-stream leads and the Contractor.
- 4.12 Planning for the opening of the facility continues to develop with public open days scheduled to occur late February.

5. Financial

- 5.1 The total estimated final project cost remains within the total budget allowance of \$167.2M.
- 5.2 A review of the project financial report has been completed by an independent consultant. Whilst the consultant and the project team remain in discussions with respect to clarifications, the report presents a picture that is consistent with the view of the project team.
- 5.3 Staff are in the process of finalising a report to the Finance and Performance Committee of the Whole. This will outline potential savings across the capital programme to enable the additional funding to be allocated to the Town Hall Rebuild Project. The report is being prepared on the

understanding that savings should be identified from capital adjustments arising from existing planned programme revisions, rather than through adjustments made to accommodate the increased Town Hall Rebuild Project budget.

Attachments

There are no attachments to this report.

Confirmation of Statutory Compliance

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

(a) This report contains:

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

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

Signatories

Authors	Harriet Scott - Project Coordinator John Rossetter - Project Director
Approved By	Alistair Pearson - Manager Capital Delivery Major Facilities Mary Richardson - General Manager Citizen and Community

9. Capital Delivery Major Facilities Elected Member Update

Reference: 19/43628

Presenter(s): Alistair Pearson, Manager Capital Delivery Major Facilities

1. Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to accept the project updates herein attached.

2. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Receive the information in the attached Capital Delivery Major Facilities Project Updates report.

3. Key Points

- 3.1 Please refer to the individual reports.

Attachments

No.	Title	Page
A ↓	Capital Delivery Major Facilities Update January 2019	20

Signatories

Author	Rita Estrella - Senior Project Coordinator
Approved By	Alistair Pearson - Manager Capital Delivery Major Facilities Mary Richardson - General Manager Citizen and Community



CURRENT PHOTO OF TOWN HALL AUDITORIUM

Elected Member Update

Town Hall and CSO Building

Project Budget \$167.2M

Project Delivery

Q1 2019 – Town Hall

Q2 2019 - CSO

Current Phase: Construction

16 JANUARY 2019

Christchurch Town Hall

Including Christchurch Symphony Orchestra Rehearsal Building

SCOPE

The Council resolved 11th June 2015 to proceed with the repair and strengthening of the Christchurch Town Hall. As part of the conservation project the auditorium, entrance foyer, James Hay Theatre and Limes Room are being restored. The former Boaters restaurant is also being rebuilt.

Under resolution dated 6th July 2017 the construction of a rehearsal facility for the Christchurch Symphony Orchestra (CSO) was incorporated into the project.

from Rieger Orgelbau in Austria is currently tuning the instrument.

The entrance foyer, Victoria, Avon and Limes rooms are approaching completion with the installation of final finishes and the removal of protections.

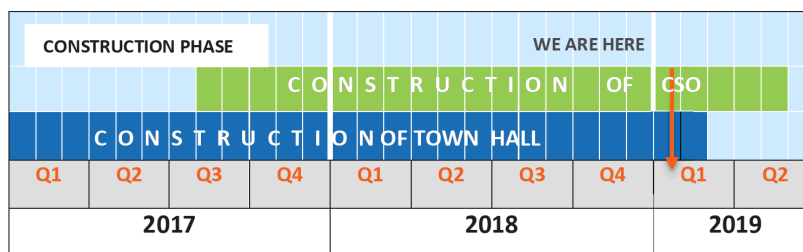
Kilmore Street has recently been upgraded to Accessible City standards and external works forming the main entrance to the Town Hall have largely been completed in this area. External works to the west and south of the building continue.

PROGRESS PHOTOS

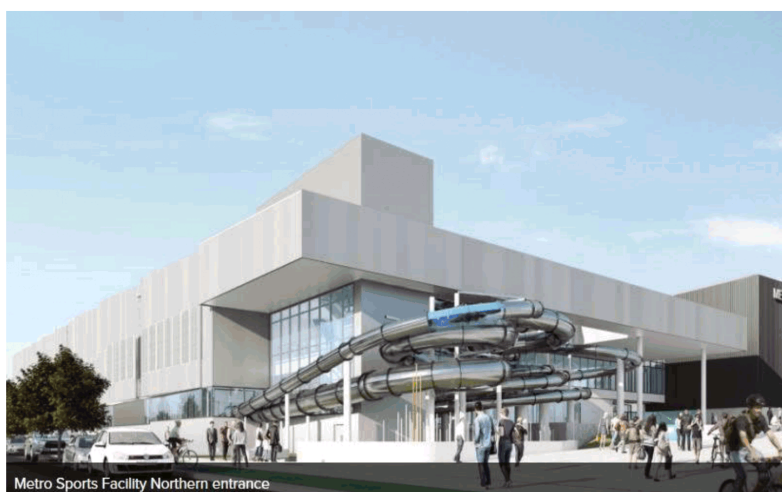


CURRENT UPDATES

The auditorium is now all but complete with cleaning underway. The refurbishment of the organ has recently been completed and a team



*Queries for this report please send to majorfacilities@ccc.govt.nz
Delivery timetable as at January 2019 - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



ARTIST'S IMPRESSION OF METRO SPORTS FACILITY

Elected Member Update

Metro Sports Facility
Project Budget \$300+M
Project Delivery: Q3 2021
Current Phase: Early Works

16 JANUARY 2019

Metro Sports Facility

SCOPE

The Metro Sports Facility will provide an aquatic and indoor recreation and sport facility catering for the day-to-day needs of the leisure, sporting, recreational and high performance sport communities in Canterbury.

Metro Sports Facility sits within the block encompassing Moorhouse Avenue, Stewart Street, St. Asaph Street and Antigua Street. It is a joint project between Christchurch City Council and Ōtakaro Ltd.

Prior to Christmas some sheet pile testing was also carried out on the site in the newly solidified ground. (Sheet piles are interlocking sheets of steel that will allow dewatering and excavation to be carried out, so the pool tank and other underground services can be safely installed.)

Tenders have been received from the potential Main Works contractors. These tenders are now being evaluated by the evaluation team before negotiations begin with a preferred contractor in the coming weeks.

PHOTOS



CURRENT UPDATES

Ground remediation using stone columns is continuing on site, with around 1,400 of the approximated 7,200 required columns having been installed.

												<div>Currently in Planning Phase Complete: Q3 2021</div>					
DESIGN & EARLY WORKS																	
				TENDER & CONSTRUCTION													
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
2018				2019				2020				2021					



CONCEPT IMAGE

Elected Member Update

CMUA

Project Budget \$253M (CCC Share)
\$220M (Crown)

Project Delivery : TBA
Current Phase: Planning

16 JANUARY 2019

Canterbury Multi-Use Arena

SCOPE

The covered CMUA will position Central Christchurch as a world class option for attracting and hosting events. Its main purpose will be to host major sporting and entertainment attractions up to an international level.

The CMUA will be located over three city blocks between Hereford and Tuam Streets, bounded by Madras and Barbadoes Streets. This location is well connected with main transport routes and within easy walking distance of the central city accommodation hospitality and transport facilities.

The CMUA is a replacement for the previous stadium at Lancaster Park, destroyed in the 2010-2011 earthquake.

CURRENT UPDATES

Project is in planning with collaboration across DPMC, CCC, LINZ, Treasury and Ōtākaro.

Core decisions to date include confirmation of the site, a full roof, and the multi-use capability.


The Technical Team is modelling various concepts including two orientations and two bowl configurations to provide cost estimates for the Investment Case.

Onsite geotechnical testing is complete, and contamination testing is underway in association with LINZ.

Stakeholder engagement forums/workshops are also underway.

The Investment Case Team is currently being engaged.



INVESTMENT CASE				DESIGN								Currently in Development Phase Complete: TBA											
				REMEDIAION & EARLY WORKS								CONSTRUCTION											
																							
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
2018		2019				2020				2021				2022				2023					

Delivery timetable as of 16 January 2019. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



IMAGE

Elected Member Update

Performing Arts Precinct
CAPEX Project Budget: \$30.0M
Project Delivery: TBC
Current Phase: Planning

16 JANUARY 2019

Performing Arts Precinct

SCOPE

The Performing Arts Precinct (PAP) is planned to be the central city's entertainment core for all things performing arts, offering a first-rate facilities in a vibrant and creative hub.

The PAP sits alongside the Convention Centre Precinct, the Central Library, Victoria Square, and the Isaac Theatre Royal. It is also closely linked with the Town Hall.

It will offer a range of entertainment options to residents and visitors to Christchurch, within walking distance of many central city hospitality providers and hotels.

The PAP is already the permanent home of The Piano and may also provide facilities for the Court Theatre and wider Performing Arts community.

CURRENT UPDATES

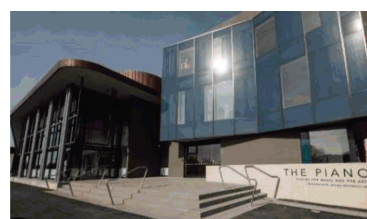
On the 28th of June 2018, Council resolved to prioritize the development of a permanent home for the Court Theatre in the PAP, and off-street car parking solutions in or near the PAP.

Staff have now completed the procurement process for the specialist consultant team for this development process.

The project team completed a number of partner workshops with the Court Theatre during the months of October & November and submitted a project status report to Council in December. March 2019 will see a further staff report to Council detailing a feasibility study for a new Court Theatre within the Performing Arts Precinct.

PHOTOS/IMAGES

Below Top: The Piano: Centre for Music and the Arts
Below Bottom: The Crowne Plaza.



Planning Phase Summary:															
												Currently in Planning Phase Complete: TBA			
PLANNING															



PHOTO OF LANCASTER PARK PRE-EARTHQUAKE

Elected Member Update

Lancaster Park

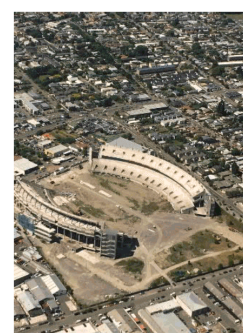
Project Budget \$12M
Project Delivery Q4 2019
Current Phase: Main Demolition

16 JANUARY 2019

Lancaster Park Deconstruction & Demolition

CURRENT UPDATES

- A number of responses to the main demolition tender were received with all major demolition companies within NZ making submissions.
- The current contractor lost a few days towards the end of 2018 due to unsettled weather and will conclude their contract works this month.
- The Council continues to return monies from scrap being recovered and recycled from the site, this will conclude early February.
- Works will start early February to remove the final two stands, this phase of the work is expected to take 10 to 12 months.
- Planning is underway to transport the concrete waste to the Lyttelton Port Company (LPC) reclaim site.
- A newsletter will be sent out in the next few weeks to update the public on progress.
- Keep up to date with our live time-lapse camera <https://broadcastmedia.tv/timelapse/>



PROCUREMENT			Currently in Execute Phase Complete: Q4 2019								
			DEMOLITION								
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
2017			2018				2019				

*Queries for this report please send to harriet.scott@ccc.govt.nz
Delivery timetable as at 16 January 2019. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



VISION IMAGE

Elected Member Update

Hornby Library, CS & SW Leisure
Project Budget \$35.7M
Project Delivery Q4 2022
Current Phase: Planning

16 JANUARY 2019

New Hornby Library, Customer Services and South West Leisure Centre

SCOPE

Christchurch City Council is moving towards grouping a range of services together in convenient locations for citizens to access – a Citizen Hub with no wrong doors. Combining libraries, recreation and sport, customer services and community facilities.

Hubs like this aren't just convenient for local residents – they also mean efficiency and cost savings on the Council's part. The Citizen Hub Strategy was approved by ELT and endorsed by Council in Nov 2015.

CURRENT UPDATES

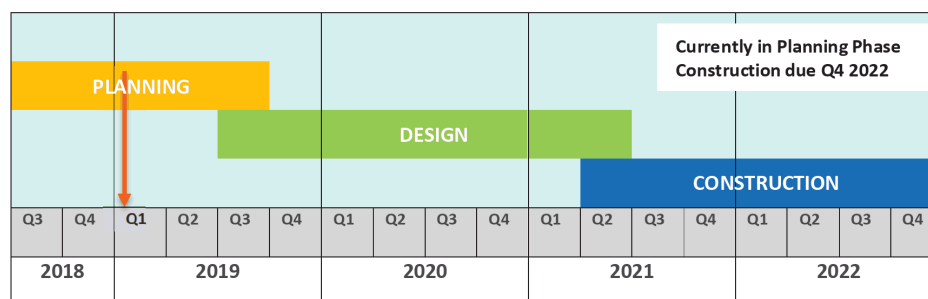
In 2018, geotechnical and contamination investigations were undertaken at Kyle Park to help assess its suitability as a location for the facility given the Park was an old landfill. These investigations found that typical foundation solutions for soft soil sites could be used to support the facility. Also, that as expected the site is contaminated but that the usual processes could be used to safely develop the site. The cost of dealing with these landfill related issues would be around \$5.8 million.

The previous assessment of sites on the long list was also updated. All of these sites had specific costs related to placing

the facility in those locations. Kyle Park remained as the highest scoring site.

In December 2018 the Hallswell-Hornby-Riccarton Community Board decided to recommend to the Council that Kyle Park be the preferred location for the facility. The Council accepted this recommendation and approved Kyle Park as the preferred location for the facility.

For the facility to proceed on Kyle Park amendments are needed to the Kyle Park Management Plan, and also the reserve classification for part of the Park needs to be changed. Planning is now underway to consult publically on these changes.



*Queries for this report please send to harriet.scott@ccc.govt.nz
Delivery timetable as at 16 January 2019 Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



CHRISTCHURCH STADIUM

Elected Member Update

Christchurch Stadium Turf Renewal

Project Budget \$1.5M
Project Delivery Q1 2019
Current Phase: Construction

16 JANUARY 2019

Christchurch Stadium Turf Renewal

BACKGROUND

The Christchurch Stadium was constructed in 100 days following the devastating 2010/2011 earthquakes.

The current turf is a combination of new turf and existing turf relocated from the earthquake damaged Lancaster Park. However the existing turf is currently approaching end of life.

The decision was made to completely replace the turf to provide a fit for purpose field for Christchurch Stadium's event calendar in 2019 and beyond.

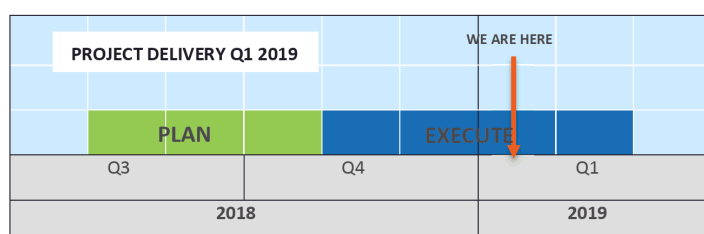
CURRENT UPDATES

Fieldturf NZ Ltd has been appointed as the preferred supplier and signed a letter of award on 19 September 2018.

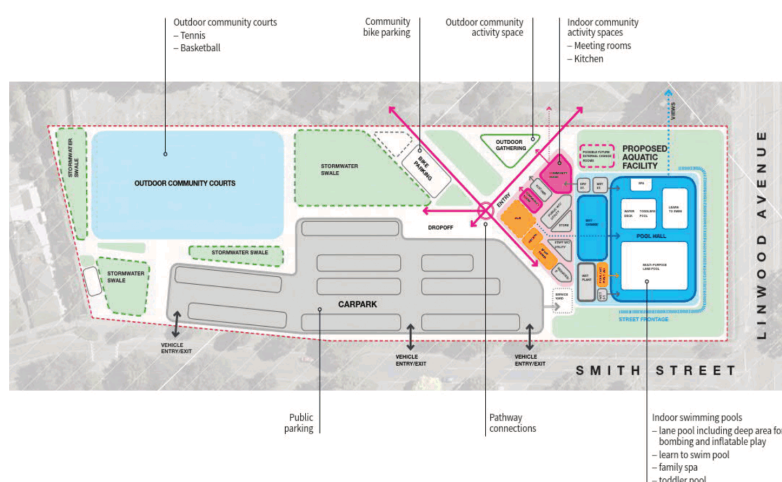
Work on site was substantially completed during the months of October and November. Rye grass was sown in December and has successfully grown over the Christmas period.

Specialist machines to insert synthetic thread into the surface have arrived in New Zealand and are due to start work in mid-January.

The project will be finished before the first Crusaders rugby match in late February 2019.



*Queries for this report please send to majorfacilities@ccc.govt.nz
Delivery timetable as at 16 January 2019 - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



LINWOOD POOL - IMAGE IS INDICATIVE ONLY – SUBJECT TO STAKEHOLDER ENGAGEMENT, CONCEPT DEVELOPMENT AND ONGOING ALIGNMENT WITH BUDGET.

Elected Member Update

Linwood Pool
Project Budget \$21.6 M
Project Delivery Q3 2021
Current Phase: Concept

16 JANUARY 2019

Linwood Pool

SCOPE

The Linwood Central Heathcote Community Board has promoted the Linwood Pool as a means of strengthening community cohesion and increasing participation in aquatics.

It will provide leisure and community spaces that are tailored to the identity of this community with a distinctive point of difference to other community facilities.

CURRENT UPDATES

Signage promoting the project has been erected on site and advises website details for further information.

The pre-design/briefing phase of the project has been completed and

initial site plans/spatial layout sketches produced.

These sketches were shared with the Community Board and then the wider community at an Open Day. Feedback on the sketches was overwhelmingly positive and will be incorporated as appropriate into the Concept Design as it progresses.

Geotechnical investigations and analysis have been completed and while results were variable they have confirmed ground improvement will be required. Given the potential significance of this aspect further investigations will be undertaken in the near future to gather additional data to inform the design.

The gifting of a Te Reo name for the facility has been requested via

Council's Ngai Tahu Partnership team. The name will feed into the cultural design input which Matapopore have been engaged to provide.

Staff have been engaging directly with key stakeholders and will continue to do so as the project progresses.

PLANNING				DESIGN				CONSTRUCTION				Currently in Planning Phase Complete: Q3 2021		
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
2018				2019				2020				2021		

*Queries for this report please send to majorfacilities@ccc.govt.nz
Delivery timetable as of 16 January 2019. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



PHOTO OF OLD MUNICIPAL CHAMBERS PRE-EARTHQUAKE

Elected Member Update

Old Municipal Chambers
Project Cost \$300K
Project Delivery TBC
Current Phase: Construction
(Cyclical maintenance)

17 JANUARY 2019

Old Municipal Chambers (OMC)

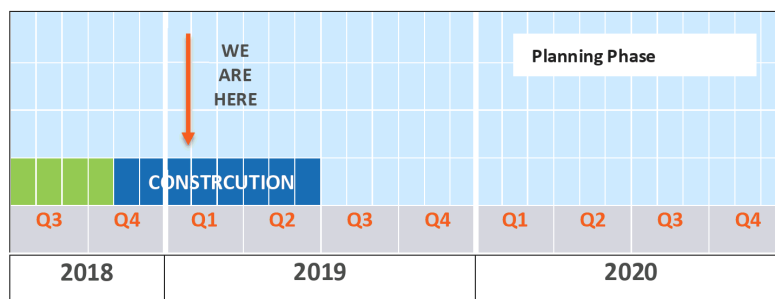
SCOPE

The main objective is to preserve, restore and reconstruct the Old Municipal Chambers so it can remain a living part of the City and enhance the historic memory within the community.

CURRENT UPDATES

- Cyclical Maintenance of the building is ongoing to prevent further deterioration of the Old Municipal Chambers.
- Currently addressing critical interim repairs to inhibit the degradation of the structure including water-tightness and humidity control works.

PROGRESS PHOTOS



*Queries for this report please send to majorfacilities@ccc.govt.nz
Delivery timetable as at January 2019. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



ARTIST IMPRESSION OF CATHEDRAL SQUARE

Elected Member Update

The Square and Surrounds

Project Cost \$9.2m (\$3.6m initial phases)
Project Delivery Q2 (2019)
Current Phase: Planning

17 JANUARY 2019

The Square & Surrounds

SCOPE

Within the LTP 2018 to 2028 the Council allocated a budget of \$9.2m for Cathedral Square.

The associated project will focus on delivering public-realm improvements, particularly in the south and south-east areas of Cathedral Square, where a number of private-sector developments are due to be completed late this year (October 2019).

The work will be phased to meet the immediate priorities, beginning with the south-east corner.

In working within the financial envelope available it will be necessary to prioritise the deliverable scope and seek validation from the Council as to what can be achieved.

The Project Steering Group (PSG) has outlined the following scope at present:

Phase One (South-East Corner): Repair and renew existing pavings (re-using materials where permissible) including re-contouring to meet new building levels, assessment and upgrade of the

infrastructure for lighting power and water (where applicable).

Exploring 'greening' concepts for this space including re-invigorating the raised tree planters.

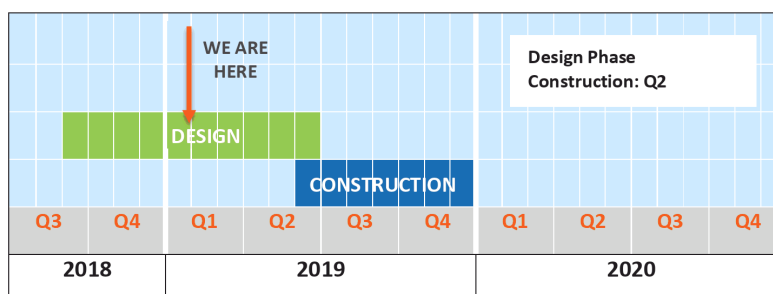
Phase Two-A (South-West Corner)

Repair and renew existing pavings (re-using materials where permissible), assess upgrade of the infrastructure for lighting power and water (where applicable).

Reform raised tree planters on southern edge to strengthen this area as an event ready space.

CURRENT UPDATES

- The Council (in Sept 2018) gave the go-ahead for design work to start on the Cathedral Square Public Realm Improvement Project.
- The team has entered the design phase and is currently scoping the works, estimating associated costs and drafting designs for (initially) the South-east corner alongside the wider Square.
- The concept design for the South-East corner will be tabled for approval in March 2019.
- Construction works for the South-East Corner to commence at the end of Q2, working away from the southern edge of the Square, adjacent the Spark Building.



*Queries for this report please send to majorfacilities@ccc.govt.nz
Delivery timetable as at January 2019. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms

10. Capital Programme Performance Report

Reference: 19/99501

Presenter(s): David Adamson – General Manager City Services

1. Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to be informed of Capital Programme Delivery Performance.

2. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Receive the information in the Capital Programme Performance report.
2. Request further information on specific projects or portfolios.

Attachments

No.	Title	Page
A ↓	Capital Programme Performance Report	32

Signatories

Author	Ged Clink - Head of Programme Management Office
Approved By	Carolyn Gallagher - Programme Director – Strategic Support David Adamson - General Manager City Services

Finance and Performance Committee of the Whole

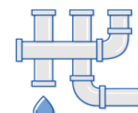
Capital Performance Overview



ALL OF CCC



TRANSPORT



3 WATERS



VERTICAL



OTHER DEPTS



TOOL BOX

 [Click Here To Email Us](#)

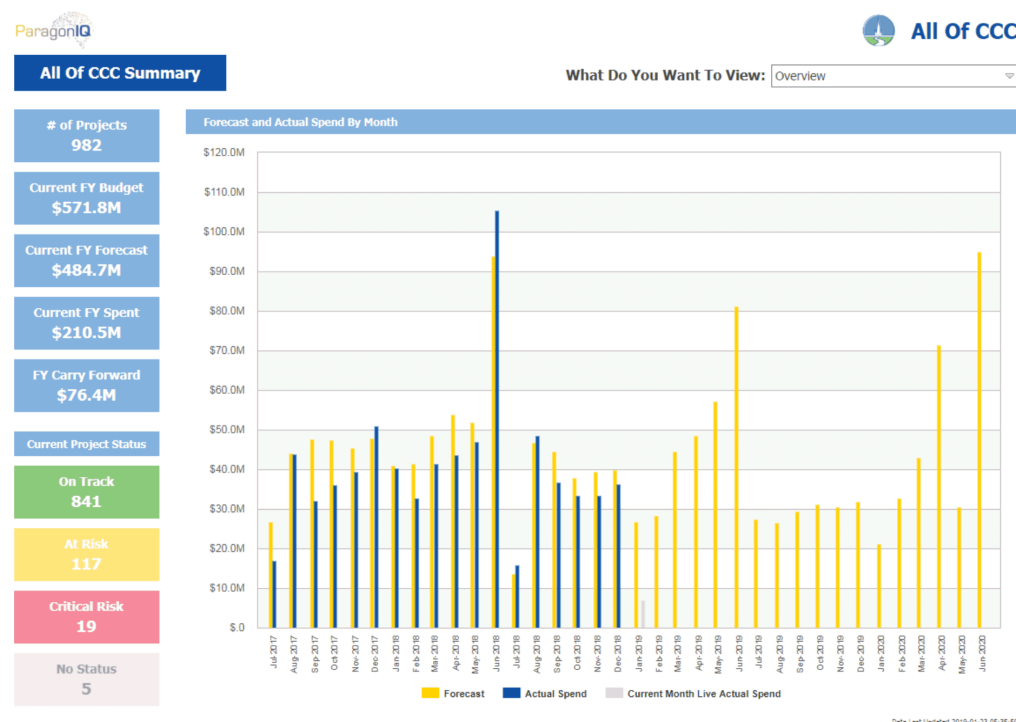
Christchurch
City Council 

Item 10

Attachment A

All of CCC

Forecast v Actual Spend



Overall Situation & Analysis

Council's Capital Programme is delivered through a number of business groups. The groups which deliver to that programme are covered in this report. These are Transport, 3 Waters, Facilities – made up from 15 different teams/programmes and Other which is made up from 22 teams/programmes with capital budgets.

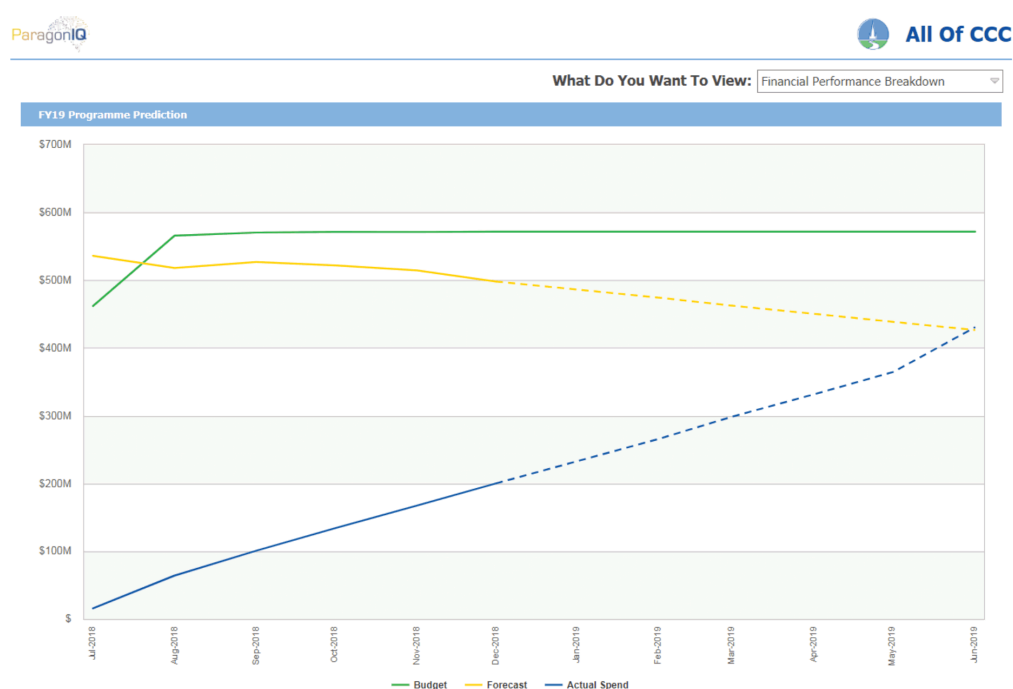
Council are currently delivering 982 Projects with an approved FY19 budget of \$571.8m. The organisational delivery forecast calculated via Project Manager forecasting is \$484.7m and current financial year spend, as at January 23rd 2019 is \$210.5m. The 'net' carryforward position is \$76.4m carryforward. Project Managers are currently forecasting to deliver 85% of the planned budget for the current financial year.

Of note, \$72m of the approved FY19 budget is attributed to payments only. These are made to external organisations who have primary control over delivery and handover. These include the Metro Sports Facility - \$14.5m, the Central City Transport Interchange - \$22.9m and the Performing Arts Precinct - \$12.1m.

Spend over the first half of the year was \$203m against a forecast of \$222m which was 91%. Average monthly spend was \$33.8m. The forecasted spend for the second half of the year is \$286m requiring an average monthly spend of \$47.6m. As can be viewed, the months of April through June present increases on the current monthly spend profile. The month of June, although high has been proved achievable based on historical delivery patterns.

All of CCC

Forward View



The above graph for all CCC capital delivery represents a 3 month rolling average of forecasts and compares it to actual delivery across the same period. The solid lines are actual results with the dotted lines extrapolating the trend.

As of December data, this number is \$430m which is lower than the current \$484m forecasted by the project managers. The final delivery position will likely be between these datasets. Project delivery teams have a strong focus on achieving their planned delivery goals.

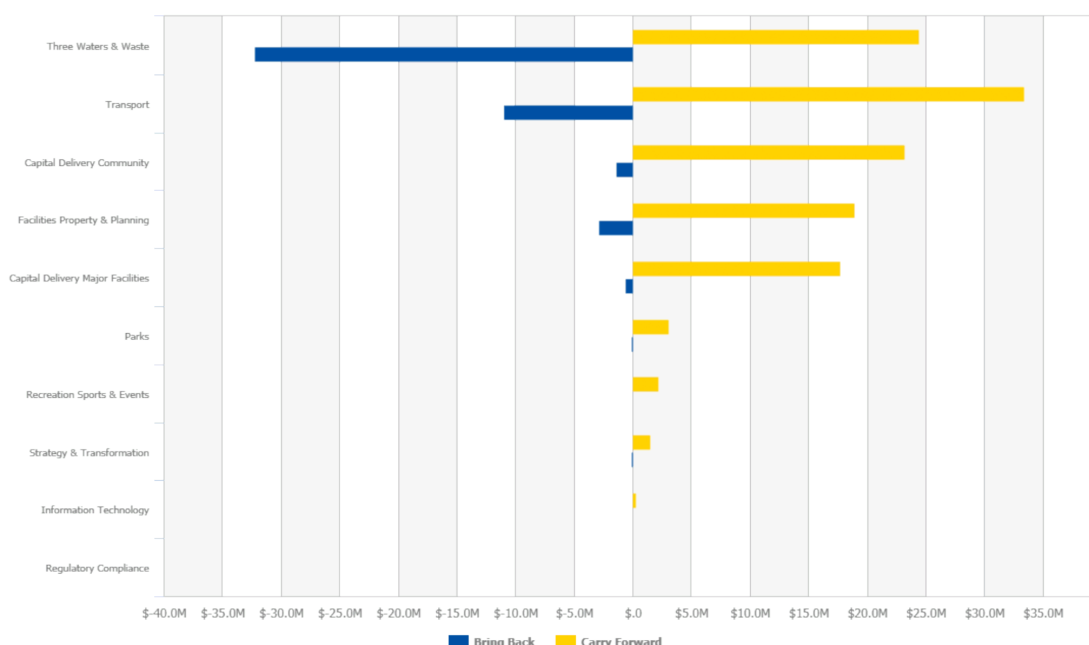
The chart as it stands would indicate an underspend of the original planned budget by approximately \$140m.

All of CCC

Carryforward / Bringback Analysis

Delivery Department	Bring Back Projects	Carry Forward Projects	Bring Back Value	Carry Forward Value
Three Waters & Waste	40	66	-\$32,209,910	\$24,405,932
Transport	16	48	-\$11,009,096	\$33,417,803
Capital Delivery Community	10	61	-\$1,413,827	\$23,208,172
Facilities Property & Planning	1	1	-\$2,912,525	\$18,945,385
Capital Delivery Major Facilities	1	4	-\$574,259	\$17,727,739
Parks	3	11	-\$124,398	\$3,069,741
Recreation Sports & Events	0	1	\$0	\$2,158,929
Strategy & Transformation	1	2	-\$118,296	\$1,517,125
Information Technology	0	2	\$0	\$277,642
Regulatory Compliance	0	1	\$0	\$841
	72 Project(s)	197 Project(s)	-\$48,362,311	\$124,729,309

Data Last Updated 2019-01-23 05:33:36



The 'net' carryforward position of \$74.6m is the difference between monies declared as carryforward and monies declared as bringbacks.

The yellow bar represents project delivery dollars that have been pushed into future years and the blue bar represents new projects that have been brought forward from future years or projects already in delivery where work has been accelerated.

The following page provides some of the key projects driving the above variations



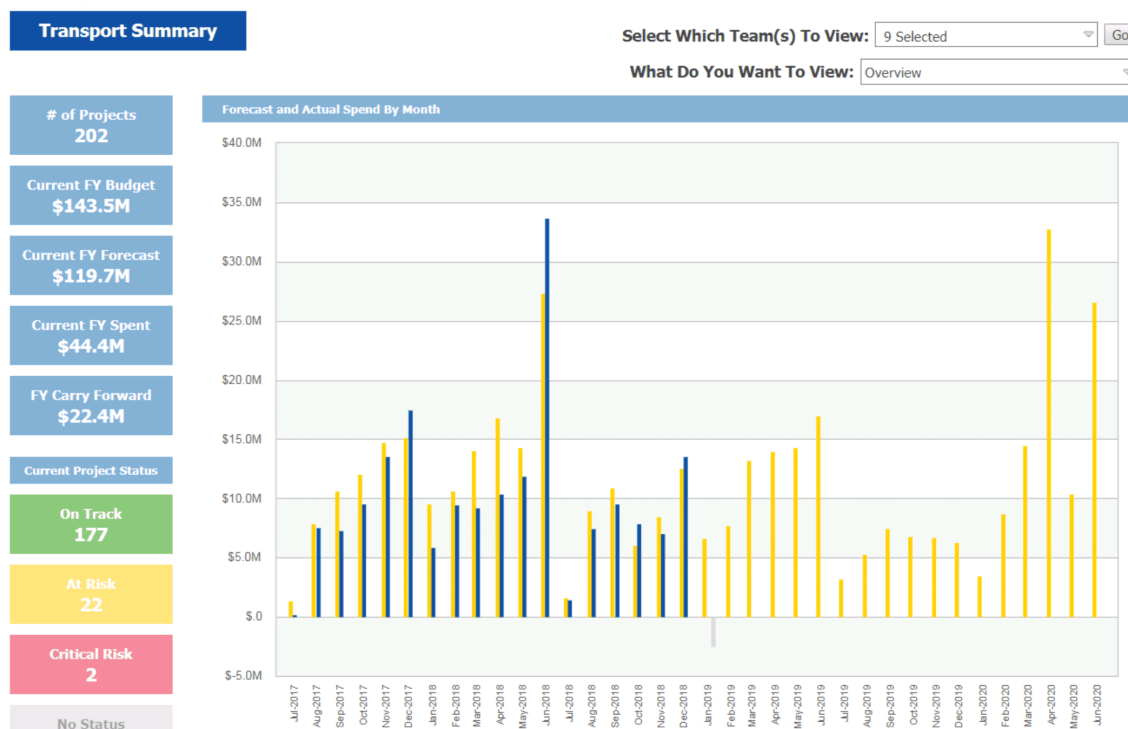
Significant Bringbacks

Delivery Department	Project	Title	Bring Back
Project Management CWW	890	WW Lyttelton Harbour Wastewater Scheme	-\$10.3 M
LDRP	45455	LDRP 526 Curletts Flood Storage	-\$3.8 M
Asset Planning CWW	37904	SW Summerset at Highsted IPA	-\$2.3 M
Delivery Department	Project	Title	Bring Back
Project Management Transport	9146	Coastal Pathway Project	-\$4.4 M
Roads & Footpaths	164	Footpath Renewals delivery project	-\$2.9 M

Significant Carryforwards

Delivery Department	Project	Title	Carry Forward
CWTP	2717	CWTP EQ Repair Occupied Buildings	\$2.8 M
Project Management CWW	48156	WW Mains Renewal - Tilford St / Bute St	\$1.3 M
Project Management CWW	49231	WW Mains Renewal - Aylesford St - Speight St - Thornton St	\$1.2 M
Project Management CWW	49218	WW Mains Renewal - Mackworth St - Matlock St - Smith St	\$1.0 M
Water Supply Improvement	50340	WS Well Renewal - Grassmere Well 1	\$1.0 M
LDRP	46181	LDRP 527 Heathcote Dredging	\$1.0 M
Project Management CWW	874	WW Riccarton Trunk Main Project	\$0.9 M
Water Supply Improvement	50341	WS Well Renewal - Mays Well 3	\$0.8 M
Delivery Department	Project	Title	Carry Forward
Project Management Transport	924	Halswell Junction Road Extension	\$5.4 M
Sumner Road Corridor	14700	Sumner Road Zone 3B Risk Mitigation - HI CSA funded	\$4.5 M
Project Management Transport	18324	AAC Victoria Street	\$4.1 M
Project Management Transport	1347	Intersection Improvement: Lower Styx / Marshland	\$3.3 M
Project Management Transport	913	Marshland Road Bridge Renewal	\$2.0 M
Project Management Transport	37865	New Brighton MP Streetscape Enhancements A2, A4, A5	\$1.7 M
Project Management Transport	23877	Palmers Road (Bowhill-New Brighton)	\$1.6 M
Sumner Road Corridor	14701	Sumner Road Zone 3B Rooding - HI CSA funded	\$1.5 M
Major Cycleways	47579	MCR Heathcote Expressway - Section 1 A- Ferry Rd	\$1.4 M
Sumner Road Corridor	9982	Sumner Road Zone 3A Rooding - HI CSA funded	\$1.0 M
Delivery Department	Project	Title	Carry Forward
Capital Delivery Community	20051	Riccarton community house	\$2.9 M
Capital Delivery Community	27269	Programme - Community Facilities Tranche 2	\$2.5 M
Capital Delivery Community	19138	Programme - Community Facilities Tranche 1	\$2.4 M
Capital Delivery Community	21131	St Albans Community Centre	\$2.4 M
Capital Delivery Community	1469	Robert McDougall Gallery - Weathertightness	\$1.4 M
Parks Project Management	50154	Former Redcliffs School Development Project	\$1.0 M
Delivery Department	Project	Title	Carry Forward
Anchor Projects & Major Facilities	10370	Performing Arts Precinct	\$12.1 M
Anchor Projects & Major Facilities	21129	Linwood Pool	\$3.7 M
Delivery Department	Project	Title	Carry Forward
Property Consultancy	67	Strategic Land Acquisitions Rolling Package	\$18.9 M

Transport Portfolio



Transport are currently delivering 202 Projects with a total budget of \$143.5m. The project manager forecast is \$119.7m and the net carryforward position is \$22.4m, principally arising from Halswell Junction road, central city projects and Sumner Road.

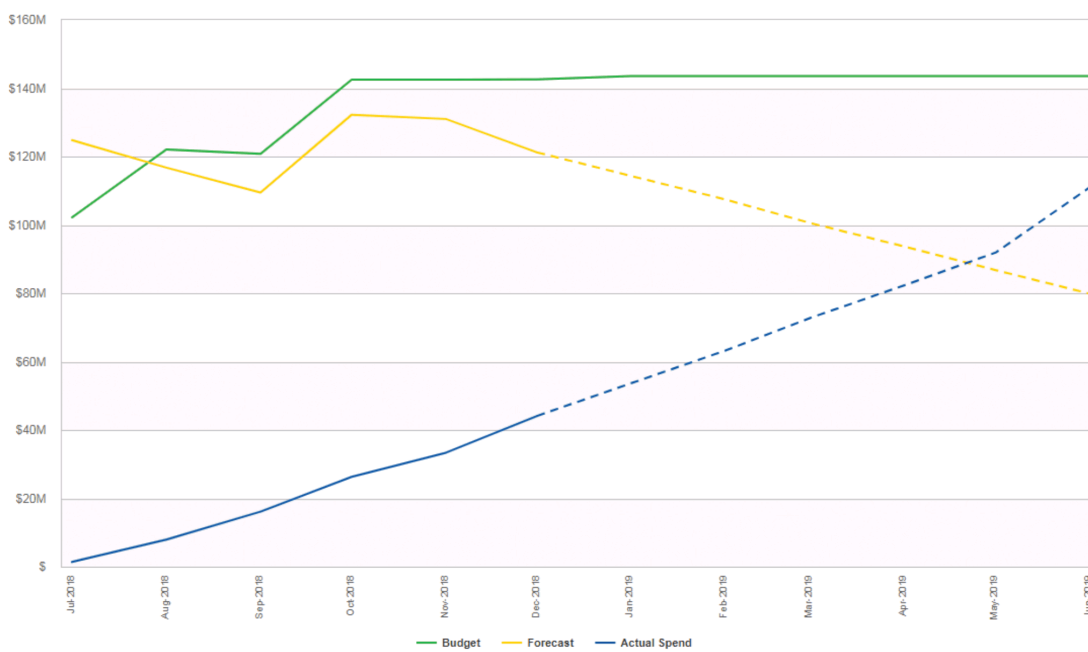
Spend over the first half of the year was \$46.8m against a forecast of \$48.2m which was 97%. Average monthly spend for the first 6 months was \$7.8m. The forecasted spend for the second half of the year is \$72.5m requiring an average monthly spend for that period of \$12m. ***Transport are forecasting to deliver 83% of the planned budget for the current financial year.***

Transport Forward View

Financial Year Capital Programme Performance Analysis

What Do You Want To View: Financial Performance Breakdown

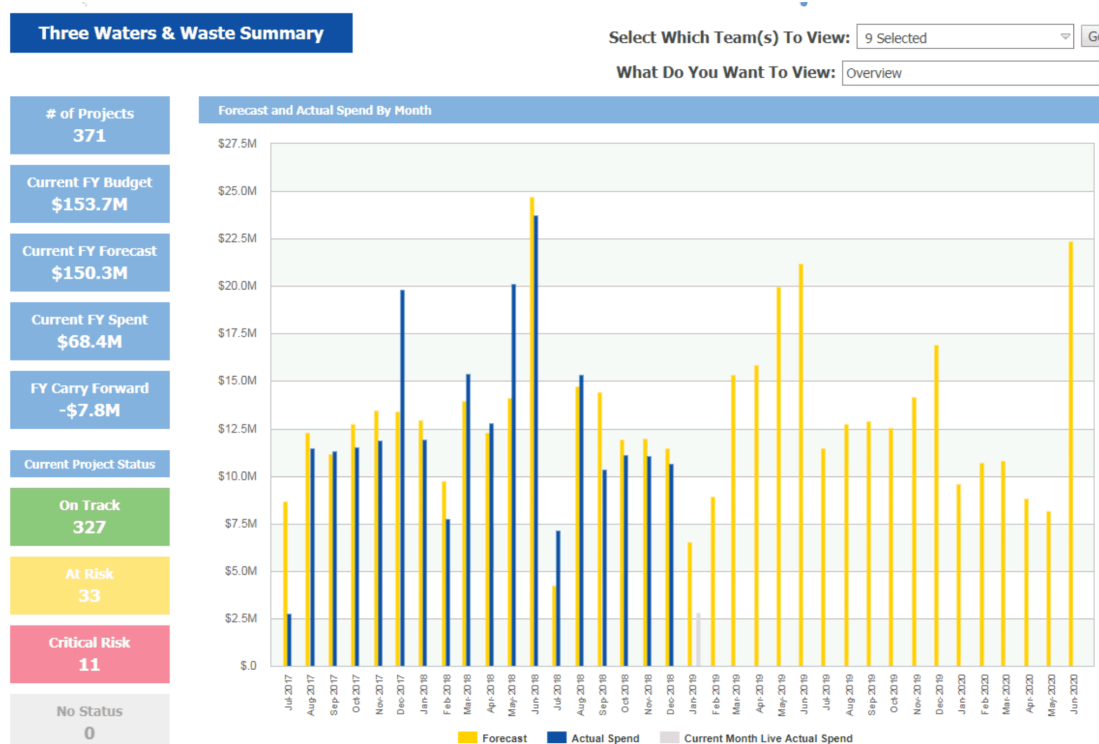
FY19 Programme Prediction



Given this is a forecast view based on trends, it would appear the forecasting between November and December dipped significantly which has resulted in a lower forecast number by year end. We would expect the forecast number to recover over coming months and return to a more realistic level.

