

# Finance and Performance Committee AGENDA

### **Notice of Meeting:**

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

Date: Thursday 5 March 2020

Time: 9.30am

Venue: Council Chambers, Civic Offices,

53 Hereford Street, Christchurch

### Membership

Chairperson Deputy Mayor Andrew Turner
Deputy Chairperson Councillor Sam MacDonald

Members Mayor Lianne Dalziel

Councillor Jimmy Chen
Councillor Catherine Chu
Councillor Melanie Coker
Councillor Pauline Cotter
Councillor James Daniels
Councillor Mike Davidson
Councillor Anne Galloway
Councillor James Gough
Councillor Yani Johanson
Councillor Aaron Keown
Councillor Phil Mauger
Councillor Jake McLellan
Councillor Tim Scandrett
Councillor Sara Templeton

### 28 February 2020

Principal Advisor
Dawn Baxendale

Chief Executive Tel: 941 6996 Principal Advisor

Carol Bellette General Manager Finance and Commercial

Tel: 941 8540

Samantha Kelly Team Leader Hearings & Committee Support 941 6227 samantha.kelly@ccc.govt.nz

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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.





### Ōtautahi-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

### **Principles**

Being open, transparent and democratically accountable

Promoting equity, valuing diversity and fostering inclusion Taking an inter-generational approach to sustainable development, prioritising the social, economic and cultural wellbeing of people and communities and the quality of the environment, now Papati and into the reflecting future

c Building on the relationship with Te Rūnanga o Ngãi Tahu and the Te Hononga-Council Papatipu Rūnanga partnership, reflecting mutual understanding and respect Actively of co-ope Ensuring the diversity and interests of our communities across the city and the district are reflected in decision-making

Actively collaborating and co-operating with other local, regional and national organisations ies and the ected in

### **Community Outcomes**

### **Resilient communities**

Strong sense of community Active participation in civic life Safe and healthy communities

Celebration of our identity through arts, culture, heritage, sport and recreation

Valuing the voices of all cultures and ages (including children)

### Liveable city

Vibrant and thriving city centre Sustainable suburban and rural centres

A well connected and accessible city promoting active and public transport

Sufficient supply of, and access to, a range of housing

21st century garden city we are proud to live in

### **Healthy environment**

Healthy water bodies High quality drinking water

Unique landscapes and indigenous biodiversity are valued and stewardship exercised

Sustainable use of resources and minimising waste

### **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

### **Strategic Priorities**

Enabling active and connected communities to own their future Meeting the challenge of climate change through every means available Ensuring a high quality drinking water supply that is safe and sustainable

Accelerating the momentum the city needs

Ensuring rates are affordable and sustainable

### Ensuring we get core business done while delivering on our Strategic Priorities and achieving our Community Outcomes

Engagement with the community and partners

Strategies, Plans and Partnerships Long Term Plan and Annual Plan Our service delivery approach

Monitoring and reporting on our progress



### FINANCE AND PERFORMANCE COMMITTEE OF THE WHOLE - TERMS OF REFERENCE / NGĀĀRAHINA MAHINGA

Chair	Deputy Mayor Turner
Deputy Chair	Councillor MacDonald
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

### **Delegations**

The Council delegates to the Finance and Performance Committee authority to oversee and make decisions on:

### Capital Programme and operational expenditure

- Monitoring the delivery of the Council's Capital Programme and associated operational expenditure, including inquiring into any material discrepancies from planned expenditure.
- As may be necessary from time to time, approving amendments to the Capital Programme outside the Long-Term Plan or Annual Plan processes.
- Approving Capital Programme business and investment cases, and any associated operational expenditure, as agreed in the Council's Long-Term Plan.
- Approving any capital or other carry forward requests and the use of operating surpluses as the case may be.
- Approving the procurement plans (where applicable), preferred supplier, and contracts for all capital expenditure where the value of the contract exceeds \$15 Million (noting that the Committee may sub delegate authority for approval of the preferred supplier and /or contract to the Chief Executive provided the procurement plan strategy is followed).
- Approving the procurement plans (where applicable), preferred supplier, and contracts, for all
  operational expenditure where the value of the contract exceeds \$10 Million (noting that the
  Committee may sub delegate authority for approval of the preferred supplier and/or contract to
  the Chief Executive provided the procurement plan strategy is followed).

### Non-financial performance

- Reviewing the delivery of services under s17A.
- Amending levels of service targets, unless the decision is precluded under section 97 of the Local Government Act 2002.
- Exercising all of the Council's powers under section 17A of the Local Government Act 2002, relating to service delivery reviews and decisions not to undertake a review.

### **Council Controlled Organisations**

- Monitoring the financial and non-financial performance of the Council and Council Controlled Organisations.
- Making governance decisions related to Council Controlled Organisations under sections 65 to 72 of the Local Government Act 2002.

### Finance and Performance Committee 05 March 2020



- Exercising 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; and
  - o in relation to the approval of Statements of Intent and their modification (if any).

### **Development Contributions**

Exercising all of the Council's powers in relation to development contributions, other than those
delegated to the Chief Executive and Council officers as set out in the Council's Delegations
Register.

### **Property**

• Purchasing or disposing 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.

### Loans and debt write-offs

- Approving debt write-offs where those debt write-offs are not delegated to staff.
- Approving amendments to loans, in accordance with the Council's Long-Term Plan.

### **Insurance**

 All 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 (Sub-delegated to the Insurance Subcommittee as per the Subcommittees Terms of Reference)

### Limitations

- The general delegations to this Committee exclude any specific decision-making powers that are delegated to a Community Board, another Committee of Council or Joint Committee.
   Delegations to staff are set out in the delegations register.
- The Council retains the authority to adopt policies, strategies and bylaws.

### Chairperson may refer urgent matters to the Council

As may be necessary from time to time, the Committee Chairperson is authorised to refer urgent matters to the Council for decision, where this Committee would ordinarily have considered the matter. In order to exercise this authority:

- The Committee Advisor must inform the Chairperson in writing the reasons why the referral is necessary
- The Chairperson must then respond to the Committee Advisor in writing with their decision. If the Chairperson agrees to refer the report to the Council, the Council may then assume decision-making authority for that specific report.



Part A Matters Requiring a Council Decision

Part B Reports for Information

Part C Decisions Under Delegation

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### **Karakia Timatanga**

### 1. Apologies / Ngā Whakapāha

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

### 2. Declarations of Interest / Ngā Whakapuaki Aronga

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 / Te Whakaāe o te hui o mua

That the minutes of the Finance and Performance Committee meeting held on <u>Thursday</u>, <u>30</u> <u>January 2020</u> be confirmed (refer page 7).

That the minutes of the Finance and Performance Committee meeting held on <u>Wednesday</u>, <u>26</u> <u>February 2020</u> be confirmed (refer page 20).