3 Waters

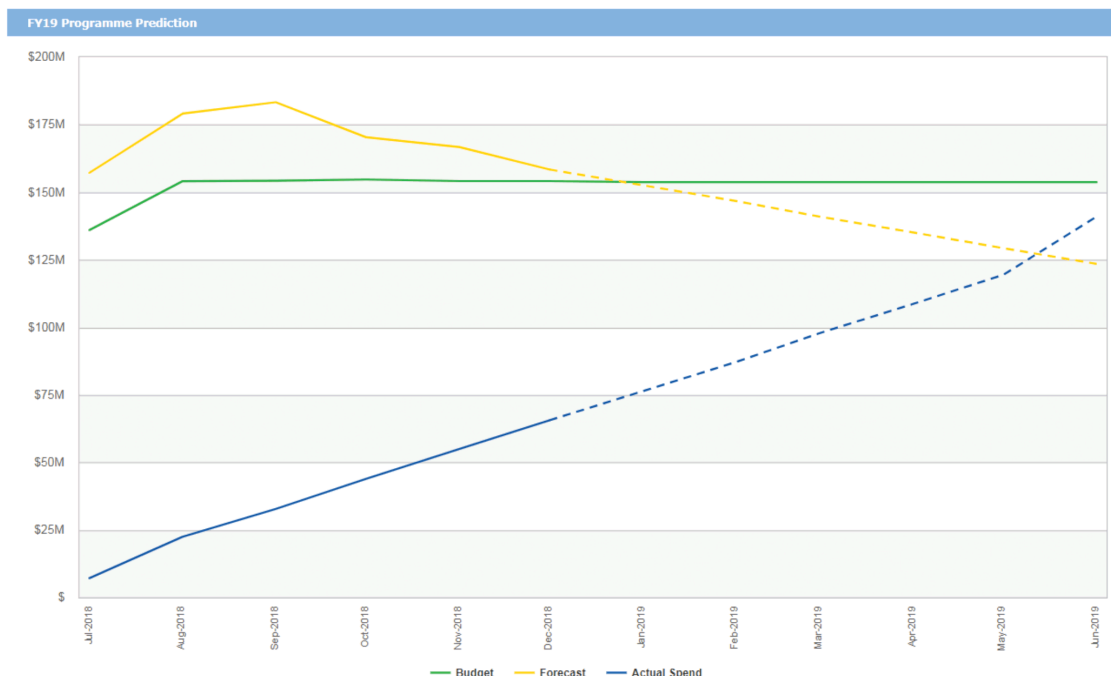
Forecast v Actual Spend



3 Waters are currently delivering 371 Projects with a total budget of \$153.7m. The project manager forecast is \$150.3m and the net carryforward position is -\$7.8 bringback.

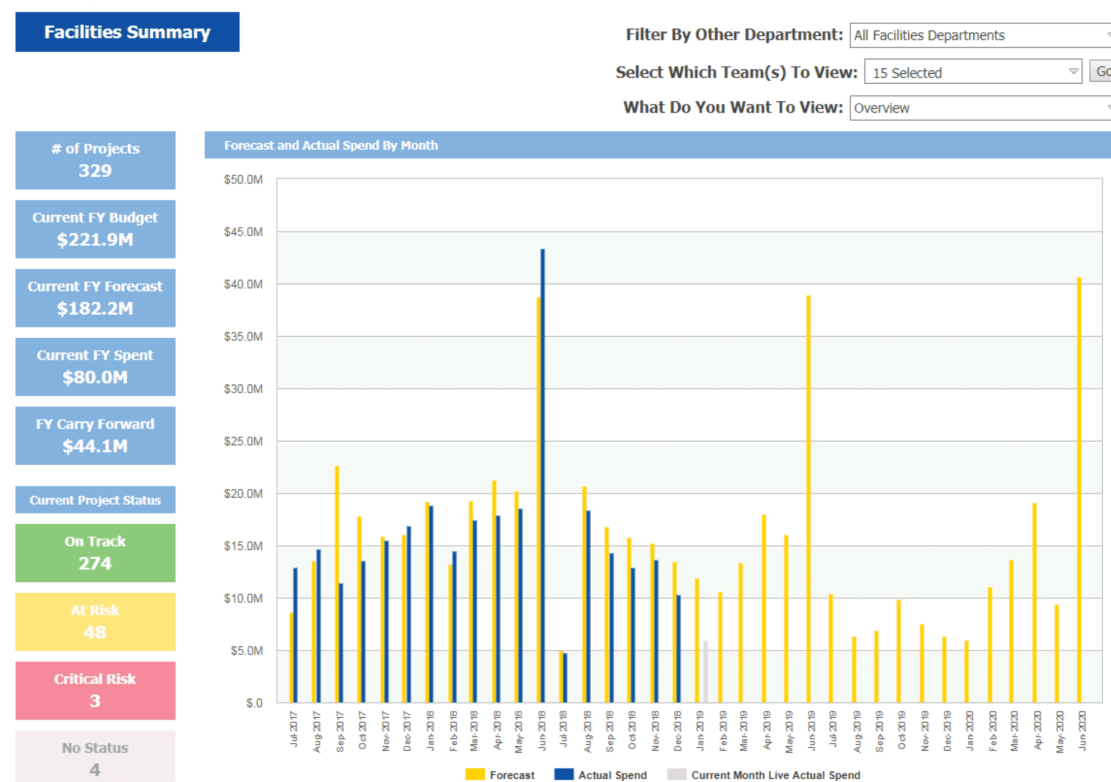
Spend over the first half of the year was \$46.8m against a forecast of \$48.2m which was 95%. Average monthly spend for the first 6 months was \$10.8m. The forecasted spend for the second half of the year is \$87.6m requiring an average monthly spend for that period of \$14.6m. **3 Waters are forecasting to deliver 98% of the planned budget for the current financial year.**

3 Waters Forward View



Similarly to the Transport portfolio, a sharp decline in forecasting between the months of Oct to Dec has resulted in a lower year end forecast based upon 3 month rolling averages. We would expect the end of year spend to be somewhere between the blue and yellow dotted line.

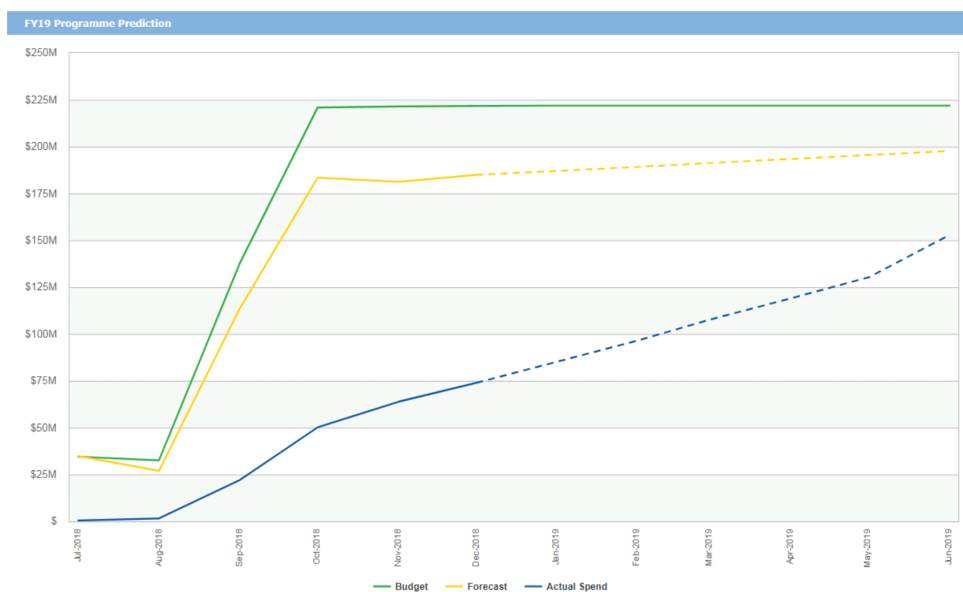
Facilities Portfolio



The Facilities Portfolio comprises 15 different delivery areas, the key ones being Capital Delivery Community, Capital Delivery Heritage, Capital Delivery Social Housing, Anchor and Major Projects and various Parks delivery teams. Facilities are currently delivering 329 Projects with a total budget of \$221.9m. The project manager forecast is \$182.2m and the net carryforward position is \$44m, principally from the Performing Arts Precinct and a number of smaller projects.

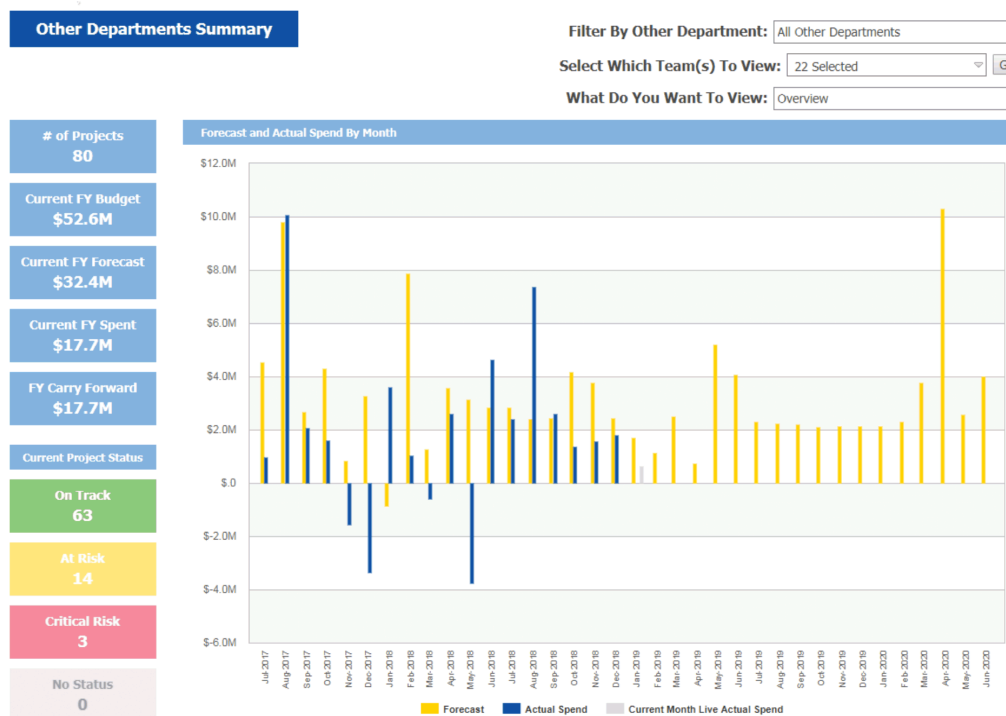
Spend over the first half of the year was \$74m against a forecast of \$86.5m which was 85%. Average monthly spend for the first 6 months was \$12.3m. The forecasted spend for the second half of the year is \$108.4m requiring an average monthly spend for that period of \$18m. ***Facilities are forecasting to deliver 82% of the planned budget for the current financial year.***

Facilities Forward View



Facilities is made up of 15 different delivery groups and portfolios. In Aug 2018 these were combined and all now report through to GM Citizens & Community. Some of the key delivery groups in this report include Community, Heritage & Social Housing, Parks, Major & Anchor and Technical Support. The spikes in September were due to the financial systems aligning to the new structure. From the above information the forecast has remained relatively constant and the delivery will need to increase in order to meet that number.

Other Departments Portfolio



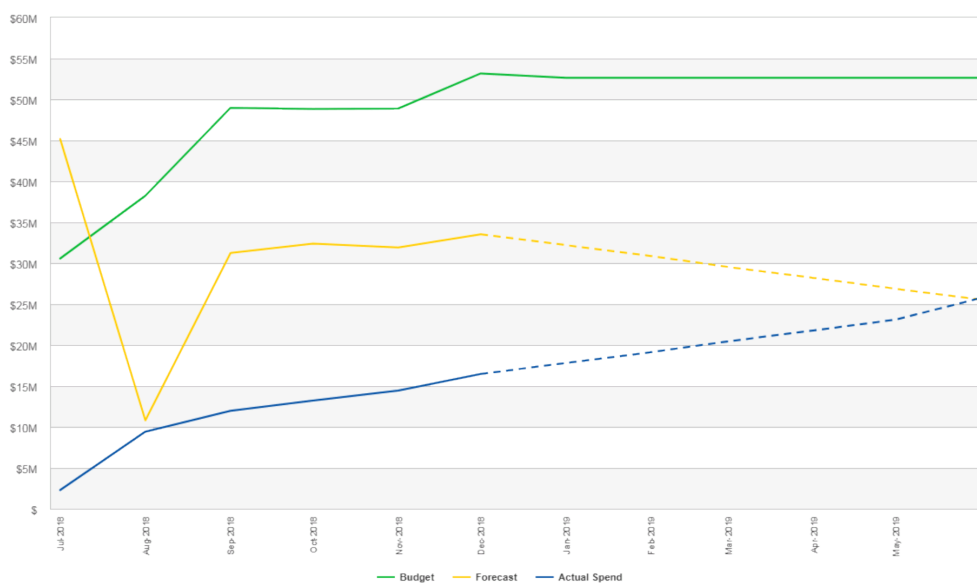
Other Departments is made up of 22 different delivery groups and portfolios. Some key delivery teams include IT, CDEM, Digital Channel, Regulatory Compliance and Strategy and Transformation.

Other Departments are currently delivering 80 Projects with a total budget of \$52.6m. The project manager forecast is \$32.4m and the net carryforward position is \$17.7m, principally from strategic land purchases.

Spend over the first half of the year was \$17m against a forecast of \$18m which was 94%. Average monthly spend for the first 6 months was \$2.8m. The forecasted spend for the second half of the year is \$15.24m requiring an average monthly spend for that period of \$2.54m. ***Other are forecasting to deliver 61% of the planned budget for the current financial year.***

Other

Forward View



11. Financial Performance report for the six months to 31 December 2018

Reference: 19/43419

Presenter(s): Diane Brandish - Head of Financial Management

1. Purpose of Report

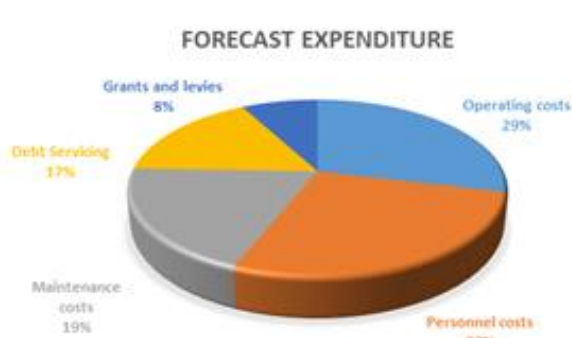
- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to be updated on the financial results for the first six months of the 2018/2019 financial year to 31 December 2018.

2. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Receives the information in the report.

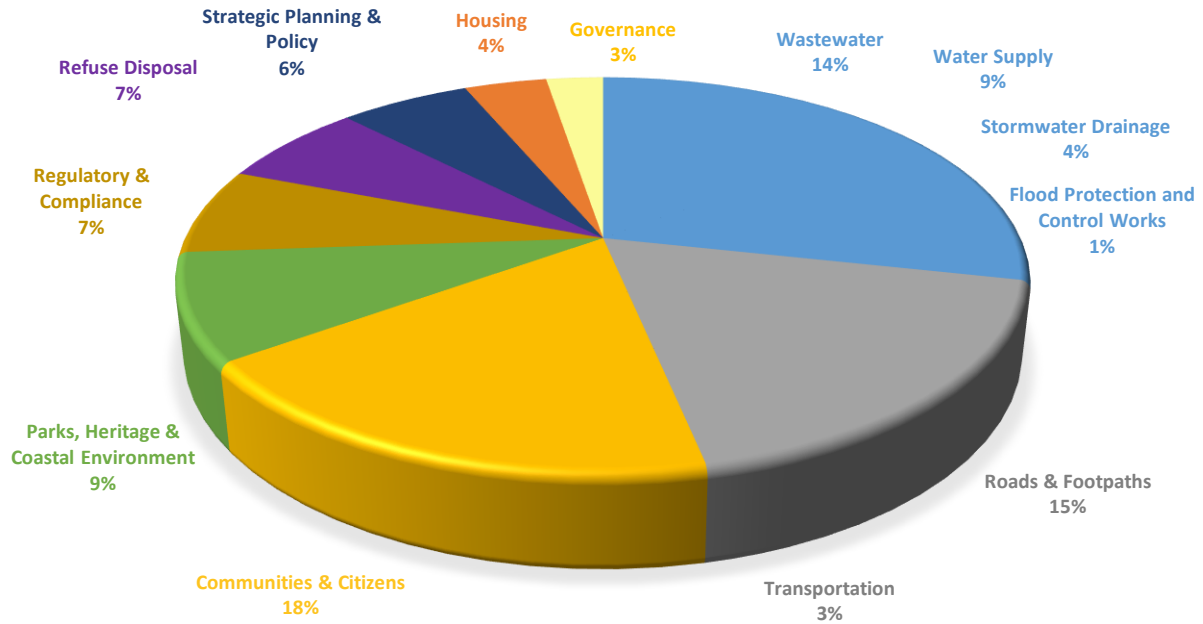
3. Key Points

Operating Deficit		Full year forecast¹	\$1.5m ↑												
		Budget	\$0m												
Key drivers: Higher forecast costs within Waters (\$2.4 million) due to increased reticulation network maintenance costs and chlorination. Roads and Footpaths maintenance costs are forecast \$2 million higher, partly due to reduced glyphosate use resulting in more expensive hand weeding and steam use; partial offset due to higher NZTA operational subsidies (\$2.2 million). Actions are underway to minimise any full year operating deficit.															
Operating Revenue		Full year forecast¹	\$743.1m ↑												
Year to date	\$364.3m ↑	Budget	\$741.1m												
Budget	\$359.1m														
Key drivers: Higher rating growth late in the 2017/18 year; higher interest revenues; additional NZTA operational subsidies. (Ref. 4.1 and 4.2 for variances amounts and explanations)															
Operating Expenditure		Full year forecast¹	\$602.4m ↑												
Year to date	\$296.6m ↓	Budget	\$599.5m												
Budget	\$305.6m														
Key drivers - year to date – slower EQ rebuild programme costs; slower Lancaster Park demolition costs – both forecast to be carried forward. Key drivers – full year forecast – pre-funding debt (offset by higher interest revenue); Waters expenditure; Roads and Footpaths maintenance. (Ref. 4.3 – 4.6 for variances amounts and explanations)		 <table><caption>FORECAST EXPENDITURE Breakdown</caption><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Operating costs</td><td>29%</td></tr><tr><td>Personnel costs</td><td>27%</td></tr><tr><td>Maintenance costs</td><td>19%</td></tr><tr><td>Debt Servicing</td><td>17%</td></tr><tr><td>Grants and levies</td><td>8%</td></tr></tbody></table>		Category	Percentage	Operating costs	29%	Personnel costs	27%	Maintenance costs	19%	Debt Servicing	17%	Grants and levies	8%
Category	Percentage														
Operating costs	29%														
Personnel costs	27%														
Maintenance costs	19%														
Debt Servicing	17%														
Grants and levies	8%														

¹ After carry forwards



FORECAST OPERATING EXPENDITURE BY GROUP OF ACTIVITIES



Capital Expenditure

Year to date **\$236.6m**

Budget \$230.1m

Forecast delivery

\$485m

Forecast carry forwards

\$137m¹

Forecast over spend

\$5m ↑

Budget **\$518.5m**

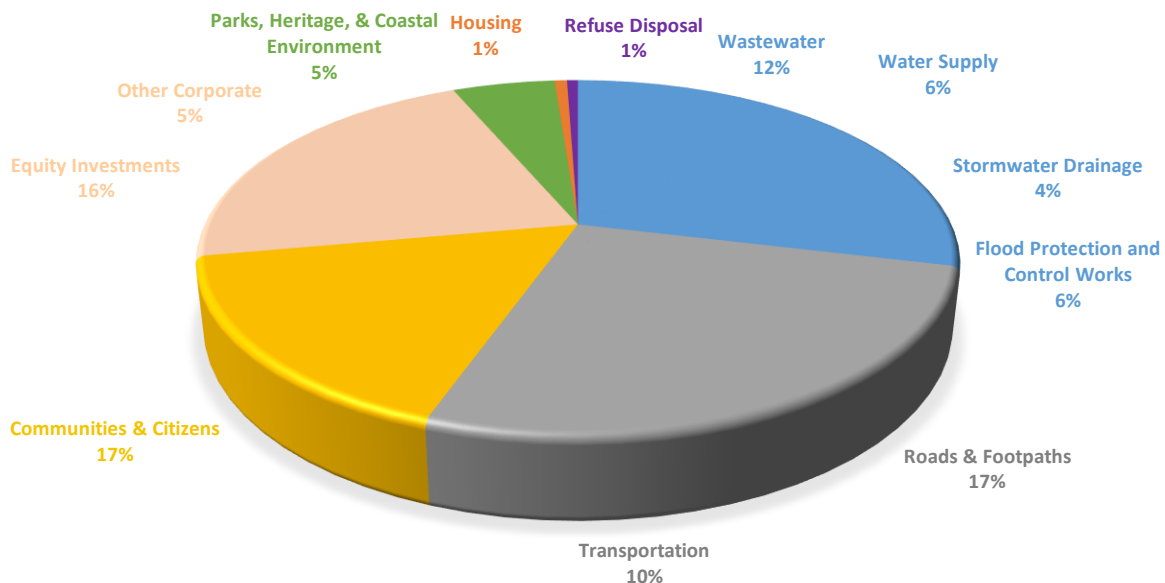
21.4% of budget

Drivers: Currently forecast to be \$5m over budget after carry forwards, however this will reduce when the Strategic Land purchase budget, currently proposed to be carried forward, is applied to the Town Hall project.

(Ref. section 5)

¹\$98.5 million of carry forwards were budgeted.

FORECAST CAPITAL EXPENDITURE BY GROUP OF ACTIVITIES



4. Operational Details

\$m	Year to Date Results			Forecast Year End Results			After Carry Forwards	
	Actual	Plan	Var	Forecast	Plan	Var	C/Fwd	Var
Operating revenue	(75.2)	(75.9)	(0.7)	(154.1)	(162.0)	(7.9)	(5.2)	(2.7)
Interest and dividends	(42.4)	(39.6)	2.8	(91.4)	(92.4)	(1.0)	-	(1.0)
Rates income	(246.7)	(243.6)	3.1	(492.4)	(486.7)	5.7	-	5.7
Revenue	(364.3)	(359.1)	5.2	(737.9)	(741.1)	(3.2)	(5.2)	2.0
Personnel costs	97.8	100.8	3.0	200.9	206.9	6.0	-	6.0
Less recharged to capital	(16.7)	(20.9)	(4.2)	(39.4)	(41.0)	(1.6)	-	(1.6)
Grants and levies	27.5	27.3	(0.2)	46.4	46.2	(0.2)	-	(0.2)
Operating costs	87.8	89.7	1.9	170.1	169.6	(0.5)	0.5	(1.0)
Maintenance costs	51.3	60.9	9.6	115.0	122.9	7.9	10.8	(2.9)
Debt servicing	48.9	47.8	(1.1)	98.1	94.9	(3.2)	-	(3.2)
Expenditure	296.6	305.6	9.0	591.1	599.5	8.4	11.3	(2.9)
Net Cost	(67.7)	(53.5)	14.2	(146.8)	(141.6)	5.2	6.1	(0.9)
Other Funding								
Transfers from Special Funds	(5.9)	(9.3)	(3.4)	(16.6)	(18.2)	(1.6)	(1.0)	(0.6)
Borrowing for cap grants/EQ resp	(1.5)	(1.0)	0.5	(4.3)	(4.3)	-	-	-
Less Rates for capex renewals & debt repayment	82.0	81.8	(0.2)	164.1	164.1	-	-	-
Funds not available for Opex	74.6	71.5	(3.1)	143.2	141.6	(1.6)	(1.0)	(0.6)
Operating Deficit / (Surplus)	6.9	18.0	11.1	(3.6)	-	3.6	5.1	(1.5)

Revenue

4.1 Revenue is \$5.2 million higher than budget year to date largely due to higher NZTA operational subsidies (\$3 million), higher rates revenues (\$3.1 million), and higher interest revenues (\$2.4 million); partially offset by slower Lancaster Park demolition recoveries (\$3 million).

4.2 The revenue forecast variances include;

4.2.1 Lower Operating revenue (\$2.7 million - after adjusting for carry forwards) largely due to,

- Lower Vbase recoveries (\$3 million), offset by lower staffing costs incurred,
- Drop in Building Services revenues (\$2.3 million) – driven by lower building consenting revenues – largely offset by lower costs of \$2.1 million.
- Higher NZTA operational subsidies (\$2.2 million), due to weighting of subsidised maintenance spend and new subsidies introduced including footpaths.

4.2.2 Lower interest and dividends revenues (\$1 million) driven by,

- CCHL dividend delayed to 2020 (\$3.2 million), due to additional rating growth.
- Notification that half the special Transwaste dividend has been retimed to 2022 (\$1.9 million).
- Higher interest revenues (\$3.7 million), mainly due to investing a prefunded debt rollover that is due for repayment in March 2019 (partially offset by increased debt servicing costs).

4.2.3 Higher Rates income (\$5.7 million) due to,

- Higher rating growth late in the 2017/18 year.

Expenditure

- 4.3 Operational expenditure is \$9 million below budget year to date, mainly due to:
- Slower EQ rebuild programme costs (\$3.3 million), forecast to be under spent \$2 million by year end with a carry forward of funds required,
 - Slower than budgeted Lancaster Park demolition costs (\$3 million) – offset by matched recoveries,
 - Lower Building Services costs (\$1.2 million), and
 - Lower Housing maintenance spend, largely considered to be timing (\$1.1 million).
- 4.4 The \$2.9 million forecast expenditure variance after adjusting for carry forwards is mainly due to:
- Higher debt servicing costs (\$3.2 million), largely due to pre-funding of debt due for repayment in March 2019. These additional funds are placed on deposit until needed and the costs are offset by increased interest revenues,
 - Higher Three Waters costs (\$2.4 million), due to increased reticulation network maintenance costs and chlorination,
 - Increased Roads and Footpaths maintenance costs (\$2 million), partly due to reduced glyphosate use resulting in more expensive hand weeding and steam use; partially offset by,
 - Lower Vbase staffing costs (\$3 million) – offset by lower recoveries above,
 - Lower Building Services costs (\$2.1 million) – offset by lower revenues above.
- 4.5 Personnel costs variance year to date is driven by past and current vacancies across Council. The forecast includes lower Vbase staffing costs of \$3 million for the year (\$0.2 million year to date).
- 4.6 Maintenance costs result year to date is mainly due to timing of the Lancaster Park demolition costs (\$3 million); the timing of the EQ rebuild programme (\$2.9 million); Housing maintenance (\$1.1 million); and Parks maintenance timing (\$0.7 million). The forecast variance after adjusting for carry forwards is driven by the increased Waters costs (above) (\$2.4 million), and the Roads and Footpaths maintenance spend (\$2 million).
- 4.7 Funds not available for opex are higher year to date largely due to a slower spend within the EQ Housing Repair Programme (\$2.2 million), and the lower Housing maintenance (\$1.1 million). There is a carry forward forecast for the housing repair programme of \$1 million, and a favourable operational housing variance of \$0.6 million as a result of the increased rent related subsidies.
- 4.8 The net cost of individual activities is shown in **Attachment A**.

5. Capital Programme

	Year to Date Results			Forecast Year End Results			After Carry Forwards	
\$m	Actual	Plan	Var	Forecast	Plan	Var	C/Fwd	Var
Three Waters	45.3	53.0	7.7	113.7	111.2	(2.5)	(2.9)	0.4
Roading and Transport	32.3	34.9	2.6	88.0	104.5	16.5	16.4	0.1
Strategic Land	2.4	-	(2.4)	(0.9)	15.2	16.1	16.0	0.1
IM&CT	12.8	14.6	1.8	26.6	27.0	0.4	0.2	0.2
Other	62.1	70.4	8.3	120.6	138.2	17.6	17.5	0.1
Works Programme	154.9	172.9	18.0	348.0	396.1	48.1	47.2	0.9
Infrastructure	31.5	38.2	6.7	64.2	68.8	4.6	4.5	0.1
Transitional / Recovery Projects	3.8	5.0	1.2	13.2	26.9	13.7	13.7	-
Facilities Rebuild	46.0	50.2	4.2	117.9	124.1	6.2	12.2	(6.0)
Rockfall	0.4	1.1	0.7	1.1	1.1	-	-	-
Rebuild Programme	81.7	94.5	12.8	196.4	220.9	24.5	30.4	(5.9)
Gross Capital Spend	236.6	267.4	30.8	544.4	617.0	72.6	77.6	(5.0)
Unidentified Carry forwards	-	(37.3)	(37.3)	(59.4)	(98.5)	(39.1)	(39.1)	-
Capital Programme	236.6	230.1	(6.5)	485.0	518.5	33.5	38.5	(5.0)
Development Contributions	(14.5)	(11.1)	3.4	(26.4)	(22.2)	4.2	-	4.2
Less DC Rebates	1.3	2.9	1.6	4.4	5.8	1.4	1.4	-
NZTA Capital Subsidy	(14.8)	(27.6)	(12.8)	(55.6)	(55.6)	-	-	-
Vbase recovery - Town Hall	(19.2)	(24.8)	(5.6)	(32.4)	(32.4)	-	-	-
CCHL Capital release	(70.0)	(70.0)	-	(140.0)	(140.0)	-	-	-
Misc Capital Revenues	(4.0)	(7.3)	(3.3)	(11.6)	(11.5)	0.1	-	0.1
Asset Sales	(1.0)	(1.0)	-	(3.1)	(1.3)	1.8	-	1.8
Capital Revenues	(122.2)	(138.9)	(16.7)	(264.7)	(257.2)	7.5	1.4	6.1
Rates for Capex Renewals	(62.2)	(62.2)	-	(124.3)	(124.3)	-	-	-
Reserve Drawdowns	(59.4)	(65.2)	(5.8)	(128.5)	(131.5)	(3.0)	(2.3)	(0.7)
Other Available Funding	(121.6)	(127.4)	(5.8)	(252.8)	(255.8)	(3.0)	(2.3)	(0.7)
Borrowing Required	(7.2)	(36.2)	(29.0)	(32.5)	5.5	38.0	37.6	0.4

Capital Expenditure

- 5.1 Capital expenditure of \$236.6 million has been incurred for the first six months of the year. A further \$248.4 million is currently forecast to be spent by year end.
- 5.2 The \$5 million forecast ahead of budget spend after carry forwards is largely due to budget being flagged to be carried forward, but planned to be applied to the forecast ahead of budget spend on the Town Hall.
- 5.3 Group of Activity level variance commentary for the capital programme is shown in **Attachment A**.
- 5.4 Financial results of significant (>\$250,000) capital programme projects are shown in **Attachment B**.

Capital Revenues

- 5.5 Capital revenues/recoveries are behind budget year to date, however a favourable variance is forecast for the year.
- 5.6 Development contributions are higher than budget because new development has been higher than anticipated. Payments of development contribution rebates have been slower

than planned. There are \$9.1 million of rebates provisionally allocated pending compliance with the scheme criteria.

- 5.7 The large year to date variance for NZTA subsidies is considered to be timing related and is forecast to be on budget by year end.
- 5.8 The lower Vbase recovery is a result of a slower than budgeted spend on the Town Hall rebuild to date.
- 5.9 Miscellaneous capital revenues are lower year to date, due to timing of Nga Puna Wai capital grants (\$3.2 million). Forecast to be received by year end.
- 5.10 Asset sales include planned sales of surplus land.
- 5.11 Reserve net drawdowns are \$5.8 million lower than budget year to date, mainly due to higher developer contribution revenue set aside to fund future qualifying growth projects.
- 5.12 The budget indicated a \$5.5 million borrowing requirement for the Capital Programme. Due to the lower forecast capital spend there is now no borrowing requirement for this financial year. However after taking into account higher carry forwards of \$37.6 million, there is a borrowing requirement of \$5.1 million (\$0.4 million less than budget).

Special Funds

- 5.13 The current and forecast movements and balance of the Housing Account, Capital Endowment Fund and Earthquake Mayoral Relief Fund are shown in **Attachment C**.
- 5.14 The balance of 2018/19 funds available for allocation in the Capital Endowment Fund is currently forecast to be \$624,744.

Attachments

No.	Title	Page
A ↓	Financial Performance	54
B ↓	Significant Capital Projects	61
C ↓	Special Funds	67

Confirmation of Statutory Compliance

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

(a) This report contains:

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

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

Signatories

Authors	Bruce Moher - Manager Planning & Reporting Team Ryan McLachlan - Reporting Accountant John Pickles - Reporting Accountant
Approved By	Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)

Attachment A – Financial Performance

Activity Operating Results

		Year to Date Results			Forecast Year End Results				
\$000's		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Christchurch Art Gallery		5,657	5,867	210	11,055	11,186	130	-	130
Canterbury & Akaroa Museums		5,561	5,566	6	8,529	8,541	13	-	13
Libraries	1	20,909	23,108	2,199	44,488	45,677	1,189	670	519
Community Development and Facilities	2	9,191	10,432	1,242	14,170	15,120	950	-	950
Recreation, Sports, Comm Arts & Events	3	12,788	14,591	1,803	26,879	28,052	1,173	138	1,035
Civil Defence Emergency Management		821	948	127	1,837	1,884	47	-	47
Citizen and Customer Services		4,307	4,410	103	8,515	8,713	198	-	198
Capital Revenues - Comm & Citizens	4	(1,568)	(4,510)	(2,942)	(8,357)	(8,074)	283	-	283
Communities & Citizens		57,666	60,414	2,748	107,115	111,099	3,983	808	3,175
Flood Protection & Control Works	5	1,752	2,808	1,056	5,048	9,200	4,152	4,157	(5)
Capital Revenues - Flood Protection	6	(979)	(2,495)	(1,516)	(2,362)	(4,989)	(2,627)	224	(2,851)
Flood Protection and Control Works		773	313	(460)	2,686	4,211	1,525	4,381	(2,856)
Governance & Decision Making		8,889	8,917	28	18,840	18,706	(134)	-	(134)
Governance		8,889	8,917	28	18,840	18,706	(134)	-	(134)
Assisted Housing	7	4,433	8,223	3,789	12,370	14,897	2,527	1,000	1,527
Capital Revenues - Housing	8	(407)	-	407	(407)	-	407	-	407
Housing		4,026	8,223	4,197	11,963	14,897	2,934	1,000	1,934
Parks and Foreshore	9	28,093	24,479	(3,614)	56,997	48,506	(8,491)	36	(8,527)
Heritage	10	801	1,672	871	2,595	3,217	622	200	422
Capital Revenues - Parks, Heritage & For	11	(3,700)	(1,963)	1,737	(5,153)	(2,562)	2,591	194	2,397
Parks, Heritage & Coastal Environment		25,194	24,188	(1,006)	54,438	49,161	(5,277)	430	(5,707)
Solid Waste	12	18,381	18,906	525	37,072	38,008	936	-	936
Refuse Disposal		18,381	18,906	525	37,072	38,008	936	-	936
Regulatory Compliance & Licencing		1,093	1,087	(6)	4,806	4,706	(100)	-	(100)
Building Services	13	1,943	1,550	(392)	4,114	3,971	(143)	-	(143)
Resource Consenting	14	489	1,048	559	1,733	1,904	172	-	172
Land & Property Information Services		(870)	(897)	(26)	(1,900)	(1,747)	154	-	154
Regulatory & Compliance		2,654	2,788	134	8,752	8,835	83	-	83
Roads & Footpaths	15	47,970	49,758	1,788	96,326	94,475	(1,851)	-	(1,851)
Capital Revenues - Roads & Footpaths	16	(4,597)	(22,800)	(18,203)	(43,471)	(45,600)	(2,129)	-	(2,129)
Roads & Footpaths		43,373	26,958	(16,415)	52,855	48,875	(3,980)	-	(3,980)
Stormwater Drainage		15,826	16,048	222	30,643	30,555	(88)	-	(88)
Capital Revenues - Stormwater Drainage		-	-	-	(355)	(355)	-	-	-
Stormwater Drainage		15,826	16,048	222	30,288	30,200	(88)	-	(88)
Strategic Planning & Policy		9,818	9,907	90	18,860	18,898	38	-	38
Economic Development		8,825	8,904	79	16,950	17,001	50	-	50
Public Information & Participation		3,223	3,447	224	6,764	6,887	123	-	123
Strategic Planning & Policy		21,866	22,258	392	42,574	42,785	211	-	211

Attachment A – Financial Performance as at 31 December 2018

\$000's		Year to Date Results			Forecast Year End Results				
		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Traffic Safety & Efficiency	17	3,114	3,265	150	5,992	5,657	(334)	-	(334)
Active Travel	18	169	629	460	774	1,232	458	-	458
Parking	19	(1,671)	(2,272)	(602)	(4,126)	(4,559)	(433)	-	(433)
Public Transport Infrastructure		677	783	106	1,907	1,779	(127)	-	(127)
Capital Revenues - Transport	20	(13,895)	(7,112)	6,783	(17,020)	(13,440)	3,580	318	3,262
Transportation		(11,605)	(4,709)	6,897	(12,474)	(9,330)	3,143	318	2,825
WW Collection, Treatment & Disposal	21	60,272	47,445	(12,827)	100,251	87,789	(12,463)	-	(12,463)
Capital Revenues - Wastewater	22	(5,014)	(2,769)	2,245	(8,472)	(5,507)	2,965	458	2,507
Wastewater		55,258	44,677	(10,582)	91,779	82,282	(9,498)	458	(9,956)
Water Supply	23	33,984	32,443	(1,541)	61,131	58,694	(2,437)	-	(2,437)
Capital Revenues - Water Supply	24	(1,907)	(1,486)	421	(3,514)	(2,972)	542	185	357
Water Supply		32,077	30,957	(1,121)	57,617	55,722	(1,895)	185	(2,080)
Groups of Activities		274,378	259,939	(14,439)	503,506	495,451	(8,055)	7,580	(15,635)
Corporate Revenues & Expenses	25	(321,982)	(316,690)	5,292	(645,540)	(644,030)	1,510	-	1,510
ISPs & Eliminated Internals	26	3,141	2,052	(1,089)	8,423	7,088	(1,335)	-	(1,335)
Net Cost of Service (excl Vested)		(44,463)	(54,699)	(10,236)	(133,611)	(141,491)	(7,880)	7,580	(15,460)
Misc P&L Unallocated		(9)	-	9	(7)	-	7	-	7
Vested Asset Income	27	(16,780)	(3,779)	13,001	(47,716)	(61,519)	(13,803)	-	(13,803)
Total Net Cost of Service		(61,252)	(58,479)	2,773	(181,334)	(203,010)	(21,676)	7,580	(29,256)

Note the Net Cost of Services differs from the Operating result due to the inclusion of capital revenues and depreciation.

Notes

1. Libraries year to date variance is due to the timing of the EQ rebuild programme spend (\$0.9 million), forecast to be \$0.7 million lower with a carry forward of funds required. There has also been lower depreciation than planned (\$0.8 million) due to Tūranga not yet being capitalised to the asset register, and operational savings (\$0.4 million); mainly due to the late opening of Tūranga and savings from the building contractor absorbing more operating costs than anticipated.
2. Community Development and Facilities year to date variance largely relates to Strengthening Communities where there are lower costs (\$0.7 million), due to vacancies in the team and timing of expenditure. Lower depreciation (\$0.4 million) is also contributing to the year to date variance. The forecast reflects the lower Strengthening Communities costs, and lower depreciation of \$0.6 million.
3. Recreation and Sports facilities revenues are ahead of budget year to date (\$0.7 million), driven by higher pool and fitness revenues (in-particular Taiora QEII). Depreciation is \$0.5 million lower, and maintenance is \$0.4 million lower year to date, due to timing. The carry forward signalled is due to the timing of the EQ rebuild programme spend.
4. Community & Citizens Capital Revenues year to date result is due to the timing of capital grants expected for Nga Puna Wai (\$3.2 million); partially offset by revenues received for the contribution for the Christchurch Stadium Turf replacement (\$0.2 million).
5. Flood Protection & Control Works maintenance costs are behind budget year to date (\$1.2 million), with \$4.2 million forecast to be carried forward for Heathcote Dredging.
6. Flood Protection and Control Works Capital Revenues variances are due to lower development contributions. There is a \$0.2 million forecast carry forward reflecting slower eligibility for development contribution rebates.
7. Assisted Housing variance to date is mainly due to the timing of the EQ rebuild programme (\$2.4 million), \$1 million is forecast to be carried forward. Timing of maintenance costs for interior decoration and exterior painting, where work programmes are now underway, is also contributing to the favourable year to date variance (\$1.1 million). There has been higher rental revenues (\$0.4 million), mainly due to additional income related rent subsidies; these are partially offset by increased rates and insurance (\$0.3 million) as the plan assumed that the final transfer of properties to the Trust would be completed last financial year. The forecast takes into account the higher rental revenue and increased rates and insurance. Depreciation is \$0.5 million lower year to date and forecast to be \$1 million lower by year end.
8. Housing Capital Revenues includes \$0.4 million of EQC insurance recoveries received in September.
9. Parks and Foreshore depreciation is \$4.3 million higher year to date and forecast to be \$8.3 million

Attachment A – Financial Performance as at 31 December 2018

- higher at year end due to a higher than planned revaluation of assets. Maintenance costs are \$0.5 million behind budget year to date due to timing, forecast to \$0.2 million over budget by year end.
10. Heritage result year to date is due to maintenance costs and professional fees being \$0.8 million behind budget. A saving is forecast based on previous trends and to offset the above budget spend in note 9. There is a \$0.2 million carry forward forecast relating to the EQ rebuild programme.
 11. Capital Revenues Parks, Heritage and Foreshore variances are largely a result of higher development contributions received. Slower eligibility for development contribution rebates is also contributing and \$0.2m is forecast to be carried forward.
 12. Solid Waste variances are a result of higher cost recoveries from Burwood Landfill.
 13. Building Services unfavourable variance is due to lower consent volumes, revenue is forecast to be \$3.6 million lower by year end; partially offset by forecast cost savings of \$1.5 million. Building Inspections are forecasting a net surplus of \$1.5 million, revenues are ahead of budget as volumes continue to hold up (inspections activity is generally confined to previous year's consent volumes) and costs have been well contained. Smaller scale savings in other services (Cert of Acceptance, BWO, and Partnership Approvals) have also been included in the forecast.
 14. Resource consent income is higher than planned year to date (\$0.7 million), forecast to be \$0.5 million better than budget; partially offset by Public Advice (\$0.4 million), where activity has continued at a higher level than expected in the budget, thought to be in response to the recently finalised District Plan.
 15. Roads & Footpaths variance year to date is driven by higher NZTA operational subsidies (\$2.6 million). The higher subsidies are reflected in the forecast (\$2.2 million), due to maintenance being weighted towards subsidised activities and inclusion of new subsidies including footpaths; however these are offset by increased road landscapes maintenance costs (\$1.8 million), and contractor bonds LTP initiative (\$1 million). There has been asset write offs of \$0.7 million to date, these along with higher depreciation (\$0.3 million) are included in the forecast result.
 16. Roads and Footpaths Capital Revenue result is driven by the timing of NZTA subsidies (\$16.9 million), forecast to be on budget by year end. Development contributions received are lower than budget to date (\$1.3 million), and are reflected in the forecast result.
 17. Traffic Safety & Efficiency forecast variance is driven by higher depreciation (\$0.3 million).
 18. Active Travel variances are due to lower than planned depreciation.
 19. Parking variances are due to parking fines being lower than budget year to date (\$0.4 million), due to reduced on street parking. There are now more off street parking options and the one hour free promotions are enticing would be on street parkers to buildings. Central city projects are also reducing the number of on street parks. Bus lane infringements continue to be issued, which will help offset the shortfall, if only for a short time. Parking revenues are down year to date (\$0.2 million), driven by the above circumstances.
 20. Transport Capital Revenue variances year to date are due to timing of NZTA subsidies (\$4.1 million), higher development contributions (\$2.4 million), and slower development contribution rebates (\$0.3 million). The forecast recognises higher development contributions, with \$0.3 million to be carried forward for the slower eligibility for development contribution rebates.
 21. Wastewater Collection, Treatment & Disposal variances are predominately due to the write off of decommissioned assets (\$10 million). Also contributing are lower trade waste revenues (\$0.9 million), reflecting reduced volumes and a new client planned for 18/19 being delayed. There have been increased maintenance expenditure (\$0.8 million), higher insurance (\$0.4 million), and electricity costs (\$0.3 million) to date.
 22. Wastewater Capital Revenues are higher year to date due to higher development contributions (\$1.6 million), and slower eligibility of development contribution rebates (\$0.7 million). These are reflected in the forecast.
 23. Water Supply variance year to date is driven by decommissioned asset write offs (\$1.5 million). There are increased maintenance costs being forecast of \$0.9 million, the business is currently working with City Care to reduce expenditure. Insurance is \$0.7 million lower year to date.
 24. Water Supply Capital Revenues variance year to date is driven by higher development contributions (\$0.3 million), and slower rebates (\$0.2 million). These are reflected in the forecast results.
 25. Corporate Revenues and Expenses variance year to date is primarily due to higher rates revenues caused by higher rating growth late in the 2017/18 year (\$2.6 million) and higher penalties (\$0.5 million); net interest revenues are \$1.4 million higher. The final 2018 Transwaste dividend received was \$0.4 million higher than planned. The forecast reflects higher rates and penalties revenues (\$5.7 million); and higher net interest revenues (\$0.5 million). Partially offsetting these are lower dividends (\$4.7 million); due to additional rating growth the additional CCHL dividend of \$3.2 million has been delayed to 2020; Transwaste Dividends are also forecast to be lower (\$1.5 million), due to half the special dividend being retimed to 2022.
 26. ISPs & Eliminated Internals include IT asset write offs and book lost on sale of property disposals.
 27. Vested Asset year to date variance includes: Prestons Park and Yaldhurst Park subdivisions (\$7.5 million), South Frame lots 2 and 3 (\$2.2 million), Cashmere Estate stage 1 (\$1.7 million), and Belfast Business Park stage 2B (\$1.2 million). The forecast recognises the delayed hand over of

Attachment A – Financial Performance as at 31 December 2018

the Bus Interchange (\$54 million); partially offset by the year to date results and forecast handover of Rauora Park (\$15 million) and An Accessible City projects (\$9 million).