### 4. Public Forum / Te Huinga Whānui

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 / Ngā Huinga Whakaritenga

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

### 6. Petitions / Ngā Pākikitanga

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





## Finance and Performance Committee OPEN MINUTES

Date: Thursday 30 January 2020

Time: 9.35am

Venue: Council Chambers, Civic Offices,

53 Hereford Street, Christchurch

### **Present**

Chairperson Deputy Chairperson Members

Mayor Lianne Dalziel
Councillor Jimmy Chen
Councillor Catherine Chu
Councillor Melanie Coker
Councillor Pauline Cotter
Councillor Mike Davidson
Councillor Anne Galloway
Councillor James Gough
Councillor Yani Johanson
Councillor Aaron Keown
Councillor Phil Mauger
Councillor Jake McLellan
Councillor Sara Templeton

**Deputy Mayor Andrew Turner** 

Councillor Sam MacDonald

**30 January 2020** 

**Principal Advisor** 

Dawn Baxendale Chief Executive Tel: 941 6996 **Principal Advisor** 

Carol Bellette General Manager Finance and Commercial Tel: 941 8540

Samantha Kelly Team Leader Hearings & Committee Support 941 6227 samantha.kelly@ccc.govt.nz www.ccc.govt.nz





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### Finance and Performance Committee 05 March 2020



Part A Matters Requiring a Council Decision

Part B Reports for Information

Part C Decisions Under Delegation

**Karakia Timatanga:** Delivered by Deputy Mayor Turner.

The agenda was dealt with in the following order.

### 1. Apologies / Ngā Whakapāha

### Part C

### **Committee Resolved FPCO/2020/00002**

That the apologies received from Councillor Daniels and Councillor Scandrett for absence be accepted.

Deputy Mayor/Councillor MacDonald

**Carried** 

### 2. Declarations of Interest / Ngā Whakapuaki Aronga

### Part B

The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton declared an interest in Public Excluded Item 25.

Councillor Gough declared an interest in Item 14.

The Mayor and Deputy Mayor Turner declared an interest in item 19.

Councillor Mauger declared an interest in Item 24.

### 3. Confirmation of Previous Minutes / Te Whakaāe o te hui o mua

### Part C

### **Committee Resolved FPCO/2020/00003**

That the minutes of the Finance and Performance Committee meeting held on Thursday, 5 December 2019 be confirmed.

Deputy Mayor/Councillor MacDonald

**Carried** 

### 4. Public Forum / Te Huinga Whānui

#### Part R

There were no public forum presentations.

### 5. Deputations by Appointment / Ngā Huinga Whakaritenga

#### Dart R

There were no deputations by appointment.



### 6. Presentation of Petitions / Ngā Pākikitanga

### Part B

There was no presentation of petitions.

### 7. Performance Exceptions Report December 2019

**Secretarial Note:** The Committee requested Memorandum's on the following:

- An update on the forecast delivery completion date for the WW Mains Renewal Tuam Street Brick Barrel.
- Information on the report process for the voter-turnout report which is currently underway.
- An update regarding the figures relating to the asset transfers to the OCHT.

### **Committee Resolved FPCO/2020/00004**

### Original Staff Recommendation accepted without change

### Part B

That the Finance and Performance Committee:

1. Receives the information provided in the monthly Performance Exceptions Report for December 2019.

Deputy Mayor/Councillor Templeton

Carried

Councillor MacDonald left the meeting at 10.08am and returned at 10.10am during consideration of Item 8.

### 8. Capital Project Performance Report - Dec 2019

**Secretarial Note:** The Committee requested Memorandum's on the following:

- Information regarding the resource consent for the Heathcote Expressway MCR.
- Information on the operational costs associated with the Hot Salt Water Pools.

### **Committee Resolved FPCO/2020/00005**

### **Original Staff Recommendations accepted without change**

### Part B

That the Finance and Performance Committee:

- 1. Receives the information in the Capital Programme Performance Report.
- 2. Receives and notes the information in the Capital Watchlist and Major Cycleways Watchlist report.

Deputy Mayor/Councillor Chen

<u>Carried</u>

### Finance and Performance Committee 05 March 2020



Councillors Cotter and Johanson left the meeting at 10.14am and returned at 10.20am during consideration of Item 9.

### 9. Major Facilities Elected Member Update

### **Committee Comment**

The Committee received the report and requested a further close out report on Lancaster Park including information on the final project cost.

### **Committee Resolved FPCO/2020/00006**

### Part B

That the Finance and Performance Committee:

- 1. Receives the information within the Elected Members Updates of Capital Delivery Major Facilities Projects:
  - a. Metro Sports Facility (Joint Venture with Ōtākaro Ltd).
  - b. Lancaster Park Deconstruction & Demolition.
  - c. Te Pou Toetoe: Linwood Pool.
  - d. Hornby Library, Service Centre and South West Leisure Centre.
  - e. The Square and Surrounds.
  - f. Old Municipal Chambers (OMC).
  - g. Performing Arts Precinct.
  - h. Canterbury Multi-Use Arena Investment Case.
- 2. Notes that a close out report on the Lancaster Park Demolition project will come back to the Finance and Performance Committee as soon as possible. The report will include information on the utilisation of the budget noting Council's expectation is that unused funds (if any) will be used for future redevelopment of the site.

Councillor Templeton/Councillor Cotter

**Carried** 

### Finance and Performance Committee 05 March 2020



Councillor Gough left the meeting at 10.38am and returned at 10.42am during consideration of Item 10.

Councillor Davidson left the meeting at 10.47am and returned at 10.49am during consideration of Item 10.

## 10. Asset Management Improvement Programme Report - Six monthly update

**Committee Resolved FPCO/2020/00007** 

**Original Staff Recommendations accepted without change** 

### Part B

That the Finance and Performance Committee:

- 1. Receives the information in the Asset Management Improvement Programme Report Six monthly update.
- 2. Notes the value of continuing to invest in the Asset Management Improvement Programme.

Deputy Mayor/Councillor MacDonald

<u>Carried</u>

### 22 Resolution to Exclude the Public

**Committee Resolved FPCO/2020/00008** 

That at 10.58am the resolution to exclude the public under Section 7(2)(a): To protect the privacy of natural persons be adopted for Item 11. LTP 2021 Programme Update January 2020 for Staff Recommendations 4 and 5.

Deputy Mayor/Councillor MacDonald

**Carried** 

### The public were re-admitted to the meeting at 11.12am.

The meeting adjourned at 11.12am and reconvened at 11.28am. Councillors Galloway and Keown were not present at this time.



### 11. LTP 2021 Programme Update January 2020

**Secretarial Note:** The appointments of the Chairperson and Deputy Chairperson of the LTP External Advisory Group (Resolutions 4 and 5) were conducted in the public excluded section of the meeting, under Section 7(2)(a): To protect the privacy of natural persons. The Committee agreed to release the names of the appointments in the open section of the meeting and are noted below.

### Staff Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Notes that the fundamental premise of the Long Term Plan process is that all components (Financial and Infrastructure Strategies, Activity Plans, Asset Management Plans, the capital programme) will be completed by staff in draft form by 1 June 2020.
- 2. Notes that this will provide councillors reasonable time to work through proposals, options and budgets in a measured way before finalising a draft Long Term Plan in December 2020 and formally adopting the draft in February 2021.
- 3. Notes the Long Term Plan project update as attached to this report.
- 4. Appoints [insert name] as Chairperson of the External Advisory Group for the LTP 2021-31.
- 5. Appoints [insert name] as Deputy Chairperson of the External Advisory Group for the LTP 2021-31.

### **Committee Resolved FPCO/2020/00009**

### **Original Staff Recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

- 1. Notes that the fundamental premise of the Long Term Plan process is that all components (Financial and Infrastructure Strategies, Activity Plans, Asset Management Plans, the capital programme) will be completed by staff in draft form by 1 June 2020.
- Notes that this will provide councillors reasonable time to work through proposals, options and budgets in a measured way before finalising a draft Long Term Plan in December 2020 and formally adopting the draft in February 2021.
- 3. Notes the Long Term Plan project update as attached to this report.

Deputy Mayor/Councillor Davidson

**Carried** 

It was noted that the Finance and Performance Committee:

- 4. Appoints Garry Moore as Chairperson of the External Advisory Group for the LTP 2021 31.
- 5. Appoints Louise Edwards as Deputy Chairperson of the External Advisory Group for the LTP 2021 31.

Councillors Galloway and Keown returned to the meeting at 11.30am during consideration of Item 12.



### 12. Three Waters section 17A review - Interim Update

**Committee Resolved FPCO/2020/00010** 

### **Original Staff Recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

- 1. Receives the information provided in the report.
- 2. Extends the Three Waters section 17A review completion date to September 2020.

Councillor Cotter/Councillor Templeton

**Carried** 

### 13. Closeout Report Sumner Road Zone 3a and 3b

Committee Resolved FPCO/2020/00011

**Original Staff Recommendation accepted without change** 

### Part B

That the Finance and Performance Committee:

1. Receives the information in the Project Closeout Summary for Sumner Road Zone 3a and 3b.

Deputy Mayor/Councillor Chen

**Carried** 

## 14. Hereford Street (Manchester - Oxford) - Estimated Cost to Completion Committee Resolved FPCO/2020/00012

### **Original Staff Recommendation accepted without change**

### Part B

That the Finance and Performance Committee:

 Receives this report on the estimated cost of the Hereford Street project and the information contained within it.

Deputy Mayor/Councillor Cotter

**Carried** 

Councillor Gough declared an interest and took no part in the discussion or voting on this item.

### Finance and Performance Committee 05 March 2020



Councillor MacDonald assumed the Chair for Item 19.

Councillor Davidson left the meeting at 12.32pm and returned at 12.36pm during consideration of Item 19.

### 19. The Christchurch Foundation - Annual Report 2018/19

### **Committee Comment**

Amy Carter, Chief Executive of Christchurch Foundation joined the table for this item.

### Committee Resolved FPCO/2020/00013

### **Original Staff Recommendations accepted without change**

### Part B

That the Finance and Performance Committee:

- Notes that the Christchurch Foundation's annual report for 2018/19 records a cash balance of \$9.387 million largely generated from donations and pledges following the 15 March 2019 terror attacks in Christchurch, and from Christchurch City Council annual donations of \$450,000;
- 2. Notes that following completion of its listening project which allowed for those most impacted by the attacks to help make the decisions as to distribution of the 'Our City, Our People funds, the Christchurch Foundation paid out \$2 million during the 2018/19 financial year, and since then has distributed a further \$6 million; and
- 3. Notes that Council staff will report on the Christchurch Foundation's performance quarterly upon receipt of its reports.

Councillor Templeton/Councillor Galloway

**Carried** 

The Mayor and Deputy Mayor declared an interest and took no part in the discussion or voting on this item.

Deputy Mayor Turner resumed the Chair.



## 15. Corporate Finance Report for the period ending 31 December 2019 Committee Resolved FPCO/2020/00014

### Original Staff Recommendation accepted without change

### Part B

That the Finance and Performance Committee:

1. Receives the information in the Corporate Finance Report for the period ending 31 December 2019.

Councillor McLellan/Councillor Gough

**Carried** 

## 16. Draft Submission on the Fire and Emergency New Zealand Funding Review

**Committee Resolved FPCO/2020/00015** 

**Original Staff Recommendation accepted without change** 

### Part C

That the Finance and Performance Committee:

1. Approves the draft submission (as attached) on the Fire and Emergency New Zealand Funding Review.

Councillor Keown/Councillor Coker

**Carried** 



## 20. Civic Financial Services Ltd - Statement of Intent 2020 Committee Resolved FPCO/2020/00016

### Original Staff Recommendations accepted without change

### Part C

That the Finance and Performance Committee:

- 1. Notes the Civic Financial Services Statement of Intent for 2020 which takes effect from 1 January 2020.
- 2. Requests that the Chief Executive of the Council writes to the Civic Financial Services' Board of Directors on behalf of Council to register the staff concerns raised in this report and that the Council's delegate to Civic Financial Services' next Annual General Meeting will raise the matter for discussion with other shareholders.
- 3. Requests that Civic Financial Services includes in its future Statements of Intent the content that is set out in clause 7 of schedule 8 of the Local Government Act 2002 and performance targets for returns and fees that are in line with, or better than market averages.

Deputy Mayor/Councillor Cotter

**Carried** 

The meeting adjourned at 12.59pm and reconvened at 3.06pm.



## 17. Draft Submission on Reducing Waste: A More Effective Landfill levy Committee Resolved FPCO/2020/00017

### **Original Staff Recommendation accepted without change**

### Part C

That the Finance and Performance Committee:

 Approves the Council's draft submission on Reducing Waste: A More Effective Landfill Levy, to be submitted to the Ministry for the Environment by Monday 3 February 2020.

Councillor McLellan/Councillor Cotter

**Carried** 

## 18. Draft submission on Local Government New Zealand Reinvigorating Local Democracy discussion paper

**Committee Resolved FPCO/2020/00018** 

Original Staff Recommendation accepted without change

### Part C

That the Finance and Performance Committee:

1. Approves the Christchurch City Council submission to Local Government New Zealand's discussion paper on Reinvigorating Local Democracy.

Deputy Mayor/Councillor Coker

Carried

## 21. Development Christchurch Ltd - Quarter 1 2019/20 Performance Report Committee Comment

Rob Hall, Chief Executive, Joel Lieschke, Corporate Services Manager and Fiona Mules of Development Christchurch Limited joined the table for this item.

**Committee Resolved FPCO/2020/00019** 

**Original Staff Recommendation accepted without change** 

### Part B

That the Finance and Performance Committee:

1. Notes Development Christchurch Limited's performance report for Quarter 1, 2019/20.

Councillor Templeton/Councillor MacDonald

**Carried** 



### 22 Resolution to Exclude the Public

**Secretarial Note:** Public Excluded Item 25: Christchurch City Holdings Ltd – Proposal to increase directors' fees was deferred to the 13 February 2020 Council meeting.

### **Committee Resolved FPCO/2020/00020**

### Part C

That Rob Hall, Chief Executive, Joel Lieschke, Corporate Services Manager and Fiona Mules of Development Christchurch Limited, remain after the public have been excluded for Item 24: Development Christchurch Ltd – Quarter 2019/20 Performance Report of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Council.