Attachment A – Financial Performance as at 31 December 2018

Group of Activities Capital Programme

\$000's		Year to Date Results			Forecast Year End Results			After Carry Forwards	
		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Communities & Citizens	1	46,514	50,277	3,763	90,667	105,122	14,455	11,342	3,113
Flood Protection & Control Works	2	11,940	11,165	(775)	32,254	24,584	(7,669)	(8,034)	365
Governance		64	76	12	95	96	1	-	1
Housing	3	993	2,474	1,481	3,425	5,937	2,512	2,291	221
Parks, Heritage & Coastal Environment	4	7,718	8,862	1,144	28,440	38,926	10,486	10,329	157
Refuse Disposal		563	1,341	777	3,016	2,908	(108)	-	(108)
Regulatory & Compliance		-	-	-	-	11	11	1	10
Roads & Footpaths	5	38,912	41,139	2,226	92,160	115,578	23,418	24,530	(1,111)
Stormwater Drainage	6	10,337	14,989	4,652	23,080	25,545	2,466	1,926	540
Strategic Planning & Policy		171	299	128	958	931	(27)	-	(27)
Transportation	7	8,096	10,988	2,892	53,041	53,935	894	(378)	1,272
Wastewater	8	30,110	34,980	4,870	67,700	65,649	(2,051)	(1,620)	(432)
Water Supply	9	12,918	16,112	3,194	33,136	36,391	3,256	3,040	216
Corporate	10	65,908	74,794	8,885	117,347	126,147	8,800	18,165	(9,365)
Strategic Land Acquisitions	11	2,383	-	(2,383)	-878	15,154	16,032	16,033	(1)
Gross Capital Spend		236,627	267,494	30,867	544,439	616,914	72,476	77,624	(5,149)

Attachment B provides financial results of individual significant projects.

Notes

1. Communities and Citizens

Nga Puna Wai Sports Hub is showing a year to date behind budget spend of \$4.5 million, considered to be a timing variance. The project is gathering momentum with athletics track (including infield facilities) and hockey turfs now fully operational. Construction is advancing on both the Tennis and Rugby League areas. Overall, the project remains on target to be delivered within the approved budget and to meet the programmed events. The Hot Salt Water Pools has a year to date behind budget spend of \$1.4 million, forecast to be \$2.2 million behind by year end, with a carry forward of funds required. The forecast for the project has been aligned with Development Christchurch Limited cash flow forecast. Also contributing to the year to date behind budget spend is Tūranga (\$0.9 million), there is a forecast saving of \$3.6 million for the project. Jellie Park Recreation and Sports Centre shows an above budget spend year to date of \$3.8 million, reducing to a forecast \$0.3 million above budget spend by year end.

Other projects with significant forecast carry forward of funds to future years include: Linwood Pool (\$3.6 million), capital spend post concept design approval is not forecast to commence until later in the year; the Riccarton Community Centre (\$2.8 million), due to the 2017/18 carry forward allocated to the 2019 budget instead of 2020; and St Albans Community Centre (\$2.4 million), the working party has been re-established and is working through an amended design following the land purchase.

2. Flood Protection and Control Works

The year to date ahead of budget spend mainly relates to the Curletts Flood Storage project (\$2.6 million), forecast to be \$4 million ahead of budget by the end of the financial year. A bring back of funds will be required due to earlier delivery than planned.

Other projects with significant earlier spends forecast by year end and funds to be brought back from future years include: Summerset at Highsted Infrastructure Provision Agreement (\$2.2 million), project timing has been advanced to comply with the Infrastructure Agreement terms; Eastman Wetlands (\$1.9 million), construction of the first phase of physical work is now forecast to be completed in this financial year; Mid Heathcote Bank Stabilisation (\$1.1million), earlier spend required to continue Stage 2 works under the current contract.

There is a carry forward of funds signalled for Heathcote Dredging (\$1 million), design of stage 1 and 2 was simplified and costs to date are less than initial estimates. Stage 3 design and costing is still to be completed.

Attachment A – Financial Performance as at 31 December 2018

3. Housing

The forecast signals a delayed spend on various projects (ref Attachment B).

4. Parks, Heritage & Coastal Environment

A number of Parks asset renewal programmes are re-prioritised, and planned to be delivered in future years. Funds will be required to be carried forward.

The Robert McDougall Building has a forecast carry forward of \$1.4 million, the project has recently resumed with the scope of work being revisited, following initial feedback from the expressions of interest process relating to the future use of the building which is yet to be decided. The Redcliffs Park/School Swap project has a carry forward of \$0.9 million signalled, due to potential delays resulting from the archaeological requirements and awaiting the demolition of the old school, which is currently underway by the Ministry of Education. Chokebore Lodge has a forecast behind budget spend of \$0.8 million, the project has now been taken off hold, following the heritage expressions of interest process.

5. Roads and Footpaths

Contributing to the year to date behind budget spend are the following projects: Halswell Junction Road Extension (\$2.2 million), forecast to be \$5.3 million behind by year end with a carry forward of funds required. The project timeframe is subject to KiwiRail program of works (currently in detailed design and land purchase phase). It is expected the construction works will be completed by end of 2019, subject to the new level crossing being operational. City Lane/Block Land Purchases are \$1.2 million behind budget year to date and forecast, these funds will need to be carried forward to fund purchases in future years.

Other projects with significant carry forward of funds forecast include: Sumner Road (\$6 million), planting and establishment of plants are required by RMA consents, establishment management may continue to 2024; AAC Victoria Street (\$4.1 million), the project is progressing with stakeholder engagement only. Lower Styx/Marshland Intersection (\$3.8 million) & Marshland Road Bridge Renewal (\$2 million), ecological issues caused delays, detail design is about to conclude and resource consents to be submitted once land issues are resolved; New Brighton Streetscape Enhancements (\$1.8 million), a review of the delivery mechanism for this project is in discussion with Development Christchurch Limited, scheme design is underway; Palmers Road (Bowhill-New Brighton) (\$1.5 million), project is currently in design phase, cost scheme still to be reviewed.

Footpath Resurfacing has a \$1.6 million budget to be brought back for additional projects planned to be delivered in this financial year.

The forecast ahead of budget spend after carry forwards is driven by various projects (ref Attachment B).

6. Stormwater Drainage

The year to date behind budget spend is mainly driven by Upper Heathcote Storage (\$2.2 million), considered timing related and forecast to be slightly ahead of budget by year end. Various other projects are contributing to the year to date and forecast behind budget spend (ref Attachment B).

7. Transportation

The largest contributor to the behind budget spend to date is the MCR Heathcote Expressway – Section 1 (\$2.5 million). There is a forecast behind budget spend of \$1.6 million, due to the project being delayed because of changes in the detailed design phase to take into account feedback from consultation.

The Parking Replacement project has a carry forward of funds forecast of \$1.4 million, waiting on further decisions regarding off-street parking facilities to the north of Cathedral Square.

Projects with significant funds to be brought back from future years include: Coastal Pathway (\$4.3 million), to enable start of construction on the section between Shag Rock and Sumner

Attachment A – Financial Performance as at 31 December 2018

Life Saving Surf Club; Bus Interchange Riccarton (\$1.1 million), this is a multiyear project and bring backs will be necessary to manage the project delivery.

The after carry forwards under spend is made up of various projects (ref Attachment B).

8. Wastewater

The year to date behind budget spend is considered to be timing, by year end there is an expected ahead of budget spend.

Driving the forecast of funds to be brought back to this year are: Lyttelton Harbour Wastewater Scheme (\$9.7 million), to enable earlier completion of the project. The Colombo Street Trunk Main has an earlier than planned forecast spend (\$1.5 million). The Akaroa Waste Water Scheme has a forecast bring back of funds required of \$1.2 million, to fund the drilling programme and return to feasibility studies of disposal options.

The Christchurch Waste Water Treatment Plant EQ repairs (\$2.2 million) has a forecast delayed spend with a carry forward of funds required, due to a later than planned construction start date for stage 2 laboratory building.

The Riccarton Trunk Main project currently has a forecast behind budget spend of \$1 million, however is dependent on the outcome of City Care's variation claim.

9. Water Supply

The year to date and forecast behind budget spend is mainly due to timing of projects which has been signalled to be carried forward. Projects with significant forecast carry forwards include: Grassmere Well Renewal (\$1 million), tests of two existing wells are being carried out to determine if a new well is required; and Mays Well 3 Renewal (\$0.8 million), construction to be started after the below ground wells are repaired.

There are earlier significant forecast spends with budgets required to be brought back for the following projects: Mains Renewal - Cannon Hill Cres, Michael Ave and Centaurus Rd (\$1.2 million), due to construction progressing earlier than planned; and Highfield Water Supply Mains (\$1 million), the project is to be delivered in conjunction with the Highfield connection to Northcote collector.

10. Corporate

The year to date below budget spend is largely driven by timing of spend for the Town Hall (\$5.6 million). Currently forecasting to be \$9.6 million higher by year end.

The Performing Arts Precinct is forecast to be \$12.1 million behind budget with a carry forward of funds required. The project is going through a feasibility study and business case with a formal report to Council due in March 2019. Should the project proceed, a design team will be appointed and the project timing reforecast. The forecast assumes no spend in this financial year. Community Facilities Tranche 1 and 2 programmes are forecast to be behind budget \$2.6 million and \$2.5 million respectively; due to projects being pushed out, a carry forward of funds will be required.

11. Strategic Land Purchases

Strategic Land Acquisitions are forecast to be \$18.9 million under budget and will need to be carried forward to future years. The SLP Land Value Offset is forecast \$2.9 million behind budget which will be offset by funds to be brought back from future years.

Attachment B - Significant Capital Projects

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Communities & Citizens									
>\$250k									
Equipment Replacement	106	-	(106)	367	366	28.81%	(1)	-	(1)
Content Capital Project	2,375	2,350	(25)	4,718	4,729	50.34%	12	-	12
FA AI Libraries	110	6	(104)	835	836	13.23%	-	-	-
Purchase Restricted Assets	154	129	(25)	252	259	61.18%	7	-	7
Community Facilities R&R	192	40	(152)	421	421	45.57%	-	-	-
FA NA Collections Acquisitions	158	-	(158)	498	498	31.72%	-	-	-
Art in Public Places	-	-	-	280	280	0.00%	-	-	-
Art Gallery renewals R&R	138	374	236	685	685	20.08%	-	-	-
New Civil Defence Bldg (Emerg Ops Cntr)	81	-	(81)	596	577	13.58%	(18)	-	(18)
Manuka Cottage Capital Endowment Fund pr	7	397	390	368	604	1.91%	236	236	-
RSU South/West Hub Infrastructure	15,903	20,402	4,499	22,877	22,781	69.52%	(96)	(96)	-
RSU delivery package FY17	210	241	31	341	341	61.59%	-	-	-
Renewal of Fitness Equipment	14	-	(14)	441	441	3.19%	-	-	-
St Albans Permanent Community Centre	30	118	88	270	2,649	11.32%	2,379	2,379	-
Hagley Oval Delivery Package	50	414	364	414	414	12.18%	-	-	-
Linwood Pool	-	-	-	299	3,938	0.00%	3,638	3,638	1
East Pool (Recreation Facility QEII)	149	145	(4)	206	442	72.24%	236	236	-
Metro Sports (Multi-Sport Facility)	3,553	3,150	(403)	15,246	14,654	23.30%	(592)	(592)	-
New Central Library	11,684	12,613	929	12,601	16,178	92.72%	3,577	-	3,577
Jellie Park Recreation and Sports Centre	5,624	1,854	(3,770)	9,329	8,986	60.28%	(343)	-	(343)
Spencer Park Campground - All Buildings	1,013	870	(143)	1,050	1,036	96.48%	(13)	-	(13)
Parklands Queenspark Library	106	222	117	653	653	16.20%	-	-	-
Woolston Community Facility	407	538	132	548	548	74.25%	-	-	-
Risingholme Hall	461	737	276	842	842	54.78%	-	-	-
Risingholme Homestead	977	865	(112)	1,771	1,771	55.15%	-	-	-
Riccarton Community Centre	223	460	237	1,549	4,322	14.40%	2,773	2,773	-
Centennial Hall - Spreydon Community EQ	-	-	-	-	610	0.00%	610	610	-
Opawa Public Library Earthquake Repair	8	80	72	630	650	1.32%	20	-	20
Hot Salt Water Pools	1,395	2,826	1,431	7,541	9,700	18.51%	2,159	2,159	-
QEII Park Delivery Package	59	25	(34)	412	412	14.28%	-	-	-
Fendalton HVAC & Library Building	60	107	47	1,035	1,035	5.77%	-	-	-
RSU Operations R&R Delivery Package	138	198	59	639	648	21.61%	8	-	8
Turf replacement AMI Stadium	662	411	(251)	1,680	1,500	39.40%	(180)	-	(180)
Balance of Programme	466	705	239	1,273	1,317	36.60%	44	-	44
Communities & Citizens Total	46,514	50,277	3,763	90,667	105,122	51.30%	14,455	11,342	3,113
Flood Protection and Control Works									
>\$250k									
Prestons/Clare Park	97	87	(10)	447	650	21.72%	203	200	3
Quaiffes/Murphys Wetland	115	259	145	254	259	45.17%	5	-	5
Sparks road development drainage works	990	714	(276)	1,980	1,328	49.99%	(652)	(652)	-
Worsleys spur stormwater pipe&drain syst	629	1,289	660	1,890	2,135	33.28%	245	245	-
Welsh basin	297	750	453	2,693	3,121	11.04%	428	428	-
SW Rossendale Infrastructure Provision	176	-	(176)	747	85	23.50%	(662)	(662)	-
Owaka Corridor - Wilmers Basin	110	413	303	720	737	15.26%	17	17	-
SW Regents Park Close IPA	385	-	(385)	385	396	100.00%	11	-	11
SW Bells Creek Ferry Road Storm Filter V	277	200	(77)	395	421	70.14%	26	-	26
SW Coxs - Quaifes Facility	76	82	6	1,993	2,211	3.79%	218	218	-
SW Bullers Stream Naturalisation & Facil	589	710	120	1,416	1,450	41.62%	34	34	-
LDRP 512 No 1 Drain	1,893	2,361	468	2,588	2,605	73.15%	17	-	17
LDRP 518 Mid Heathcote Bank Stabilisatio	550	841	291	2,471	1,411	22.27%	(1,060)	(1,060)	-
LDRP 509 Knights Drain Ponds	423	109	(314)	633	109	66.86%	(523)	(520)	(4)
LDRP 524 EQ Waterway & Reticulation Repa	443	425	(18)	594	655	74.55%	61	-	61
LDRP 525 Southshore Emergency Bund	81	218	137	693	1,239	11.69%	547	241	305
LDRP 526 - Curletts Flood Storage	3,333	719	(2,613)	4,764	719	69.95%	(4,045)	(4,045)	-
SW Summerset at Highsted IPA	37	-	(37)	2,200	10	1.70%	(2,190)	(2,190)	-
SW Highfield - Stormwater Treatment Faci	-	-	-	-	275	0.00%	275	275	-
SW Pump & Storage MEICA Ren for FY2019	-	200	200	-	499	0.00%	499	499	-
LDRP 527 Heathcote Dredging	658	876	218	1,291	2,241	51.00%	951	950	1
LDRP528 Eastman Wetlands	440	211	(230)	2,109	211	20.88%	(1,899)	(1,899)	-
SW Cashmere Worsleys Wetlands	-	-	-	500	320	0.00%	(180)	-	(180)
Balance of Programme	340	701	360	1,492	1,496	22.81%	5	(115)	119
Flood Protection and Control Works Total	11,940	11,165	(775)	32,254	24,584	37.02%	(7,669)	(8,034)	365
Governance									
Balance of Programme	64	76	12	95	96	66.93%	1	-	1
Governance Total	64	76	12	95	96	66.93%	1	-	1

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Housing									
>\$250k									
Housing Improvements/Remodelling - Prj 1	290	549	259	842	1,376	34.44%	534	534	-
Housing Improvements / Remodelling - P	26	105	79	210	376	12.50%	166	166	-
Bruce Tce - Social Housing Infill Dev	318	446	128	1,059	1,476	30.02%	417	417	-
Huggins Place	111	275	163	305	305	36.43%	-	-	-
HP Smith	31	720	689	466	951	6.70%	485	485	-
Balance of Programme	216	380	164	542	1,452	39.95%	910	689	221
Housing Total	993	2,474	1,481	3,425	5,937	29.00%	2,512	2,291	221
Parks, Heritage, & Coastal Environment									
>\$250k									
Robert McDougall Building	18	25	7	112	1,463	16.42%	1,351	1,351	-
Marina - Other Capex	242	334	92	1,042	1,042	23.22%	-	-	-
Halswell Domain Car Park	18	19	1	378	378	4.83%	-	-	-
Head to Head Track	51	80	29	146	296	34.83%	150	150	-
Belfast Cemetery Extension	217	238	21	454	454	47.68%	(1)	-	(1)
Halswell skate park	252	252	-	355	252	71.15%	(102)	-	(102)
CETG Fixed New Garden & Heritage Parks	12	133	121	586	686	2.05%	100	-	100
Scarborough Park Playground Renewal	298	320	22	326	326	91.46%	-	-	-
St Albans Park Sport Turf Renewal	611	327	(285)	933	327	65.52%	(606)	(627)	20
Estuary Edge project	14	33	19	134	484	10.17%	350	350	-
Neighbourhood Parks Glyphosate Programme	37	-	(37)	37	284	100.00%	246	-	246
Cressy Terrace Tennis Courts reconstruct	10	2	(9)	19	374	55.70%	355	355	-
Parks Non Insurance Heritage & Artworks	181	290	109	505	387	35.78%	(118)	-	(118)
Citizens War Memorial	2	1	(1)	3	296	54.14%	293	292	-
Old Municipal Chambers (Our City)	23	125	102	202	292	11.17%	90	90	-
Chokebore Lodge	21	42	21	156	941	13.38%	784	784	-
Thomas Edmond Band Rotunda	23	40	17	229	252	10.17%	23	-	23
Kapuatohe Dwelling	1	18	16	192	288	0.59%	96	96	-
Mona Vale Bathhouse	6	-	(6)	3	549	184.15%	545	545	-
Cob Cottage	17	25	8	424	524	4.00%	100	100	-
Sport Parks Glyphosate Reduction FY17	-	-	-	-	528	0.00%	528	528	-
Nurses Memorial Chapel	396	466	70	466	466	85.00%	-	-	-
Scarborough Steps - EQ repair	472	396	(77)	501	420	94.23%	(81)	(81)	-
Carrs Road Kart Club Relocation	-	-	-	3,500	3,500	0.00%	-	-	-
Hagley Park Toilet Sumps	109	260	150	323	323	33.78%	-	-	-
Groynes/ Roto Kohatu/ Otukaikino Develop	35	-	(35)	59	770	59.83%	711	711	-
Botanics Ground Source Heating Develop	-	-	-	-	500	0.00%	500	500	-
DP Botanic Gardens Buildings Development	-	-	-	410	410	0.00%	-	-	-
Bexley Park Development	37	28	(10)	190	520	19.52%	330	330	-
DP Sports Fields Development	17	-	(17)	304	690	5.68%	386	386	-
DP Play and Recreation Development	118	541	423	220	626	53.71%	406	406	-
DP Hagley Park Building & Toilet Develop	1	-	(1)	501	500	0.18%	(1)	-	(1)
DP Op Plant Vehicles & Equip Acquisition	233	-	(233)	431	360	54.08%	(71)	(71)	-
DP Botanic Gardens Hard Surface Renewals	37	-	(37)	476	475	7.75%	(1)	-	(1)
DP Marine Seawall Renewals	4	-	(4)	130	300	3.44%	170	170	-
DP Community Parks Tree Renewals	130	-	(130)	339	840	38.36%	501	494	7
DP Sport Field Renewals	46	-	(46)	300	300	15.48%	-	-	-
DP Community Parks Hard Surface Renewals	154	-	(154)	350	1,050	43.96%	700	700	-
DP Community Parks Green Assets Renewals	172	-	(172)	123	597	139.19%	474	404	70
DP Community Parks Buildings Renewals	16	-	(16)	290	290	5.55%	-	-	-
DP Marine Structures Renewals	240	-	(240)	557	557	42.97%	-	-	-
Thomson Park	318	302	(16)	745	553	42.64%	(192)	(192)	-
Redcliff Park / School Swap	29	790	761	290	1,190	9.94%	900	900	-
Donnell sports park project	95	-	(95)	600	600	15.77%	-	-	-
Coronation hall	-	-	-	-	588	0.00%	588	588	-
DelivPackage GreenAssets PHills Reg Prks	25	-	(25)	347	347	7.24%	-	-	-
Balance of Programme	2,978	3,776	798	10,750	11,729	27.70%	980	1,068	(88)
Parks, Heritage, & Coastal Environment Total	7,718	8,862	1,144	28,440	38,926	27.14%	10,486	10,329	157
Refuse Disposal									
>\$250k									
Waste Transfer Stations and Bins (R&R	239	235	(5)	671	587	35.67%	(84)	-	(84)
SW Miscellaneous Renewals	67	100	33	290	250	22.99%	(40)	-	(40)
Burwood Gas Treatment Plant-Chiller RnwI	-	400	400	525	526	0.00%	1	-	1
Closed L'fill A'care Burwood Stg2C2D2E	180	136	(44)	371	341	48.52%	(30)	-	(30)
Inner City Waste Collection System	66	400	334	1,001	1,000	6.62%	(1)	-	(1)
Balance of Programme	11	70	58	159	204	7.14%	45	-	45
Refuse Disposal Total	563	1,341	777	3,016	2,908	18.68%	(108)	-	(108)
Regulatory & Compliance									
Balance of Programme	-	-	-	-	11	0.00%	11	1	10
Regulatory & Compliance Total	-	-	-	-	11	0.00%	11	1	10

Attachment B - Significant Capital Projects

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Roads & Footpaths									
>\$250k									
Carriageway Smoothing	3,567	1,720	(1,847)	6,245	6,134	57.12%	(110)	(110)	-
Footpath Resurfacing	3,474	803	(2,671)	3,963	2,321	87.65%	(1,642)	(1,642)	-
Subdivisions	733	561	(172)	987	979	74.29%	(7)	-	(7)
Carriageway Sealing and Surfacing	639	876	237	3,239	2,713	19.73%	(525)	(525)	-
Signs Renewals	124	-	(124)	430	383	28.80%	(47)	-	(47)
Marshland Road bridge renewal	16	49	33	65	2,089	24.80%	2,025	2,025	-
Northern Arterial Extension includ Cranf	4,866	4,720	(147)	9,234	9,005	52.70%	(230)	(230)	-
BPDC road metalling	805	-	(805)	1,304	1,324	61.75%	20	20	-
Lower Styx / Marshland Intersection	72	15	(57)	80	3,825	89.73%	3,745	3,745	-
Suburban Masterplan: Ferry Road	-	30	30	530	530	0.00%	-	-	-
Halswell Junction Road Extension	258	2,470	2,212	1,479	6,828	17.42%	5,350	5,350	-
Inner Harbour Road Improvement	106	822	716	1,202	1,414	8.79%	212	212	-
Intersection Safety: Gasson/ Madras/ Moo	80	116	36	186	576	42.82%	389	389	-
Intersection Safety: Ilam/ Middleton/ Ri	14	55	41	339	388	4.21%	49	49	-
Intersection Safety: Manchester/ Moorhou	38	66	28	97	443	39.65%	346	346	-
Safety Improvements: Guardrails - Dyers	48	330	282	534	534	8.93%	-	-	-
Safety Improvements: Pedestrian/ Cycle S	29	250	221	360	465	8.00%	105	105	-
Palmers Road (Bowhill-New Brighton)	52	165	113	1,107	2,649	4.66%	1,542	1,542	-
Sumner Village Centre Masterplan P1.1	106	1,070	964	1,993	2,141	5.33%	148	148	-
Ferry Road Masterplan - project WL1	69	94	25	181	340	38.10%	159	158	1
Street Renewal - North Avon Road	2,888	3,589	701	3,177	3,742	90.91%	565	501	64
EQ Retaining Wall Repair	138	45	(93)	461	399	29.93%	(62)	-	(62)
Street Lighting	42	275	233	280	277	15.05%	(3)	-	(3)
Red rock retaining walls	445	681	236	1,500	1,261	29.66%	(239)	(214)	(24)
Sumner Road Geotech & Roading Infra	9,224	9,594	370	14,181	20,210	65.05%	6,029	6,029	-
Peacocks Gallop Geotech & Roading Infra	342	736	394	1,215	1,191	28.15%	(24)	(18)	(6)
AAC Victoria Street	128	(867)	(995)	464	4,595	27.51%	4,130	4,130	-
AAC Salisbury Street	1,927	2,259	333	2,570	2,570	74.98%	-	-	-
TP30k AAC Slow Core	62	517	455	670	1,051	9.26%	382	382	-
AAC Hereford St (Manchester-Oxford	223	170	(53)	386	585	57.73%	199	199	-
AAC Central City: Wayfinding	127	11	(116)	1,300	1,301	9.79%	1	-	1
AAC St Asaph Street (Ferry-Antigua)	52	86	33	586	86	8.95%	(500)	(501)	-
City Lanes / Blocks Land Purchases	6	1,173	1,167	4	1,173	139.60%	1,169	1,169	-
Cashmere / Hoon Hay Intersection	35	42	7	400	412	8.71%	12	-	12
Intersection Improvements: Augustine/ Ha	423	453	31	474	507	89.22%	33	-	33
FR4 Woolston Park Transportation Improve	80	500	420	736	532	10.93%	(204)	-	(204)
New Brighton MP Streetscape Enhancements	34	78	44	224	1,984	15.38%	1,760	1,760	-
traffic signals renewals FY18	767	966	199	2,588	2,489	29.64%	(99)	-	(99)
Retaining wall ex Scirt 11260 Stonehaven	4	-	(4)	400	399	0.98%	-	-	-
Bridge Renewals - FY2018	237	239	1	682	689	34.80%	7	-	7
New Retaining Walls FY2018	744	963	219	1,329	1,330	55.98%	1	-	1
Landscaping Renewals FY2018	-	-	-	273	273	0.00%	-	-	-
Road Lighting Reactive Renewals FY2018	68	80	12	288	288	23.48%	-	-	-
Road Lighting Safety FY2018	5	55	51	336	337	1.39%	1	-	1
Enliven Places CCC led Projects	224	155	(70)	403	414	55.60%	11	-	11
Road Lighting Renewals FY2018	874	1,572	698	7,173	7,173	12.19%	-	-	-
Drainage - Rural	373	-	(373)	717	420	52.03%	(297)	(297)	-
Route Imprvmt: Worsley Rd (Dalweny) Holm	500	-	(500)	713	677	70.05%	(36)	-	(36)
Culvert Improvement: Blakes Road	28	10	(18)	445	438	6.28%	(7)	-	(7)
Tram Extension - High Street	36	74	37	663	74	5.46%	(590)	(590)	-
Traffic signs & markings installations	103	10	(93)	305	305	33.77%	-	-	-
Minor Road Safety Improvements	427	75	(352)	1,355	1,355	31.52%	-	-	-
Breens Rd/Gardiners Rd/Harewood Rd Inter	19	-	(19)	302	300	6.41%	(2)	-	(2)
R102 Pages Road Bridge	2	212	210	389	389	0.51%	-	-	-
AAC Antigua Street (St Asaph-Moorhouse)	15	124	109	393	394	3.84%	1	-	1
AAC Colombo Street (Bealey-Kilmore)	7	-	(7)	400	400	1.71%	-	-	-
AAC High Street (Manchester-St Asaph)	50	75	25	196	348	25.30%	152	152	-
Stapletons Rd (Averil to Dudley)	454	291	(164)	1,622	1,222	28.01%	(400)	-	(400)
Randall St (North Parade to Petrie)	80	220	141	1,358	1,358	5.88%	-	-	-
Petrie St (Randal to #74)	156	189	33	759	759	20.60%	-	-	-
Road Lighting Renewals delivery project	-	-	-	300	300	0.00%	-	-	-
Balance of Programme	2,468	2,277	(191)	6,588	6,490	37.46%	(97)	247	(344)
Roads & Footpaths Total	38,912	41,139	2,226	92,160	115,578	42.22%	23,418	24,530	(1,111)
Stormwater Drainage									
>\$250k									
Lyttelton Brick Barrels	68	205	137	180	724	38.04%	544	544	-
Pump Station 601 Drain, 28 Cressy Terrac	18	107	88	233	266	7.83%	34	-	34
Dudley Creek	780	580	(200)	1,895	1,408	41.16%	(487)	-	(487)
Matuku Waterway	249	238	(11)	886	967	28.09%	81	81	-
City Wide Modelling	188	475	287	535	1,018	35.22%	484	484	-
Upper Heathcote Storage	1,077	3,274	2,197	3,622	3,291	29.75%	(331)	(331)	-
Estuary Drain	24	50	26	321	942	7.43%	621	621	-
Bells Creek	2,447	2,122	(325)	2,635	2,154	92.85%	(482)	(449)	(32)
LDRP 503 Cranford Basin Active Managemen	685	630	(55)	872	970	78.55%	98	98	-
Temporary stop bank management	389	629	240	629	629	61.87%	-	-	-
Knights Drain - Stage 2	172	403	231	300	529	57.42%	229	229	-
LDRP517 - Flood Intervention	2,484	1,571	(912)	3,352	2,623	74.10%	(728)	(667)	(62)
LDRP 513 PS205	178	210	32	604	729	29.38%	124	124	-
Linwood Canal and Cuthberts Drain South	38	430	392	169	734	22.15%	565	565	-

Attachment B - Significant Capital Projects

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
LDRP 520 Wigram East Retention Basin	664	1,427	763	2,662	3,019	24.95%	357	357	-
SW non-return valve renewal FY18/19	119	148	29	122	257	97.14%	135	135	-
Dudley Creek tributaries	33	350	317	233	700	14.10%	467	-	467
Canal Reserve Drain, Prestons Rd to QEII	45	127	82	149	316	29.80%	167	167	-
CBD South of Avon River SW Pipe Renewals	2	141	139	274	352	0.57%	78	78	-
Jacksons Creek BB renewal near Selwyn St	80	92	12	906	231	8.88%	(674)	(674)	-
ManchesterSt Drain DN750BB Renew-PchsBly	5	112	107	196	280	2.57%	84	83	1
Natural Waterways Rolling Delivery Packa	13	112	99	213	279	5.87%	66	50	16
Balance of Programme	580	1,556	976	2,092	3,125	27.75%	1,033	431	602
Stormwater Drainage Total	10,337	14,989	4,652	23,080	25,545	44.79%	2,466	1,926	540
Strategic Planning & Policy									
>\$250k									
Urban Renewal	19	39	20	326	325	5.80%	-	-	-
Smart City	152	260	108	632	605	24.04%	(26)	-	(26)
Strategic Planning & Policy Total	171	299	128	958	931	17.83%	(27)	-	(27)
Transportation									
>\$250k									
MCR Rapanui - Shag Rock Section 1	231	90	(141)	515	555	44.92%	40	-	40
MCR Quarryman's Trail - Section 1	1,512	910	(602)	1,682	2,074	89.87%	392	-	392
MCR Northern Line Cycleway - Section 1a	12	6	(6)	23	323	54.70%	300	292	8
MCR Heathcote Expressway - Section 1	3,040	4,590	1,550	4,668	4,841	65.11%	173	-	173
MCR Nor'West Arc - Section 1	52	100	48	548	564	9.45%	16	-	16
MCR Uni-Cycle - Section 3	200	481	280	325	522	61.60%	197	-	197
MCR Papanui Parallel - Section 2	76	394	318	463	463	16.39%	-	-	-
PT Facilities : Northlands Hub	102	39	(63)	321	1,068	31.59%	746	746	-
Section 2 - Aldwins Road to Dyers Road	433	214	(220)	438	414	98.86%	(25)	-	(25)
Orbiter PT Route: Ensors Rd PT Priority	-	12	12	6	431	0.00%	425	-	425
Palms PT Facilities	4	274	269	271	274	1.65%	2	-	2
Orbiter PT Route-Riccarton to Northwest	-	-	-	410	410	0.00%	-	-	-
Bus Interchange - Riccarton	943	285	(657)	3,057	1,910	30.83%	(1,148)	(1,148)	-
Coastal Pathway	840	1,136	296	5,460	1,136	15.38%	(4,324)	(4,324)	-
Core PT Route & Facilities: South-West L	37	-	(37)	199	733	18.52%	534	421	113
Section 3 -Dyers Rd to Ferry Road Bridge	100	9	(91)	215	626	46.56%	411	411	-
bus shelter renewals FY18	40	-	(40)	489	491	8.11%	3	-	3
PT Bus Priority Electronic Installations	-	-	-	514	514	0.00%	-	-	-
MCR Heathcote Expressway-Section1A-Ferry	2	912	910	2,994	4,413	0.08%	1,419	1,387	32
Core PT Route & Facilities: North (Papan	-	116	116	-	271	0.00%	271	271	-
Section 2 - Hoon Hay Road to Halswell	141	825	684	3,763	3,250	3.75%	(513)	(513)	-
Public Transport Stops, Shelters and Sea	92	60	(32)	498	503	18.44%	4	-	4
Transport Interchange (& 4 suburban)	-	-	-	22,922	22,933	0.00%	11	-	11
Parking Replacement Capex	-	-	-	-	1,375	0.00%	1,375	1,375	-
The Square (Facilities Rebuild)	55	360	305	513	1,042	10.73%	529	506	23
Cycle facilities and connection improvmt	7	-	(7)	774	778	0.86%	4	-	4
Linwood/Eastgate Public Transport Hub Pa	-	-	-	277	277	0.00%	-	-	-
Balance of Programme	177	177	(0)	1,693	1,746	10.46%	53	198	(146)
Transportation Total	8,096	10,988	2,892	53,041	53,935	15.26%	894	(378)	1,272
Wastewater									
>\$250k									
WW Riccarton Trunk Main Project	1,468	2,070	602	2,648	3,601	55.44%	953	953	-
WW Akaroa WWTP Improvements	1,207	200	(1,007)	1,400	200	86.19%	(1,200)	(951)	(249)
WW Lyttelton Harbour WWTP	15,571	12,396	(3,176)	22,092	12,396	70.49%	(9,696)	(9,696)	-
WW SE Halswell Sewer	32	249	217	138	283	22.97%	144	144	-
WW EQ Legacy Lateral Renewals	1,585	1,342	(244)	1,913	1,732	82.89%	(181)	(181)	-
WW Treatment Plant Reactive Renewals	390	72	(318)	367	180	106.38%	(187)	-	(187)
Whero Ave WW Retic - Diamond Harbour	40	307	267	846	307	4.72%	(540)	(536)	(3)
WW Colombo St Trunk Main	2,380	2,538	158	4,287	2,746	55.52%	(1,541)	(1,541)	-
WW Riccarton Interceptor - Avonhead Road	1	-	(1)	1	301	145.45%	300	300	-
WW Highfield Connection to Northcote	977	1,380	403	1,445	1,844	67.62%	399	399	-
WW Mains Renewal Akaroa Foreshore North	7	-	(7)	907	1,239	0.81%	332	332	-
WW Mains Renewal -Peacocks Gallop Sumner	2	160	158	2	271	100.00%	270	270	-
CWTP EQ Occupied Buildings	114	1,340	1,226	1,050	3,878	10.89%	2,828	2,828	-
CWTP EQ Channels Restoration	1,118	2,100	982	2,100	2,100	53.24%	-	-	-
CWTP EQ Biosolids Holding Tank Replaceme	72	160	88	1,041	1,044	6.90%	3	-	3
WW Red Zone Servicing	23	400	377	380	480	6.13%	100	100	-
WW Riccarton Road - Harakeke to Matipo	30	-	(30)	332	332	9.13%	-	-	-
WW Mains Renewal - Forest Dr	225	150	(75)	208	299	108.32%	91	-	91
WW Vacuum System Monitoring Equipment	131	141	9	605	605	21.66%	-	-	-
Digester 5 & 6 Roof Membrane	8	6	(2)	430	441	1.75%	10	-	10
Northern Toe Drain Pump Station	26	149	124	373	374	6.94%	-	-	-
WW Mains Renew-Tuam St Brick Barrel Liv	382	717	334	2,003	2,752	19.09%	749	749	-
WW Mains Renew-Cashmere Rd-Penruddock Rs	566	300	(266)	128	688	441.78%	560	560	-
CWTP Lagoon 3	6	1,550	1,544	2,217	2,221	0.26%	4	-	4
SCIRT 11230 Delayed Pressure Tank Instal	374	270	(104)	492	662	75.89%	170	170	-
SCIRT 11257 Hay Street WW	-	148	148	174	252	0.00%	78	78	-
WW Automatic Air Admittance System	399	590	192	745	591	53.49%	(154)	-	(154)
Gravity Belt Thickeners Renewal	15	71	56	401	405	3.86%	3	-	3
WW Belfast PS62 Capacity Upgrade Stage 2	-	-	-	90	350	0.00%	260	260	-

Attachment B - Significant Capital Projects

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
CWTP MLCG Renewal	66	186	120	465	465	14.13%	-	-	-
WW Reactive Manhole Renew-KilmoreSt Siph	73	47	(26)	73	509	100.00%	436	436	-
WW Pump & Storage MEICA Renewals FY2019	57	15	(42)	710	1,101	8.05%	390	390	-
Odour Control at Olliviers Reserve	68	100	32	231	250	29.56%	19	-	19
WW Mains Renewal – Tilford St / Bute St	75	264	189	1,133	1,899	6.64%	766	766	-
WW Mains Renewal - Compton St - Frensham	24	129	106	686	794	3.43%	107	107	-
WW Mains Renewal - Mackworth St- Matlock	14	228	214	1,428	2,020	1.00%	591	591	-
WW Mains Renewal – Hay St – Linwood Ave	17	180	163	594	1,346	2.84%	752	752	-
WW Mains Renewal – Jollie St – Butterfie	4	131	128	1,401	1,528	0.26%	127	127	-
WW Mains Renewal – Ripon St	9	63	53	1,281	1,334	0.72%	53	53	-
WW Mains Renewal – Aylesford St - Speigh	26	253	227	1,493	1,741	1.75%	247	247	-
WW Mains Renewal – Flockton St	40	111	70	761	856	5.32%	95	95	-
WW CWTP Network Fibre Ring Renewal	-	128	128	319	320	0.07%	1	-	1
WW CWTP Oxidation Ponds Renewals	66	180	114	449	450	14.67%	1	-	1
WW CWTP Mechanical Renewals FY19	37	327	291	819	819	4.49%	-	-	-
WW Mains Renewal - Barbadoes St, Cannon	-	108	108	238	270	0.00%	32	-	32
WW CWTP Digesters 1-6 Controls Renewal	5	123	118	307	308	1.69%	-	-	-
WW CWTP Ponds Midge Control	213	120	(93)	299	300	71.24%	1	-	1
WW Wet Weather Wastewater Model Construc	269	434	165	619	485	43.46%	(134)	-	(134)
Balance of Programme	1,897	3,047	1,150	5,578	6,283	34.01%	706	576	129
Wastewater Total	30,110	34,980	4,870	67,700	65,649	44.48%	(2,051)	(1,620)	(432)
Water Supply									
>\$250k									
WS New Connections	606	1,086	479	1,515	1,086	40.00%	(430)	-	(430)
Water Supply - Reactive Renewals	2	271	270	2	678	100.00%	676	676	-
Grampian PS well replacement project	321	190	(131)	538	570	59.55%	31	31	-
Wrights Pump station Well Renewal	56	90	34	841	566	6.63%	(275)	(284)	9
Avonhead PS well replacement	92	265	173	250	829	36.97%	579	579	-
WS Duvauchelle DWSNZ upgrade Stage 2	56	92	37	307	307	18.13%	-	-	-
WS Gardiners New Pump Station	175	300	125	272	437	64.18%	165	165	-
Ch Ch Water Submain Renewals - Package C	933	550	(383)	869	729	107.32%	(140)	-	(140)
WS Pump Station MEICA R&R for FY16-18	33	-	(33)	33	737	100.73%	704	704	-
CCPwPS1076 - Jeffreys Suction Tank Repla	62	40	(22)	278	509	22.15%	231	231	-
WS Ben Rarere Pump Station - Bexley EQ R	601	200	(401)	939	1,136	63.95%	196	132	64
WS Riccarton Road - Harakeke to Matipo	24	663	639	847	847	2.86%	-	-	-
WS Mairehau Rd & McBratneys Rd Renewal	190	622	432	521	756	36.44%	235	235	-
WS Kilmarnock St and Withells Rd Renewal	583	602	20	770	1,042	75.66%	272	272	-
WS Cannon Hill Cresc, Michael Av Renewal	960	38	(921)	1,261	38	76.13%	(1,222)	(1,222)	-
WS Governors Bay & Sumner Rd Renewal	325	352	26	875	882	37.17%	7	-	7
WS Trafford St,Le Roi Way,Dulcie Renewal	148	394	246	801	1,319	18.44%	518	518	-
WS Guildford St, Wayside Ave Renewal	544	387	(157)	1,021	1,068	53.33%	48	-	48
WS Pump & Storage MEICA Renewals FY19	212	5	(207)	1,075	589	19.68%	(486)	(486)	-
WS Highfield Water Supply Mains	1,229	104	(1,124)	1,105	104	111.23%	(1,000)	(1,000)	-
WS Headworks Backflow Prevention	-	-	-	-	250	0.00%	250	250	-
WS Christchurch Well Head Security	1,641	1,532	(109)	1,484	1,532	110.61%	48	-	48
WS Christchurch Temporary Chlorination	2,002	2,352	350	2,302	2,354	86.97%	52	-	52
WS Mains Renewal - Halswell Junction Rd	30	652	622	509	832	5.84%	323	323	-
WS Mains Renewal - Leacroft St & Grahams	115	585	470	1,152	1,320	10.01%	169	169	-
WS Mains Renewal - Weka St and Makora St	-	13	13	825	841	0.00%	16	-	16
WS Submains Renewal - Wainoni Rd	146	100	(46)	70	251	208.52%	181	181	-
WS Hays 2 Reservoir Renewal	-	100	100	125	250	0.00%	125	125	-
WS Well Renewal - Grassmere Well 1	15	400	385	19	1,000	79.34%	981	982	-
WS Well Renewal - Mays Well 3	29	400	371	150	1,000	19.24%	850	828	22
WHSIP -Well Head Security Improvmnt Prog	311	-	(311)	239	-	129.85%	(239)	-	(239)
WS Grampian - Well Head Conversion	94	140	46	276	350	34.07%	74	-	74
WS Grassmere -Well Head Conversion	-	280	280	476	700	0.00%	224	224	-
WS Burnside - Well Head Conversion	80	140	60	281	350	28.58%	69	69	-
WS Hills - Well Head Conversion	199	140	(59)	296	350	67.14%	54	54	-
WS Mays - Well Head Conversion	-	280	280	622	700	0.00%	78	78	-
WS Farrington - Well Head Conversion	44	140	96	281	350	15.83%	69	-	69
WS Kainga - Well Head Conversion	474	140	(334)	324	350	146.16%	26	-	26
WS Main Pumps UV Treatment	134	500	366	1,447	1,250	9.24%	(197)	(197)	-
WS Suction Tank/Reservoir Roof Repairs	-	269	269	673	673	0.00%	-	-	-
WS Sydenham Suction Tank Replacement	18	182	164	49	455	35.69%	405	405	-
WS Communications Upgrade Works	-	139	139	-	348	0.00%	348	348	-
WS Trafalgar - Well Head Conversion	-	-	-	440	440	0.00%	-	-	-
WS Lake Terrace - Well Head Conversion	-	-	-	300	300	0.00%	-	-	-
WS Brooklands - Well Head Conversion	24	-	(24)	302	300	8.10%	(2)	-	(2)
WS Denton - Well Head Conversion	42	-	(42)	1,011	1,080	4.12%	69	-	69
WS Dunbars - Well Head Conversion	8	130	122	811	880	0.93%	69	-	69
WS Prestons Additional Well Development	4	-	(4)	850	92	0.45%	(758)	(758)	-
Balance of Programme	359	1,245	886	3,701	3,566	9.71%	(135)	(590)	455
Water Supply Total	12,918	16,112	3,194	33,136	36,391	38.99%	3,256	3,040	216
Corporate Capital									
>\$250k									
Technology Systems R&R Programme	-	59	59	4,581	4,620	0.00%	39	-	39
IM&CT Equipment Renewals and Replacement	645	670	25	1,682	1,901	38.32%	219	-	219
Business Technology Solutions Programme	-	143	143	3,011	1,711	0.00%	(1,300)	-	(1,300)
Continuous Improvement Technology Pgm	-	3	3	213	717	0.00%	504	-	504