### **AND**

That at 3.21pm the resolution to exclude the public set out on pages 225 to 227 of the agenda be adopted.

Councillor Templeton/Councillor MacDonald

**Carried** 

The public were re-admitted to the meeting at 4.10pm.

Karakia Whakamutunga: Delivered by Deputy Mayor Turner.

Meeting concluded at 4.11pm.

CONFIRMED THIS 5TH DAY OF MARCH 2020.

DEPUTY MAYOR ANDREW TURNER CHAIRPERSON





## Finance and Performance Committee EXTRAORDINARY MINUTES

Date: Wednesday 26 February 2020

Time: 12.54pm

Venue: Council Chambers, Civic Offices,

53 Hereford Street, Christchurch

### **Present**

Chairperson
Deputy Chairperson
Members

Councillor Sam MacDonald
Councillor Jimmy Chen
Councillor Melanie Coker
Councillor Pauline Cotter
Councillor James Daniels
Councillor Mike Davidson
Councillor Anne Galloway
Councillor James Gough
Councillor Yani Johanson
Councillor Aaron Keown
Councillor Phil Mauger
Councillor Jake McLellan
Councillor Tim Scandrett
Councillor Sara Templeton

**Deputy Mayor Andrew Turner** 

26 February 2020

**Principal Advisor** 

Dawn Baxendale Chief Executive Tel: 941 6996 **Principal Advisor** 

Carol Bellette General Manager Finance and Commercial Tel: 941 8540

Samantha Kelly Team Leader Hearings & Committee Support 941 6227 samantha.kelly@ccc.govt.nz www.ccc.govt.nz

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### Finance and Performance Committee 05 March 2020



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 / Ngā Whakapāha

### Part C

### **Committee Resolved FPCO/2020/00010**

That the apologies received from Mayor Dalziel and Councillor Chu for absence be accepted.

Councillor Davidson/Councillor Cotter

**Carried** 

### 2. Declarations of Interest / Ngā Whakapuaki Aronga

#### Part B

There were no declarations of interest recorded.

### 3. Deputations by Appointment / Ngā Huinga Whakaritenga

#### Part B

There were no deputations by appointment.

### 4. Presentation of Petitions / Ngā Pākikitanga

### Part B

There was no presentation of petitions.



## 5. Appointment of Members of the LTP External Advisory Group Committee Resolved FPCO/2020/00011

### **Original Staff Recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

- 1. Adopt the recommendation of the following people for the External Advisory Group:
  - a. Jennifer Crawford
  - b. Michelle Sharp
  - c. Mark Christison

Councillor MacDonald/Councillor Keown

**Carried** 

Meeting concluded at 12.56pm.

CONFIRMED THIS 5th DAY OF MARCH 2020.

DEPUTY MAYOR ANDREW TURNER CHAIRPERSON



### 7. Performance Exceptions Report January 2020

Reference / Te Tohutoro: 20/140776

Report of:

Peter Ryan, Head of Performance Management,

Peter.Ryan@ccc.govt.nz

General Manager: Carol Bellette, GM Finance and Commercial,

Carol.Bellette@ccc.govt.nz

### 1. Brief Summary

- 1.1 The purpose of this report is for the Finance and Performance Committee to note performance exceptions for January 2020.
- 1.2 This report assists with both transparency and accountability. The focus is on managing risks to delivery and any remedial actions required.
- 1.3 This reporting framework is based on the levels of service, budgets and projects approved in the 2018 Long Term Plan as well as key performance targets set by the Executive Leadership Team.
- 1.4 This corporate performance report focuses on exceptions as follows:
  - 1.4.1 Performance Exceptions Summary for January 2020 for LTP levels of service and Watchlist Capital Project deliveries, **Attachment A**.
  - 1.4.2 Graph of forecast levels of service (LOS) delivery by Activity, **Attachment B**.
  - 1.4.3 Level of Service Performance Exception Commentaries. This is a compilation of commentaries and remedial actions from level of service owners, **Attachment C**.

### 1.4.4 Attachment D comprises,

- (a) Graph that shows relationship between forecast LOS delivery and forecast controllable net cost (operational expenditure) by Activities, for Activities with significant exceptions only.
- (b) Graph that shows movement from last month to this month for key activities in (a).
- (c) Table for all Activities that shows full year 2019/20 forecast controllable net cost (opex excluding corporate overheads and depreciation) and forecast LOS delivery.

### 2. Officer Recommendations

That the Finance and Performance Committee:

1. Receives the information provided in the Performance Exceptions Report for January 2020.



### Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>↓</u>	Performance Exceptions Summary Jan 2020	27
B <u>↓</u>	Forecast FY 2019/20 year-end LOS Delivery Jan 2020	29
C 📅	LOS Exception Commentaries Jan 2020	30
DΨ	Performance Graphs and Table Jan 2020	39

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link	
Not Applicable	Not Applicable	

### Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



### Performance Exceptions Report for Levels of Service and Watchlist Capital Projects Finance & Performance Committee of the Whole – January 2020

### Level of service (LOS) delivery exceptions

As at 31 January 2020, LTP levels of service were forecast to achieve 84.6% delivery, compared to 85.0% for December forecast and 85.8% at last year-end June 2019. Forecast delivery at the same period last year was 83.1%.

Figure 1 - Forecast Year-end Level of Service Delivery (LTP only) as at 31 Jan 2020

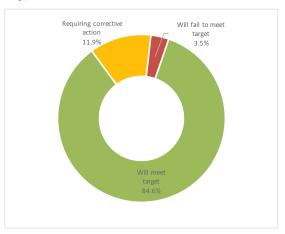
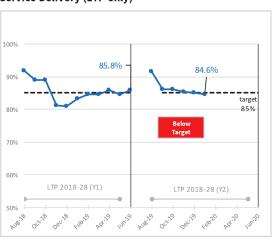


Figure 2 - Historical Trend of Forecast Year-end Level of Service Delivery (LTP only)



Refer to attachments for details of levels of service performance exceptions:

Attachment B - Forecast FY 2019/20 year-end levels of service delivery (LTP only) by Group of Activities

Attachment C – Levels of service exceptions commentaries from managers.

Attachment D - Performance Exceptions by Activity – scatter diagrams and table:

- Performance Exceptions by Activity Levels of service delivery and controllable net cost.
- Performance Exceptions by Activity Performance movement from last month to this month.
- Table of Performance by Activity Level of service delivery and controllable net cost.

### Watchlist capital project delivery exceptions

For Watchlist capital projects across whole of life, forecast delivery is tracking at 84% (90.9% in December forecast) while Major Cycleways projects forecast delivery is 88.9% (91.7% in December forecast).

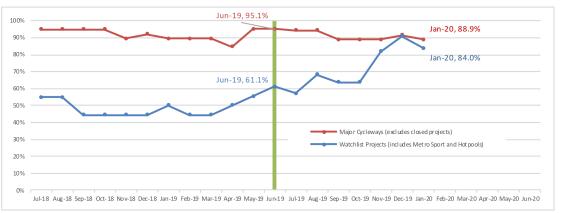
The drop in watchlist capital project delivery from December is due to adding 2 more projects to this list, with 4 projects reported as exceptions.

The baseline delivery date for WW Mains Renewal - Tuam St Brick Barrel - Livingstone St to Mathesons Rd, was reported as 29-Oct-2021 in last month's report. This date was reported accurately but after queries from the Committee, the project manager has corrected it to 29-Oct-2020. The forecast delivery date remains the same (20-Dec-2020), making this project a performance exception.

The trend line graph over the page is based on the performance target set by ELT. It measures CCC's performance in delivering projects.



Figure 3 - Watchlist Capital Projects Delivery - Percentage projects forecast to meet target baseline delivery date (whole of life)



Whole of life project milestone status, including Plan, Initiate and Execute phases.

Watchlist Capital Projects – total projects 25, Major Cycleways total projects 46 (36 in this graph excluding completed projects)

Table 1 - Watchlist Capital Projects Delivery Exceptions (whole of life)

Watchlist Capital Project Delivery <b>Exceptions</b> (whole of life)		Phase	Delivery Completion Date			
			Baseline	Forecast		
Wa	tchlist Capital Projects					
F	Y 2019/20					
×	LDRP 526 Curletts Flood Storage	Execute	7-Oct-19	8-May-20		
F	Y 2020/21 and beyond					
×	AAC Victoria Street	Execute	19-Apr-21	20-Oct-21		
×	AAC Hereford St (Manchester-Cambridge)	Execute	9-Oct-20	11-Dec-20		
The	The following project's baseline date was corrected after the close of January reporting.					
×	WW Mains Renewal - Tuam St Brick Barrel (Livingstone - Mathesons)	Execute	29-10-20	20-12-20		
Mai	ior Cycleways Programme					
_	Y 2019/20					
×	MCR Quarryman's Trail - Section 2 - Halswell to Victors Road	Execute	28-Jun-19	31-Oct-19		
F	FY 2020/21 and beyond					
×	MCR Nor'West Arc - Section 1a - Cashmere Road To Sparks Road	Execute	31-Jul-19	1-Dec-20		
×	MCR Nor'West Arc - Section 1b - Sparks Road To Lincoln/ Halswell Road intersection	Execute	30-Oct-20	8-Feb-20		
$\bigotimes$	MCR South Express - Section 3 - Curletts Rd to Old Blenheim Rd	Execute	30-Jun-21	30-Jan-22		

This is a list of watchlist project **exceptions** only, those not classified as "green – on track". For a full list of all watchlist and other projects, regardless of status, refer to reports from the Programme Management Office (PMO).

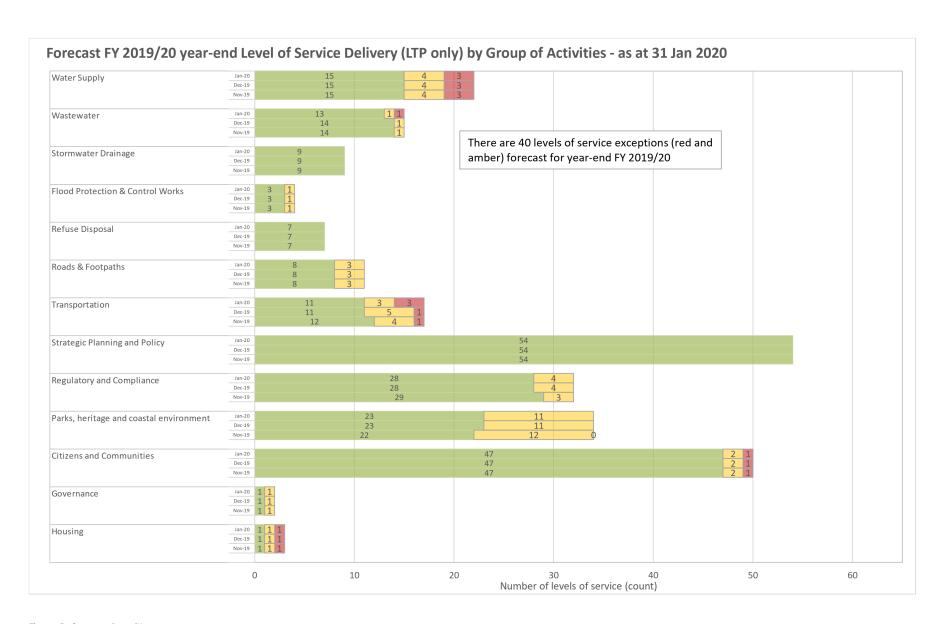
Definition of status lights for project delivery forecasts are,

- Red will not meet baseline completion date

There are no change requests (baseline date) approved or submitted for Watchlist Capital Projects this month.

Finance & Performance Committee Page 2 Performance Exceptions Report





Finance Performance Committee Christchurch City Council

Performance by Group of Activities



## Level of Service Exceptions Forecast Period Ending: 31 Jan 2020

Levels of service which are forecast to fail to meet target ---Levels of service for which intervention is required to meet target ---





### Water Supply

**Measure: ⊗** LTP/AP19: 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: >= 99.8%.

**Comments:** Work on well remediation is largely complete. To achieve this goal results from the ground

water modelling need to be available along with age dating of source water. Ground water modelling results are expected to be available later this year, however age dating will take

considerably longer.

**Measure: ⊗** LTP/AP19: 12.0.2.15 Council provides high quality drinking water.

**Target:** Number of water taste complaints per 1,000 connections per year: <= 0.5

**Actual:** 0.36

**Comments:** This is a direct result of the temporary chlorination of the Christchurch's Water Supply.

**Remedial Action:** Monitor the situation with timely responses to our residents or customers. Work is being

undertaken to scale the feedback on our Water Safety Plans and putting focus on areas of improvement identified in these plans to support the process of removing the chlorine.

**Measure:** LTP/AP19: 12.0.6 Council water supply networks and operations demonstrate

environmental stewardship.

**Target:** Percentage of real water loss from Council's water supply network: <= 15.0%

Actual: 23

**Comments:** The rolling 5 year leak detection programme is yet to be completed for this year, however it

is unlikely the result will change as the increased renewal programme is in it's first year and

the impact of that for unaccounted water will take some time to impact our rolling

programme.

Remedial Action: keep implementing the increased renewal programme, further reduce Cl2 as well head

remedial work is completed, advance the beyond well head initiatives particularly wrt

pressure zones, IoT, and smart metering  $\,$ 

**Measure:** LTP/AP19: 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%.

(Residents Survey)

**Comments:** Waiting on annual residents survey results

**Remedial Action:** Continue on with water supply initiatives as reported on regularly.

**Measure:** LTP/AP19: 12.0.1.14 Council operates water supplies in a reliable and responsive manner.

TET/AF 13. 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%.