Attachment B - Significant Capital Projects

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Fleet and Plant Asset Purchases	153	500	347	781	781	19.52%	-	-	-
Corporate Property R&R	318	580	262	1,041	1,048	30.56%	7	-	7
My Council Request Management	6,480	6,502	22	6,480	6,502	100.01%	23	-	23
Aerial Photography	-	-	-	250	250	0.00%	-	-	-
Health and Safety Management	330	558	229	875	1,142	37.67%	267	230	37
Land Purchase - Mass Movement Remediation	368	1,084	716	1,092	1,092	33.73%	1	-	1
FRP Community Fac Tranche I Budget Only	-	-	-	-	2,588	0.00%	2,588	2,449	139
Capital Budget Items	-	390	390	-	-	0.00%	-	-	-
Energy Efficiency Projects (Budget only)	-	-	-	-	350	0.00%	350	350	-
Town Hall Rebuild Equity	19,231	24,847	5,616	42,031	32,416	45.75%	(9,615)	-	(9,615)
Performing Arts Precinct	-	-	-	-	12,109	0.00%	12,109	12,109	-
SAP Cloud Migration	928	983	54	936	1,153	99.24%	218	-	218
Community Fac Tranche II Budget Only	-	-	-	-	2,509	0.00%	2,509	2,509	-
Trade Waste Management System Replacement	394	613	220	787	815	50.00%	28	-	28
Digital Heritage Repository and Presentation	47	419	372	393	421	11.93%	28	-	28
Digital Network Design and Remediation	167	364	197	574	574	29.04%	-	-	-
SAP Cloud Platform Transformation	1,185	938	(247)	1,875	1,875	63.19%	-	-	-
My Council Request Invoicing	302	286	(16)	315	309	96.12%	(6)	-	(6)
Spatial Prog - Leadership and Governance	297	300	3	600	600	49.48%	-	-	-
Advancing Asset Management IT Bundle FY19	308	200	(108)	500	500	61.53%	-	-	-
Pages Road Depot - Buildings	-	5	5	-	256	0.00%	256	256	-
Corporate Investments	33,000	32,385	(615)	45,284	45,284	72.87%	-	-	-
My Council Request Enhancement Bundle 19	105	93	(12)	700	700	14.97%	-	-	-
Balance of Programme	1,652	2,872	1,220	3,348	3,923	49.35%	575	263	312
Corporate Capital Total	65,908	74,794	8,885	117,347	126,147	56.17%	8,800	18,165	(9,365)
Strategic Land Acquisitions									
>\$250k									
Strategic Land Acquisitions	2,383	-	(2,383)	7,449	26,395	31.99%	18,945	18,945	-
SLP Land Value Offset	-	-	-	(8,327)	(11,241)	0.00%	(2,914)	(2,913)	(1)
Strategic Land Acquisitions Total	2,383	-	(2,383)	(878)	15,154	-271.49%	16,032	16,033	(1)
Grand Total	236,627	267,494	30,867	544,439	616,914	43.46%	72,476	77,624	(5,149)

Attachment C - Special Funds

\$000's	Year to Date Results			Forecast Year End Results			After Carry Forwards	
	Act/YTD	Plan/YTD	Variance	Forecast	Plan Year	Variance	Carry Fwd	Variance
Housing - Normal Operations								
1 July Opening Balance	8,924	8,924	-	8,924	8,924	-	-	-
Income	7,597	7,195	402	15,000	14,371	628	-	628
Operating Expenditure	(6,546)	(7,225)	679	(12,495)	(12,435)	(60)	-	(60)
Capital expenditure	(317)	(654)	337	(1,120)	(1,820)	700	700	-
Loan principal repayments	-	-	-	-	-	-	-	-
Interest on fund balance	80	57	23	163	114	49	-	49
Balance	9,738	8,296	1,442	10,471	9,154	1,317	700	617
Housing - Earthquake								
1 July Opening Balance	16,707	16,707	-	16,707	16,707	-	-	-
Response costs & repairs	(2,116)	(4,341)	2,225	(8,132)	(9,132)	1,000	1,000	-
Response recoveries	-	-	-	-	-	-	-	-
Rebuild expenditure	(676)	(1,821)	1,144	(2,304)	(4,116)	1,812	1,591	221
Rebuild insurance recoveries	407	-	407	407	-	407	-	407
Interest on fund balance	136	107	29	228	214	14	-	14
Balance	14,458	10,652	3,806	6,907	3,673	3,234	2,591	643
Capital Endowment Fund - Capital								
1 July Opening Balance	104,208	104,208	-	104,208	104,208	-	-	-
Less: Expenditure	-	-	-	(285)	(285)	-	-	-
Participatory Democracy Project	-	-	-	(285)	(285)	-	-	-
Balance	104,208	104,208	-	103,923	103,923	-	-	-
Capital Endowment Fund - Income Distribution								
1 July Opening Balance	316	316	-	316	316	-	-	-
Income	1,798	1,828	(30)	3,586	3,626	(40)	-	(40)
Returned funds	22	-	22	22	-	22	-	22
Less: Expenditure	-	-	-	-	-	-	-	-
Christchurch NZ	(1,669)	(1,669)	-	(2,439)	(2,439)	-	-	-
Innovation and sustainability grants	(218)	(246)	29	(446)	(446)	-	-	-
St Peter's Anglican Church	-	-	-	(150)	(150)	-	-	-
Outreach Worker - Chch City Mission	(70)	(70)	-	(70)	(70)	-	-	-
Healthier Homes Canterbury	-	(28)	28	(55)	(55)	-	-	-
Enviroschools	(50)	-	(50)	(50)	(50)	-	-	-
Events Seeding Fund	-	(25)	25	(50)	(50)	-	-	-
Street Outreach Worker	(40)	(40)	-	(40)	(40)	-	-	-
Unallocated funds	-	-	-	(642)	(642)	-	-	-
Balance	89	66	23	(18)	-	(18)	-	(18)
Funds available for allocation	-	-	-	625	-	-	-	-
Earthquake Mayoral Relief Fund								
1 July Opening Balance	10	10	-	10	10	-	-	-
Contributions	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Balance	10	10	-	10	10	-	-	-

12. Performance Reporting for December 2018

Reference: 19/68733

Presenter(s): Peter Ryan, Head of Performance Management

1. Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to note an update on LTP level of service performance for December 2018.

2. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Receive the information in the monthly Level of Service Exceptions report for December 2018.

3. Key Points

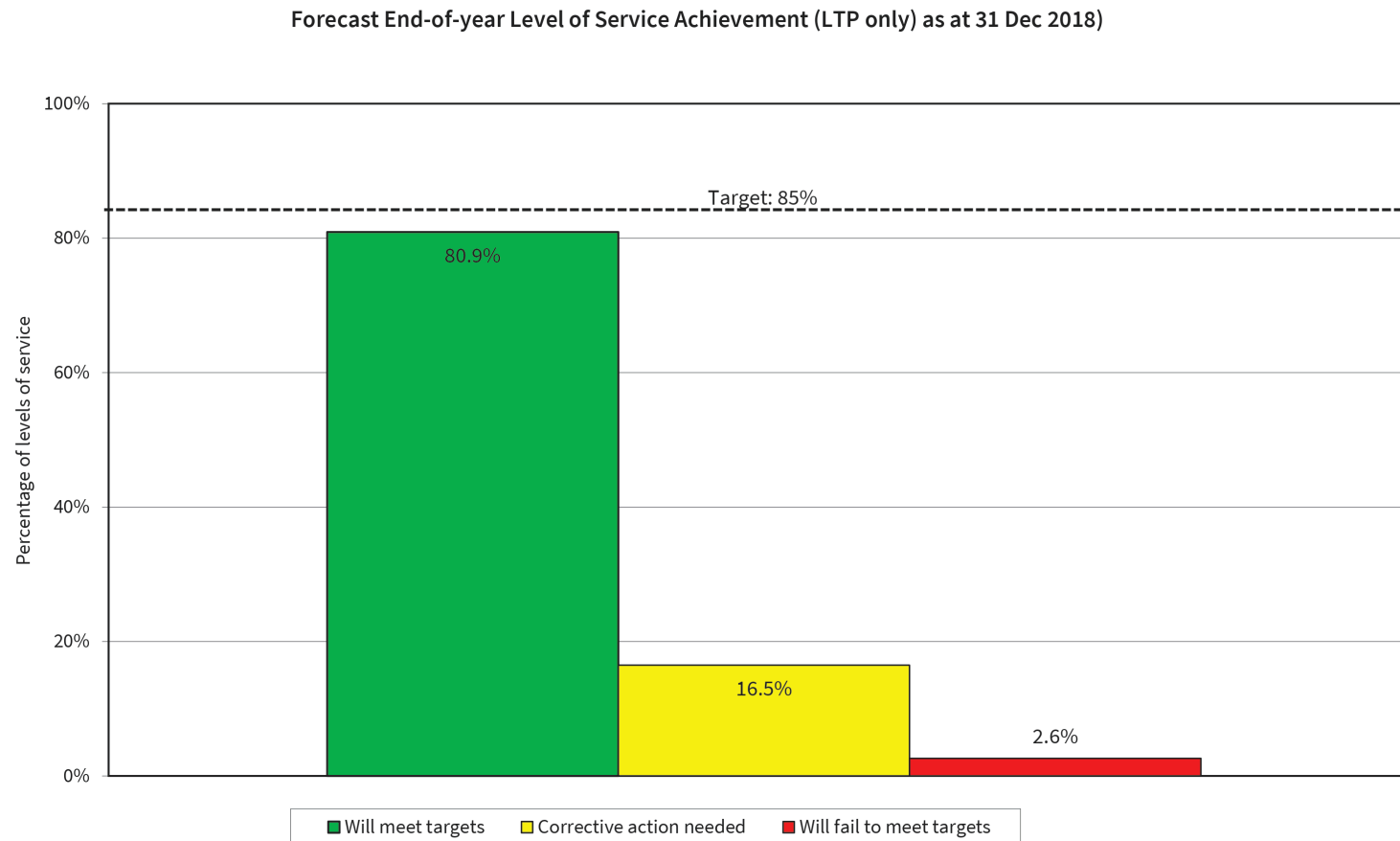
- 3.1 Staff forecasts as at 31 December 2018 (**Attachment A**) indicate a LTP level of service achievement of 80.9%.
- 3.2 Individual LTP level of service exceptions are set out in **Attachment B**.

Attachments

No.	Title	Page
A ↓	LTP Level of Service Forecast Delivery Graph December 2018	70
B ↓	Level of Service Exceptions, Forecast Period Ending 31 December 2018	71

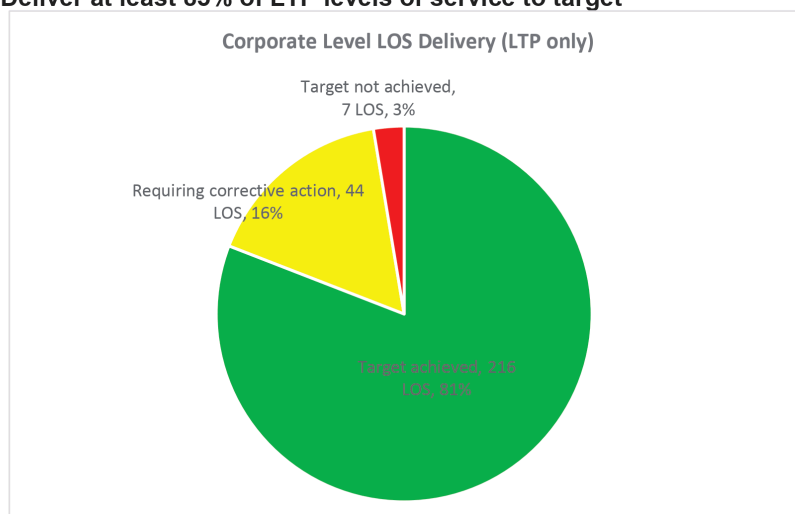
Signatories

Authors	Monika De Neef - Senior Business Analyst Lerks Stedman - Performance Analyst - PL
Approved By	Peter Ryan - Head of Performance Management Carol Bellette - General Manager Finance and Commercial (CFO)



Level of Service Exceptions
Forecast Period Ending: 31 Dec 2018

LTP: Deliver at least 85% of LTP levels of service to target



Levels of service which are forecast to fail to meet target

City Services

Three Waters And Waste

Measure: LTP18: 12.0.2.10 Council water supplies are safe to drink.
Target: Proportion of urban residents supplied water compliant with the DWSNZ protozoal compliance criteria: $\geq 79\%$.
Actual: 0%
Comments: The current percentage is 0%. This is due to all urban water supplies losing the 'secure groundwater' status on 22 December 2017. Refer to Trim spreadsheet 12/810590.
Remedial Action: Complete Northwest well drilling programme. Remediate below ground wellheads (bore water security criterion 2). Commence investigative work to re-confirm groundwater security (bore water security criterion 1). Install UV treatment at sites where deep wells are not feasible (Main Pumps, no deep aquifer present at this location).

Measure: LTP18: 12.0.6 Council water supply networks and operations demonstrate environmental stewardship.
Target: Percentage of real water loss from Council's water supply network: $\leq 15.0\%$
Actual: 18.40%
Comments: The actual is approximately 18.4% (17.9% in the city, 36.2% on Banks Peninsula). Leak detection contract 4600002119 in place with Detection Services South Island Ltd who measure the nightflow in 40 of the approx. 200 water loss zones and carry out leak detection in 20 zones each year. The % loss is expected to rise significantly as more areas of the city are tested. Please note that using % leakage as a performance indicator – a mandatory DIA performance indicator – is not recommended in the Water NZ water loss guidelines.
Remedial Action: Continue with the water loss reduction programme as planned and budgeted. Continue with water main and submain replacement programme (i.e. the programme that asset management staff recommended, not the cut down version) to ensure pipes that have reached the end of their life or that are prone to leaking / failing are replaced. Long-term, implement more water loss monitoring systems as part of the water supply rezoning.

Measure:	LTP18: 12.0.2.8 Council water supplies are safe to drink.
Target:	Proportion of rural residents supplied water compliant with the DWSNZ protozoal compliance criteria: $\geq 8.5\%$.
Actual:	0%
Comments:	The current percentage is 0%. While most of the rural water treatment plants have been upgraded there are currently no operational and compliance reports available (via SCADA) that confirm that the treatment plants operate and treat the water in accordance with the parameters set out in the DWSNZ. Wainui which was compliant has now lost the 'secure groundwater' status due to an unsecure wellhead. Refer to Trim spreadsheet 12/810590.
Remedial Action:	A working group was set up in mid-2017 to address this issue and necessary changes are being made to monitoring equipment and SCADA programming that will enable these reports. Water Outlook has prepared draft reports which are currently being reviewed by Council staff. Once the WO reports are finalised 12 months data is required before grading can be undertaken.
<hr/>	
Measure:	LTP18: 12.0.1.2 Council operates water supplies in a reliable and responsive manner.
Target:	Number of unplanned interruptions per 1,000 properties served per year: ≤ 16 .
Actual:	16.66
Comments:	There has been an increase of 35% of leaks reported in the first 4 months of this FY. Therefore, we have not met the target of 16.
Remedial Action:	Continue to monitor root cause of the increase, with one potential cause being the introduction of chlorine to the system.
<hr/>	
Measure:	LTP18: 12.0.1.7 Council operates water supplies in a reliable and responsive manner.
Target:	Number of continuity of supply complaints per 1,000 properties served per year: ≤ 2 .
Actual:	6.92
Comments:	Will not meet target. Currently 6.92. The across board increase in water leaks and water call outs of all kinds is the key driver here. There is anecdotal evidence that increased operation of water supply pump stations and the introduction of chlorine is a primary cause. There are also a significant number of 'contractor damage' incidents due to the increase in new builds and rebuilds across the city.
Remedial Action:	Discussions have been held with Well Head Security and temporary chlorination projects to look for ways to reduce the number of unwarranted pump START/STOPS, as well as optimising the amount of chlorine being introduced into the network.
<hr/>	

Transport

Measure: LTP18: 10.0.38 Maintain the number of private vehicle trips at current levels.
Target: 54 million to 58 million (less than) +/-3%
Comments: One of the important goals of the LTP is to "maintain the number of private vehicle trips at current levels". The total number of trips (by all modes) has a direct correlation to population. Considering the population growth in the region a growth in the total number of trips on the network is inevitable. Currently commuter trips cannot be distinguished from the available data, however given the assumption that trip numbers have grown by the same amount as population growth. This target is not likely to have been met. At this point in the year this is an assumption as previous methods of measurement were based on the MOT Annual Household Travel Survey. MOT has changed the survey methodology for the 2015-2017 survey and again in 2018. These have had a small and unreliable sample size since 2015 and do not differentiate between general and commuter travel. It is suggested a more appropriate outcome for this LOS is that there is a similar or slower growth in the average number of daily vehicle trips compared to the population growth for a similar period.

Remedial Action: Given the difficulty in measuring this LOS a new method of measurement is proposed. This will be based on the following: Variations of vehicle traffic growth to population growth as an indication of modal share at similar or lower growth levels. Population figures would be sourced from Stats NZ. The number of daily trips would be extracted from the loop counters for a sample of 10 representative intersections. This would compare growth in vehicle numbers with population changes. Use the new MOT data following the release of the new census data.

Measure: LTP18: 10.0.39 Maintain the number of private vehicle trips at current levels.
Target: 280 million to 298 million (less than +/-3%
Comments: One of the important goals of the LTP is to "maintain the number of private vehicle trips at current levels". The total number of trips (by all modes) has a direct correlation to population. Considering the population growth in the region a growth in the total number of trips on the network is inevitable. By assuming that the total number of trips has grown at the same rate as population growth (7.6%), then the number of all purpose vehicle trips would be 311 million. At this point in the year this is an assumption as previous methods of measurement were based on the MOT Annual Household Travel Survey. MOT has changed the survey methodology for the 2015-2017 survey and again in 2018. These have had a small and unreliable sample size since 2015 and do not differentiate between general and commuter travel. It is suggested a more appropriate outcome for this LOS is that there is a similar or slower growth in the average number of daily vehicle trips compared to the population growth for a similar period.

Remedial Action: Given the difficulty in measuring this LOS a new method of measurement is proposed. This will be based on the following: Variations of vehicle traffic growth to population growth as an indication of modal share at similar or lower growth levels. Population figures would be sourced from Stats NZ. The number of daily trips would be extracted from the loop counters for a sample of 10 representative intersections. This would compare growth in vehicle numbers with population changes. Use the new MOT data following the release of the new census data.

Levels of service for which intervention is required to meet target

City Services

Three Waters And Waste

Measure:	LTP18: 11.0.1.9 Council wastewater services are reliable.
Target:	Number of wastewater system fault complaints per 1,000 properties connected to the wastewater network per year: <= 0.6.
Actual:	0.56
Comments:	This goal requires clarification. It is assumed to be related to Pressure Wastewater System, and there is a risk of this target not being met. The lack of a formal contract between CCC and property owners means that there few enforcement options available for repeat offenders (i.e. flushing objects down the toilet that the PWW system struggles to cope with).
Remedial Action:	Council to review the option of enforcing the current wastewater by-laws that prohibits certain objects/materials from being flushed down the toilet. This may entail drawing up a formal contract between Council and property owners.
<hr/>	
Measure:	LTP18: 11.0.6.4 Council wastewater services are responsive.
Target:	Number of complaints regarding Council's response to issues with the Council wastewater system per 1,000 properties connected to the wastewater network per year: <= 0.1.
Comments:	This is a new metric, and how and where is data is being collected and stored is under review. Currently set as Amber due to lack of information.
Remedial Action:	Request data from appropriate Council team.
<hr/>	
Measure:	LTP18: 11.1.2.2 Council disposes of wastewater in a responsible manner.
Target:	Number of convictions regarding Council resource consents related to discharges from the wastewater systems per year: 0.
Actual:	0
Comments:	No convictions to date.
Remedial Action:	Maintain vigilant oversight of maintenance activities to minimise risk of wastewater spills and overflows.
<hr/>	
Measure:	LTP18: 11.1.2.3 Council disposes of wastewater in a responsible manner.
Target:	Number of enforcement orders regarding Council resource consents related to discharges from wastewater systems per year: 0
Actual:	0
Comments:	No enforcement notices to date.
Remedial Action:	Maintain vigilant oversight of maintenance activities to minimise risk of wastewater spills and overflows.
<hr/>	
Measure:	LTP18: 12.0.1.15 Council operates water supplies in a reliable and responsive manner.
Target:	Number of complaints regarding Council's response to complaints about drinking water taste, odour, pressure or flow, or continuity of supply per 1,000 properties connected to the Council's water supply system per year: <= 0.6.
Comments:	Data not yet available and needs sourcing.
Remedial Action:	Discuss with Technical Services team, who manage private property service issues.
<hr/>	
Measure:	LTP18: 12.0.2.15 Council provides high quality drinking water. Taste
Target:	Number of water taste complaints per 1,000 connections per year: <= 0.5
Comments:	Actual and YTD information can't be provided yet. Work is in progress to be able to extract data from the Hybris system.
Remedial Action:	Well head improvement programme will assist in achieving the target over the coming years.
<hr/>	

Measure:	LTP18: 12.0.2.19 Council provides high quality drinking water.
Target:	Proportion of residents satisfied with the quality of Council water supplies: $\geq 65\%$
Comments:	Unclear if we will meet this goal due to the introduction of chlorine. There is also pressure on the Opex budget, and any significant reduction in planned and unplanned maintenance could negatively impact on customer satisfaction. An Opex spend review is underway, with containment options and LoS impact assessments included.
Remedial Action:	Reduce / remove chlorine from the system, and present Opex spend options to GM CS and ELT for decision
<hr/>	
Measure:	LTP18: 12.0.2.2 Council water supplies are safe to drink.
Target:	Number of highest risk properties assessed and required to install backflow prevention devices each year: ≥ 100 .
Comments:	Training new colleagues to take over target
<hr/>	
Measure:	LTP18: 14.0.11.2 Stormwater network is managed to minimise risk of flooding, damage and disruption.
Target:	The number of flooding events that occur: < 2
Actual:	0
Comments:	No 'above floor' flooding event since July 2017, although wet weather response plan was activated several times in 2017/18 in anticipation of possible flooding events. No wet weather events yet in 2018/19.
Remedial Action:	Continue with delivery of Land Drainage Recovery Programme and improving operational maintenance to reduce risk of further flooding events.
<hr/>	
Measure:	LTP18: 14.0.3 Council manages the stormwater network in a responsible and sustainable manner.
Target:	Proportion of residents satisfied with the management of Council stormwater systems to ensure flood risk is minimised: $\geq 37\%$
Comments:	2018 Residents Satisfaction Survey result was 35%, but with generic wording of 'customer satisfaction with Stormwater Drainage Management'. This was difficult to measure. This new LTP LOS 14.0.3 has been introduced, adding the specific words 'to ensure flood risk is minimised'. An increase to above 37% is believed to be achievable, particularly with bank 'no-mow' trial being adapted to 'minimal cut zone' approach, and other work to improve waterway appearance and reduce flood risk - particularly for the Heathcote. New results are to be expected from the 2018-19 Residents Satisfaction Survey by May/June 2019.
Remedial Action:	Continue with 'minimal cut zone' approach to bank maintenance to improve appearance without compromising ecological benefits. Fast-tracking dredging work in the Heathcote river with associated bank landscaping, and the bank stabilisation project. Accelerated programme for lined drain maintenance being implemented. Continue building new stormwater retention basins for the Upper Heathcote to reduce flooding.
<hr/>	
Measure:	LTP18: 11.0.1.16 Council wastewater services are reliable.
Target:	Proportion of residents satisfied with the reliability and responsiveness of wastewater services: $\geq 79\%$.
Comments:	We should meet this goal, although there is pressure on the Opex budget, and any significant reduction in planned and unplanned maintenance could negatively impact on customer satisfaction. An Opex spend review is underway, with containment options and LoS impact assessments included.
Remedial Action:	Present Opex spend options to GM CS and ELT for decision.
<hr/>	
Measure:	LTP18: 11.0.1.6 Council wastewater services are reliable.
Target:	Median time from notification to resolution of overflows resulting from network faults: ≤ 24 hours.
Actual:	16.5
Comments:	Should meet target, although there is a risk LoS could be impacted by reductions in Opex spend. Currently tracking at 16.5hrs
<hr/>	

Measure:	LTP18: 11.1.2.1 Council disposes of wastewater in a responsible manner.
Target:	Number of abatement notices regarding Council resource consents related to discharges from wastewater systems per year: 0.
Actual:	0
Comments:	No abatement notices to date.
Remedial Action:	Maintain vigilant oversight of maintenance activities to minimise risk of wastewater spills and overflows.
<hr/>	
Measure:	LTP18: 11.1.2.4 Council disposes of wastewater in a responsible manner.
Target:	Number of infringement notices regarding Council resource consents related to discharges from wastewater systems per year: 0.
Actual:	0
Comments:	No infringement notices to date.
Remedial Action:	Maintain vigilant oversight of maintenance activities to minimise risk of wastewater spills and overflows.
<hr/>	
Measure:	LTP18: 12.0.1.13 Council operates water supplies in a reliable and responsive manner.
Target:	Proportion of residents satisfied with reliability of water supplies: >= 85%.
Comments:	Temporary chlorination may impact on the residents satisfaction survey. Survey data not yet available.
Remedial Action:	Continue to closely monitor FAC levels in the water reticulation and minimise the use of chlorinated wells where ever possible.
<hr/>	
Measure:	LTP18: 12.0.1.14 Council operates water supplies in a reliable and responsive manner.
Target:	Proportion of residents satisfied with Council response to water supply faults: >= 85%.
Comments:	We should meet this goal, although the introduction of chlorine may negatively impact on this result, There is pressure on the Opex budget, and any significant reduction in planned and unplanned maintenance could negatively impact on customer satisfaction. An Opex spend review is underway, with containment options and LoS impact assessments included.
Remedial Action:	Present Opex spend options to GM CS and ELT for decision.
<hr/>	
Measure:	LTP18: 12.0.1.8 Council operates water supplies in a reliable and responsive manner.
Target:	Number of pressure or flow complaints per 1,000 connections per year: <= 2.
Comments:	Data not yet available and needs sourcing.
Remedial Action:	Discuss with Technical Services team, who manage private property service issues.
<hr/>	
Measure:	LTP18: 12.0.2.14 Council provides high quality drinking water. Odour
Target:	Number of water odour complaints per 1,000 connections per year: <= 0.5.
Comments:	Actual and YTD information can't be provided yet. Work is in progress to be able to extract data from the Hybris system.
Remedial Action:	Well head improvement programme will assist in achieving the target over the coming years.
<hr/>	
Measure:	LTP18: 12.0.7 Council water supply networks and operations demonstrate environmental stewardship.
Target:	Average consumption of drinking water per day in litres per resident per day: <= 298
Comments:	This is only reported on at year end when data is made available.
Remedial Action:	Water conservation being encouraged within the community for summer period.
<hr/>	

Measure:	LTP18: 14.0.11.1 Stormwater network is managed to minimise risk of flooding, damage and disruption.
Target:	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.): <0.1
Actual:	0
Comments:	No above floor flooding events since July 2017. Land Drainage Recovery Programme continuing to reduce number of properties at flood risk.
Remedial Action:	Continue with LDRP programme delivery and improving operational maintenance to reduce risk of further flood events.
<hr/>	
Transport	
Measure:	LTP18: 10.5.1 Reduce the number of reported cycling and pedestrian crashes on the network.
Target:	Less than 45
Comments:	Q1 (April - June 2018) - 0 deaths and 6 serious injuries Q2 (July - September 2018) - 1 death and 8 serious injuries Interim Q3 (October - December) - 0 deaths and 4 serious injuries Last Financial Year results were 2 deaths and 33 serious injuries. All measures are on CCC controlled roads. The Crash Analysis System (CAS) relies on input of data from the NZ Police and as such there is a delay in confirmed data. Therefore results are reported for 01 April to 31 March. Interim results will be reported quarterly.
Remedial Action:	Maintain the delivery of the major cycleways and safety improvement programmes. This aims to provide facilities for the interested but concerned cyclists that want to cycle more often but feel that it is not safe enough. Both programmes aim to deliver interventions that address conflict points, such as at intersections and in high traffic volume areas. Continue with the education and marketing programme to raise awareness of cyclists and vulnerable road users on the network.
<hr/>	
Measure:	LTP18: 16.0.21 Reduce the number of complaints received.
Target:	295
Comments:	It is believed that current complete years complaints for all of Transport will exceed this target; reporting of complete number to date required from Hybris reporting.
Remedial Action:	These issues are being worked through with the Customer Services team.
<hr/>	
Measure:	LTP18: 16.0.23 Reduce the number of customer service requests relating to litter bin clearing.
Target:	240
Comments:	Reporting detail no longer available post implementation of Hybris.
Remedial Action:	Hybris Team confirmed, 19 Dec 18, that reporting for this will commence mid-January 2019. An additional category for litter bin clearing requests will be added to the new 'Request' system to enable this.
<hr/>	
Measure:	LTP18: 16.0.3 Maintain resident satisfaction with road condition
Target:	>=38%
Comments:	The score for FY1718 was 20% so expectation is that it could again be below target (of 38%). Survey results awaited, expected May 2019. This score represents all that happens in the road, including works by utilities, developers, as well as the condition of the road from the backlog of renewal work that has increased post the quakes. Many roads are now well passed their 'expected life' and hence losing waterproofing and so potholes are increasing, as well as failure at joints of the trenches that have been repaired for 3W reinstatements, for example. There is an increasing amount of collapse above redundant or pipe networks that are still to be repaired also, and out in the East, increasing number of sinkholes (possibly also caused by under running). Significant amounts of kerb and channel are also to be repaired which is compounding the issues in part also.
Remedial Action:	If Capital Regeneration Acceleration Funding (CRAF) is approved by the Crown, and for Transport, then this should result in an improvement with resident satisfaction in future years. Maintenance and asset management activity is concentrating on basic waterproofing, ensuring urgency of repairs is as required and risk based, and continually validating the renewal works (ie chip seal or AC reseals) based on current network behaviour.
<hr/>	

Measure: LTP18: 16.0.7 Reduce the number of customer service requests relating to sweeping of the kerb and channel.
Target: 4500
Comments: Reporting detail no longer available post implementation of Hybris.
Remedial Action: Hybris Team confirmed, 19 Dec 18, that reporting for this will commence mid-January 2019. An additional category for kerb and channels sweeping requests will be added to the new 'Request' system to enable this.

Measure: LTP18: 16.0.9 Maintain resident satisfaction with footpath condition
Target: >=52%
Comments: The score for FY1718 was 34%, so expectation is that it could again be below target. FY1819 Survey results awaited, expected May 2019.
Remedial Action: Footpath renewals doubled in FY1819; now at a level of approx. 2% of the network being renewed; still a 50 year cycle for entire replacement. New Footpath condition rating completed in early 2017 (calendar year) which has assisted better targeting of works. (Previous rating was approx. 5 years old). Additional improvements carried out around CBD, including those by others, ie Avon River Precinct (ARP) and AAC works are contributing to improved network.

Measure: LTP18: 10.0.6.1 Reduce the number of casualties on the road network.
Target: <=129 (reduce by 5 or more per year)
Comments: Q1 (April - June 2018) - 0 deaths and 13 serious injuries
Q2 (July - September 2018) - 2 deaths and 25 serious injuries
Interim Q3 (October - December) - 3 deaths and 15 serious injuries
Last Financial Year results were 9 deaths and 89 serious injuries.
All measures are on CCC controlled roads. The Crash Analysis System (CAS) relies on input of data from the NZ Police and as such there is a delay in confirmed data. Therefore results are reported for 01 April to 31 March. Interim results will be reported quarterly.
Remedial Action: Continue safety programme and planned network interventions. Continue with te education and marketing programme to raise awareness of users on teh network.

Measure: LTP18: 10.3.7 Improve customer perception of vehicle and personal security at Council off-street parking facilities.
Target: >=50%
Comments: The result of this goal is determined by the Council's annual residents survey. Last year, this was not achieved. Result measured in the 2018 survey was 48% and the target was = 65%. Note that last year's LOS included all Council parking facilities. Results in previous years were 51% (2017) and 47% (2016). The average baseline is 48.7%, based on three years results. For 2018/19 this LTP LOS 10.3.7 focuses on "off-street" parking facilities and the target is = 50%. While the numbers of people visiting the CBD has increased over the last year, it is believed there is a general perception that the numbers are relatively small and that this has an impact on the community's view of Security. It is worth noting that at the Lichfield St car park, there are approximately 50 CCTV cameras along with an additional 200 cameras that monitor and identify occupied and unoccupied parking spaces within the building. The next Residents survey results are expected in May/June 2019.
Remedial Action: Staff will undertake a targeted survey of users of the Council's off-street facilities to better understand concerns regarding vehicle and personal security.

Measure: LTP18: 10.4.3 Improve the reliability of passenger transport journey time.
Target: 85%
Comments: Monthly average PM predictability requires a combined average of main bus routes predictability data and this value is currently sitting at 78%. This value may destabilise over the next few reviews with the introduction of new bus routes and it may take a few months to compile new reliability data. Some basic delays caused by Manchester St in an effort to find a balance between PT utilisation and General public utilisation. This is now close to resolution for this stage of operation and travel timeframe data is stabilising PT timeframes along Manchester's st corridor are being closely monitored and adjusted for minor incremental improvements
Remedial Action: Capex projects
ECAN have changed some bus routes. Evaluation and adjustments to the routes and their relevant signals is currently underway by CTOC/RTO for optimisation opportunities.
Future. 12 months to 2 years' time:
With the new ECAN RTI system RFP up for tender and therefore the implementation of SPE (scats priority engine) to be installed this will initiate bus GPS priority systems into the signal controllers at a core level. The result will mean very fine control of PT journey reliability and the fast tracking of buses through intersections on an automated case by case/need only basis across the city. Both ECAN and CTOC will be investing time and effort into this combined system. Once SPE is installed it will also be rolled out to emergency service vehicles.

Measure: LTP18: 10.0.1 Maintain journey reliability on strategic routes.
Target: Peak 25m. Day 15m. Night 10m.
Comments: For an average over strategic routes around the city a set of averages (in minutes) has been created.
Peak Traffic Timeframes (7am to 9am) and (4pm to 6pm).
• Expectation is 25m.
• Current status is 13 m
Inter-peak timeframe (daytime) between peaks
• Expectation is 15 m
• Current status is 12.5 m
Night timeframe 6pm to 7am
• Expectation 10m
• Current status 11.5
Overall an improvement on expectation as main roads are improved and big projects come to fruition. Some "day works" on roads has been moved to "night works" to reduce stress on daytime travellers journey time and this may have translated to a slightly higher Night Journey
Remedial Action: Mitigation of Night time travel. Although not excessive it is beyond the desirable. This should ease slightly back to normal range with a planned balancing of night and days works when possible. CTOC TTM team is providing more flexible working hours for contractors on the road network as long as data is present to qualify vehicle journey time impacts are mitigated.

Measure: LTP18: 10.3.3 Improve customer perception of the ease of use of Council on- street parking facilities.
Target: >=50%
Comments: The result of this goal is determined by the Council's annual survey result. The current status has been set to orange as last years target was not achieved (39% vs target of 62%). Last years LOS included all Council parking facilities (ie both on and off street). For 2018/19, this level of service focuses on on-street parking only and the target is 50%. The outcome will be known when the residents survey results are released. This is expected to be in May/June 2019.
Remedial Action: The Council has requested staff to work in conjunction with ChchNZ to investigate options for attracting more people to the central city including a winter package.

Measure:	LTP18: 10.4.12 Reduce the number of customer service requests relating to quality and cleanliness of public transport infrastructure facilities.
Target:	312
Comments:	At this stage number of cars is tracking higher than this time last f/y
Remedial Action:	n/a
<hr/>	
Measure:	LTP18: 16.0.10 Improve the perception that Christchurch is a walking friendly city.
Target:	>=84%
Comments:	The score for FY1718 was 76%, so expectation is that we could again be under target (84%). Survey results for FY1819 awaited, expected May 2019.
Remedial Action:	Footpath renewals doubled in FY1819 (from 1718), now 2% of the network being renewed. Additional improvements, including those by others, such as Avon River Precinct (ARP) and AAC work will also contribute to an improving perception. A full network condition assessment of the footpaths carried out in early 2017 will also better reflect the need over the network (approx. 2,500km) which will mean targeted works is more accurate; previous rating was circa 5 years old.
<hr/>	
Measure:	LTP18: 16.0.13 Respond to customer service requests within appropriate timeframes.
Target:	>=95%
Comments:	Council's wider expectation is 80% of Customer Service Requests 90 days or older being closed.
Remedial Action:	The outstanding jobs, most of which sit in Worksmart, are being analysed for closure.
<hr/>	
Measure:	LTP18: 16.0.20 Maintain the condition of road carriageways.
Target:	5150
Comments:	Detail no longer available from Hybris for reporting.
Remedial Action:	Awaiting confirmation that Hybris reporting can be set up to analyse this detail, ie showing Tickets (CSRs) that are solely for request for maintenance activities.

Citizens And Community

Citizen And Customer Services

Measure:	LTP18: 2.6.4.1 Citizen and Customer expectations for service response are delivered in a timely manner
Target:	Telephone enquiries have an average speed to answer of no more than 90 seconds.
Comments:	Average Speed to answer year to date - 138 seconds. The higher than targeted average speed to answer is a result of multiple compounding factors: 1. Embedding of new Service request system 2. Service request system performance 3. Resource planning - right number of staff and expected impact on resourcing due to self service option.
Remedial Action:	The following mitigations have been put in place: 1. Service Request Enhancement project focussing on improving communication and proactive identification and implementation of process improvement opportunities. 2. Service Request System performance prioritised with Vendor for immediate remedy 3. Recruitment of additional staff for a fixed term 12 month to alleviate resourcing constraints.
<hr/>	



Community Support Governance And Partnerships

Measure:	LTP18: 4.1.18 Participation in and contribution to Council decision-making
Target:	Percentage of respondents who understand how Council makes decisions: At least 41%
Comments:	The 2018 residents survey tracked this at 29% and declining. A satisfaction rate of 41% for 2019 is challenging. This is a priority issue for the whole CCC organisation. A continuing challenge to achieve LOS targets in this area is situations where a decision ultimately made by Council is against a resident's position. This can lead them to feel that they have not had any influence on the decision (therefore impacting their survey responses) despite their views being strongly considered.
Remedial Action:	Expand our social media presence and the ability for residents to provide their views and influence decision making in the 'Have your say' space online. Continue taking our consultations and engagements out into the community rather than continuing to offer opportunities where residents are required to attend events at fixed Council locations. In 2017 Council conducted 67 consultations and received 10,106 submissions. In 2018 Council conducted 81 consultations and received 12,147 submissions. While the current Have Your Say system hasn't been running long enough to conduct a full year on year comparison, more people are now participating in, and contributing to Council decision making than this time last year. In preparation for the 2019/2020 Annual Plan engagement with Community Boards began in September 2018 ensuring that Board feedback steered councillor direction on the production of a draft Annual Plan document

Parks

Measure:	LTP18: 6.0.3 Overall customer satisfaction with the presentation of the City's Parks.
Target:	Community Parks presentation: resident satisfaction >=70 %
Comments:	Measure is annual customer survey
Remedial Action:	utilising additional summer staff to lift key areas
Measure:	LTP18: 6.4.4 Overall customer satisfaction with the presentation of the City's Parks.
Target:	Cemeteries presentation: resident satisfaction >=85 %.
Comments:	measure is customer satisfaction survey
Remedial Action:	utilisation of additional summer staff to lift key areas
Measure:	LTP18: 6.9.1.6 To manage and maintain Public Monuments, Sculptures, Artworks and Parks Heritage Buildings of significance.
Target:	Resident satisfaction with presentation of Parks Heritage Buildings: >= 70%
Comments:	Currently going through an EOI and RFP process for main works on heritage asset.
Remedial Action:	Once this is closed and reports are sent through elected member process we can move back to green.
Measure:	LTP18: 6.8.4.1 Overall customer satisfaction with the presentation of the City's Parks.
Target:	Hagley Park presentation: resident satisfaction >=90 %
Comments:	Status pending results of annual survey
Remedial Action:	Aim to lift presentation of City Parks through use of additional summer casual staff for key projects: visible improvement of riverbank areas high usage playground equipment painting project

Recreation, Sports And Events

Measure:	LTP18: 2.8.3.2 Produce and deliver engaging programme of community events.
Target:	At least 90% satisfaction with the content and delivery across three delivered events
Comments:	The Events team reviewed and debriefed on all feedback from the 2018 event. The team has engaged a specialist crowd management company who have worked on the Olympics, Rugby World Cup, CHCH Marathon, and Lantern Festival in 2019 to assist with the planning and delivery in 2020.
Remedial Action:	

Consenting And Compliance

Regulatory Compliance

Measure:	LTP18: 9.0.8 The community is not subjected to inappropriate noise levels.
Target:	90% of complaints in relation to excessive noise are responded to within one hour.
Actual:	85

Comments: For the November reporting period 85%. The result for the year to date is 84.6%
Remedial Action: Continue to work with the contractor. A project team has been established to investigate data integrity.

Resource Consents

Measure: LTP18: 9.2.7 % satisfaction of applicant with resource consenting process.
Target: 70% satisfaction achieved.
Comments: Council survey yet to be completed. Forecast set orange based on last years result.
Remedial Action: Various work being undertaken to improve customer satisfaction such as tone of voice and stakeholder engagement project.