(Residents Survey)

**Comments:** Waiting on annual residents survey results

**Remedial Action:** Continue on with water supply initiatives as reported on regularly.

**Measure:** LTP/AP19: 12.0.2.14 Council provides high quality drinking water.

**Target:** Number of water odour complaints per 1,000 connections per year: <= 0.5.



**Actual:** 0.2

**Comments:** This is a direct result of the temporary chlorination of the Christchurch's Water Supply. Most

> pump stations are having chlorine rates dropped to 0.2ppm which should mean we receive less complaints but as this is still uncertain amber lights will be used until we see the downwards trend. Trend shows we may still meet target but we will be releasing information to our residents regarding the water safety plan feedback which may not be

**Remedial Action:** Monitor the situation with timely responses to our residents or customers. Work is being

undertaken to scale the areas of improvement needed from the feedback on our water

LTP/AP19: 12.0.2.19 Council provides high quality drinking water. Measure:

Target: Proportion of residents satisfied with the quality of Council water supplies: >= 70%

(Residents Survey)

**Comments:** Waiting on annual residents survey results

Remedial Action: Continue on with water supply initiatives as reported on regularly.

### **Waste Water Collection, Treatment and Disposal**

LTP/AP19: 11.0.1.19 Council wastewater services are reliable. Measure: 😠

Percentage of wastewater gravity network pipework identified as condition grade 5 through Target:

physical inspection rather than theoretical modelling: >= 95%.

**Actual:** 93.8

**Comments:** CCTV budget insufficient to support goal

Remedial Action: Review appropriate level of service and future budget provision through LTP process

Measure: LTP/AP19: 11.0.1.16 Council wastewater services are reliable.

Target: Proportion of residents satisfied with the reliability and responsiveness of wastewater

(Residents Survey) services: >= 79%.

Comments: Waiting on annual residents survey results

Remedial Action: Continue to refine our planned wastewater maintenance rounds to reduce blockages.

Respond quickly to any blockage service requests.

### **Stormwater Drainage**

Measure: LTP/AP19: 14.1.6.1 Reduce risk of flooding to property and dwellings during extreme rain

events.

Annual reduction in the modelled number of properties predicted to be at risk of habitable Target:

> floor level flooding of the primary dwelling in a 2% AEP Design Rainfall Event of duration greater than 1.5 hours excluding flooding that arises solely from private drainage: 50

properties.

Actual: 45

**Comments:** At present 45 floor levels have been identified as reduced flooding risk for this year, this

> may change depending on progress on LDRP (Land Drainage Recovery Programme) programme and implementation of FIP (Flood Intervention Policy). It is noted that this goal was exceeded last year with 57 floor levels with reduced flooding. On average across the two years the target has been met (i.e. for FY18 and 19 the combined target of 100 dwellings

is forecast to be exceeded by 2 properties)

Continue to monitor programme and advance FIP (Flood Intervention Policy) where Remedial Action:

agreement on property purchase can be achieved



### **Transport**

Measure: 😠

LTP/AP19: 10.0.6.1 Reduce the number of crashes on the road network.

Target:

<=124 (reduce by 5 or more per year)

**Comments:** 

Total Deaths & Serious Injuries crashes to 31 September 2019 - 126 crashes. All measures are

on CCC controlled roads.

Remedial Action:

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.Continue safety programme and planned network interventions. Continue with the education and marketing programme to raise awareness of

users on the network.

Measure: 😠

LTP/AP19: 10.5.1 Reduce the number of reported cycling and pedestrian crashes on the

network.

Target:

Less than 43

**Comments:** 

Total Deaths & Serious Injuries crashes to 31 September 2019 involving cyclists and

pedestrians - 50 crashes.

Remedial Action:

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. 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.

Measure: 😠

LTP/AP19: 10.4.1 More people are choosing to travel by bus.

Target:

>=+0% (13,467,570 pax)

(ECan Survey)

**Comments:** 

The latest information available from ECan indicates that the number of bus trips for the

year is currently 3.6% less than the same time last financial year.

**Remedial Action:** 

An update on bus patronage numbers is expected from ECan next week so progress can be verified. CCC continues to improve the public transport network through the new bus lanes currently being constructed on Riccarton Road and the proposed bus lanes on Lincoln Road, as well as the ongoing improvements at bus stops across the city. However, these improvements are not expected to positively impact the bus patronage numbers for this

Measure:

LTP/AP19: 10.3.3 Improve customer perception of the ease of use of Council on-street

parking facilities.

Target:

(Residents Survey)

>=52%

Comments:

This Goal is determined by the Council's annual residents survey and results will not be known until March/April of next year.

**Remedial Action:** 

The target of 50% last year was not met (49%), however it was an improvement on the previous year. A trial has recently started that will allow customers to pay for their parking on street through the use of a parking application. Customers will be able to pay for parking either onsite or remotely and it is hoped that this will improve results in the coming year's.

Measure:

LTP/AP19: 10.4.3 Improve the reliability of passenger transport journey time.

Target:

85%

**Comments:** 

Monthly average 78%.

Remedial Action:

CTOC continue traffic signal network optimisation activities. Environment Canterbury continue PT schedule and operational optimisation activities. CCC continue road corridor

improvement projects. All monitor effect of recent Capex projects.

Measure:

LTP/AP19: 16.0.3 Improve resident satisfaction with road condition

Target:

>=53%

(Residents Survey)

**Comments:** 

The result improved to 27% last FY(from 20% the year before). The result is based on a survey so we can't predict if improvement will be sufficient to reach the target at this stage.

**Remedial Action:** 

Council, for the last 9 years, has resurfaced only 2-3% of its network per year, the industry average is 8% (including fully reconstructing roads also). Note that 2% replacement requires a surfacing to last 50yrs - the average life expectancy is approx 12yrs. 2% of road renewals is the statutory minimum level indicated by Local Government, it is approx 40km. Hence we have been short of best practice by 90km each year at least. This lack of investment has caused a significant backlog, compounded by the significant volume of trenching work undertaken to underground services which was not texturised (ie further sealed for waterproofing). Staff will again propose to lift the level of investment, in the forthcoming

LTP, to a level of 6-7% (which is approx 130-150km per yr).

Measure:



LTP/AP19: 16.0.9 Maintain resident satisfaction with footpath condition

Target:

(Residents Survey)

**Comments:** 

The result improved to 41% last year (from 34% the year before). The result is based on a survey so we can't predict if improvement will be sufficient to reach the target at this stage.

**Remedial Action:** 

All road maintenance activities, both Opex and Capex funded, are focused on highest value to customers. Higher use, and areas where users are more susceptible to uneven ground (ie schools, hospitals, retirement homes), are a key focus. Staff will also propose increased levels of Capex funding in the forthcoming LTP to lift investment levels from the current 1.2% of the network (approx 30Km) per annum to approx 2.5% per year (Approx 60km a year, based on a 40 year replacement cycle).

Measure:



LTP/AP19: 16.0.10 Improve the perception that Christchurch is a walking friendly city.

Target:



>=84%

(Residents Survey)

**Comments:** 

85% was achieved in FY1819 which very close to the target. This is based on a survey so it is possible this may not be achieved again this year.

Remedial Action:

Repairs and renewals are targeted to higher use areas, and to where there is a higher likelihood of vulnerable users; such as schools, hospitals, retirement homes, for example.

Measure:

LTP/AP19: 16.0.13 Respond to customer service requests within appropriate timeframes.