Item 12

Attachment B

13. Corporate Finance Report for the period ending 31 December 2018

Reference: 19/16368

Presenter(s): Diane Brandish – Head of Financial Management

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to receive quarterly information relating to the Council's treasury and debtors risks.

Origin of Report

- 1.2 This report is staff generated.

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 level of significance was determined by the impact of the decisions on the community.

3. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Receives the information in the report;
2. Notes the status of the Treasury Policy Compliance; and
3. Notes the status of the Rates and Non-Rates Debtor balances.

4. Key Points

Treasury Risk versus Policy Limits

- 4.1 As at 31 December 2018, all treasury risk positions were within policy limits (except for the on-going approved breach for interest rate hedging – refer section below).

Snapshot

Risk Area	Liquidity	Funding	Interest Rate Re-pricing	Counterparty Credit
Policy Compliance	Within	Within	Breach	Within

- 4.2 Council's borrowing, lending, and cash balances (including year-to-date changes) were:

	Current	At Jun-18	YTD Change
CCC Core Debt	1,443,739,171	1,206,200,000	237,539,171
Borrowed for CCHL	553,500,000	488,500,000	65,000,000
Borrowed from CEF	99,500,000	99,500,000	0
Total CCC Debt	2,096,739,171	1,794,200,000	302,539,171

On-lent to CCHL	553,500,000	488,500,000	65,000,000
Borrower Notes	29,563,200	25,035,200	4,528,000
Total CCC Lending	583,063,200	513,535,200	69,528,000

CCC Net Debt	1,513,675,971	1,280,664,800	233,011,171
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Cash & Deposits	432,145,760	278,186,682	153,959,078
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- 4.3 Council's overall cash out-flow over the year was therefore \$79.1 million, funded by \$233.0 million of new borrowing offset by a \$154.0 million cash increase.

Non-Rates Debtors

- 4.4 As at 31 December 2018, non-rates debtors increased by \$697k (4.8%) over the quarter, the majority of which was an invoice for interest on outstanding LINZ balances.
- 4.5 There were \$37k of debts written off taking the year to date write offs to \$105k.

Snapshot

	Dec 18 \$m	Sept 18 \$m	Up/Down
All non-rates debtors	15.195	14.498	↑
Debtors written off	0.037	0.068	↓

Rates Debtors

- 4.6 As at 31 December 2018, the Council had recorded a net credit on the rates account. This occurs when the total received from ratepayers exceeds the amount invoiced (ignoring future instalment dates).
- 4.7 An explanation of how this arises is included in Attachment 1.

Snapshot

	Dec 18 \$m	Sept 18 \$m	Up/Down	Dec 18 Number	Sept 18 Number	Up/Down
All rates debtors	19.937	19.682	↑	43,004	44,643	↓
Credit balances	(20.264)	(25.809)	↑	20,303	20,078	↓
Net rates debtors	(0.327)	(6.127)	↑			

5. Treasury

Short-term liquidity risk

5.1 Short-term liquidity helps to ensure adequate access to liquid funds.

Policy Limit (ratio must exceed 110%) - Within Limit

A - CCC Core Debt	1,443,739,171
B - Cash & Borrower Notes	461,708,960
C - Undrawn Bank Facility	100,000,000
Liquidity, [(A+B+C) / A]	139%

Long term funding risk

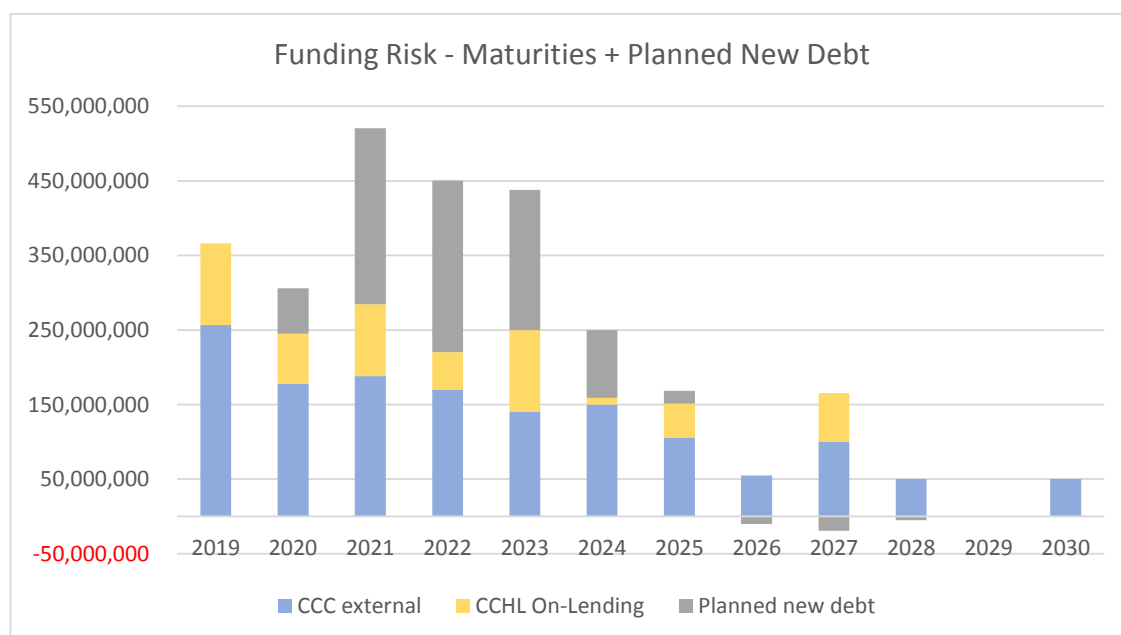
5.2 Managing the maturity spread of existing borrowing within policy limits helps to ensure adequate spread of debt maturities and manage long term funding risk.

Policy Limit (existing maturities only) - Within Limit

Period	Actual	Minimum	Maximum
0 to 3 years	55%	15%	60%
3 to 5 years	20%	15%	60%
5 years plus	25%	10%	60%

100%

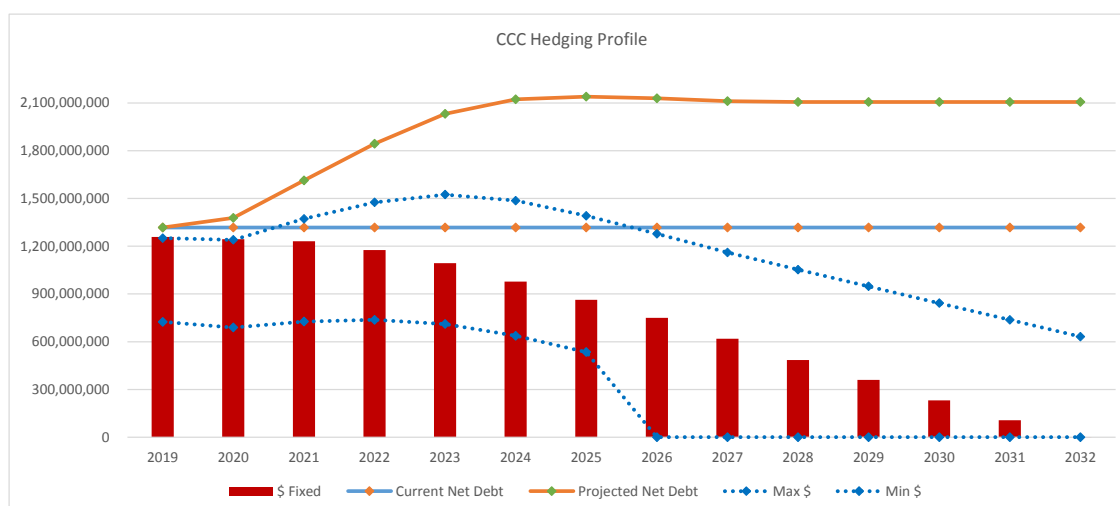
5.3 In practice, funding risk includes the requirement to access new borrowing as well as to simply re-finance existing maturities – a more comprehensive risk profile is shown below:



Interest Rate Re-Pricing

5.4 Managing interest rate re-pricing within policy limits helps to ensure acceptable volatility in interest costs (hedging).

Policy Limit – Breach



Orange line = projected borrowing

* Red bars = amount of debt already at contractually fixed rates as at 30 June each year.

* Dotted lines = Policy Limits (maximum & minimum amount of fixed rate hedging permitted).

5.4.1 Hedging levels continue to be fractionally above maximum Policy limits for the 2019 and 2020 years.

5.4.2 This breach has arisen from delays in Council's debt growth – current hedging of around \$1.2 billion was established in 2013 and 2014 to match around 60% of anticipated June 2018 net debt; however, the combination of the large insurance settlement and delayed capital programme has caused actual debt growth to be slower.

5.4.3 In discussion with the Council's external treasury advisor (PricewaterhouseCoopers), management remains of the view that the cost of adjusting the hedging profile is not justified, and that the best course of action is still to retain the existing hedging profile and allow it to come back within Policy limits over time as actual debt levels increase.

5.4.4 On 28 June 2018 Council Resolution CNCL/2018/00124

- Noted that the Council remains within limits on three major prudential ratios and remains outside the limits on one major prudential ratio.
- Noted that the Council will return to within the limit for Interest Rate Re-Pricing over time expected to be within 24 months.
- Ratifies the approach taken to return to within the limit for interest Rate Re-pricing as discussed in Section 5.3 of the report.

Credit Risk

5.5 Maintaining credit risk within policy limits manages Council's exposure to loss from counterparties' failure to pay.



Policy Limit - **Within Limit**

Counterparty	Credit Rating	Exposure	Limit
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Derivative Banks			
ANZ Bank	"AA" band	200.0	200
BNZ Bank	"AA" band	94.1	200
Westpac Bank	"AA" band	33.0	200
Kiwibank	"A" band	37.0	150

Other Banks			
ASB / CBA Bank	"AA" band	40.0	150
Rabobank	"A" band	28.0	150

Government & Semi-Government			
NZ Government	n/a	0.0	unlimited
LGFA	> "A-"	29.6	100

Other			
Canterbury Museum	unrated	1.1	1.1
Endeavour I-cap	unrated	0.4	0.4
Interstar NZ Millenium	"A" band	0.1	0.1

- Derivatives exposures are nil because their net values are negative (i.e. Council would pay the bank if terminated).
- (No derivative Agreements exist with ASB or Rabobank)
- I-Cap and Millennium are the only remaining external investments for the Capital Endowment Fund.

6. General Debtors

	Dec 18 \$m	Sept 18 \$m	Up/Down	Dec 18 %	Sept 18 %	Up/Down
All non-rates debtors	15.195	14.498	↑	100.0	100.0	
Greater than 90days	3.945	3.469	↑	26.0	24.0	↑
Greater than \$5k	13.695	13.051	↑	90.1	90.0	↑
Greater than \$1m	7.381	6.854	↑	48.6	47.3	↑
Debtors written off	0.037	0.068	↓			
Debtor Category						
General	10.270	9.639	↑	67.59	66.49	↑
Resource Consent	1.701	1.524	↑	11.19	10.51	↑
Building Consent	2.349	2.453	↓	15.46	16.92	↓
Health	0.163	0.177	↓	1.08	1.22	↓
Infringements	0.263	0.208	↑	1.73	1.43	↑
Others	0.449	0.497	↓	2.95	3.43	↓

Overdue Trade Debtors

- 6.1 The most significant overdue debtor in this report remains the LINZ account for \$3.4 million.
- 6.2 Overdue trade debtors (greater than 90 days) is **26%** of total trade debtors, including the LINZ debt.

Trade Debtors Written Off

6.3 Trade debtors of \$37,000 for the quarter and \$106,000 have been written-off in the six months to 31 December 2018 compared to \$77,000 in the six months to 31 December 2017.

6.4 The detail is below:

Debtors written off

	6 months to Dec 18	6 months to Dec 17
Residential Rents	1,251	1,866
Regulatory	9,188	6,209
Dogs	-	434
Library	40,996	28,657
Sundry	1,928	613
Recreation & Sport	5,640	6,109
Customer in Liquidation	12,665	10,868
Abandoned Vehicle	-	-
Street Poles	34,562	22,187
Commercial Rents	-	-
Others	-	-
	106,230	76,943

6.5 The significant write-offs (over \$2,000) relate to:

- 1) Negotiated settlement of a debtor for Resource Consent work resulted in a reduction of \$6,453.
- 2) Street Pole Damage: There have been six significant write-offs for Street Pole damages totalling \$29,728. The offenders were either not available to pursue or were deemed to lack the financial capacity now or in the future to make payments towards the debt.
- 3) Customer in Liquidation: The write offs are in relation to Building Consents (\$3,156), Street Pole Damage (\$5,966) and Recreation and Sport (\$ 3,543) where customers have gone in liquidation and unsecured debtors are unlikely to receive payment.

6.6 The Library debtors written off comprise a large number of relatively small amounts where the debt collection agency has been unable to locate the debtor or the debtor has refused to pay. Only amounts over \$30 are referred to debt collection agencies for collection.

6.7 A summary report of trade debtors written off in 2018/19 by month is provided as Attachment B.

7. Rates Debtors

	Dec 18 \$m	Sept 18 \$m	Up/Down	Dec 18 #	Sept 18 #	Up/Down
Net rates debtors	(0.327)	(6.127)	↑	63,307	64,721	↓
All rates debtors	19,937	19,682	↑	43,004	44,643	↓
Greater than \$1k	14.472	14.543	↓	5,805	5,342	↑
Greater than \$5k	4.520	4.135	↑	454	408	↑
Greater than \$100k	0.524	0.321	↑	2	1	↑
Credit balances	(20.264)	(25.809)	↓	20,303	20,078	↑

7.1 The active reporting and monitoring of rates debtors is impacted by the instalment dates. Rates are invoiced at the end of the month and receipts are received over the month end leading up to the penalty date. See Charts 1 and 2 in Attachment 1.

7.2 The table below highlights all outstanding rates invoices in arrears.

7.3 This ignores credits recorded for other ratepayers who have paid in advance of the next instalment date.

31 December 2018 (\$m)	General Rates Invoiced YTD (to Dec 2018)	Pre-2018/19 Arrears	Outstanding Current Year	%age Outstanding Current Year vs Invoiced YTD
2018/19	373.831	5.013	14.924	4.0%

7.4 Note that the rates invoiced to December 2018 represents 50% of the total rates invoiced for the year.

7.5 In the table below, the arrears reflect the rates outstanding from previous reporting periods.

Quarter Ended (\$m)	Value of Arrears	Number of Ratepayers in Arrears	Number of Ratepayers with a Payment Plan
December 2018	5.013	2,838	1,467
September 2018	18.521	16,998	n/a

7.6 Work continues to reduce the pre-2018/19 rates arrears balances.

7.7 In the quarter to 31 December 2018, \$168,528 was collected under various arrangements for debts **pre 2017/18**.

7.8 The table below shows the ageing of the \$5.013 million (\$18.521 million September 2018) pre-2018/19 arrears:

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Arrears	10,684	13,200	24,587	42,159	105,353	96,053	141,787	221,428	4,358,278
Δ in Qtr	-120	-1,182	-370	-4,851	-3,775	-4,180	-12,915	-141,135	-13,339,063

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number	12	16	19	24	25	31	43	139	2,838
Δ in Qtr	-	-1	-1	-2	-3	-5	-13	-251	-14,159

- 7.9 Arrears are actively managed to the extent possible. Options include payment plans and direct debit arrangements. Rates postponement is offered where appropriate.

Attachments

No.	Title	Page
A ↓	Rates Arrears Information December 2018	91
B ↓	Debtors Written Off Summary 31 December 2018	94

Confirmation of Statutory Compliance

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

(a) This report contains:

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

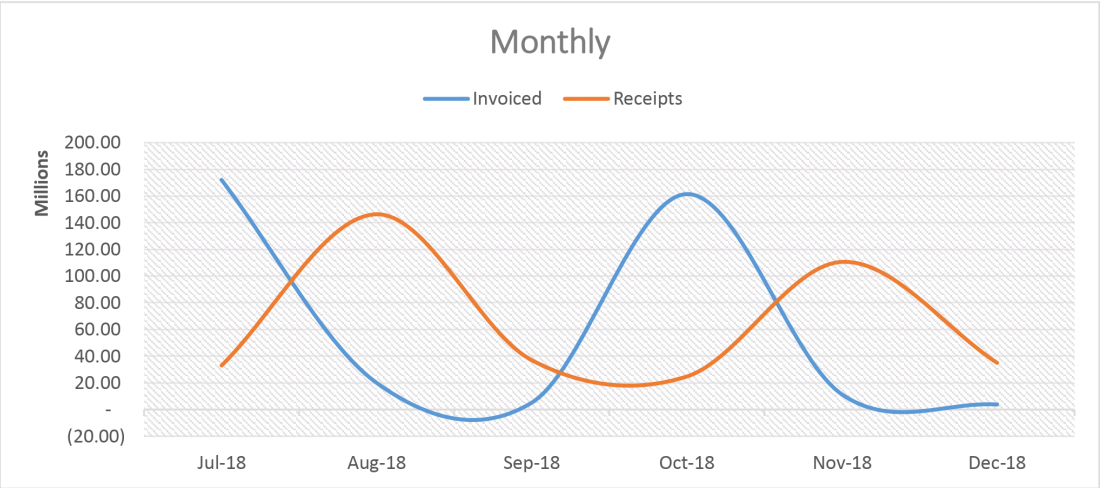
(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

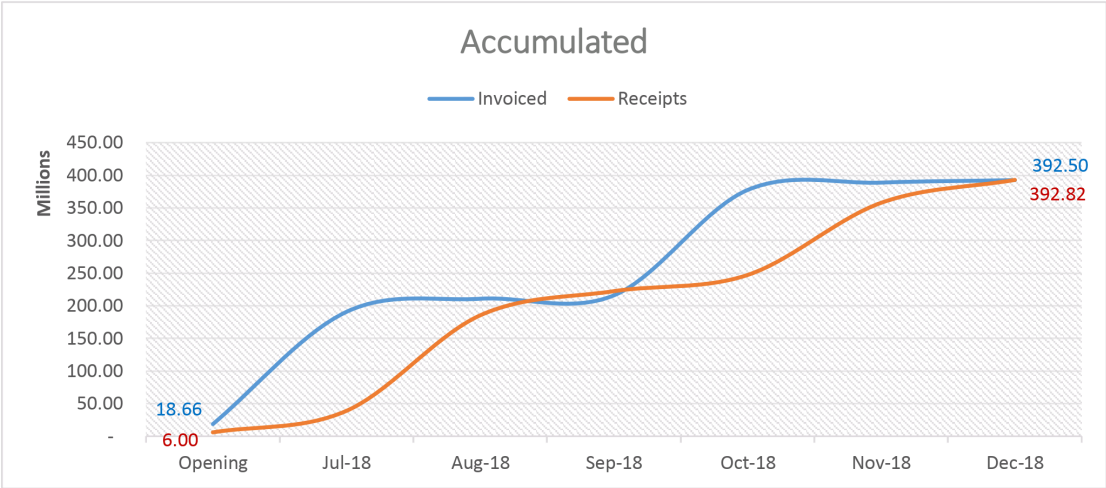
Authors	Andrew Jefferies - Manager Funds & Financial Policy Auke van der Weij - Financial Accountant - Control
Approved By	Len Van Hout - Manager External Reporting & Governance Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)

Attachment 1 – Rates Information – December 2018

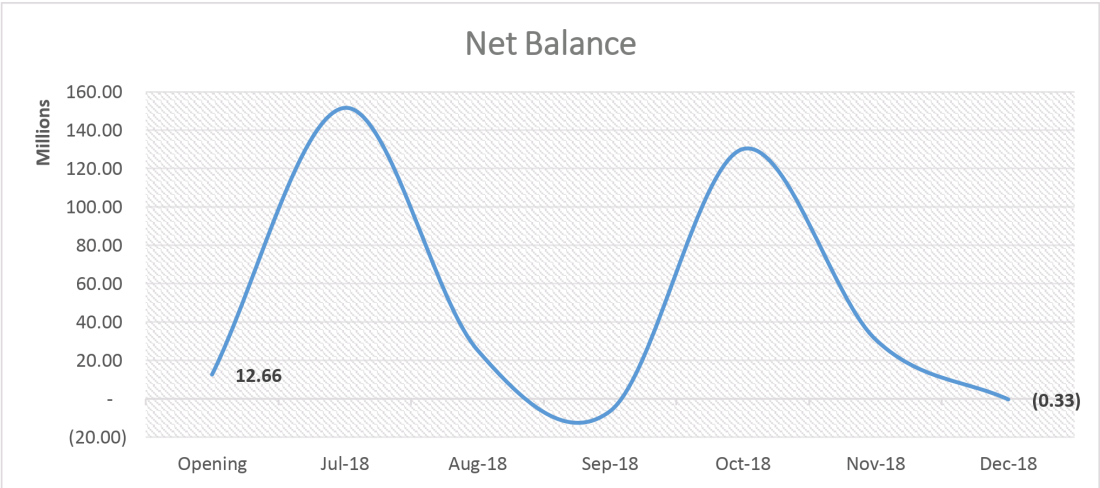
The following charts help explain the counter cyclical nature and impact of rates receipts versus rates invoiced.



Commentary:
 Rates invoiced at the end of the month are typically received progressively over the next two months leading up to the date penalties are invoiced, this results in the offset curve and lagging in cash flows

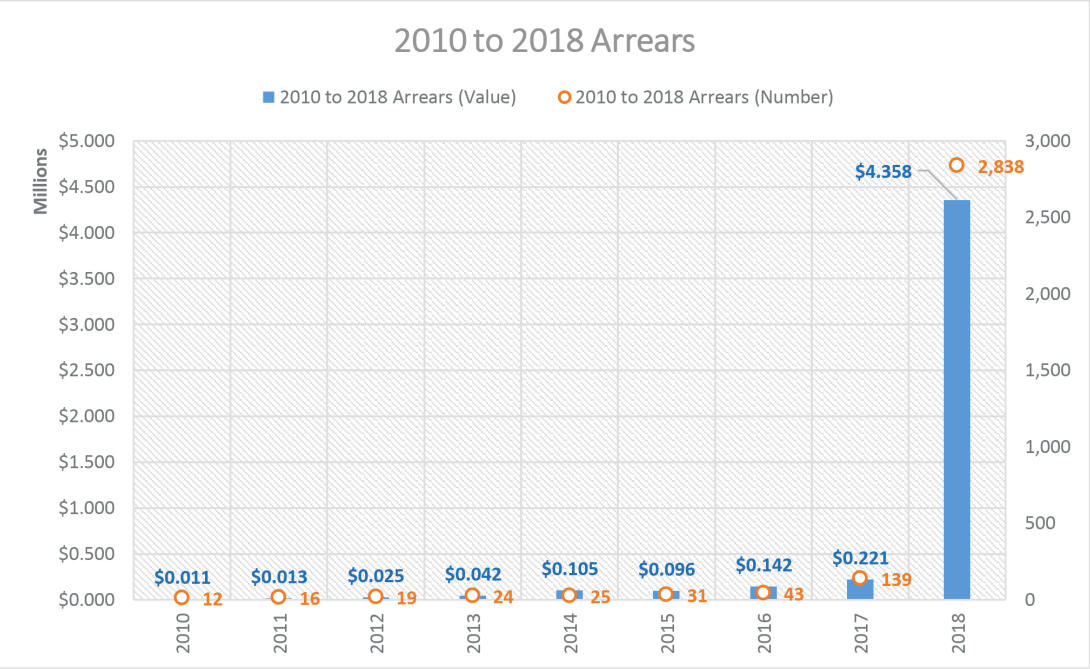
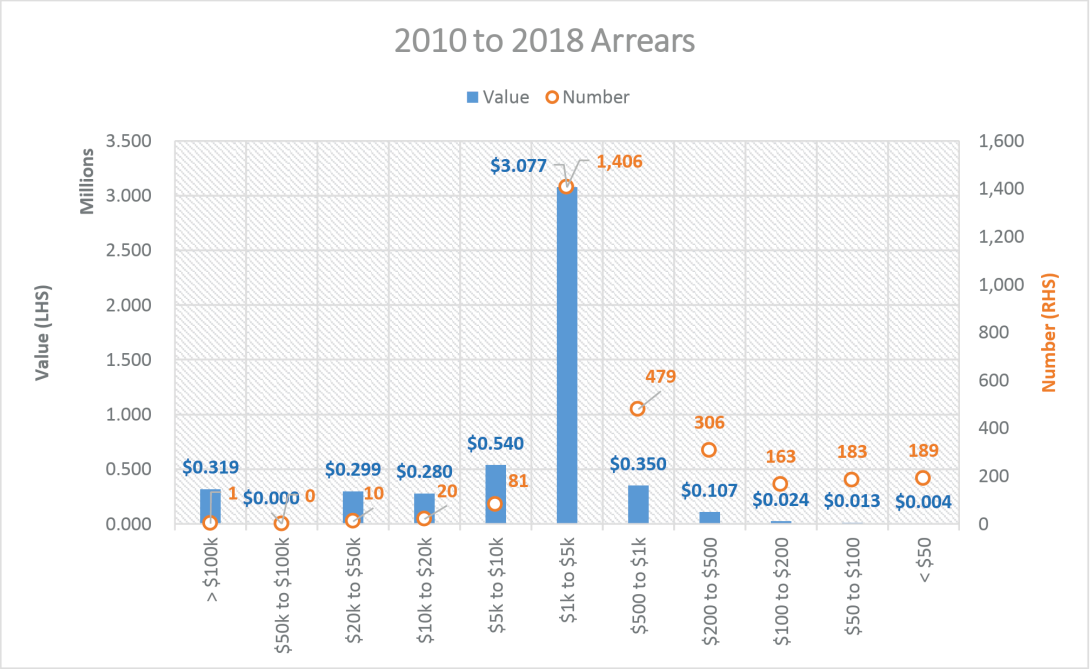


Commentary:
 The eventual catch up in rates invoiced versus receipt is reflected above, where just prior to the next instalment, all previous amounts are cleared.

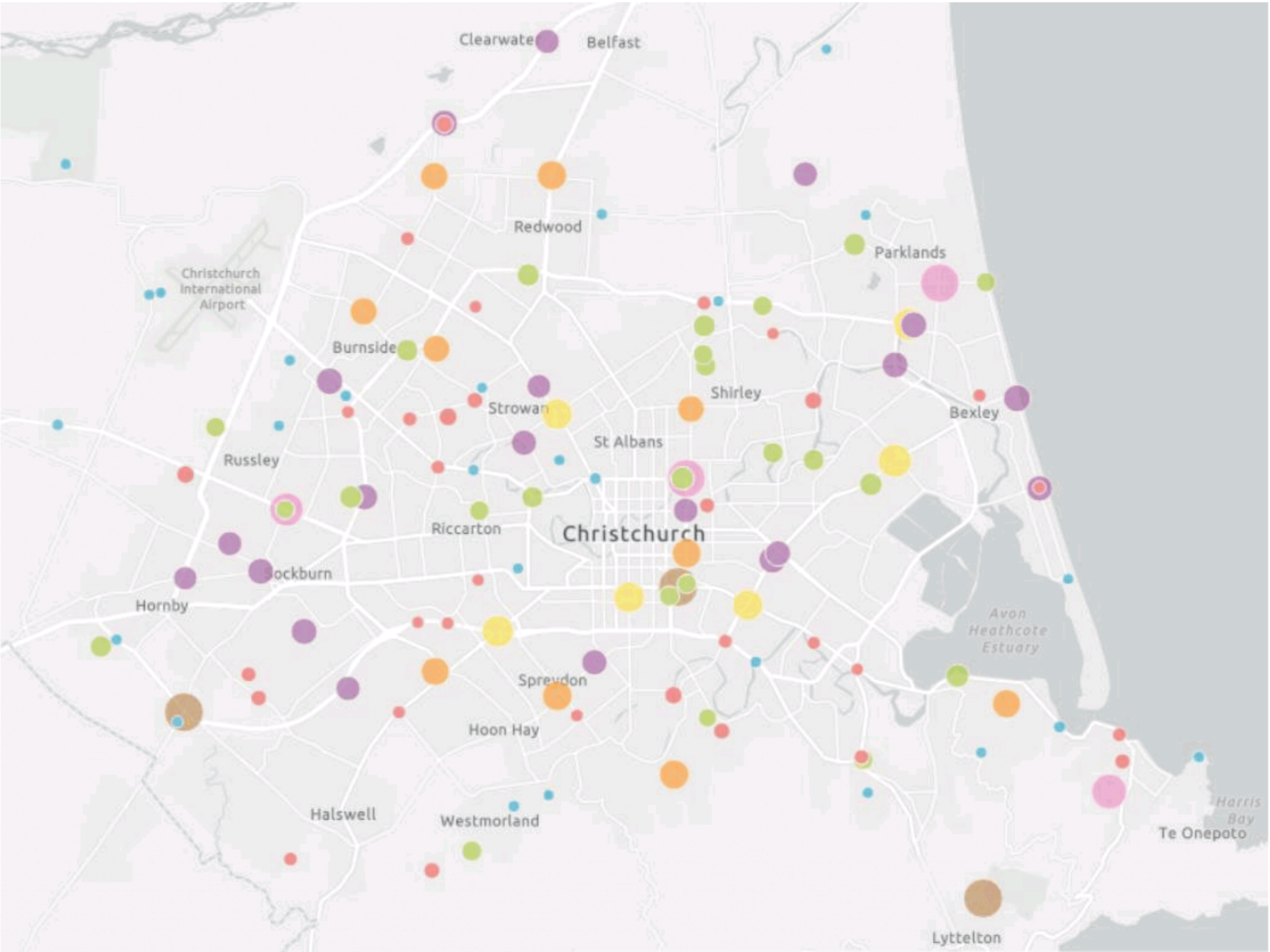


Commentary:
 Since 30 June 2018, the balance of the rates account have moved from a receivable of \$12.6 million to close to fully recovered. The net balance hides the fact that a number of major rates accounts are paid in advance and a large number of residential customers paid by automatic payment. See Table in main report.

Rates Arrears – Invoiced in Previous Years



Rates Arrears –This map reflects the relative risk across the region and highlights that the Council does not have a specific concentration or exposure to arrears in any one or more suburbs. This information is supplied to provide context to the December 2018 rates arrears data provided. The relative size of each marker reflects relative value of outstanding arrears.



Commentary:
The information is representative of the post code and suburb of rates arrears prior to 2017/18. Using the post code and suburb in the mapping tool does not in itself provide precision on the graphics but is representative enough and still allows for a level of privacy to the reporting. The size of each circle is relative to the overall debt due in that area.

Attachment B

Debtors written off - summary report														
	July	August	September	October	November	December	January	February	March	April	May	June	YTD Total	%
Write Offs > \$2000.00	30,837.57	-	2,248.33	9,778.21	5,981.61	-	-	-	-	-	-	-	48,845.72	45.98%
Write Offs ≤/ < \$2000.00	12,181.84	12,777.34	10,278.05	8,357.66	7,654.37	6,134.67	-	-	-	-	-	-	57,383.93	54.02%
Total to approve	43,019.41	12,777.34	12,526.38	18,135.87	13,635.98	6,134.67	-	-	-	-	-	-	106,229.65	
Breakdown:														
Residential Rents	-	-	1,250.60	-	-	-	-	-	-	-	-	-	1,250.60	1.18%
Regulatory	6,832.87	27.00	-	816.30	315.00	1,196.75	-	-	-	-	-	-	9,187.92	8.65%
Dogs	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Library	9,957.38	12,279.59	7,571.27	3,962.48	3,286.84	3,938.76	-	-	-	-	-	-	40,996.32	38.59%
Sundry	1,124.58	-	-	-	718.69	84.50	-	-	-	-	-	-	1,927.77	1.81%
Recreation & Sport	719.88	470.75	1,456.18	560.12	1,518.60	914.66	-	-	-	-	-	-	5,640.19	5.31%
Customer in Liquidation	6,874.38	-	2,248.33	-	3,541.80	-	-	-	-	-	-	-	12,664.51	11.92%
Street Poles	17,510.32	-	-	12,796.97	4,255.05	-	-	-	-	-	-	-	34,562.34	32.54%
Commercial Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Total 2018-2019	43,019.41	12,777.34	12,526.38	18,135.87	13,635.98	6,134.67	-	-	-	-	-	-	106,229.65	
Total 2017-2018	10,201.91	8,773.45	29,049.67	13,034.28	4,720.93	11,163.21	43,018.44	3,535.17	23,991.79	35,676.02	15,376.61	76,763.89	275,305.37	
Variance to Last Year	32,817.50	4,003.89	(16,523.29)	5,101.59	8,915.05	(5,028.54)	(43,018.44)	(3,535.17)	(23,991.79)	(35,676.02)	(15,376.61)	(76,763.89)	(169,075.72)	

Report from Banks Peninsula Community Board – 17 December 2018

14. Akaroa Community Health Centre Funding Request

Reference: 18/1363036

Presenter(s): Gavin Thomas, Principal Advisor Economic Policy

1. Staff Recommendations

That Te Pātaka o Rākaihautū/Banks Peninsula Community Board recommends to Council that it either:

1. Agrees in principle to the request from the Akaroa Community Health Trust to provide it with One-off Council Grant funding up to a maximum of \$1,300,000. The Grant to be used to fund the Trust's outstanding funding commitment to the Canterbury District Health Board for the Akaroa Community Health Centre.

Or:

Declines the Akaroa Community Health Trust request for One-off Council Grant funding up to a maximum of \$1,300,000.

Or:

Defers consideration of the request for funding until the end of 2019 to enable the Akaroa Community Health Trust to have a clearer view of its eventual funding requirements.

That Te Pātaka o Rākaihautū/Banks Peninsula Community Board recommends to Council that if it agrees in principle to provide the Akaroa Community Health Trust with One-off Council Grant funding (Option 1 above), that:

2. The Council proposes that the Grant be paid for from a Grants Targeted Rate on properties in the Akaroa and Bays area, on the basis that the Rate is:
 - a. Applied to all rateable units in the Akaroa subdivision of the Banks Peninsula ward;
 - b. Calculated on a proportional basis according to the capital value of each Rating Unit;
 - c. Applied for a maximum of ten years from 1 July 2019 – 30 June 2028/29;
 - d. Limited in total revenue raised to a maximum of \$1,300,000 adjusted for interest revenue and interest costs arising from the difference in timing between when the Targeted Rate revenue is received and when the One-off Council Grant is paid;
 - e. Calculated based on the interest rate earned by ratepayers on Targeted Rate amounts paid to Council before the Grant is paid in 2022/23 being 3.0 per cent (being an estimate of what the Council would earn by investing those funds on term deposit);
 - f. Calculated based on the interest rate paid by ratepayers on Targeted Rate revenue received after the Grant is paid in 2022/23 to be 4.5 per cent (being an estimate of what the Council would pay on borrowing over this period);
 - g. Reduced if the Trust receives further funding from other sources – the Grants Targeted Rate will be the funder of last resort.

3. The Council uses a decision making process that includes appropriate community consultation that:
 - a. proposes the Council's preferred option as well as any other options the Council considers practicable;
 - b. meets the requirements of section 82 of the Local Government Act 2002;
 - c. is focused on the communities directly affected by the proposal but be open to all Christchurch residents;
4. The Council agrees that a Hearings Panel be convened at the completion of the consultation period to receive and hear submissions on the proposal, deliberate on those submissions, and to report back recommendations to the Council.

2. Banks Peninsula Community Board Recommendation to Finance and Performance Committee of the Whole

Part A

That the Finance and Performance Committee of the Whole:

1. Agrees in principle, subject to community consultation, to the request from the Akaroa Community Health Trust to provide it with One-off Council Grant funding up to a maximum of \$1,300,000. The Grant to be used to fund the Trust's outstanding funding commitment to the Canterbury District Health Board for the Akaroa Community Health Centre, subject to the Council using a decision making process that includes appropriate community consultation as follows:
 - a. proposes the Council's preferred option as well as any other options the Council considers practicable, including:
 - i. the community is asked if they support a targeted rate;
 - ii. options of a four year and ten year rating period;
 - iii. the community is asked what level of support should be required for the targeted rate to be implemented;
 - b. the Community Board formally approves the Consultation Document;
 - c. meets the requirements of section 82 of the Local Government Act 2002;
 - d. is focused on the communities directly affected by the proposal but be open to all Christchurch residents;
2. Agrees that a Hearings Panel be convened and hearings held, including in Akaroa, at the completion of the consultation period to receive and hear submissions on the proposal, deliberate on those submissions, and to report back recommendations to the Council.
3. The grant be reduced if the Trust receives further funding from other sources – the Grants Targeted Rate will be the funder of last resort.

Secretarial Note: At its meeting on 24 January 2019 the Council resolved the following in respect of this report:

1. Resolves that a report on the Akaroa Community Health Centre Funding Request and the Banks Peninsula Community Board recommendations be referred to the 7 February 2019 meeting of the Finance and Performance Committee of the Whole; and

2. *Delegates to the Finance and Performance Committee of the Whole decision-making authority in respect of the report.*

Attachments

No.	Report Title	Page
1	Akaroa Community Health Centre Funding Request	98

No.	Title	Page
A ↓	Letter to Banks Peninsula Community Board	111

Akaroa Community Health Centre Funding Request

Reference: 18/1047516

Presenter(s): Gavin Thomas - Principal Advisor Economic Policy

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Te Pātaka o Rākaihautū/Banks Peninsula Community Board to consider options and make recommendations to the Council on how it should respond to a request from the Akaroa Community Health Trust for One-off Council Grant funding to help the Trust meet its agreed financial contribution to the Canterbury District Health Board towards the cost of constructing the new Akaroa Community Health Centre.
- 1.2 There are two separate but interrelated matters that must be considered.
 - Should the Council provide funding to the Trust or not?
 - If yes, then what is the most appropriate way of providing that funding and apportioning the costs?

Origin of Report

- 1.3 The Akaroa Community Health Trust made a submission to Council's draft Long Term Plan 2018-28 supporting a Council proposal to enable a targeted rate to be set to fund community facilities and asking the Council to use a targeted rate to help fund the community contribution to the building of the Akaroa Community Health Centre.
- 1.4 The Akaroa Community Health Trust then wrote to the Banks Peninsula Community Board in September 2018 formally requesting the Council establish the targeted rate (Attachment A).
- 1.5 This report is provided to fulfil Te Pātaka o Rākaihautū/Banks Peninsula Community Board resolution 23419 - that the Banks Peninsula Community Board:
 - 1.1.1 Receive the information in the correspondence report dated 24 September 2018
 - 1.1.2 Refer the correspondence to staff who are preparing a report to the Council on this issue.

2. Significance

- 2.1 The recommendation in this report has been assessed as being of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 2.2 The level of significance was determined by considering the costs and benefits of the recommended option if funding is provided. Although it affects a relatively small proportion of the District – Akaroa and Bays - those residents would be affected to a moderate extent by an increase in the rates required from affected properties. The benefits that accrue from the Health Centre would have a high level of significance but don't appear to be affected by decisions sought through this report.

3. Staff Recommendations

That Te Pātaka o Rākaihautū/Banks Peninsula Community Board recommends to Council that it either:

1. Agrees in principle to the request from the Akaroa Community Health Trust to provide it with One-off Council Grant funding up to a maximum of \$1,300,000. The Grant to be used to fund the

Trust's outstanding funding commitment to the Canterbury District Health Board for the Akaroa Community Health Centre.

Or:

Declines the Akaroa Community Health Trust request for One-off Council Grant funding up to a maximum of \$1,300,000.

Or:

Defers consideration of the request for funding until the end of 2019 to enable the Akaroa Community Health Trust to have a clearer view of its eventual funding requirements.

That Te Pātaka o Rākaihautū/Banks Peninsula Community Board recommends to Council that if it agrees in principle to provide the Akaroa Community Health Trust with One-off Council Grant funding (Option 1 above), that:

2. The Council proposes that the Grant be paid for from a Grants Targeted Rate on properties in the Akaroa and Bays area, on the basis that the Rate is:
 - a. Applied to all rateable units in the Akaroa subdivision of the Banks Peninsula ward;
 - b. Calculated on a proportional basis according to the capital value of each Rating Unit;
 - c. Applied for a maximum of ten years from 1 July 2019 – 30 June 2028/29;
 - d. Limited in total revenue raised to a maximum of \$1,300,000 adjusted for interest revenue and interest costs arising from the difference in timing between when the Targeted Rate revenue is received and when the One-off Council Grant is paid;
 - e. Calculated based on the interest rate earned by ratepayers on Targeted Rate amounts paid to Council before the Grant is paid in 2022/23 being 3.0 per cent (being an estimate of what the Council would earn by investing those funds on term deposit);
 - f. Calculated based on the interest rate paid by ratepayers on Targeted Rate revenue received after the Grant is paid in 2022/23 to be 4.5 per cent (being an estimate of what the Council would pay on borrowing over this period);
 - g. Reduced if the Trust receives further funding from other sources – the Grants Targeted Rate will be the funder of last resort.
3. The Council uses a decision making process that includes appropriate community consultation that:
 - a. proposes the Council's preferred option as well as any other options the Council considers practicable;
 - b. meets the requirements of section 82 of the Local Government Act 2002;
 - c. is focused on the communities directly affected by the proposal but be open to all Christchurch residents;
4. The Council agrees that a Hearings Panel be convened at the completion of the consultation period to receive and hear submissions on the proposal, deliberate on those submissions, and to report back recommendations to the Council.

4. Key Points

- 4.1 Akaroa Hospital was damaged beyond economic repair in the 2010/11 earthquakes and was subsequently demolished. The Canterbury District Health Board (Canterbury DHB) has worked with the local community and primary health providers to develop a new Model of Care. As part of this model General Practice, aged care, palliative care, in-patient services and associated services will co-locate in a new building on the old hospital site.

- 4.2 The Akaroa Community Health Trust was formed as a representative community partner in the provision of a new Health Centre for Akaroa. The Trust has an agreement with the Canterbury DHB to provide \$2.5 million in community funding towards the capital cost of the new Health Centre. Construction cost of the facility is budgeted by the Canterbury DHB to be \$5,932,000.
- 4.3 The Trust has raised community funding of \$1.27 million (as at October 2018) and is continuing its fundraising efforts. It currently receives around \$8,000 per month from community fundraising and has applications for funding lodged with major national funds.
- 4.4 The Trust has asked the Council to raise \$1.3 million from the Akaroa and Bays communities through a Grants Targeted Rate over a four year period. The revenue from the targeted rate would be used to fund One-off Council Grants to the Trust. This would enable the Trust to meet its capital funding commitment of \$2.5 million.
- 4.5 In considering the Trust's request the Council has two separate but interrelated issues to consider:
- Agree or not to provide One-off Council Grant funding to the Trust;
 - If the Council agrees to provide One-off Council Grant funding, it then must decide how this should be paid for.
- 4.6 Practicable options considered for funding the Grant are:
- **Option 1** – set a Grants Targeted Rate on properties in the Akaroa and Bays area over a longer period - up to 10 years. The rate could be set on either a fixed charge (all rateable units pay the same amount) or proportionate charge (set as a proportion of capital value for each rateable unit) basis.
- The recommended option is to set a Grants Targeted Rate on properties in the Akaroa and Bays area on a proportionate basis (based on property value) over a 10 year period.**
- Given the monetary effect of this charge on ratepayers in the Akaroa and Bays area, there is a very substantial equity benefit associated with using a proportionate basis rather than a fixed dollar charge per rateable unit.**
- **Option 2** – Set a Grants Targeted Rate on the Akaroa and Bays area for four years (2019/20 – 2022/23). The rate could be set on either a fixed charge (all rateable units pay the same) or proportionate charge (set as a proportion of capital value) basis.
 - **Option 3** – Set a Grants Targeted Rate on all rateable units in the District for four years (2019/20 – 2022/23) on a fixed charge basis.

Preferred Option Summary - Advantages and Disadvantages (Option 1)

- 4.7 The advantages of Option 1 include:
- The Grants Targeted Rate is paid for by the community that will receive the majority of benefit from the Health Centre.
 - This is the more affordable option for affected ratepayers if the Council decides to make the One-off Council Grant and to fund this from a Grants Targeted Rate on properties in the Akaroa and Bays area. The difference in annual rate requirement is significant when comparing a four year term to a 10 year term.
 - Capital assets provide benefits over many years. Intergenerational equity suggests it is appropriate to match the period over which ratepayers fund the capital assets with the period over which benefits flow to the ratepayers. The ten year period achieves this better than a four year period.
 - A longer term increases flexibility in terms of adjusting the rate requirement if the Trust raises more money than expected.

- Akaroa and Bays communities have the opportunity to collectively contribute to a key facility, promoting the concept of community ownership.
 - Using a proportional value basis for the rate provides significant equity benefits, making the rate more affordable for owners of lower value properties.
 - A Grants Targeted Rate is an efficient method of collecting funding from property owners.
- 4.8 The disadvantages of Option 1 include:
- The Council would need to borrow to fund the Grant. This will add interest to the Targeted Rate requirement.
 - The Grants Targeted Rate would remain in place for a longer period of time, which may not suit some ratepayers and would mean the Council incurs administration costs for a longer period.
 - If the Council agrees to make a Grant to be funded by a Targeted Rate there will be no incentive for the Trust to continue fundraising from other sources, or for the Canterbury DHB to consider any other possible funding arrangements that are less financially onerous on such a small community.
 - In this case, regardless of how a targeted rate is structured, it would remain a significant funding requirement to come from a very small number of ratepayers.
 - The Council would assume political risk through the levying of a targeted rate. This risk is complicated by the fact that neither the Council nor the community will have ownership of the asset to be funded.

5. Context/Background

Akaroa Community Health Centre

- 5.1 Akaroa Hospital was damaged beyond economic repair in the 2010/11 earthquakes and was subsequently demolished. The Canterbury DHB decided not to redevelop hospital-level services, but has worked with the Akaroa and Bays community (including the Pompallier House Trust) and primary health providers to develop a new Model of Care. As part of this model General Practice, aged care, palliative care, in-patient services and associated services will co-locate in a new building on the old hospital site.
- 5.2 The Health Centre building will be owned by the Canterbury DHB and leased to Akaroa Health Limited, a Charitable Company established by the Akaroa Community Health Trust to run the Health Centre, deliver health services and lease space to others delivering services.
- 5.3 The Canterbury DHB is satisfied that:
- The proposed Health Centre is supported by health providers who will work from it.
 - The intended services can be provided without an on-going need for community fund-raising to meet operating costs.
- 5.4 Construction of the facility is underway and is due for completion in June 2019.

Community funding agreement

- 5.5 The Akaroa Community Health Trust was formed as a community partner in the provision of a new Health Centre for Akaroa. The Trust has an agreement with the Canterbury DHB to provide \$2.5 million in community funding towards the capital cost of the Centre within four years of the facility being completed. Total construction cost of the facility has been budgeted by the Canterbury DHB at \$5,932,000.

- 5.6 The Trust's funding commitment has enabled aged care facilities (including 12 beds) and services to be included in the Health Centre. The Canterbury DHB has advised these would not have been included without community funding.
- 5.7 The Trust has raised \$1.27 million (as at October 2018). It has made applications to national funds which are yet to make decisions and could receive funding from these sources. It has indicated it will continue fundraising at least until mid-2019.

Funding request

- 5.8 The Trust wrote to the Banks Peninsula Community Board in September 2018 requesting the Board recommend to the Council that it establish a targeted rate to provide funding for the community contribution for the Akaroa Community Health Centre.
- 5.9 The Trust's request is for \$1.3 million to be funded from a targeted rate on properties in the Akaroa and Bays communities to be set for four years.
- 5.10 The Canterbury DHB has sought community funding for health facilities in other parts of Canterbury. Kaikoura District Council set a targeted rate to provide community funding for construction of its new health facility and the Ashburton community contributed to the capital cost of a new health facility on the Ashburton Hospital campus through funding from a community trust.

Council's policy position

- 5.11 The Council's Revenue and Financing Policy enables the Council to provide One-off Council Grant funding for community facilities it does not own and for the cost of that funding to be recovered through a Grants Targeted Rate.
- 5.12 The Policy states (in summary):

From time to time Council may determine that it is desirable to make a one-off grant which is either outside the scope of existing grants schemes or too large to be accommodated by existing grants budgets. In such circumstance, and subject to public consultation, such grant may be funded by a specific and temporary Grants Targeted Rate.

A Grants Targeted Rate:

- *May be applied either universally or to a specifically identified group of ratepayers, depending on Council's assessment of how the benefits of the grant are distributed.*
 - *Will usually be set as a fixed dollar charge per SUIP, because this provides the most readily calculable revenue stream – Capital Value or other rating basis will only be used if this is considered to generate very significant equity benefits.*
 - *Will exist for only the number of years stated in the original public consultation, and will not be absorbed into any other rate once that period ends.*
- 5.13 This policy provision came into effect through the Long Term Plan 2018-28 and was used to establish the Special Heritage (Cathedral) Targeted Rate to support restoration of Christ Church Cathedral.
- 5.14 The use of a Grants Targeted Rate to fund community facilities the Council doesn't own was consulted on as part of the Council's draft Long Term Plan 2018-28. The Akaroa Community Health Centre was used as an example of how a Targeted Rate could be used for this purpose. The Council received 90 submissions on this proposal with 31 in support, 38 opposing and 21 suggesting alternative approaches.
- 5.15 The Revenue and Financing Policy is part of the Council's Long Term Plan and is available on the Council website <https://ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Plans/Long-Term-Plan/2018-2028/Vols/LTP-201828-Vol3-02Revenuefinancingandratingpolicies.pdf>

- 5.16 The Policy doesn't provide guidance on what types of community projects or organisations will be funded and has no criteria against which an application can be assessed. Consequently any decision by the Council on a request for funding of this type is not constrained by an existing policy.
- 5.17 This report doesn't provide a recommendation on whether the funding request should be agreed to or not but does provide options and a recommendation on how a Grant could be funded.

Information and timing

- 5.18 In considering the Trust's request for funding the Council could defer for a period of time to enable a clearer picture of the Trust's eventual funding requirements to emerge, and enable discussion with the Canterbury DHB regarding their ultimate funding requirements.
- 5.19 The community funding is required to be provided to the Canterbury DHB within four years of the completion of construction of the Centre. This provides time to ensure all possible funding sources are fully explored.
- 5.20 The Akaroa Community Health Trust has declined to consider engagement with the Canterbury DHB regarding the possibility of reviewing the community funding requirement and restated its preference for the funding request and any subsequent funding implications to be considered by the Council as soon as possible. It wants a decision made to enable a rate to be applied from 1 July 2019.
- 5.21 While the Trust's approach may mean complete information is not available to inform the early decision-making process, there are some valid reasons for the Council to consider the request as soon as practicable. These include:
- The Trust would have certainty regarding its ultimate fundraising requirements.
 - The Akaroa and Bays community would have certainty regarding the ongoing call on its fundraising effort and generosity. There may be a perception in the community that the project has dominated community fundraising for several years. Over that period other fundraising has had to compete. There is also likely to be a degree of fundraising fatigue among the Trust's fundraising committee, the wider Trust and the community.
 - The community may be more amenable to an additional rate (for a specific period of time) in the immediate period after the Centre opens. If a rate is set from the 2019/20 year it will coincide with the completion and opening of the Health Centre.
- 5.22 Deferring a proposal may simply delay the inevitable. Undertaking community consultation on a proposal will provide the Council with evidence of the level of community support for the approach proposed by the Trust.
- 5.23 The Trust has socialised the concept of a Grants Targeted Rate widely with its community and believes it has strong support. It wants a decision made to enable a rate to be applied from 1 July 2019.

6. Option 1 – set a Grants Targeted Rate on properties in the Akaroa and Bays area over 10 years (recommended option).

Option Description

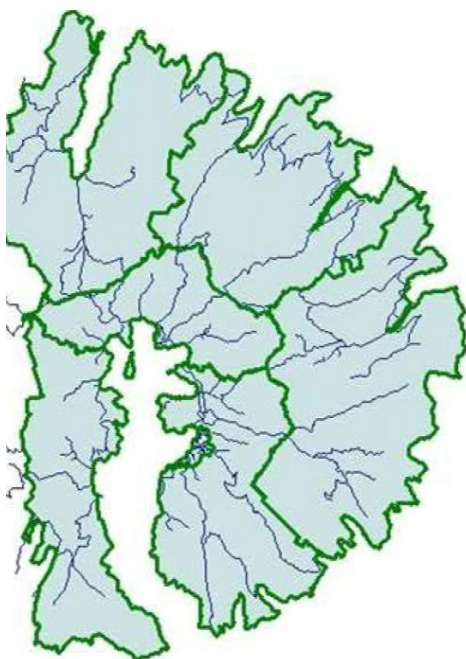
- 6.1 The Council would provide One-off Council Grant funding to the Akaroa Community Health Trust over four years and fund this from a Grants Targeted Rate over a 10 year period.
- 6.2 This would require the Council to loan fund the amount outstanding after year 4. Interest would be added to the Grants Targeted Rate from year 5 of the Rate period. This Option has been modelled on seven year and 10 year terms but could be adjusted to any duration.



- 6.3 The Council would pay for the Grant by setting a Grants Targeted Rate on all separately used or inhabited portions of property in the Akaroa subdivision of the Banks Peninsula ward. This area aligns with Canterbury DHB advice on Banks Peninsula health service patterns, the area of interest for the Akaroa Community Health Trust (in its Trust Deed) and aligns with Council Rating Valuation Rolls. The Rate would apply to the following valuation rolls:

23961	Akaroa township
23940	Akaroa surrounds – Takamatua to south coast
23930	Duvauchelle
23920	French Farm/ Wainui
23910	Le Bons Bay
23900	Okains Bay/ Little Akaloa
23890	Pigeon Bay

- 6.4 The map below shows the recommended catchment area for the Grants Targeted Rate.



- 6.5 There are two methods by which the rate could be applied:

- A fixed charge with each rateable unit charged the same amount.
- A proportionate charge with each rateable unit charged based on capital value

- 6.6 Each method has pros and cons. These are summarised in the table below:

Fixed charge		Proportionate charge	
Pros	Cons	Pros	Cons
<ul style="list-style-type: none"> • Easy to administer • Doesn't change due to valuation changes • Transparent – each ratepayer knows what they must pay 	<ul style="list-style-type: none"> • Regressive tax • May be onerous for some property owners (most likely those with lower value property) • Inconsistent with the Council's general preference for proportionate rating 	<ul style="list-style-type: none"> • Progressive tax so provides equity benefits • More affordable for owners of lower value properties • Consistent with the Council's preferred approach to rating 	<ul style="list-style-type: none"> • Not as easy to administer • Less transparent – each ratepayer pays a different amount • Amount per ratepayer can change following property revaluation

- 6.7 Modelling for this option is based on an estimate of there being 2,722 rateable units in the proposed Targeted rate catchment and that interest of 4.5 per cent applying throughout the term. Estimated rate charges by term duration and rating methodology are provided in the table below.

Rating method	4 year term Additional rate per annum (ex GST)	7 year term Additional rate per annum (ex GST)	10 year term Additional rate per annum (ex GST)
Fixed charge	\$114.16	\$68.89	\$51.13
Proportionate charge			
CV \$350,000	\$71.47	\$43.13	\$32.01
CV \$500,000	\$102.10	\$61.62	\$45.73
CV \$600,000	\$122.52	\$73.94	\$54.87
CV \$1,000,000	\$204.21	\$123.23	\$91.45

Significance

- 6.8 The significance of this option is assessed as medium, which is consistent with section 2 of this report.
- 6.9 The assessment recognises the significance is higher for residents and ratepayers directly affected (in the Akaroa and Bays areas) than for others. With a 10 year Targeted Rate term and a lower annual cost the significance is assessed as being less than for Option 2.
- 6.10 Engagement requirements for this level of significance are to inform or consult with the affected community. Given establishing a new rate is likely to attract a high degree of community interest, a community consultation process that gives effect to section 82 of the Local Government Act 2002 would be used, including the opportunity to present submissions to a hearings panel.

Impact on Mana Whenua

- 6.11 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

- 6.12 The Trust has engaged with the community over a number of years on a preferred health facility and services for the area. This has informed decisions regarding the Health Centre facility and the services to be delivered.
- 6.13 The Canterbury DHB has consulted with the Akaroa and Bays community in developing a new "Model of Care". The services to be delivered through the Health Centre are part of the new Model of Care which was released in 2017.
- 6.14 Residents and ratepayers in the Akaroa and Bays area are directly affected by this option. Their views about using a Grants Targeted Rate to help fund the Health Centre are not yet known.
- 6.15 The Council received 34 submissions from Akaroa residents on its draft Long Term Plan 2018-28, with 12 submitters including feedback on the proposal to enable One-off Council Grants to be funded from a Grants Targeted Rate. Of those submissions nine were in favour of using a targeted rate to help fund the Akaroa Community Health Centre and three were against.

Alignment with Council Plans and Policies

- 6.16 This option is consistent with the Council's Revenue and Financing Policy which provides for the Council to make One-off Council Grants to fund community facilities not owned by the Council and to set a Grants Targeted Rate to pay for the Grant.

Financial Implications

- 6.17 Cost of Implementation – There would be costs associated with undertaking community consultation, the advice and decision-making processes and setting up a Grants Targeted Rate.
- 6.18 Maintenance / Ongoing Costs – Once a rate is in place there would be minimal ongoing costs.
- 6.19 Funding source – These costs would be met from existing operating budgets.

Legal Implications

- 6.20 Section 16 of the Local Government (Rating) Act 2002 (LGRA) provides for the setting of a targeted rate.
- 6.21 Section 23 of the LGRA details requirements for setting a rate, which include that the rate must be in accordance with relevant provisions of the Council's long term plan and funding impact statement for that financial year.
- 6.22 The Council's Revenue and Financing Policy (in the Long Term Plan 2018-28) provides for a Grants Targeted Rate. A funding impact statement will be adopted as part of the Annual Plan 2019/20 which would need to include information regarding the Targeted Rate.
- 6.23 The Council's Legal Services Unit has reviewed this report and believes the legal requirements are appropriately met.

Risks and Mitigations

- 6.24 Transfer of funding risk from the Canterbury DHB and the Trust to the Council and the community. Given the agreement is between the Trust and the Canterbury DHB this may not seem appropriate to some.
- Residual risk rating: The residual rating of the risk after the below treatment(s) is implemented will be low/medium.
- Planned treatment(s) includes the setting of a Grants Targeted Rate to help fund the community share for the Centre.
- 6.25 There is political risk for the Council in charging the Targeted Rate. This can be mitigated to some extent through clear and effective messaging as part of the consultation.
- Residual risk rating: The residual rating of the risk after the below treatment(s) is implemented will be low to medium.
- Planned treatment(s) includes appropriate community consultation regarding any proposal to set a Grants Targeted Rate.
- 6.26 Loan funding brings a risk that interest rates may rise over the repayment period. To mitigate this risk (for the community) it is recommended that the Council fixes the interest rate at 4.5 per cent for the full term.

Implementation

- 6.27 Implementation dependencies;
- Rates team applying the Targeted Rate as part of the rates strike each year.
- 6.28 Implementation timeframe – Rate would be included in the funding impact statement and the income and expenditure in the appropriate activity budget in the Annual Plan 2019/20.

Option Summary - Advantages and Disadvantages

6.29 The advantages of this option include:

- The Targeted Rate is paid for by the community that receives the most benefit from the Health Centre.
- This is the more affordable option for affected ratepayers if a Grants Targeted Rate on properties in the Akaroa and Bays area is set. The annual rate requirement for a 10 year term is significantly less than for a four year term.
- Intergenerational equity – capital investments provide benefits over many years, and are more appropriately funded through borrowing (which is repaid over multiple years).
- A longer term provides opportunities to adjust the rate if the Trust raises further funding.
- The Akaroa and Bays communities collectively contribute to a key facility, promoting the concept of community ownership.
- A Grants Targeted Rate is an efficient method of collecting funds.

6.30 The disadvantages of this option include:

- The Council would borrow to fund the Grant. This adds interest costs to the Targeted Rate requirement.
- The Grants Targeted Rate would be in place for a longer period, which may not suit some ratepayers and would mean the Council incurs administration costs for a longer period.
- The incentive for the Trust to continue fundraising or for the Canterbury DHB to consider other possible funding arrangements are reduced.
- Regardless of how a targeted rate is structured, it would remain a significant funding requirement from a small number of ratepayers.
- The Council would assume political risk through levying a targeted rate. This is compounded by neither the Council nor the community having ownership of the asset to be funded.

7. Option 2 - Set a Grants Targeted Rate on properties in the Akaroa and Bays area for four years (2019/20 – 2022/23).

Option Description

- 7.1 The Council would provide One-off Council Grant funding to the Akaroa Community Health Trust over a four year period and fund this from a Grants Targeted Rate over the same period.
- 7.2 The Grants Targeted Rate would apply as for Option 1, specifically;
- Rate applies to all separately used or inhabited portions of rateable units in the area.
 - Either a fixed charge method (all rateable units pay the same amount) or a proportionate method of rating (based on the capital value of the rateable unit) could be used.
- 7.3 Modelling for this option uses the same assumptions as for Option 1.
- 2,722 rateable units.
 - Ratepayers receive 3% interest on rates payments made prior to 2022/23 (when the Council would make the Grant).

Significance

- 7.4 The significance of this option is assessed as medium, which is consistent with section 2 of this report. The assessment recognises significance is higher for residents and ratepayers directly

affected (in the Akaroa and Bays areas) than for people in the wider Christchurch District (outside the area that would pay the Targeted Rate).

- 7.5 The significance is higher than for Option 1 as the annual Targeted Rate requirement for each property is greater.

Impact on Mana Whenua

- 7.6 As for Option 1.

Community Views and Preferences

- 7.7 As for Option 1.

Alignment with Council Plans and Policies

- 7.8 As for Option 1.

Financial Implications

- 7.9 Cost of Implementation – as for Option 1 but the costs will extend over a shorter period.
- 7.10 Maintenance / Ongoing Costs – as for Option 1 but the costs will extend over a shorter period.
- 7.11 Funding source – as for Option 1.

Risks and Mitigations

- 7.12 Funding risk moves from the Canterbury DHB and the Trust to the Council and the community. Given the agreement is between the Trust and the Canterbury DHB this may not seem appropriate to some.

Residual risk rating: The residual rating of the risk after the below treatment(s) is implemented will be low/medium.

Planned treatment(s) includes the setting of a Grants Targeted Rate to help fund the community share for the Centre.

- 7.13 Political risk for the Council in charging the Targeted Rate. This risk can be mitigated to some extent through clear and effective messaging as part of the consultation.

Residual risk rating: The residual rating of the risk after the below treatment(s) is implemented will be low to medium.

- 7.14 Planned treatment(s) includes appropriate community consultation regarding any proposal to set a Grants Targeted Rate.

Implementation

- 7.15 As for Option 1 but over a shorter time period.

Option Summary - Advantages and Disadvantages

- 7.16 The advantages of Option 2 include:

- The Grants Targeted Rate is paid by the community that receives the majority of benefit.
- The One-off Council Grant is provided to the Trust after four years of applying the targeted rate, providing the community with interest revenue that reduces the rate requirement.
- The Akaroa and Bays communities contribute to a key facility that will serve the community for many years, promoting the concept of community ownership.
- The Akaroa and Bays communities collectively contribute to a key facility, promoting the concept of community ownership.
- A Grants Targeted Rate is an efficient method of collecting funds

- 7.17 The disadvantages of Option 2 include:

- Affordability - if a fixed charge is used then each rateable unit will pay an additional \$114 + GST in rates per year for four years. For lower value properties this could increase rates 5 per cent in year one in addition to the Council's forecast rates increase of 5.5 per cent meaning some properties would face more than a 10 per cent rate rise in the first year.
- The incentive for the Trust to continue fundraising or for the Canterbury DHB to consider other possible funding arrangements is reduced.
- The Council would assume political risk through levying a targeted rate. This is compounded by neither the Council nor the community having ownership of the asset to be funded.
- Intergenerational equity – capital investments provide benefits over many years, and are more appropriately funded through borrowing (which is repaid over multiple years).
- A shorter term reduces opportunities to adjust the rate if the Trust raises further funding.

8. Option 3 - Set a Grants Targeted Rate on all rateable units in the District for four years (2019/20 – 2022/23) on a fixed charge basis

Option Description

- 8.1 The Council would provide One-off Council Grant funding to the Akaroa Community Health Trust as for Option 1 and pay for this by setting a fixed charge Grants Targeted Rate on all separately used or inhabited portions of rateable units in the Christchurch District over a four year period.
- 8.2 Modelling of the rate requirement based on the Council's Long Term Plan 2018-28 estimate of there being 172,112 rateable units results in a Grants Targeted Rate of \$1.76 per rateable unit, per annum for four years.

Significance

- 8.3 Significance is assessed as low due to the very low charge per property.

Community Views and Preferences

- 8.4 With a low level of significance the Council could consult only as part of the Annual Plan.

Alignment with Council Plans and Policies

- 8.5 This option is consistent with the Council's Revenue and Financing Policy.

Financial Implications

- 8.6 Cost of Implementation – as for Option 1.
- 8.7 Maintenance / Ongoing Costs – as for Option 1.
- 8.8 Funding source – as for Option 1.

Risks and Mitigations

- 8.9 This option risks creating an expectation that district-wide funding should be used for other facilities that provide benefit to a particular community or part community that therefore may be more appropriately funded by central government or the benefitting community.

Implementation

- 8.10 As for Option 1.

Option Summary - Advantages and Disadvantages

- 8.11 The advantages of this option include:
- Very low Targeted Rate per rateable unit.

- Including the proposal in the consultation for the draft Annual Plan only could be appropriate.

8.12 The disadvantages of this option include:

- The costs are not borne by the community that incurred the debt or that receives the majority of the benefits.

Attachments

No.	Title	Page
A	Letter to Banks Peninsula Community Board	

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	Gavin Thomas - Principal Advisor Economic Policy
Approved By	Emma Davis - Acting Head of Strategic Policy Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)

Te Pātaka o Rākaihautū/Banks Peninsula Community Board
24 September 2018



The Chairperson Banks Peninsula Community Board

6 September 2018.

Dear Chairperson

The Akaroa Community Health Trust (ACHT) request that the Christchurch City Council (CCC) instigate a targeted rate to help fund the construction of the new Akaroa Health Centre.

With the demolition of the Akaroa hospital after the earthquakes 2010/2011, the Akaroa community formed the Akaroa Structure Group (ASG) to negotiate with the Canterbury District Health Board (CDHB) to rebuild a health facility in Akaroa.

Agreement was reached between the ASG and the CDHB to build a health facility, the ASG formalised itself into the ACHT to represent the Akaroa and wider Peninsula community to build and oversee the operation of this new facility.

One clause in the agreement between the ASG and CDHB is a financial contribution by the Akaroa community within 4 years of the build being completed. The build is underway and due for completion around Queen's Birthday weekend 2019.


ACHT initially approached CCC to support a targeted rate as part of its long-term planning process.

Fund raising committee of the ASG and ACHT has raised approximately \$1.2 million towards the total funds required of \$3 million. Fundraising is continuing but it is important that a targeted rate is instigated to underwrite remaining funds that cannot be raised.

The ACHT formally request the Christchurch City Council rate, the ratepayers of the old Akaroa County Council, being approximately 3000 ratepayers, the sum of \$110 (excl GST) annually for four years. The annual sum of \$110 per ratepayer will, in 4 years, contribute in excess of \$1.3 million towards the financial contribution that the Akaroa community have agreed to with CDHB.

Trusting the board will look favourably on this request

Yours faithfully


for
Gordon Boxall
Chairperson
Akaroa Community Health Trust

Attachment A Item 8

Attachment A Item 14

15. Wastewater Heat Recovery Linwood Pool

Reference: 19/65117

Presenter(s): Nigel Cox, Head Recreation, Sport, and Events

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is to request the Finance and Performance Committee of the Whole to make a decision on Capex funding of a wastewater heat recovery system at Linwood Pool.

Origin of Report

- 1.2 This report is staff generated after receiving a feasibility study and cost estimates for a wastewater heat recovery system at Linwood Pool.

2. Significance

- 2.1 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
 - 2.1.1 The level of significance was determined by considering the impact on the environment, the community and costs of utilising a Wastewater heat recovery system instead of an air source heating system.
 - 2.1.2 The community engagement and consultation outlined in this report reflect the assessment.

3. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Approve the increase of the Linwood Pool budget from \$21,641,750 to \$22,719,750 (an increase of \$1,078,000) to enable the integration of a wastewater heat recovery system within the Linwood Pool facility.
2. Approve the funding of the waste water heat recovery system for the Linwood Pool up to \$1,078,000 through reprioritisation of 'Recreation and Sport Buildings & Plant R&R Programme' FY21.
3. Request that staff also seek third party funding for the wastewater heat recovery system for the Linwood pool.
4. Note that this initiative directly aligns with Council's Strategic Priority of Climate Change Leadership.

4. Key Points

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

4.1.1 Activity: Facilities, Property & Planning

- Level of Service: 13.4.29.0 We provide advice and projects that reduce the energy used in Council facilities - 1.7% reduction year on year energy use (Based on Sustainable energy strategy 2008 Option 4)

- 4.2 The following feasible options have been considered:

- Option 1 – Wastewater heat recovery system funded through reprioritisation of 'Recreation and Sport Buildings & Plant R&R Programme' FY21 (preferred option).
- Option 2 - Wastewater heat recovery system requests additional funding through the Annual Plan process.
- Option 3 - Reduce scope elements of the Linwood Pool project to include wastewater heat recovery system within the current project budget.
- Option 4 – Continue with the project utilising air source heating.

4.3 Option Summary - Advantages and Disadvantages (Preferred Option)

4.3.1 The advantages of this option include:

- The electricity required to heat the pools is reduced by an estimated 33%, saving of 290,000kWh per annum and associated carbon saving of 37 tonnes per annum.
- The operational costs of the Linwood Pool are reduced by an estimated \$41,500 per annum.
- Reprioritisation within the existing CAPEX programme does not require new funding through the Annual Plan process.
- Allows the concept design to continue without delay to the programme.

4.3.2 The disadvantages of this option include:

- The potential negative public perception of an increased Linwood Pool project budget.
- The deferral of planned building renewals in FY21 will delay part of the RSU renewal programme.
- It may be perceived that there is excess funding within the Recreation and Sport Buildings & Plant R&R Programme in FY21.

5. Context/Background

Project Overview

- 5.1 Funding of \$21,641,750 for the development of a Linwood Pool is included in the 2018-2028 Long Term Plan.
- 5.2 On the 16 May 2018 the Linwood-Central-Heathcote Community Board resolved (LCHB/2018/00065) that approved 141 Smith Street as the site for the Linwood Pool and that staff proceed with procurement and development of a concept design.
- 5.3 The location of 141 Smith Street is in close proximity to pressure sewer 11B running through the adjacent site Linwood Park. When considering heating options for the pool a feasibility study on Wastewater Heat Recovery was commissioned (Attachment B).
- 5.4 Air source heating is an efficient heating option and is what had been used at the recently completed Taiora:QEII Recreation and Sport Centre. Wastewater heat recovery allows the heat pumps to operate with a higher energy efficiency and associated lower electrical consumption loads.
- 5.5 Community engagement on the pre-concept design was completed in December 2018 and information gathered will be utilised to develop the concept design.

Wastewater Heat Recovery Overview

- 5.6 Globally there are thought to be over 1,000 installations using wastewater as a thermal source, including at least 5 installations in Australia. These existing installations also include at least 5 aquatic centres. So, whilst it is a new concept in New Zealand, it is not a new concept globally.
- 5.7 There is a 24-hour average of 12,000kW of wastewater thermal energy available immediately adjacent to the Linwood pool site which is easily sufficient to supply the estimated winter heating needs of approximately 800kW for the Linwood Pool facility, as well any future library building.
- 5.8 The wastewater flowing through the pressure sewer main adjacent to the site is consistently warm all year around, with an average annual temperature of about 18oC. This makes wastewater an excellent source of heating thermal energy and will allow heat pumps to operate with high energy efficiency and associated low electrical consumption costs.
- 5.9 Isolation of the pressure sewer main (Pressure Sewer 11B) can be done easily using existing valves located in pump station PS11. The dry weather wastewater flows from PS11 can be accommodated along the parallel pressure sewer line (Pressure Sewer 11A) meaning that take-off and return connections needed for the Linwood pool can be easily made into the network without disruptions to the wastewater network operation.
- 5.10 Adopting wastewater as a thermal energy source will allow the Linwood Pool to offer electricity savings over conventional air source heat pumps through increased heat pump efficiency.
- 5.11 Recovering heat from wastewater will capture and recycle a significant amount of thermal energy which would otherwise be discarded. This will make both the Linwood Facility and Christchurch City more energy efficient and more sustainable.
- 5.12 The detailed cost estimates, energy, financial and carbon savings are outlined in Attachment A.

Third Party Funding

- 5.13 There are opportunities for third party funding to contribute towards the wastewater heat recovery system. However indications are that these will not cover the full amount.

6. Option 1 – Wastewater heat recovery system funded through reprioritisation of ‘Recreation and Sport Buildings & Plant R&R Programme’ FY21 (preferred)

Option Description

- 6.1 Reprioritising \$1,078,000 of Capex from within ‘Recreation and Sport Buildings & Plant R&R Programme’ CPMS ID 9030 in FY21 to the Linwood pool allows the wastewater heat recovery system to be included as part of the Linwood Pool project.

Significance

- 6.2 The level of significance of this option is low which is consistent with section 2 of this report.
- 6.3 Engagement requirements for this level of significance are consistent with section 2.

Impact on Mana Whenua

- 6.4 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

- 6.5 Community feedback has not been sort for this option.
- 6.6 Based on the operational nature of the decision it is considered that people are unlikely to be affected.

Alignment with Council Plans and Policies

- 6.7 This option is consistent with Council’s Plans and Policies.

Financial Implications

- 6.8 Revision of the Linwood Pool budget from \$21,641,750 to \$22,719,750 (an increase of \$1,078,000).
- 6.9 Maintenance / Ongoing Costs – Operational costs reduced by \$41,500 per annum (leading to a negligible rates saving).
- 6.10 Funding source – \$1,078,000 from ‘Recreation and Sport Buildings & Plant R&R Programme’ CPMS ID 9030 in FY21.

Legal Implications

- 6.11 There is not a legal context, issue or implication relevant to this decision.
- 6.12 This report has not been reviewed and approved by the Legal Services Unit.

Risks and Mitigations

- 6.13 There is a risk associated with this decision that some individuals or groups within the community may not support the reallocation of renewal funding.
- 6.13.1 Residual risk rating: The residual rating of the risk after the below treatment is low.
- 6.13.2 Planned treatment is to ensure that deferred replacement and renewal items are effectively programmed into future years.

Implementation

- 6.14 Implementation dependencies - A decision needs to be made in early February 2019 to continue with the concept design of the Linwood Pool and avoid any redesign costs or significant delay to the programme.
- 6.15 Implementation timeframe – The wastewater heat recovery system would be included in the Linwood pool project and completed at the same time.

Option Summary - Advantages and Disadvantages

6.16 The advantages of this option include:

- The electricity required to heat the pools is reduced by an estimated 33%, saving 290,000kWh per annum and associated carbon saving of 37 tonnes per annum.
- The operational costs are reduced by an estimated \$41,500 per annum.
- Reprioritisation within the existing CAPEX programme does not require new funding through the Annual Plan process.
- Allows the concept design to continue without delay to the programme.

6.17 The disadvantages of this option include:

- The potential negative public perception of an increased Linwood Pool project budget.
- The deferral of planned building renewals in FY21 will delay part of the RSU renewal programme.
- It may be perceived that there is excess funding within the Recreation and Sport Buildings & Plant R&R Programme in FY21.

7. Option 2 – Wastewater heat recovery system requests additional funding through the Annual Plan process.

Option Description

- 7.1 Additional funding for the wastewater heat recovery system is requested through the Annual Plan process.

Significance

- 7.2 The level of significance of this option is low which is consistent with section 2 of this report.
- 7.3 Engagement requirements for this level of significance are consistent with section 2.

Impact on Mana Whenua

- 7.4 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

- 7.5 Community feedback has not been sort for this option.
- 7.6 Based on the operational nature of the decision it is considered that people are unlikely to be affected.

Alignment with Council Plans and Policies

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

Financial Implications

- 7.8 Revision of the Linwood Pool budget from \$21,641,750 to \$22,719,750 (an increase of \$1,078,000).
- 7.9 Maintenance / Ongoing Costs – Operational costs reduced by \$41,500 per annum (leading to a negligible rates saving).
- 7.10 Funding source – \$1,078,000 to be included as part of the Annual Plan process. This additional funding, partially offset by minor operating cost savings, will increase rates by c.0.01% in FY22.

Legal Implications

- 7.11 There is not a legal context, issue or implication relevant to this decision.
- 7.12 This report has not been reviewed and approved by the Legal Services Unit.

Risks and Mitigations

- 7.13 There is a risk associated with this decision that some individuals or groups within the community may not support and increase in project funding through the annual plan.
- 7.13.1 Residual risk rating: The residual rating of the risk after the below treatment is low.
- 7.13.2 Planned treatment is to effectively communicate through annual plan consultation.

Implementation

- 7.14 Implementation dependencies - A decision needs to be made in early February 2019 to continue with the concept design of the Linwood Pool and avoid any redesign costs or significant delay to the programme.
- 7.15 Implementation timeframe – The wastewater heat recovery system would be included in the Linwood pool project and completed at the same time.

Option Summary - Advantages and Disadvantages

- 7.16 The advantages of this option include:

- The electricity required to heat the pools is reduced by an estimated 33%, saving 290,000kWh per annum and associated carbon saving of 37 tonnes per annum.
- The operational costs are reduced by an estimated \$41,500 per annum.

7.17 The disadvantages of this option include:

- The potential negative public perception of an increased Linwood Pool project budget.
- The potential negative public perception of a minor rates increase.
- The decision on the inclusion of the wastewater heat recovery system would be after the completion of concept design so would incur redesign fees and/or significant delay to the programme.

8. Option 3 - Reduce scope elements of the Linwood Pool project to include wastewater heat recovery system within the current project budget.

Option Description

- 8.1 The scope of the project is reduced to allow the inclusion of the wastewater heat recovery system within the current project budget.

Significance

- 8.2 The level of significance of this option is low which is consistent with section 2 of this report.
- 8.3 Engagement requirements for this level of significance are consistent with section 2.

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 The local community are specifically affected by this option due to their interest in the Linwood Pool project and desire to ensure that the new facility meets the needs of the local community. Through proceeding with Option 3, proposed spaces for the community will be compromised.
- 8.6 Community views on the Linwood Pool project were gained through public consultation on site selection for the proposed facility.
- 8.7 Following development of initial sketches a community open day was held in December 2018 where feedback was sort on the proposed spaces to be included within this facility.

Alignment with Council Plans and Policies

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

Financial Implications

- 8.9 Cost of Implementation – Managed within existing project budget of \$21,641,750.
- 8.10 Maintenance / Ongoing Costs - Operational costs reduced by \$41,500 per annum (leading to a negligible rates saving)
- 8.11 Funding source – not applicable

Legal Implications

- 8.12 There is not a legal context, issue or implication relevant to this decision.
- 8.13 This report has not been reviewed and approved by the Legal Services Unit.

Risks and Mitigations

- 8.14 There is a risk associated with this decision that some individuals or groups within the community do not support the removal of scope.
- 8.14.1 Residual risk rating: The residual rating of the risk after the below treatment is high.
- 8.14.2 Planned treatment is undertake community engagement prior to a concept being presented for approval.

Implementation

- 8.15 Implementation dependencies – An additional round of community engagement would be required before presenting the concept for approval.
- 8.16 Implementation timeframe – The wastewater heat recovery system would be included in the Linwood pool project and completed at the same time.

Option Summary - Advantages and Disadvantages

8.17 The advantages of this option include:

- The electricity required to heat the pools is reduced by an estimated 33%, saving 290,000kWh per annum and associated carbon saving of 37 tonnes per annum.
- The operational costs are reduced by an estimated \$41,500 per annum.

8.18 The disadvantages of this option include:

- Proposed spaces for the community would be compromised or removed completely.
- An additional community engagement prior to the concept being presented for approval will incur significant delay to the programme.

9. Option 4 - Continue with the project utilising air source heating.

Option Description

9.1 Continue with the project utilising air source heating.

Significance

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

9.3 Engagement requirements for this level of significance are consistent with section 2.

Impact on Mana Whenua

9.4 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

9.5 Community feedback has not been sort for this option.

9.6 Based on the operational nature of the decision it is considered that people are unlikely to be affected.

Alignment with Council Plans and Policies

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

Financial Implications

9.8 Cost of Implementation – not applicable.

9.9 Maintenance / Ongoing Costs – not applicable.

9.10 Funding source – not applicable.

Legal Implications

9.11 There is not a legal context, issue or implication relevant to this decision.

9.12 This report has not been reviewed and approved by the Legal Services Unit.

Risks and Mitigations

9.13 There is a risk associated with this decision that some individuals or groups within the community do not support the decision not to include wastewater heat recovery system.

9.13.1 Residual risk rating: The residual rating of the risk after the below treatment is low.

9.13.2 Planned treatment is to effectively communicate the decision making process and rational for the decision.

Implementation

9.14 Implementation dependencies - A decision needs to be made in early February 2019 to continue with the concept design of the Linwood Pool and avoid any redesign costs.

9.15 Implementation timeframe – not applicable.

Option Summary - Advantages and Disadvantages

9.16 The advantages of this option include:

- There are no changes required to the programme timeline or funding of the project.

9.17 The disadvantages of this option include:

- The potential negative public perception of a missed opportunity to improve resource efficiency and reduce carbon emissions.

Attachments

No.	Title	Page
A ↓	Linwood Pool Wastewater Heat Recovery Summary 2019-01-28	124
B ↓	Linwood Woolston Pool Wastewater Heat Recovery Feasibility Study 2018-11-07	126

Confirmation of Statutory Compliance

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

(a) This report contains:

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

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

Signatories

Authors	Nigel Cox - Acting Head of Recreation & Sports Lizzie Farthing - Recreation & Sports Planner
Approved By	Michael Down - Finance Business Partner Mary Richardson - General Manager Citizen and Community



18A Aston Street
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28 January 2019

Linwood Pool

Wastewater Heating Summary Report

Introduction:

All aquatic centers are heavy consumers of heat energy. They typically require large amounts of heat all year around, even in summer, and approximately 80% of the energy consumed by Aquatic Centers is heat. This typically makes these facilities expensive to operate and they carry large environmental footprints in comparison to other types of buildings. Therefore, wherever possible all opportunities to make them more energy efficient should be taken.

Approximately 30% of all the energy consumed by NZ houses is used to generate heat in hot water systems. Everyday this heat is discharged into the associated wastewater network making wastewater an enormous container of thermal energy and an untapped resource available for cities to use by capturing and recycling this thermal energy.

Globally there are thought to be over 1,000 installations using wastewater as a thermal source, including at least 5 installations in Australia. These existing installations also include at least 5 aquatic centres. So, whilst it is a new concept in New Zealand, it is not a new concept globally.

In 2018 a feasibility study was undertaken to assess if wastewater heating was feasible for the Linwood Pool. This study showed that it is feasible and the information provided below is a summary of the findings from that study.

Energy, Financial & Carbon Savings

Benchmarking undertaken by Applied Energy of 20 aquatic centres from NZ, Australia & UK indicates that, on average, aquatic centres consume over 5 times more energy/m² than the average for office/education/retail buildings.

Notable in this benchmarking is the one aquatic centre which we have data for, which is heated from wastewater. This wastewater heating aquatic centre uses approximately 60% less energy/m² than the aquatic centre average. It is acknowledged that the results from just one facility cannot be assumed as being representative for all wastewater heated aquatic centres. However, the results from this one example are impressive and certainly encouraging.

In a similar vein, in 2013 the USA Geothermal Exchange Organization (GEO) commissioned an independent research team from Oklahoma State University and Oak Ridge National Laboratory to evaluate the relative performance of Geothermal Heatpump vs. Air Source VRF heating and cooling systems installed at the American Society of Heating Refrigeration and Air-conditioning Engineers (ASHRAE) International Head-quarters Building in Atlanta. The study showed that over a two-year period—when all variables were accounted for—energy use by the geothermal system averaged 44% less than the VRF system. Given that wastewater also flows at stable and neutral temperatures, similar to geothermal systems, compared to conventional air source heat pumps similar efficiency gains can be expected with a wastewater source heating system.

Based on the above, for the purposes of business case evaluation for wastewater heating of the Linwood Pool, it has been conservatively estimated that compared to conventional air source heat pumps a wastewater heat recovery system will provide a 33% reduction in electrical energy needed for the heating system.



Recovering heat from wastewater will also capture and recycle a significant amount of thermal energy which would otherwise be discarded. This will make both the Linwood Pool Facility and Christchurch City more energy efficient and more sustainable.

It is estimated that installing a wastewater heating system in Linwood Pool results in the following estimated savings:

- **Electricity Savings:** Estimated annual electricity saving through wastewater heat recovery system = 290,000kWh
- **Financial Savings:** Estimated annual energy cost saving through wastewater heat recovery system = \$41,500/year.
- **Carbon Savings:** Using the EECA CO₂ Calculator, for 290,000kWh electricity savings, there is an associated CO₂ saving of 37 tonnes/year. In the future, there may be carbon tax savings available for these CO₂ savings being achieved, however given the uncertainty around these carbon tax matters no allowance for these potential financial savings have been assumed.

Wastewater Heat Recovery Infrastructure and Equipment

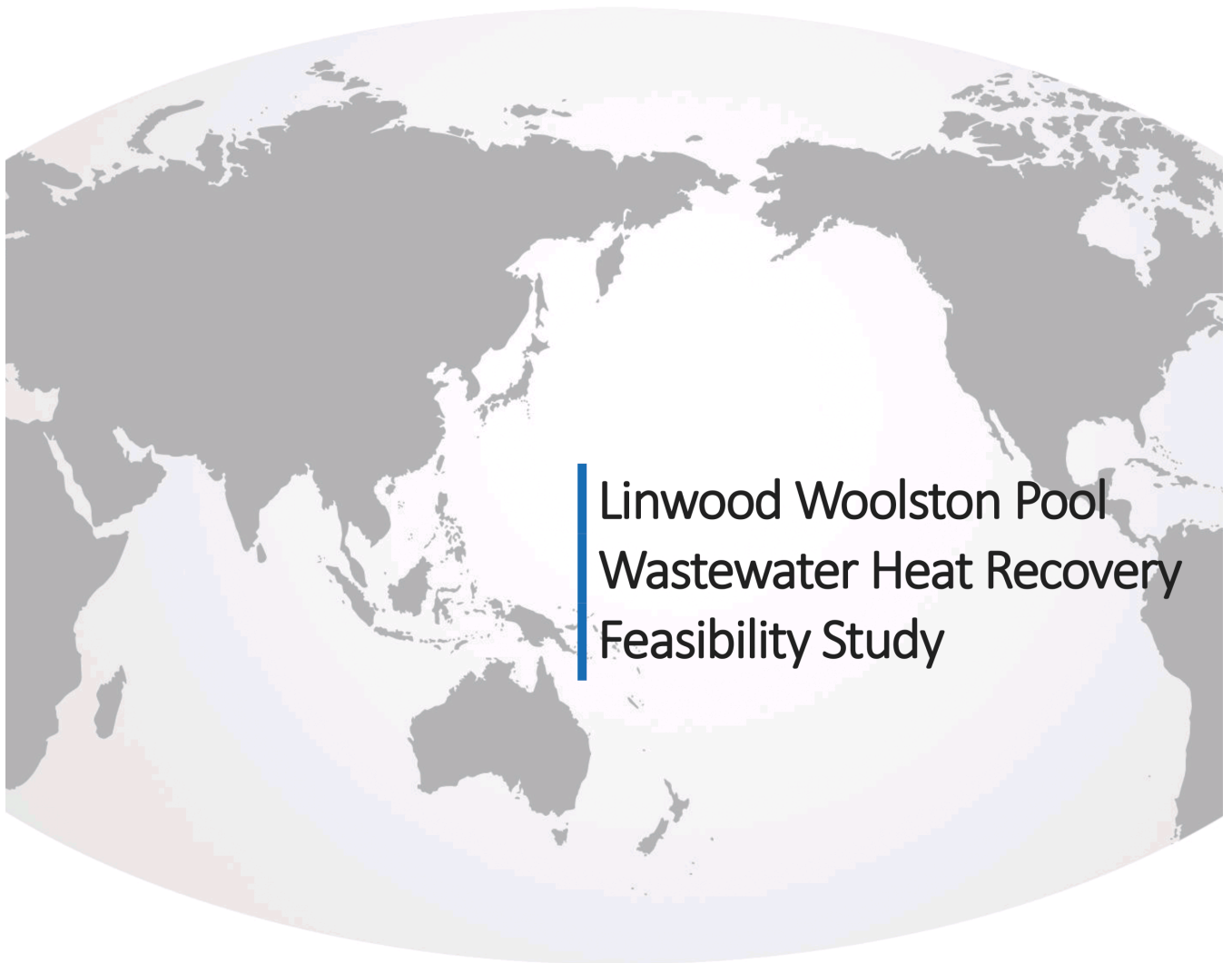
Two wastewater heating technology suppliers were considered as part of the feasibility assessment. These were:

- Veolia/Alfa Laval
- International Wastewater Systems

‘Order of Cost’ Capital Estimates

Below are budget estimates for the infrastructure required for utilising wastewater as the thermal source for the Linwood Pool project. We note that the budget estimates are ‘high level’ estimates based on limited information available. Our assessment, based on experience with other projects, is that understandably these estimates are therefore conservative (i.e. on the high side).