Target:

>=95%

**Comments:** 

SLA's to change to measure truer reflection of contracted expectation, and to measure our action, ie to inspect and assess the request; not at all times immediately carry out the works or even indicate the timing of such to an exact month. Hybris, in working with our B2B, can currently can only determine when job the is physically completed. Work is with IT, within the Hybris to SAP to RAMM B2B Integration, to change the status to when the customer request has been inspected, which in turn determines if we do or don't undertake works. Approx 45% (170) of the 380 requests we get each week could take 6 months to be done (post winter, awaiting next years funding etc); and may at that point not even be the highest

**Remedial Action:** 

Work underway within the Hybris Continuous Improvement Programme to rectify this issue, and the level of customer notification that results. IT support needed to implement the majority of these actions.

### **Parks and Foreshore**

Measure:

LTP/AP19: 6.8.2.8 Parks are provided managed and maintained in a clean, tidy, safe,

functional and equitable manner (Asset Condition)

Target:

Vehicle access and parking - condition average or better: 90%

**Comments:** 

Capital works has been delayed in this area awaiting the completion of a comprehensive multiyear hard surface renewal procurement process prior to the commencement of works. Physical work packages are unlikely to commence until march 2020 which has the potential

to impact delivery

Remedial Action:

Evaluation of the overall status of the asset condition will be revised as a component of the

physical work packages once commenced

Measure:



LTP/AP19: 6.4.3 Cemeteries administration services meet customer expectations

Target:

(Residents Survey)

**Comments:** 

Satisfaction with response time for internment applications: 100%.

Measured via the Resident satisfaction survey. no results until April 2020. Note the appropriateness of this target given the small sample size has been a discussion point

internally and this is likely to be significantly modified in the next LTP.

Remedial Action:

Regular check in with funeral director companies to ensure the relationships are strong



LTP/AP19: 6.4.4 Overall customer satisfaction with the presentation of the City's Parks.

Target:



Cemeteries presentation: resident satisfaction >=85 %.

(Residents Survey) **Comments:** 

Results have not been received from the annual survey. There are no other surveys conducted for this measure.

Remedial Action:

Council has instructed staff to in house these services, rather than service from 3rd party contractors. This change in service provision commenced in August 2019.It will take several months before we fully understand how the changed service provision programme will

effect the overall customer satisfaction levels

Measure:



LTP/AP19: 6.4.5 Cemeteries administration services meet customer expectations Funeral directors satisfaction with internment application process: 100%.

Target: (Residents Survey)

**Comments:** 

Measured via the Resident satisfaction survey. no results until April 2020. The same comments as per the interment application above applies as this L.O.S is one component of the overall service



**Remedial Action:** Regular check in with funeral director companies to ensure the relationships are strong

**Measure:** LTP/AP19: 6.8.5 Satisfaction with the range and quality of recreation opportunities within

parks.

**Target:** Resident satisfaction with range and quality of recreation facilities within Parks: >= 85%.

(Residents Survey)

**Comments:** Results are published via the resident satisfaction survey at year end

**Remedial Action:** Parks has no mechanism nor resourced for ongoing checks with members of the public.

There is acknowledgement within the wider Citizens and Community group that these type of targets will need to be revisited for the next LTP. Discussions with the Performance

management team to address this will commence early 2020.

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**Measure:** LTP/AP19: 6.0.3 Overall customer satisfaction with the presentation of the City's Parks.

**Target:** Community Parks presentation: resident satisfaction >=75 % (Residents Survey)

**Comments:** Current status pending survey results. Actual from last year just below goal 67% actual

Remedial Action: Utilizing new internal provision maintenance team to address areas of dissatisfaction from

previous survey comments.

Measure: LTP/AP19: 6.8.3.1 Parks are provided managed and maintained in a clean, tidy, safe,

functional and equitable manner.

**Target:** 100% of CSRs addressed within priority timeframes.

**Comments:** This target will not be achieved. 100 % compliance associated to thousands of CSR's is not

realistic.

**Remedial Action:** The business improvement team are developing a live dashboard so that the Parks

operations teams have visibility of live data.

**Measure:** LTP/AP19: 10.8.1.3 Provision of a network of publicly available marine structures that

facilitate recreational and commercial access to the marine environment for citizens and

visitors.

**Target:** Wharves and Jetties ramps and slipways (condition average or better): 85%.

**Comments:** Not yet known, last year was 74 %

**Remedial Action:** Inspections, renewals and maintenance to continue

Measure: LTP/AP19: 10.8.1.1 Provision of a network of publicly available marine structures that

facilitate recreational and commercial access to the marine environment for citizens and

visitors.

**Target:** Customer satisfaction with marine structure facilities: 90 %

(Residents Survey)

**Comments:** Not yet know, last year was 55%

**Remedial Action:** Renewal and maintenance plans to continue

Heritage

Measure: LTP/AP19: 6.9.1.5 To manage and maintain Public Monuments, Sculptures, Artworks and

Parks Heritage Buildings of significance.

**Target:** Resident satisfaction with presentation of Public Monuments, Sculptures & Artworks: >=

(Residents Survey) 90

**Comments:** We will aim to increase our numbers. Last year was 71%. Some of the artworks and

monuments in the city are yet to be repaired thus it will be hard to achieve 90%. The completion of both clock towers, being in a very public location should make a difference



**Remedial Action:** Support prioritisation of the work

Measure: LTP/AP19: 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%

(Residents Survey)

**Comments:** Results are published via the resident satisfaction survey at year end

Remedial Action: As per previous commentary we are awaiting the second year of feedback to understand the

best mechanism to connect with citizens around realistic goals, targets and measurement

for the next LTP.

### **Citizen And Customer Services**

Measure: LTP/AP19: 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.

Actual: 108

**Comments:** Average speed of answer for January finished strong on 89 seconds, meeting our monthly

target of no more than 90 seconds. This is an 8 second improvement on Decembers result. Our YTD average is now sitting on 108 seconds, which has improved by 2 seconds since

December.

**Remedial Action:** A number of initiatives are in place for Jan/Feb which aim to improve our ASA and customer

experience. The revised schedule rotation commenced on Jan 13th, our Interactive Voice Response (IVR) upgrade is scheduled for implementation in February and Courtesy call back will also be deployed as part of this upgrade. From a training perspective further upskilling of our staff across additional skillsets has been completed this month. A recruitment assessment centre took place on January 24th to cover vacancies across our contact and

service centres. As a result five new staff members have been offered a position and are

scheduled to commence induction training on the 24th of February.

**Community Support Governance And Partnerships** 

Measure: 🔵

Target:

LTP/AP19: 4.1.18 Participation in and contribution to Council decision-making

Percentage of respondents who understand how Council makes decisions: At least 41%

(Residents Survey)

**Comments:** 

Current performance (2019) is 33% (residents who feel they can influence Council decision

making) against a target of 41%, this is an improvement of 4% over the 2018 total of 29%The voter turnout in the 2019 elections was 40.3% and increase of 2.3% over the same for the

2016 elections (38%) A report to Councilors was sent to Councillors 30 January

**Remedial Action:** Continue to promote quality community participation and engagement through active

citizenship, e.g. increase candidate numbers and voter turnout in local elections, work with

Boards on the effective implementation of increased delegations.