Description	Cost	Comments
Wastewater heat exchangers, pumps, screens	\$900k	Budget estimate from suppliers for supply, install & commission.
Reticulation pipework from Pressure Sewer 11B to plantroom & return to sewer	\$50k	Assumed 50m PE100 PN16 pipe, trenched @ \$1k/m. Rate from GHD Wastewater Optimisation Costs Report.
Re-injection pumps to push wastewater back into pressure sewer.	\$25k	Estimate from supplier’s information.
Heatpump cost reduction through using water source heatpumps.	(\$150k)	Estimate from Powell Fenwick.
Hardware & Infrastructure	\$825k	
Design Fees	\$50k	Design & Build documentation, Procurement & Construction monitoring.
WWHR Plantroom Construction	\$62.5k	From WTP pre-design estimate
Total excluding contingency	\$937.5k	
Contingency @ 15%	\$140.5k	
Total including contingency	\$1,078k	





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REVISION	DATE	DETAILS
A	02/11/18	Initial issue
B	07/11/18	Revised Issue



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Executive Summary

Utilising wastewater as a thermal energy source for the proposed Linwood Woolston Pool is feasible.

There is a 24-hour average of 12,000kW of wastewater thermal energy available immediately adjacent to the Linwood Woolston pool site. This is easily sufficient to supply the estimated winter heating needs of approximately 800kW for the Linwood Woolston Pool facility, as well as any future library building.

The wastewater flowing through the pressure sewer main adjacent to the site is consistently warm all year around, with an average annual temperature of about 18°C. This makes wastewater an excellent source of heating thermal energy and will allow heat pumps to operate with high energy efficiency and associated low electrical consumption costs.

Isolation of the pressure sewer main (Pressure Sewer 11B) can be done easily using existing valves located in pump station PS11. The dry weather wastewater flows from PS11 can be accommodated along the parallel pressure sewer line (Pressure Sewer 11A) meaning that take-off and return connections needed for the Linwood Woolston pool can be easily made into the network without disruptions to the wastewater network operation.

Adopting wastewater as a thermal energy source can allow the Linwood Woolston Pool to avoid burning fossil fuel, by using electricity as the prime energy source for the facility heating. It will also offer electricity savings over conventional air source heat pumps through increased heat pump efficiency.

Recovering heat from wastewater will capture and recycle a significant amount of thermal energy which would otherwise be discarded. This will make both the Linwood Woolston Facility and Christchurch City more energy efficient and more sustainable.

The estimated energy savings from a wastewater heating system are around \$41,500/year.

The 'order of cost' budgets for the wastewater heat exchange equipment and associated wastewater infrastructure works are \$720k - \$850k

It is estimated that the additional capital cost needed for a wastewater heating system will be recovered in approximately 17 - 20 years through expected energy savings.



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1 Introduction

Approximately 30% of all the energy consumed by NZ houses is used to generate heat in hot water systems¹. Everyday this heat is discharged into the associated wastewater network making wastewater an enormous container of thermal energy and an untapped resource available for cities to use by capturing and recycling this thermal energy.

Capturing and recycling the thermal energy within wastewater also utilises wastewater infrastructure for a second, more valuable purpose than just transporting wastewater alone. It uses the infrastructure for containing and moving energy.

This assessment looks at the feasibility of using wastewater as a thermal source for the proposed Linwood Woolston Pool facility.

The information provided to us to facilitate this assessment is briefly described below:

1. Wastewater infrastructure, flow & temperature data: Provided by Christchurch City Council.
2. Linwood Woolston pool estimated thermal loads: Obtained from Powell Fenwick consultants.
3. Budget cost estimates: obtained from wastewater heat recovery technology suppliers.

1.1 Limitations to the scope of this assessment:

We specifically note the following limitations which apply to the scope of our assessment:

1. Accuracy of the estimated thermal loads for the Linwood Woolston pool. At the time of undertaking this feasibility assessment, the building has not yet been designed. Hence the actual thermal loads are unknown. Powell Fenwick have assessed likely thermal loads, based upon experience with other similar facilities. However, it should be acknowledged that this assessment carries some risk.
2. Wastewater flow rates and temperatures. We have been provided with temperature and flowrate data by Christchurch City Council, and assume that this information is correct. We have made no independent monitoring to check the accuracy of this data.

¹ BRANZ Household Energy End-use Study (HEEP) (Issacs et al 2010)



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2 Location Plan



Figure 1



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3 Estimated Peak Thermal Demands

An estimate of the likely peak thermal demand for the Linwood Woolston pool facility has been provided by Powell Fenwick Consultants, based on their experience with other similar pool facilities. The 24-hour peak day estimate is shown below in Figure 2:

The estimate shows the following:

1. The peak thermal load is expected to be around 730kW and occur in the morning (7:00am approximately).
2. The thermal profile is relatively flat during the hours that the facility is open.
3. The 24-hour average load is expected to be approximately 540kW.

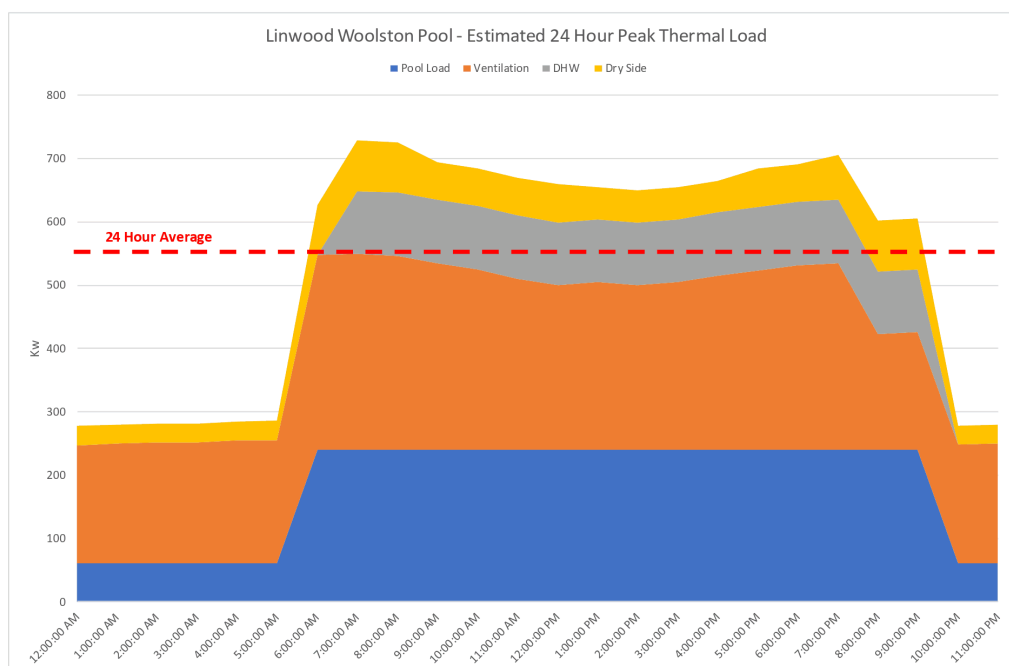


Figure 2

For the purposes of this feasibility study, the peak thermal load for the Linwood Woolston facility is rounded up to 800kW.

Risk: At the time of writing this report, the Linwood Woolston Pool building has not been designed. The thermal loads have therefore been estimated by Powell Fenwick from their experience with other similar pool facilities, and this has required assumptions and estimates to be made. Once the Linwood Woolston pool building is designed, the actual thermal demands may be different.



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4 Wastewater Thermal Supplies

4.1 Infrastructure Proximity and Accessibility

There is a significant Ø1200 pressure sewer main running through the park immediately adjacent to the site on the West side, identified as 'Pressure Main 11B'. This sewer main is one of two Ø1200 lines running in parallel to improve the resilience of the wastewater network. The other line identified as 'Pressure Main 11A' runs down Aldwins & Buckleys Roads (refer Figure 5).

Also running through the park adjacent to the site is an abandoned Ø600 pressure sewer main (refer Figure 3). This is understood to be capped off at each end and also possibly blocked off at intermediate points. Consideration has been given to using this abandoned line to directly receive return water from a wastewater heating system, but this idea has been rejected. The abandoned line is excessively oversized for the flow concerned meaning that solids would settle in the line. However it may be possible to use the abandoned line as a passage for installation of a smaller return water line if required.

The other sewer reticulation infrastructure in proximity to the site is limited to Ø150 gravity branches. These are too small for the flow concerned from a wastewater heating system and have therefore been ignored.

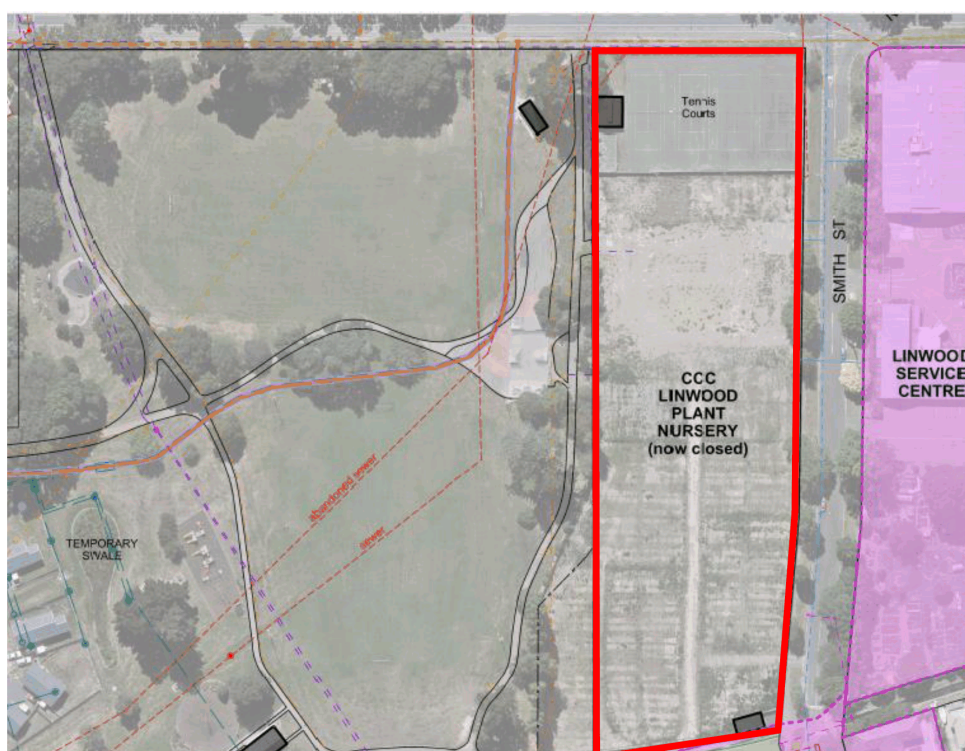


Figure 3

To the South of the proposed pool site sits a major pump station 'PS11' located on the corner of Bass and Randolph Streets (refer Figure 4). It is from this pump station that the two pressure sewer mains 'Pressure Main 11A' and 'Pressure Main 11B' originate.



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Within PS11 is a by-pass connection which allows flow to be fully diverted to 'Pressure Main 11A' or 'Pressure Main 11B' if required. Christchurch City Council have confirmed that one of these lines is capable of taking the full flow (in dry weather) from the pump station if required. Thus opening the possibility of isolating one of the lines if required whilst the network continues to operate on the other line. Refer to Figure 4 and Figure 5 below.

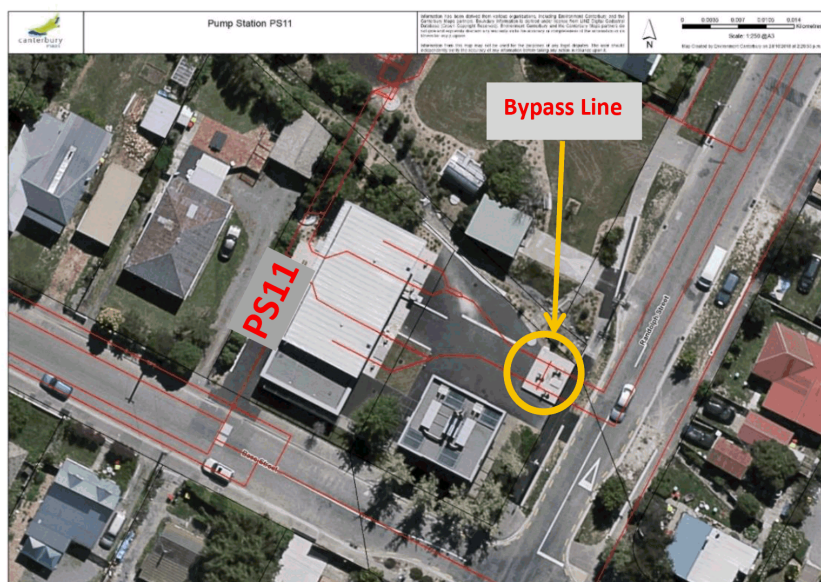


Figure 4

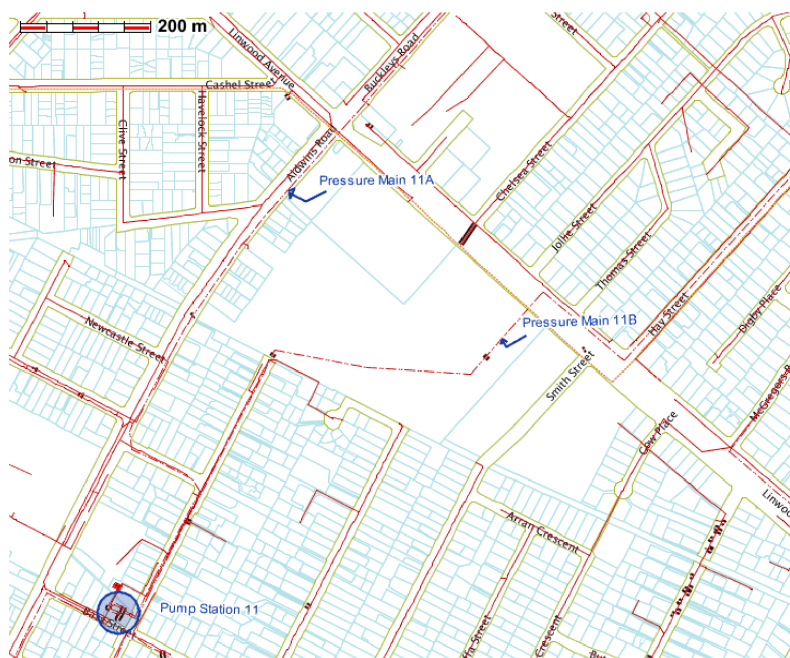


Figure 5



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4.2 Wastewater Temperatures

Risk: The temperature data used is from the Bromley Wastewater Treatment Plant. Wastewater temperatures at the Linwood Woolston Pool site could be different. However, this temperature risk is not expected to be more than $\pm 1^{\circ}\text{C}$ or 2°C and therefore not considered to be of concern.

If needed, this risk can be easily mitigated by temperature logging in PS11.

Analysis of wastewater temperature data for Christchurch has been previously done for other projects (refer to Figure 6). This indicates that the wastewater temperatures in Christchurch range between 14°C and 21°C with a 12-month average temperature of approximately 18°C .

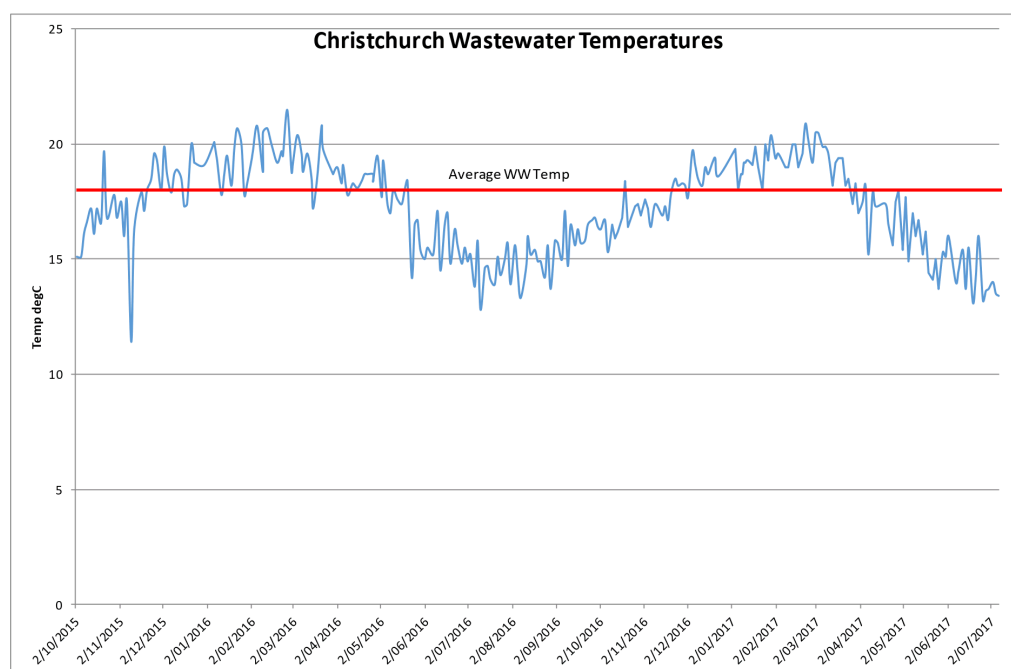


Figure 6

Assuming a maximum temperature change of 5°C is adopted for a wastewater heat recovery system, the wastewater temperatures should remain within the range of normal variation. Hence no detrimental effects would be expected within the wastewater infrastructure or treatment processes.

4.3 Available Wastewater Heat Capacity

An analysis of data provided by Christchurch City Council shows that there is a significant amount of thermal energy available within the wastewater flows going past the Linwood Woolston site in pressure sewer 11B.

Fourteen days data at 1-minute intervals from Pressure Sewer 11B were analysed to determine the flows available. These are indicated below in Figure 7.

The data indicates that there are flow rates greater than required for the Linwood Woolston Pool for ~99% of the time, and for the vast majority of this time the flow rates are more than 10 times that required for the Linwood Woolston Pool. There are short periods occurring only during the early hours of the mornings (2am – 4am) when the PS11 pumps shut down due to low flows. The maximum duration of these 'no flow' periods observed during the 14 days monitored is approximately 15 minutes. Refer Figure 8 below.



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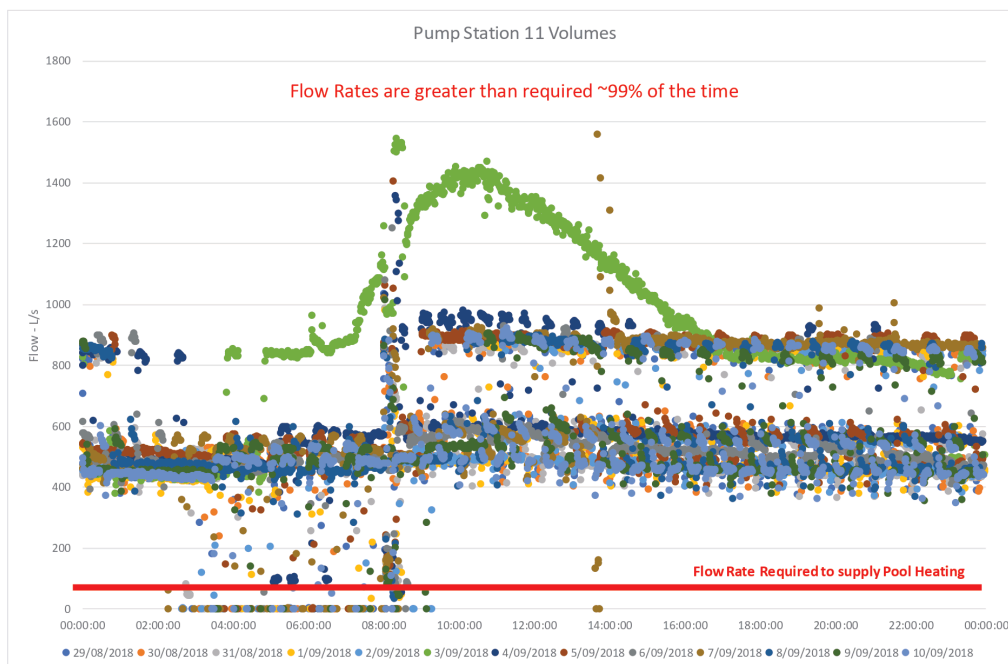


Figure 7

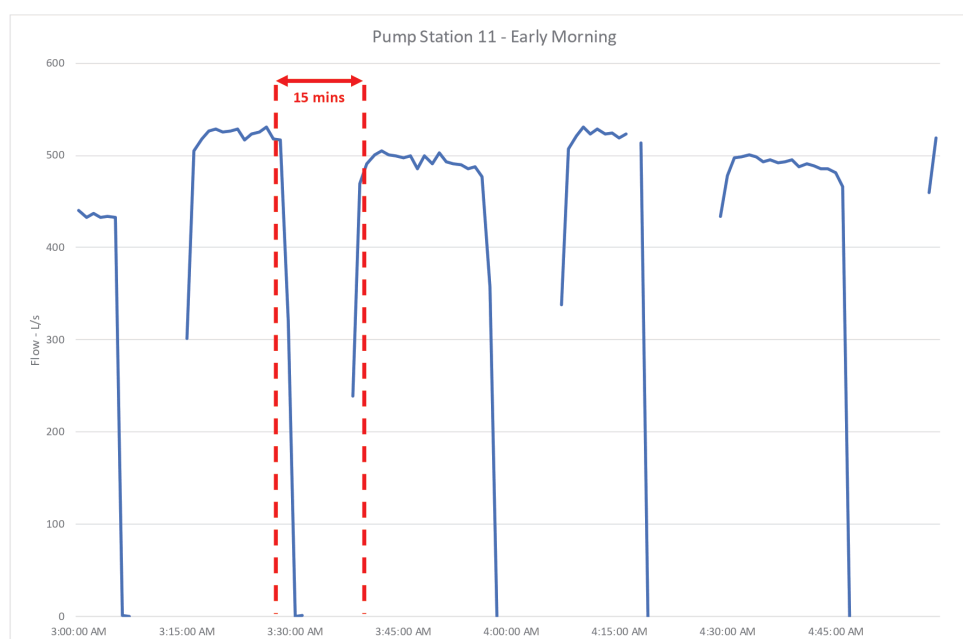


Figure 8



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5 Wastewater Heat Supply Risks

5.1 Morning 'No Flow' Periods

To mitigate the loss of wastewater flow during 'No Flow' periods, we investigated the possibility of using storage capacity available within Pressure Main 11B.

From the estimated thermal loads for the Linwood Woolston pool, the loads during the early morning hours 2am – 4am are only approximately half of the peak thermal loads at around 300kW.

The wastewater volume needed to supply this heat load for the 15 minutes of 'no flow' duration would be ~18,000 litres. The Pressure Main 11B can provide this storage capacity within approximately 15m length.

The image in Figure 9 below shows connection points suggested by Christchurch City Council. The approximate distance between these two points is ~130m which would provide sufficient storage capacity within Pressure Main 11B to supply the Linwood Woolston Pool heating system for about 2 hours at the reduced thermal loads.

It can therefore be concluded that using storage volume within Pressure Main 11B can easily provide sufficient wastewater heat to bridge the short periods of 'no flow' which occur during the early morning hours.

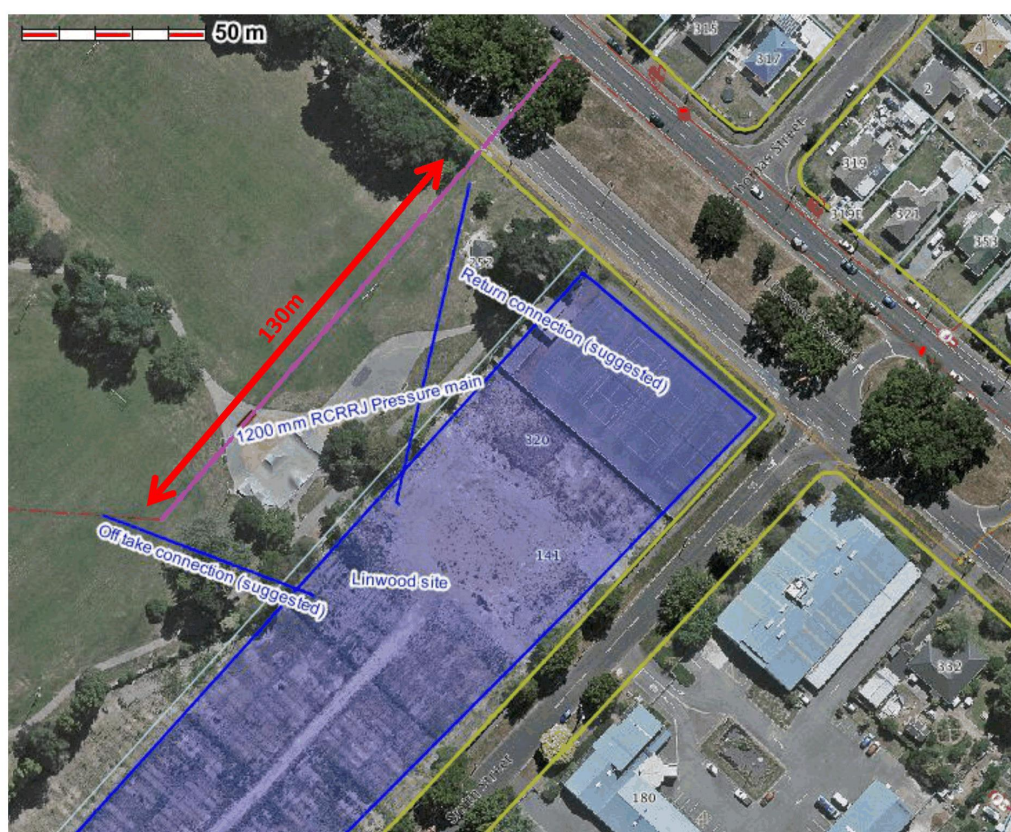


Figure 9



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5.2 Single Heat Source Risk

Utilising Pressure Sewer 11B as the heat source for the Linwood Woolston Pool carries some risk in that the pool heating system is dependent upon this single heat source

This heat source supply risk can be categorised into three areas:

- **Wastewater production:** The supply of wastewater passing through PS11 and pressure sewer 11B is generated by the occupants and industries living in the catchment area upstream of PS11. Given that this catchment area is well established suburban housing and commercial use, the risk of this supply stopping can be considered negligible.
- **Pump Failure in PS11:** PS11 has a bank of four pumps arranged in a N+1 scenario. This means that only three of the four pumps are required to provide the full pumping volume. Hence the failure of any one pump within PS11 will not impact the supply of heat for the Linwood Woolston Pool and this risk can therefore be considered to be managed.
- **Closure of Pressure Sewer line 11B:** Pressure Sewer 11B was installed in 2005 and can therefore be considered to have >75 years expected life remaining before renewal or refurbishment is required. This is greater than the expected 50 year life of a new Linwood Woolston Pool facility. In the 13 years that 11B has been in use, it has been 100% available (i.e. it has never been closed), except for a 3-4 week period after the earthquakes when one leak needed to be repaired. With this historical reliability the risk of closure of Pressure Sewer 11B can be considered very small. This risk can nevertheless be completely mitigated by incorporating temporary boiler connections into the design of the pool heating system. Thus, if Pressure Sewer 11B was ever closed, an alternative heat source (e.g. temporary boiler) could be hired in and connected to cover this time.



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6 Possible Wastewater Heat Technology Choices

Globally there are currently estimated to be approximately 7-10 technology suppliers who provide wastewater thermal exchange systems. These technology solutions fall into two broad groups which are:

1. In-Sewer Heat Exchangers
2. Out of Sewer Heat Exchangers.

6.1 In-Sewer Heat Exchangers

In-Sewer heat exchangers fall into two groups:

1. Heat exchange pipes embedded within the wall material of sewer pipes.
2. Heat exchange liners fitted to the bottom surface of existing sewer pipes.



Based on the author's knowledge and experience, neither of these in-sewer technologies are considered practical for use in this project because they would require replacement of several hundred meters of the wastewater trunk sewer line.



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The costs and disruption associated with this are considered to be prohibitive and therefore in-sewer heat exchanger technologies have not been further considered.

6.2 Out of Sewer Heat Exchangers

Out of Sewer heat exchangers are considered to be appropriate technical solutions for the project.

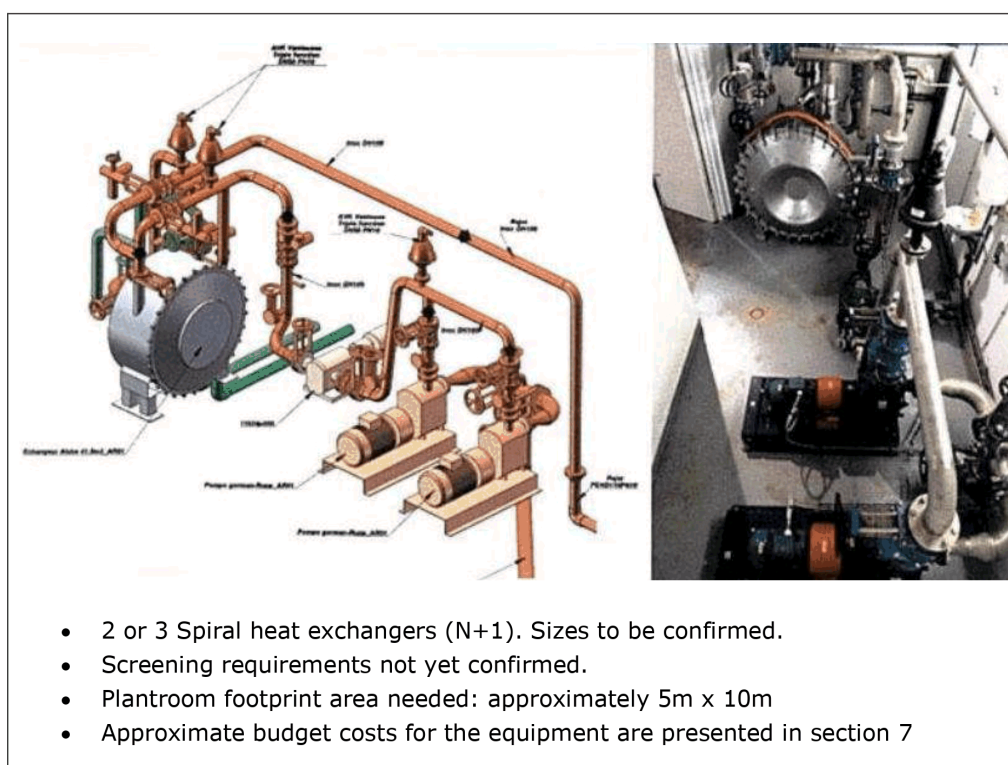
One out of sewer supplier, Huber Technology, has not been considered appropriate for this project because the wastewater available in Pressure Sewer 11B is already under pressure, and the Huber heat exchangers are not sealed. Therefore this system pressure would be lost in the heat exchanger and the wastewater would need to be pumped back to the system pressure so it could be reinjected. This would require significant pumping energy which is not the case with sealed systems provide by other technology suppliers, on this basis the Huber Technology solution has not been considered further.

Two out of sewer heat exchanger technology suppliers have been considered as part of this feasibility assessment, however there may also be other suitable suppliers. The suppliers considered here are:

- Veolia/Alfa Laval
- International Wastewater Systems

6.2.1 Veolia/Alfa Laval

To service the Linwood Woolston Pool project, would require the following equipment:

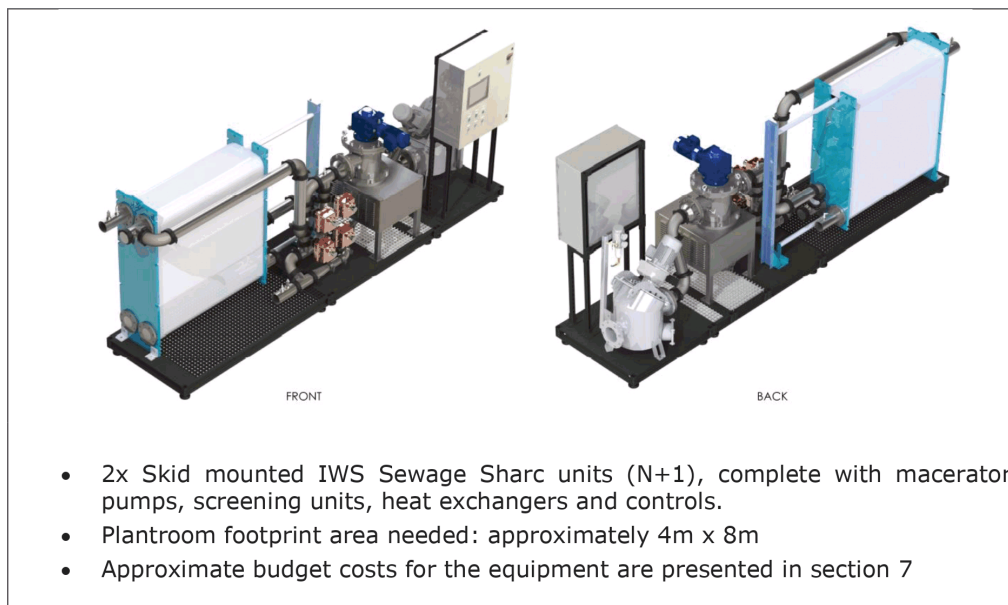




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6.2.2 International Wastewater Systems

To service the Linwood Woolston Pool project, would require the following equipment:



7 'Order of Cost' Capital Estimates

Below are budget estimates for the infrastructure required for utilising wastewater as the thermal source for the Linwood Woolston Pool project.

Description	Veolia/Alfa Laval	IWS	Comments
Wastewater heat exchangers, pumps, screens	\$800k	\$900k	Budget estimate from suppliers for supply, install & commission.
Reticulation pipework from Pressure Sewer 11B to plantroom & return to sewer	\$50k	\$50k	Assumed 50m PE100 PN16 pipe, trenched @ \$1k/m. Rate from GHD Wastewater Optimisation Costs Report.
Re-injection pumps to push wastewater back into pressure sewer.	\$25k	\$25k	Estimate from suppliers information.
Heatpump cost reduction through using water source heatpumps.	(\$150k)	(\$150k)	Estimate from Powell Fenwick.
Budget Totals	\$725k	\$825k	

8 Business Case Discussion

Aquatic centres are heavy users of low-grade heat. They typically require large amounts of heat all year around, even in summer. Benchmarking undertaken by Applied Energy of 20 aquatic centres from NZ, Australia & UK (shown below) indicates that on average, aquatic centres consume over 5 times



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more energy/m² than the average for office/education/retail buildings, and typically 80% of this energy consumed by aquatic centres is low grade heat.

Notable in this benchmarking is the one aquatic centre we have data for, which is heated from wastewater (shown with yellow bar). This aquatic centre uses approximately 60% less energy than the aquatic centre average.

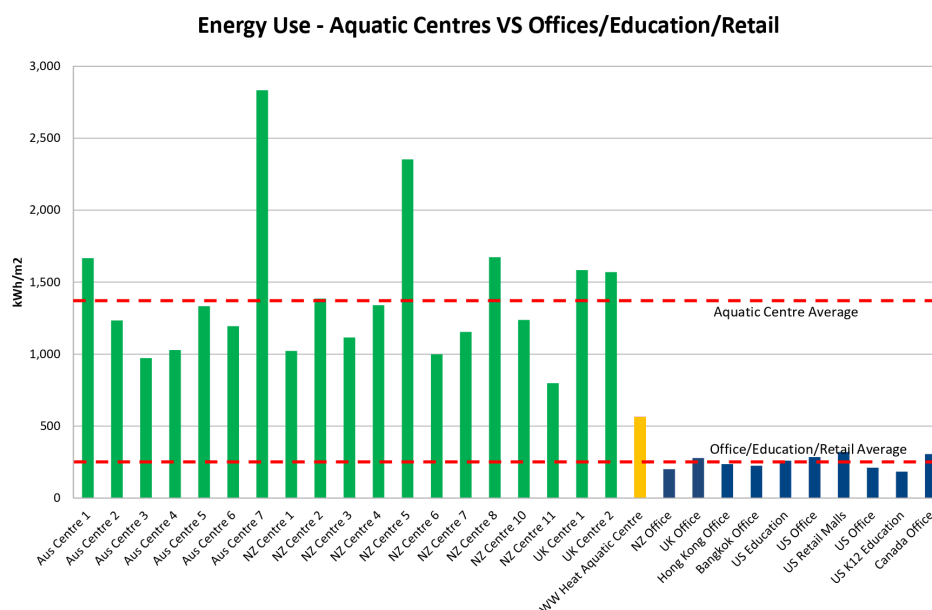


Figure 10

It is acknowledged that the results from just one facility cannot be assumed as being representative for all wastewater heated aquatic centres. However, the results from this one example are impressive and certainly encouraging.

In a similar vein, in 2013 the USA Geothermal Exchange Organization (GEO) commissioned an independent research team from Oklahoma State University and Oak Ridge National Laboratory to evaluate the relative performance of Geothermal Heatpump vs. Air Source VRF heating and cooling systems installed at the American Society of Heating Refrigeration and Air-conditioning Engineers (ASHRAE) International Head-quarters Building in Atlanta. The study showed that over a two-year period—when all variables were accounted for—energy use by the geothermal system averaged 44% less than the VRF system². Given that wastewater also flows at stable and neutral temperatures, similar to geothermal systems, similar efficiency gains can be expected with a wastewater source system compared to conventional air source heat pumps.

Based on the discussion above, for the purposes of business case evaluation in this study, it is proposed that a wastewater heat recovery system be estimated to provide a 33% reduction in heating energy compared to conventional air source heat pumps.

²<https://www.geoexchange.org/scientific-research-shows-geothermal-heat-pumps-outperform-vrf-heating-cooling/>



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8.1 Energy Cost Calculations

Assumptions:

- Gross Indoor Area: From component schedule = 2,281m². For this calculation assume 2,200m².
- Annual energy consumption (Energy Use Index, EUI): Base case = 1,250kWh/m² (obtained from low range from benchmarking data in Figure 10 and cross referenced with Powell Fenwick aquatic centre data).
- Thermal energy use in heating system = 80% (obtained from Applied Energy benchmarking research and cross referenced with Powell Fenwick aquatic centre data).
- Wastewater Heat Recovery system estimated prime energy savings over base case = 33% (discussed above).
- Base case annual heating system Coefficient of Performance = 2.5
- Electrical energy cost = 15c/kWh (advised by CCC in August 2017).

Description	Area (m ²)	EUI (kWh/m ²)	% Heating	Annual Thermal Heating Energy	Annual Prime Heating Energy	Energy Cost (\$/kWh)	Annual Heating Energy Cost
Base Case	2,200	1,250	80	2,200,000	880,000	0.15	\$130,000
Wastewater Heating	2,200	1,250	80	2,200,000	590,000	0.15	\$88,500

Estimated annual electricity saving through wastewater heat recovery system = 290,000kWh

Estimated annual energy cost saving through wastewater heat recovery system = \$41,500/year.

8.2 Carbon Savings

Using low carbon electricity as an energy source to provide heating, instead of burning fossil fuel, is increasingly being seen as essential if the COP21 agreements from Paris are to be achieved³.

Using heatpumps as a thermal source for large buildings can allow cities to transition away from burning fossil fuels such as coal, oil or gas, to using electricity generated from low carbon, renewable energy sources such as hydro, wind or solar. This enables cities to make meaningful progress towards this decarbonisation and electrification transition required for a sustainable future.

The UNEP report⁴ 'Buildings and Climate Change' identifies that large buildings offer the best opportunities for quick and large savings in emissions (refer Figure 11).

³ https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v14.pdf

⁴ http://www.greeningtheblue.org/sites/default/files/Buildings%20and%20climate%20change_0.pdf



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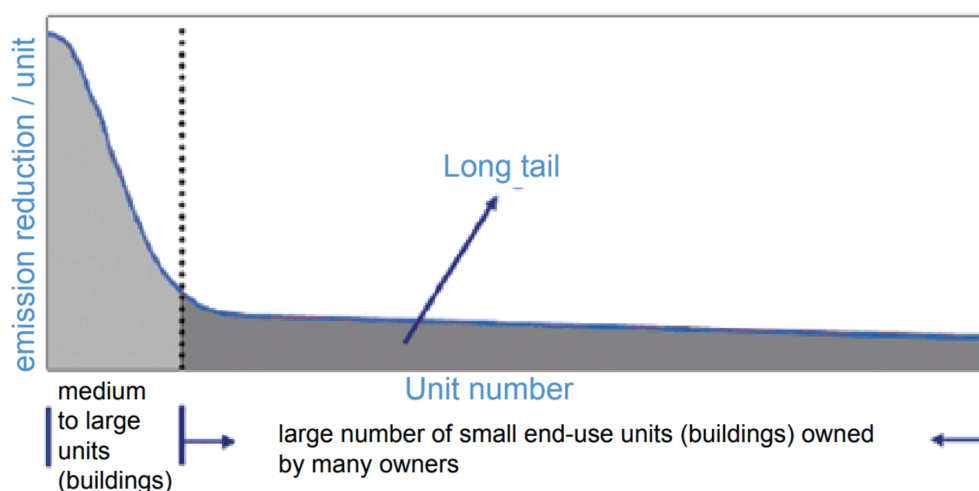


Figure 11

So using low carbon electricity and heatpumps as a heating source in large buildings, both new and existing, should be considered a priority action for cities wanting to do their part towards the global agreements made at COP21. This is also in line with the NZ Government's climate change strategy⁵ and Christchurch City Council's carbon neutral by 2030 target.

Designing the Linwood Woolston pool to use wastewater heating, via heatpumps using low carbon electricity is therefore in line with the various policies identified above.

Using the EECA CO₂ Calculator⁶, for 720,000kWh electricity savings (refer 8.1), there is an associated CO₂ saving of 93 tonnes/year. In the future, there may be carbon tax savings available for these CO₂ savings being achieved, however given the uncertainty around these carbon tax matters no allowance for these savings have been factored into this study.

8.3 Payback Calculations

Based on the above figures in section 7 and section 8.2, simple payback calculations are as follows:

Supplier	Capital Cost Premium	Estimated Energy Savings	Payback
International Wastewater Systems	\$825k	\$41.5k	~20 years
Veolia/Alfa Laval	\$725k	\$41.5k	~17 years

⁵https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/Cabinet_paper_The_100_Day_Plan_for_Climate_Change.pdf

⁶<https://www.eecabusiness.govt.nz/tools/wood-energy-calculators/co2-emission-calculator/>



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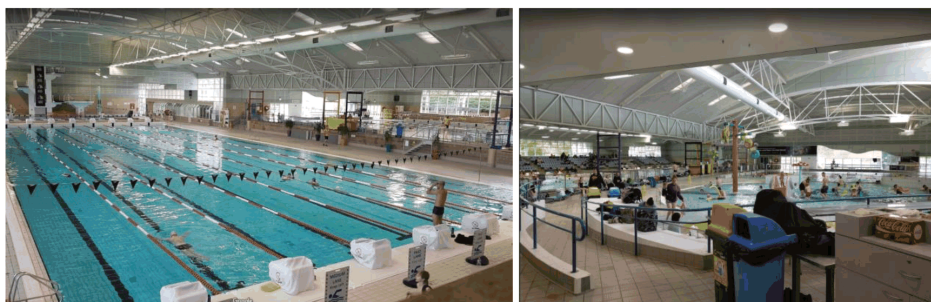
9 Similar Reference Projects

Globally there are thought to be over 1,000 installations using wastewater as a thermal source.

For reference, the following are all examples of aquatic centres, community buildings, and districts which are or will be utilising wastewater as a thermal source.

Please note: Some of these projects are not known in detail by the author, and hence things such as the length of time in operation and thermal capacity of the system may not be known.

Hobart Aquatic Centre

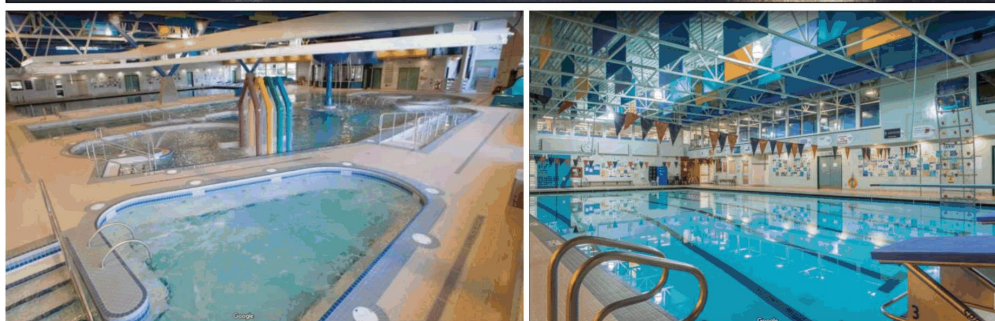


- 7,500m² aquatic centre in Hobart, Tasmania.
- ~750kW thermal capacity from treated wastewater.
- The wastewater heat recovery system has been in operation ~20 years.



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Saanich Peninsular Aquatic Centre – Vancouver Island

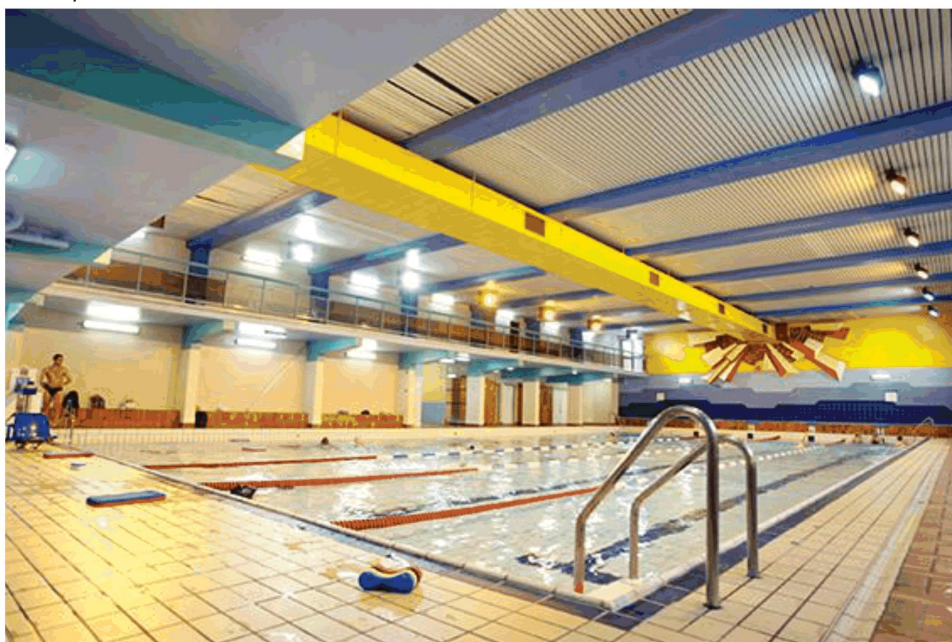


The wastewater heat recovery system has been in operation since 2011.

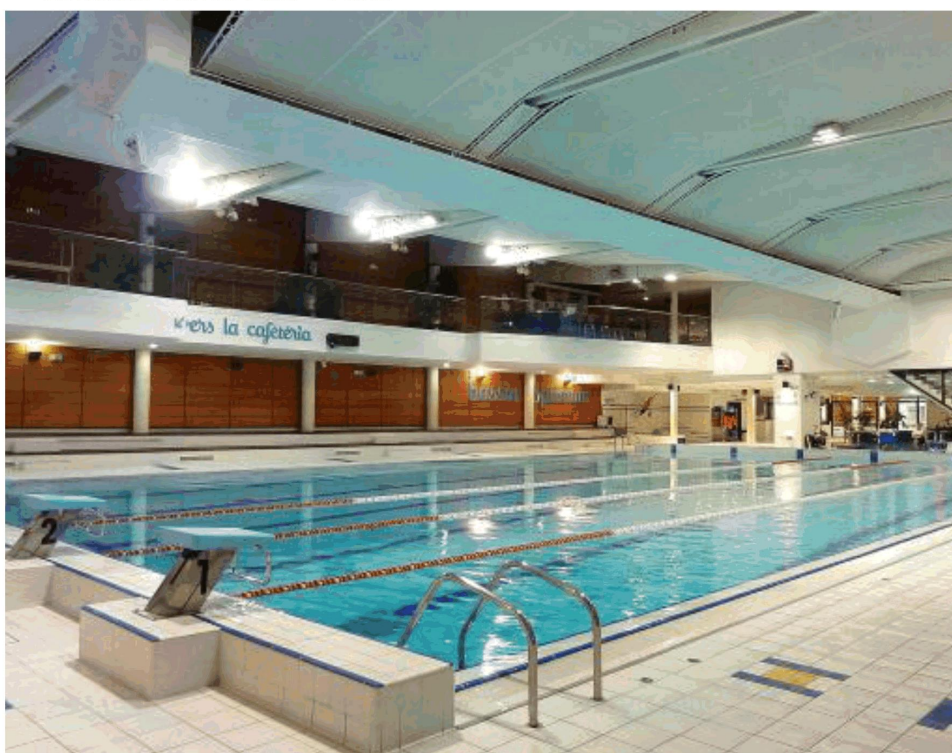


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Aspirant Dunand Pool – Paris



Levallois-Perret Pool – Paris



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Cercle de Nageurs de Marseille, France



MOM Cultural Centre – Budapest, Hungary



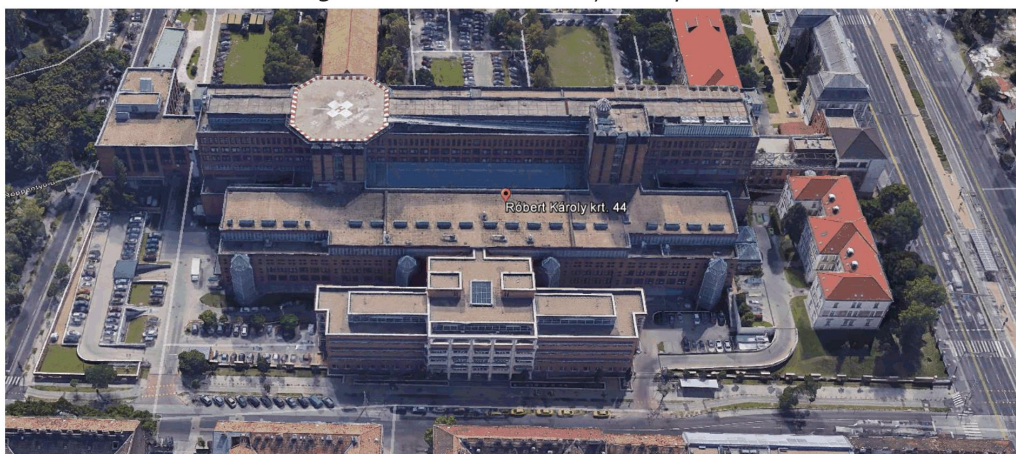
The wastewater heat recovery system has been in operation since 2011.

1000kW thermal capacity



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Medical Centre of Hungarian Defence Forces, Budapest



The wastewater heat recovery system has been in operation since 2014.

3,800kW thermal capacity system

South East False Creek, Vancouver



District heating scheme consisting of 28 buildings with approximately 400,000m² of floor space, covering residential, commercial and institutional uses.

This system obtains around 70% of the heat required from wastewater and has been in operation since 2010.

The first stage of expansion has recently been completed (we are unsure what the total floor space is now up to). The second stage of expansion is now in the planning phase.



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Ministry of Interior Headquarters – Stuttgart, Germany



The wastewater heat recovery system has been in operation since 2012.

500kW thermal capacity.



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Museum of Bavarian History – Germany (currently under construction)



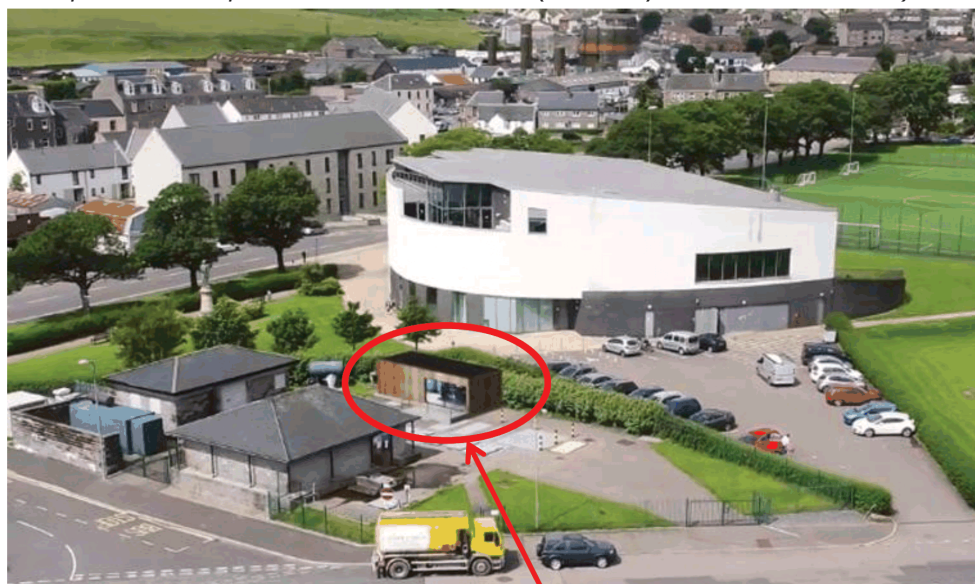
Magenta Business Park – Scotland (currently under construction)





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Aqualibrium Aquatic Centre – Scotland (currently under construction)



Understood to be Wastewater
Heat Recovery Energy Centre

16. Central City activation, events and attraction package

Reference: 19/11069

Presenter(s): Carolyn Ingles - Head of Urban Regeneration, Design and Heritage

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is to outline a proposed approach to attracting more visitors to the central city and to recommend funding allocation in the draft 2019/2020 Annual Plan.

Origin of Report

- 1.2 This report is provided to fulfil Council resolution CNCL/2018/00300:

'Request that staff in conjunction with ChristchurchNZ investigate options for attracting more visitors to the central city, including a central city winter package, and report to the Council in February 2019.'

- 1.3 The resolution followed discussion within a December 2018 report on establishing a central city activation fund of \$250,000 to promote central city opportunities. The suggestion was that the funding support an FTE and development and delivery of additional events and activation in the central city particularly over the winter months. While such a role has commenced on an temporary basis, this report outlines a proposed ongoing activation, events and attraction package.
- 1.4 This report also responds to the Central City Action Plan 'Light up the City' actions:
<https://www.ccc.govt.nz/assets/Documents/Culture-Community/Central-City/Central-City-Action-Plan-booklet-WEB.pdf>.

2. Significance

- 2.1 The decisions to be made by the Council as a result of this report are of relatively low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 2.1.1 If the staff recommendations are adopted, the funds required to establish the winter package will be included in the draft 2019/2020 Annual Plan and consulted on as part of that process. The substantive decision on whether or not to approve the funding will be considered and made before the Council adopts the Plan in June 2019.

3. Staff Recommendations

That the Committee of the Whole:

1. Agree in principle to the establishment of a winter package to support the Central City.
2. Recommend to the Council that \$280,000 funding to support the proposed winter package is added to the 2019/2020 draft Annual Plan, noting that the final decision to include funding will be considered before adoption of the draft and final 2019/2020 Annual Plan.
3. Recommend that the Council delegates to the Head of Urban Design, Regeneration and Heritage and the Head of Recreation, Sports and Events – in conjunction with ChristchurchNZ - the decision to jointly approve the details of the winter package, noting that this will contain elements of:
 - a. Extending the existing events programme and establishing an activation programme;
 - b. Delivering a strategic marketing campaign, complemented by a local campaign; and

- c. Coordinating with retailers and hospitality to leverage visitation.
- 4. Recommend that the Council note that the reporting and monitoring of the winter package will occur via reporting on the Central City Action Plan.

4. Key Points

- 4.1 On 19 December 2018 Council considered a report relating to incentives to support the central city. The Council sought advice from staff regarding a package to support visitation. In particular, reference was made to establishing a central city activation fund of \$250,000, with the purpose of using events and activation to promote retail, hospitality, residential and significant amenity and leisure opportunities in the Central City, particularly during the winter months of 2019 and 2020.
- 4.2 Increasing activity is a key focus of the Central City Action Plan, which notes that while the Central City is re-emerging as a focal point for people and activity, support will still be needed over the next 1-2 years in particular during winter. The plan sets out several short-term actions to enable activation and support the evening economy.
- 4.3 We have reliable empirical evidence that activation events increase footfall and attendance in the CDB (via our pedestrian count data), which in turn leads to increased retail and hospitality spending (via ChristchurchNZ Marketview data sets), which in turn supports a sustainable economy and provides a vibrant experience for visitors and residents.
- 4.4 The public sector can play a part in increasing visitation to the Central City, however to optimise visitation into spend, the retail and hospitality sector will need to engage with the programme. For example, evening events during winter, without corresponding changes to opening hours, will have minimal benefit for retail businesses. Likewise, we want to compliment and support the existing hospitality offering, not directly compete by over-providing temporary food trucks for example.
- 4.5 The package set out in this report coordinates with and builds on what is already programmed and provides for additional support, ongoing funding for the currently established but temporary Central City Activator, funding to coordinate and curate activations, and a strategic and local marketing campaign.
- 4.6 The Council resolution requests an options report. There are limited options to increase visitation – advice from ChristchurchNZ and Christchurch City Council (CCC) officers indicates that a mix of events, activations, marketing and communications is required. The proposal in this report was developed as a result of a workshop with ChristchurchNZ and CCC staff. It is a joint proposal to Council.
- 4.7 There is no silver bullet to overcoming the perceptions and engagement of residents and visitors with the central city. The package, while having the key elements set out in section 5.11, will need to be developed in ways that are innovative and agile.
- 4.8 The Council's willingness to consider such a package is consistent with the leadership and commitment to the Central City and reinforces the direction, and support set out in the Central City Action Plan.

5. Context/Background

Central City Action Plan

- 5.1 The Council approved the Central City Action Plan in November 2018. The action plan is intended to cover the 2018-2021 period – until the next Long Term Plan period commences. It has five key action areas: Leadership, Amenity and Activation, Growth, People and Getting it done. Included in the plan are actions related to central city activation and events.

- 5.2 In December 2018, the Council requested a report on options for attracting visitors to the central city, including a winter package.
- 5.3 This report sets out the recommended key elements of a Central City package. There will be a degree of trialling and testing what works and what enables the best leverage with the Central City retail and hospitality sector. Key components are identified below although the detail will be developed following funding approval.

What is happening now

- 5.4 A trial project has already been established for a 6-month period using funding which is available in the 2018/19 financial year only. This trial funds an 'Activator' within the Council Events Team, along with a very modest operational budget funding to support activations. For the trial period the activator will work with ChristchurchNZ, the Central City Business Association, HospitalityNZ, the private sector and across the Council to create small scale activations and events. The Activator role commenced on 4 February and will conclude on 30 June.
- 5.5 The trial project also enables the activations and events for the early part of the Winter 2019 to be set in place. While the work for the initial months of FY20 can undergo some degree of planning, until Council approves the final 2019/2020 Annual Plan, that work cannot be confirmed.
- 5.6 There is a significant amount of activity already scheduled for Winter 2019 including a revamped Arts Festival, more comprehensive Kids Fest, opening of the Town Hall and Farmers Market. The current events and festivals programme, at 31 January 2019, is set out in Attachment A.
- 5.7 ChristchurchNZ have a winter/spring domestic campaign planned which will launch in May.

Winter Package proposal

- 5.8 The public sector can increase footfall into the central city, but conversion of footfall into retail and hospitality spend is in large part dependent on the degree to which retailers engage with and leverage the additional footfall. We know from our events and pedestrian count monitoring that events and activations bring additional footfall.
- 5.9 Winter 2019 is likely to be a particular point of vulnerability for the central city, with the offering still being developed and the need to shift resident's perceptions of the central city and their shopping behaviour, and perception of Christchurch amongst potential domestic visitors. While winter 2020 may also be a vulnerable time, the proposal set out in this report is for the winter package to be front-loaded to winter 2019.
- 5.10 The timing of the establishment of this initiative means that for Winter 2019 the initiative would largely leverage off what is currently programmed, although innovative and bespoke opportunities would continue to be explored. The proposal is to increase the frequency and variety of activity in the central city and additional marketing to spread the message to both domestic visitors and local residents that the Central City provides a unique and exciting leisure opportunity. A recent article in the New Zealand Herald noted that Christchurch is 'a place to stop, stay and soak up the vibe of a city on the rise, in every sense'.
- 5.11 While this is excellent positive attention now, it is important that this vibrancy continues. The proposed package will effectively be a 'Wintertimes' programme and has three components:
 - 5.11.1 **Extending the existing events programme** and activity within the Central City. Although there is a significant amount of activity already scheduled for Winter 2019, the programme needs to be extended to fill any gaps and augment events with street

programmes and vacant space activations. The overall quantum of this portion of the package is likely to be approximately \$150,000. This would be achieved in two ways:

- Curating smaller scale activity between the larger events, to ensure a consistent central city 'buzz'. This requires the ongoing employment of the trial Central City Activator to end June 2020. It also requires a larger operational budget to support delivery.
- Adding to the existing Events calendars being managed by CCC. Given the lead in time required for events, this is more likely to be possible for Winter 2020. ChristchurchNZ and CCC staff are investigating the feasibility of an additional event(s) for the coming winter.

5.11.2 **Delivering a strategic marketing campaign** and supporting that campaign with **aligned local messaging** and associated collateral. The strategic marketing campaign would be the responsibility of ChristchurchNZ. Council would be responsible for supporting the strategic campaign with a programme aimed at local residents – much like ChristchurchNZ developed the Explore campaign and Council developed Explore:Town. This requires additional funding for ChristchurchNZ of \$100,000 to their 2019/2020 budget and \$30,000 within Council budgets for local messaging.

5.11.3 **Working with retailers and hospitality** to leverage the activation and marketing. This is aligned with the Central City Activation role and will be developed in liaison with the Central City Business Association and HospitalityNZ Canterbury Branch. It would be supported from within the dollar allocation indicated above.

5.12 As noted above, the detail of the programme will be developed in collaboration with the ChristchurchNZ and the private sector, with final approval delegated to the appropriate Heads Of units and budget allocations to ChristchurchNZ.

Best for City

5.13 As part of implementing the Central City Action Plan, a best for city decision-making framework has been developed and is now being trialled. The intention is that ideas that emerge to support the central city are evaluated using the framework and the results are provided as advice to the relevant decision-makers.

5.14 For the Winter Package proposal, the evaluation is set out in Table 1 below:

Table 1: Central City Proposed Winter Package evaluation

Extent to which the proposal:	(✓)			Comment: details, risk, mitigation possible / needed, trade-offs
	Low	Med	High	
Has strategic alignment:				
Aligns with the Central City Action Plan (CCAP)			✓	Is an action in the CCAP
Aligns with strategic outcomes			✓	Central City Action Plan is driven from a Council strategic priority.
Delivers/unlocks clear benefits:				
Supports public / end user confidence in the central city as a place			✓	Reinforces Council's commitment to the Central City and sends a strong message to the community and private sector of Council's intention
Supports / stimulates investor confidence		✓		See comment above.
Closes existing viability/delivery gaps			✓	There is no current dedicated funding for activation.

				Wintertime has been identified as a point of vulnerability and this proposal addressed that.
Provides value for money / cost effective / doesn't foreclose other or different positive outcomes		✓		The proposal includes delegations which will provide flexibility.
Has synergies with current prioritised projects/work			✓	Proposal builds on existing programme and fills in gaps. Also requires leverage with the private sector. See section 5.11.
Demonstrates delivery feasibility:				
Can be delivered in a timeframe that will make a difference		✓		The existing trial period will enable some planning for Winter 2019 to occur.
Can be delivered within existing resources	✓			Requires additional funding
Complies with legislative/policy/regulatory requirements, with a low complexity of intervention		✓		

Item 16

6. Financial Implications

- 6.1 The \$280,000 funding is proposed to be allocated as follows:
- \$100,000 - strategic marketing campaign (ChristchurchNZ)
 - \$30,000 – local marketing (CCC)
 - \$80,000 – funding for activations and small scale events (CCC)
 - \$70,000 – 1 FTE for 1 year (CCC, but working alongside ChristchurchNZ, CCBA, HospitalityNZ and other private sector interests).

Based on current calculations, the additional funding would add 0.06% to the rates increase proposed for 2019/2020.

- 6.2 The December 2018 report identified possible funding required of \$250,000. The difference between the figure quoted in that report and this is that there is an identified gap in funding to support local messaging targeted at residents, as set out in section 5.11.2. An additional \$30,000 has been included to support that component of the package.
- 6.3 While the funding proposal set out in this report will support the initial months of Winter 2020, there may be a need to include additional funding in the 2020/2021 Annual Plan. It is intended that monitoring of the package will occur during 2019 and via the Central City Action Plan reporting, to ascertain if funding should be recommended for inclusion in 2020/2021.

7. Legal implications

- 7.1 There are no legal implications arising from this report.

Attachments

No.	Title	Page
A ↓	Central City Events Calendar	159

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	Carolyn Ingles - Head of Urban Regeneration, Design and Heritage
Approved By	Gill Robertson - Finance Business Partner Nigel Cox - Acting Head of Recreation & Sports Carolyn Ingles - Head of Urban Regeneration, Design and Heritage Brendan Anstiss - General Manager Strategy and Transformation

Central City Draft Activation
 Calendar

May-19					
The Proclaimers (TH) The MouseTrap (ITR) CSO presents: Night at the Movies (TH) Lamb & Hyaward Masterworks: Triumph (TH) Nick Hollamby with Tom Rainey (AC) 2019 Live Art (AG) Pink Floyd Experience (ITR) Late Night Tours at the Gallery (AG) Friday Street Food Markets Arts Centre Makete Tech Week					
Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Umbrella Winter Campaign "WinterTimes"			Spring		
ASB CHC Marathon	KidsFest	Arts Festival	Miss Saigon (ITR)	Miss Saigon (ITR)	RWC Final Activation (?) PROPOSED
Music of Andrew Lloyd Webber (ITR)	Arts Festival	TEDx (10 years) (TH)	Transfiguration (TH)	Postmodern Jukebox: Welcome to the Twenties 2.0 (ITR)	Yo Yo Ma
The Monkees Present: The Mike and Micky Show (ITR)	Magical Marimbas (AC)	TECNZ conference	Bold Moves (ITR)	Late Night Tours at the Gallery (AG)	English Test (tentative)
Janice Gray with Bob Heinz & Mike Kime (AC)	CSO presents Peter and the Wolf (TH)	NZ Opera presents: The Barber of Seville (ITR)	NZ Theatre Month (ITR) PROPOSED	Arts Centre Makete	Carpark Cannonball (SALT) PROPOSED
Matariki 20198 (AC)	Aeolus Saxophone Collective (AC)	The Kingdom Choir (TH)	Late Night Tours at the Gallery (AG)	SCAPE	SCAPE
Black Swan, White Swan (ITR)	A Mid-Winter's Ale (Cath Sq) PROPOSED	Maren Morris (TH)	Friday Street Food Markets	Friday Street Food Markets	Late Night Tours at the Gallery (AG)
Winter Daydreams (TH)	Midwinter Night Markets (AC)	NZ International Film Festival (ITR) PROPOSED	Arts Centre Makete		Friday Street Food Markets
Mid Winter Lamb, Pinot & Fire (SALT) - PROPOSED	Late Night Tours at the Gallery (AG)	Midwinter Night Markets (AC)			Arts Centre Makete
Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets			CSO presents: Late Night at the Proms (TH)
Arts Centre Makete	Arts Centre Makete	Arts Centre Makete			Ryman Healthcare Season of Hansel and Gretel (ITR)
Late Night Tours at the Gallery (AG)		Late Night Tours at the Gallery (AG)			
Riverside Market opening PROPOSED					

Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
SummerTimes Campaign			Autumn		
Carols by Candlelight (Vic Sq)	WCWC (tentative)	Lantern Festival	Late Night Tours at the Gallery (AG)		Late Night Tours at the Gallery (AG)
Late Night Tours at the Gallery (AG)	Bread & Circus	Sparks	Le Race (Cath Sq)	Late Night Tours at the Gallery (AG)	NZ International Jazz & Blues Festival (ITR/AG/AC)
Friday Street Food Markets	Late Night Tours at the Gallery (AG)	Diwali (Cath Sq)	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets
Arts Centre Makete	Friday Street Food Markets	Late Night Tours at the Gallery (AG)	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete
CSO presents Festive Christmas 2019 (TH)	Arts Centre Makete	Friday Street Food Markets			
		Arts Centre Makete			
Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20
			Spring		
ASB Christchurch Marathon	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets
Late Night Tours at the Gallery (AG)	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete
Friday Street Food Markets	Arts Festival PROPOSED	Botanic D'Lights		SCAPE	SCAPE
					Carpark Cannonball (SALT) PROPOSED
Arts Centre Makete					
Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
SummerTimes Campaign					
Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets	Friday Street Food Markets
Arts Centre Makete	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete	Arts Centre Makete
Carols by Candlelight (Vic Sq)					
Jun-21					
Friday Street Food Markets					
Arts Centre Makete					

17. Establishment of an Insurance Subcommittee

Reference: 19/64382

Presenter(s): Carol Bellette – General Manager Finance and Performance

1. Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to establish an Insurance Subcommittee and adopt the Terms of Reference (Refer Attachment A).

2. Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Establish an Insurance Subcommittee.
2. Adopts the Terms of Reference for the Insurance Subcommittee (Attachment A of this report).

3. Key Points

- 3.1 At its meeting on 6 December 2018 the Council resolved to discharge the Insurance Committee and noted that the Finance and Performance Committee of the Whole would establish an Insurance Subcommittee.
- 3.2 Under clause 32(3) of Schedule 7 of the Local Government Act 2002 the Finance and Performance Committee of the Whole has the ability to sub delegate any of its responsibilities, duties or powers to a subcommittee.
- 3.3 The proposed Terms of Reference for the Insurance Subcommittee are attached to this report as Attachment A. It is proposed that the chair, membership, responsibilities, powers and duties of the subcommittee remain the same as the previously disestablished Insurance Committee.

Attachments

No.	Title	Page
A ↓	Insurance Subcommittee - Draft Terms of Reference	162

Signatories

Authors	Samantha Kelly - Committee and Hearings Advisor Chris Gilbert - Special Counsel Commercial
Approved By	Carol Bellette - General Manager Finance and Commercial (CFO)

Insurance Subcommittee - Terms of Reference

Chair	Mayor Dalziel
Membership	Councillor Manji (Deputy Chair), Deputy Mayor Turner and Councillor Davidson
Quorum	Three
Meeting Cycle	Meetings will be held as required
Reports To	Finance and Performance Committee of the Whole

Responsibilities and Delegations

1. Oversee the conduct and progress of the ongoing review of the Council's 2010/11 insurance portfolio.
2. Make interim decisions on the conduct of that review and associated actions.
3. Work with Council officers and external advisors to determine any further actions.
4. Instruct Council officers and external advisors in the implementation of any further actions.
5. Report back to the Finance and Performance Committee of the Whole with recommendations on any final resolution of the review and associated actions.

18. Insurance Summary

Reference: 19/83065

Presenter(s): Diane Brandish – Head of Financial Management

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Finance and Performance Committee of the Whole to be updated on the current position of the Council's insurance programme.

Origin of Report

- 1.2 This report is being provided following a request from the Chair of the Finance and Performance Committee of the Whole.

2. Significance

- 2.1 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
 - 2.1.1 The level of significance was determined by the fact this is an update report.
 - 2.1.2 As this is an update report, no community engagement and consultation is required.

3. Staff Recommendations

That the Finance and Performance Committee of the Whole:

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

4. Key Points

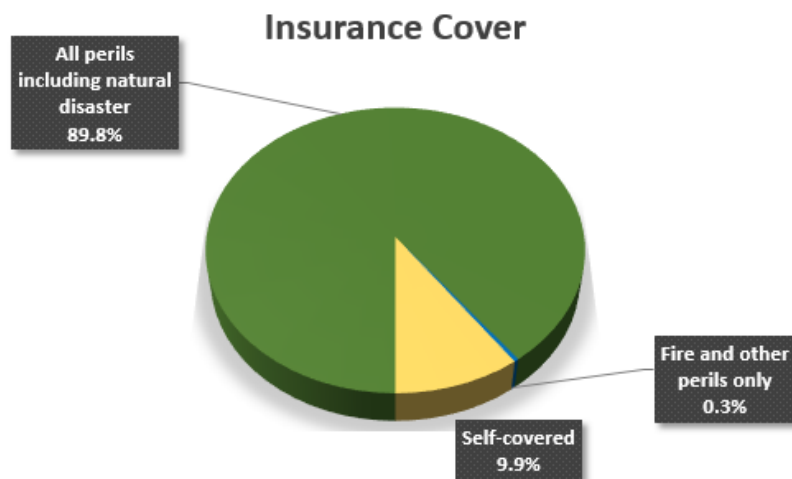
- 4.1 Council has a comprehensive insurance portfolio in place for property and liability cover which is reviewed on a regular basis. This cover is explained below and details of existing policies are included in **Attachment A** to this report. All policies are renewed on 30 June.
- 4.2 Council officers through Marsh, Council's brokers, continually assess the insurance market to ensure that Council has the best possible insurance cover. Over the past few years we have steadily increased the amount of information provided to insurers to allow them to understand our asset portfolio and associated risk better.
- 4.3 This work has meant that despite hardening market conditions Council has been able to retain terms and conditions that are more advantageous than might be available otherwise.
- 4.4 We investigate alternative sources of cover, for example parametric cover which has been considered twice, once in 2012 and again in August 2016. In both cases the staff recommendation was that we not proceed with this.
- 4.5 As part of the 30 June 2019 renewal process, Council staff are currently undertaking a risk modelling exercise to determine likely losses from various earthquake events for above ground insured assets. This will allow us to understand whether Council is purchasing an appropriate level of cover, and to target our insurance placements to ensure value for money.
- 4.6 This risk modelling exercise presents a good way to begin addressing questions around resilience analytics and risk finance for both above and below ground infrastructure. If it is embraced within a broader context around resilience analytics it will not just support the 2019 insurance

renewal it will also augment risk literacy for the 2021 LTP process at the Council and provide a firm foundation for further analytics.

5. Context/Background

Above Ground Assets

- 5.1 Council currently has full replacement (including earthquake) cover in place over 1,392 above and below ground buildings collectively valued at \$2,510 million. A further 10 above ground buildings valued at \$110 million have cover for fire and other perils, excluding earthquake, in place. These buildings are covered for fire only as they are under 34 percent NBS and have unrepaired earthquake damage. The remaining 641 buildings which have a total value of \$188 million but individual values of less than \$2 million, remain self-insured.
- 5.2 As the graph below shows 89.8% of Council's above ground asset value has cover for all perils, 0.3% is covered for non-natural disaster perils, and 9.9% is self-covered by Council.

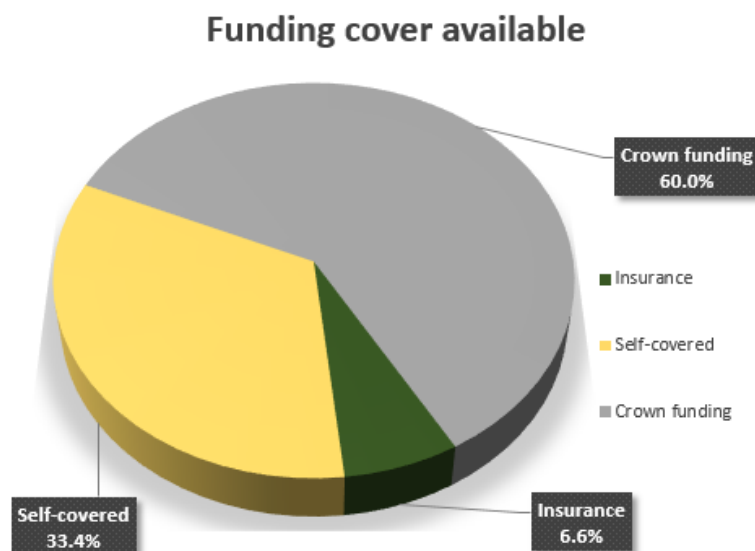


- 5.3 The increased value of assets, reduced available capacity and hardening of pricing in the insurance market means that capacity is not available to the full value of \$2,510 million. It has been necessary to place some cover on a "first loss" basis. This means that each asset will still be covered for its replacement value but the maximum that insurers will pay for the cover period is limited to the available capacity.
- 5.4 Assets are added to the relevant policy as repairs or rebuilds are completed or properties are purchased. Processes are in place where the project manager or property consultant provides the insurance team with details of the asset and value so that they can arrange for cover to be placed as required.
- 5.5 Council's properties are revalued on an annual basis to determine the likely reinstatement cost for each building. The last valuation was carried out by Quotable Value in June 2018 and the update for June 2019 is currently underway, being carried out by Bayleys Valuations Limited (Bayleys).
- 5.6 Bayleys were appointed in late 2018 following a Request for Proposal process. The valuation team has had a long relationship providing insurance and asset valuations for Council and other similar sized organisations.
- 5.7 Buildings such as libraries, pools, and heritage buildings are valued by a quantity surveyor to take into account the specialised nature of these assets. The requirement for a quantity surveyor to carry out these valuations was a key learning from the 2010/2011 earthquakes.

- 5.8 Before any revaluation begins the insured asset schedule is checked against Council's real estate records to ensure that all assets are included and that any assets disposed of are not valued and insured.

Below Ground Assets

- 5.9 Under the National Civil Defence Emergency Management Plan, the Crown will provide 60% of the cost of reinstating damaged horizontal infrastructure assets. This funding is only available if Council is able to show that it can meet a 40% share of these costs. Council currently relies on the strength of its balance sheet and the cover outlined below to meet this obligation.
- 5.10 Council's underground infrastructure is partially covered by a panel of insurers led by Vero Insurance New Zealand Limited. This policy provides full replacement cover for the three waters underground infrastructure of the city. It excludes the Christchurch Waste Water Treatment Plant and the Three Waters pump stations as these are covered under Council's above ground policies referred to above.
- 5.11 The current value of the infrastructure assets included under this policy is \$7.2 billion, with \$480 million of insurance cover available. The graph below shows that Crown funding and insurance cover available covers up to 66% of asset value, with 33% being self-covered by Council.



- 5.12 Parametric cover for these assets has been considered twice, once in 2012 and again in August 2016. This type of cover is rarely more economical than a traditional insurance product and is most attractive when the desired cover cannot be provided by traditional insurance methods.
- 5.13 The problem with a parametric cover is in precisely defining the area most likely to be affected and the level of ground acceleration that would trigger the claim. The Council could suffer significant damage as a result of another series of quakes but not be eligible for compensation as a result of wrongly defining the trigger points. In light of this staff have not pursued this option further.

Liability Cover

- 5.14 Council has a total of \$50 million cover for Professional Indemnity (PI) available. This is comprised of a primary layer of \$20 million with Berkshire Hathaway Specialty Insurance (BHSI), an excess layer of \$25 million with QBE Insurance (Australia) Limited, and a \$5m excess layer

with Allianz Global Corporate and Specialty (Allianz). This policy has an unlimited retroactive date and includes cover for claims arising from Council performing its Building Act functions.

- 5.15 The Council's Public Liability (PL) cover has also been placed with BHSI. This policy is in a single layer of \$50 million for the cover year.
- 5.16 Although Council has moved cover away from Riskpool, it still has a relationship with them regarding the settlement of outstanding professional indemnity (PI) claims. Staff have calculated the value of these claims as approximately \$1.5 million although many will be settled for less than the policy excess.
- 5.17 The majority of PI claims arise in Council's Consenting and Compliance group. This group has a dedicated team who deal with these claims proactively alongside Council's legal services unit, and many are settled at below the excess level.

Contract Works

- 5.18 Council now provides principal supplied contract works cover, which has the following advantages:
- Greater control over policy terms and conditions.
 - Lower cost due to the Council's purchasing power and no contractors margin being added to the premium.
 - Only one insurer is involved in the event of a claim as the cover is placed with the same insurer who covers the building.
- 5.19 A number of contract works cover facilities have been put in place for minor works where the contract value is \$5 million or less and the construction period is twelve months or less. These policies cover the following types of projects:
- Earthquake repairs and new buildings for community facilities, heritage buildings, and social housing.
 - Non-earthquake related repair or rebuild projects for all buildings.
 - Infrastructure projects - civil structures.
- 5.20 Projects that are outside these parameters have cover placed on an individual project basis and policies are tailored to the specific needs.

Other policies

- 5.21 In addition to the above cover the Council has a number of other policies which are detailed in **Attachment A** to this report:
- Fine arts
 - Motor vehicle
 - Marine hull
 - Corporate Travel
 - Personal Accident
 - Crime (Fidelity)

Resilience and Risk Finance

5.22 There is a lot of analytical work to be done in order to deliver on a 'Resilient Christchurch' vision. Risk financing – whether using insurance or alternative capital – is no panacea. Equally, a resilience strategy which does not work hand-in-glove with the Council's insurance programme is flawed. Given that the Council already purchases a significant amount of insurance cover, there are numerous potential questions. These include the following:

- **What is the Council's risk appetite?** Is it objectively informed, strategically aligned and quantitatively expressed? Is it coherently articulated, well understood and universally operationalised?
- **How well does the Council's insurance programme deliver against the Council's strategic objectives?** Is the Council buying the right cover, too much cover or too little? Are the right assets insured to the right limits against the right perils? Given the Council's risk appetite, is the cover providing value? Might synergies flow from combining the programme with the risk management of excluded assets, such as the port, the airport, and Orion?
- **How capital efficient is the insurance programme relative to other potential sources of capital** – such as debt, operating budget, alternative risk capital, Crown-sponsored aid? Might other solutions – such as a captive, a catastrophe bond, a resilience bond or contingent credit – be more capital efficient? If so, which ones and how ought they be combined?
- **What is the interplay between Council's insurance programme and its long-term capital programme?** Are capital investments being informed by the price and availability of risk capital? Conversely, are the benefits of capital investments being realised in the risk finance programme? How do the answers to these questions vary over the life of the capital plan, the city's debt finance and infrastructure?

5.23 These questions are important – and not just with the current insurance policies in mind; they are fundamental to Council's resilience.

Attachments

No.	Title	Page
A ↓	Insurance Policy Details	169

Confirmation of Statutory Compliance

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

(a) This report contains:

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

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

Signatories

Authors	Adrian Seagar - Senior Insurance Specialist Diane Brandish - Head of Financial Management Mike Gillooly - Chief Resilience Officer
Approved By	Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO)

Attachment A: Insurance Policy Details

Policy Name	Summary of Cover	Insurer	Sum Insured
Material Damage / Business Interruption Property Programme #1	Insures accidental physical loss or damage to specified properties (including business interruption)	Panel led by Vero Insurance New Zealand Limited	Asset value \$1,918 million Loss limit \$1,557 million
Material Damage / Business Interruption Property Programme #2	Insures accidental physical loss or damage to property (including business interruption) for residential properties and library book stock.	Vero Insurance New Zealand Limited (65%) NZI (35%)	\$592 million
Material Damage / Business Interruption Property Programme #3	Insures specified buildings for fire, lightning, explosion, flood, impact damage	Vero Insurance New Zealand Limited (65%) NZI (10%) London market (25%)	\$10 million (in the aggregate, maximum \$5 million any one building)
Material Damage / Business Interruption Property Programme #4	Insures accidental physical loss or damage to specified underground infrastructure assets	Panel led by Vero Insurance New Zealand Limited	Asset value \$7,259 million Loss limit \$480 million
Professional Indemnity	Covers third party legal claims against Council alleging financial loss, bodily injury, and/or property damage as a result of professional services undertaken for a fee.	Berkshire Hathaway Specialty Insurance (primary layer) QBE Insurance (Australia) Limited (excess layer) Allianz Global Corporate and Specialty (excess layer)	\$20 million (in the aggregate) \$25 million (in the aggregate) \$5 million (in the aggregate)

Policy Name	Summary of Cover	Insurer	Sum Insured
Public Liability	Public liability covers liability arising from accidental loss, damage or injury resulting from Council's business.	Berkshire Hathaway Specialty Insurance	\$50 million (in the aggregate)
Contract Works	Covers contract works against physical loss or damage during the life of the project and following maintenance period for contracts under \$5 million and less than 12 months for: <ul style="list-style-type: none"> • Social housing earthquake reinstatement • Community Facility and Heritage Building earthquake reinstatement • Commercial Construction • Civil Infrastructure 	Vero Insurance New Zealand Limited	Dependent on project value
Motor Vehicle	Covers loss or damage to Council's vehicle and mobile plant fleet, along with public liability ("third party") in connection with these vehicles.	Lumley, a business division of IAG New Zealand Limited	\$5.1 million
Fine Arts	Covers accidental loss or damage to the Christchurch Art Gallery collection, Akaroa Museum Collection, Pou Whenua and Pounamu located at Civic Offices.	Lloyds of London	\$93.6 million
Corporate Travel	Overseas travel insurance cover for personal liability, lost baggage, medical costs, personal accident, travel delay and/or cancellation.	Chubb Insurance NZ Ltd	\$2.5 million (in the aggregate)
Marine Hull	Insures hull and associated equipment, and includes third party liability in relation to these hulls.	QBE Insurance (Australia) Limited	\$0.05 million
Comprehensive Life	Provides pre-determined payment in the event of death or serious injury to insured persons.	Asteron Life	\$0.01 million
Crime (Fidelity)	Covers against theft / misappropriation by employees.	AIG Insurance New Zealand Limited	\$0.04 million

19. 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
20	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 5 DECEMBER 2018			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
21	OVERDUE TRADE DEBTORS (GREATER THAN \$ 20,000 AND 90 DAYS) 31 DECEMBER 2018	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	PUBLICATION OF THE NAME OF THE DEBTORS WILL COLLECTION MAKE MORE DIFFICULT	WHEN LEGAL PROCEEDINGS HAVE COMMENCED
22	LIABILITY INSURANCE UPDATE	S7(2)(B)(II), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, CONDUCT NEGOTIATIONS	DISCUSSIONS WITH INSURERS MUST PROCEED ON A CONFIDENTIAL BASIS DUE TO THE COMMERCIAL SENSITIVITIES INVOLVED.	WHEN THE CHIEF EXECUTIVE DETERMINES THERE ARE NO LONGER GROUNDS UNDER THE ACT FOR WITHHOLDING THE REPORT
23	CAPITAL PROGRAMME WATCHLIST AND MAJOR CYCLEWAYS WATCHLIST	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	RELEASE OF THE INFORMATION MAY PREJUDICE ONGOING COMMERCIAL NEGOTIATIONS	INFORMATION ON INDIVIDUAL PROJECTS MAY BE RELEASED FROM PUBLIC EXCLUDED WHEN THE PROJECT IS COMPLETE AND THE CHIEF EXECUTIVE HAS DETERMINED THERE IS NO LONGER ANY REASON TO WITHHOLD THE INFORMATION UNDER THE ACT.