### **Recreation, Sports And Events**

**Measure:** ⊗ LTP/AP19: 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

(Residents Survey)

Actual: 74

Comments: The satisfaction survey at Kidsfest closing event (Peppa Pig) provided satisfaction of 74%

with the content and delivery. This is below the target of 90% and means that this LOS will

not be achieved this year.



Remedial Action: The free show did not meet expectations because many caregivers thought the show was to

short (26 minutes) as opposed to the expectation of at least 45 minutes. Suggested improvements were to ensuring the show is longer, improve the variety of the show, include more props, and stop people holding tickets then not attending the free event. The next

event is Kite Day, 25th January 2020.

Measure: LTP/AP19: 7.0.3.2 Support citizen and partner organisations to develop, promote and deliver

recreation and sport in Christchurch.

**Target:** 80% satisfaction with the quality of Council recreation and sport support.

(Residents Survey)

**Comments:** Improvement to the booking process and communication have been implemented after

feedback in FY19.

**Remedial Action:** Partnership satisfaction results will be available in May 2020

#### **Building Services**

**Measure:** LTP/AP19: 9.1.1 Grant Building Consents within 20 working days

**Target:** The minimum is to issue 95% of building consents within 19 working days from the date of

acceptance.

**Actual:** 94.6

**Comments:** Consents processed within 19 days was slightly under target at 94.6% in January. Current

year to date is tracking above target at 96.1%, and 97.72% of consents were processed within the statutory 20 days. This slightly lower than usual result is a combination of two factors; 1) slightly reduced internal resource and 2) and an increase in the complexity of

applications.

**Remedial Action:** Continue to closely monitor allocation workflow and workloads to ensure that the 19 day

target is met using internal resources. If this is not achievable we may look to our 'overflow' contractors to provide support if necessary, in accordance with our accredited procedures.

\_\_\_\_

**Measure:** LTP/AP19: 9.1.4 Ensure % satisfaction with building consents process.

**Target:** Set from Benchmark in Year 1 Quarterly review survey of results and feed common issues to

issues register for resolution

**Comments:** No surveys were sent in January due to a changeover of survey programmes. The new

programme is now being used and surveys were sent the first week of February.

**Remedial Action:** Surveys have now resumed, and sent out to recipients in the first week of February.

# **Land and Property Information Services**

Measure: LTP/AP19: 9.4.3 Provide customers with access to property files that are already stored

electronically.

**Target:** Provide 99% of customers with access to property files within 2 working days of request

(subject to payment of fees).

**Actual:** 97.3

**Comments:** Since the migration performance has risen form the mid (80s%) to around the 95% mark.

Part of this will be better reporting, training an management. Increasing performance to 99% is point to discuss further. Due to this, we believe that it would be prudent to update the KPI from 99% to 95%. This is more realistic operationally, and takes into account that the LIM team are still being trained in the processing of property files while acknowledging

that commercial applications are also due to be taken on from February.

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Measure: 🔵

LTP/AP19: 9.4.2 Provide customers with access to property files.

Target: Provide 99% of customers with access to property files within 5 working days of request

(subject to payment of fees).

**Actual:** 94.34

**Comments:** Since the migration performance has risen form the mid (80s%) to around the 95% mark.

Part of this is because of better reporting and training. Investment to increase performance to 99% may not be cost effective and a point to further consider Due to this, we believe that it would be prudent to update the KPI from 99% to 95%. This is more realistic operationally, and takes into account that the LIM team are still being trained in the processing of property files while acknowledging that commercial applications are also due to be taken on from

February.

## **Assisted Housing**

Measure: 😠

LTP/AP19: 18.0.1 Council makes a contribution to the social housing supply in Christchurch

**Target:** 2,052 units. **Actual:** 1990

**Comments:** The current performance of total units is 1990 against a target of 2052This measure reflects

the effect of the transfers to the OCHT as part of the capitalisation process. Council resolved to capitalise the OCHT through the transfer \$50 million of assets. It also approved the specific complexes to be transferred.412 units have been transferred to date but remain in use for social housing. When the original measure was set it was based on complexes containing 350 units. With changes to the approved complexes, this has resulted in more units being transferred but within the value approved by Council. There has been no change

to service delivery.

Remedial Action: Adjust the measure through the next Long Term Plan to reflect current delivery

numbers. Investigate ways to increase the number of social housing units in Christchurch,

noting that this may not increase the numbers owned by the Council.

Measure: LTP/AP19: 18.0.4 Council makes a contribution to the social housing supply in Christchurch.

**Target:** 1,972 units. **Actual:** 1903

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**Comments:** Units closed for EQ repairs, temporary accommodation, long term repairs, and no longer fit

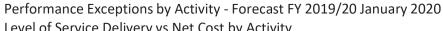
for purpose (identified for redevelopment). A particular focus is being applied to return long term offline units to service where possible and feasible. In January we returned a net 14 units to service (16 returned plus two taken off line for major works). The two units are anticipated to be offline for 3 to 4 weeks, while cleaning, ventilation upgrades and other works occur. In Februray we anticipate at least 12 units being returned to service. The total numbers include 91 units that are closed for redevelopment. It is not financially feasible to return these units to service as the cost of undertaking corrective maintenance(eg asbestos removal, electrical rewiring, plumbing repairs etc) and legislative upgrades is not justified given replacement costs, age and condition of these assets. There is active investigation into redevelopment of some of these sites. An accelerated programme for reopening units closed for long term repairs is underway. Seven units long term closed units were returned to service in November. The total number of available units needs to be reviewed given

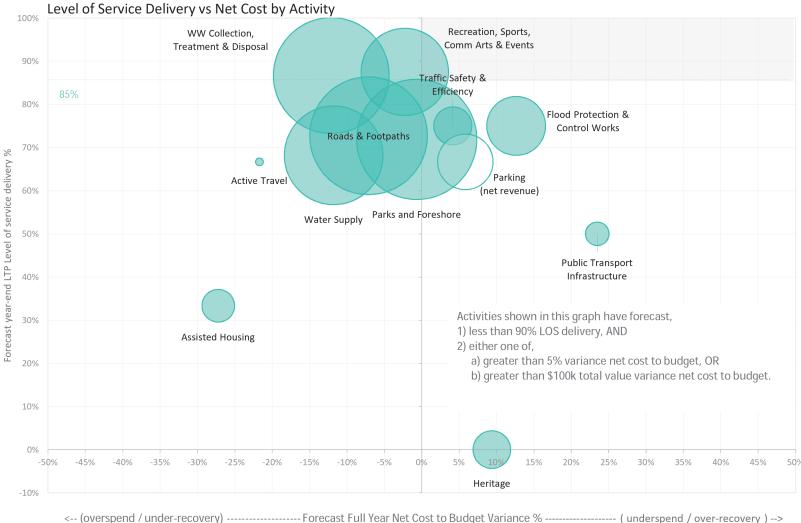
changes in the number of units to be transferred to the OCHT

Remedial Action: Continue programme to return long term offline units to service. Continue investigation of

financing options for redeveloping complexes.





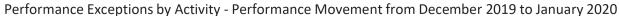


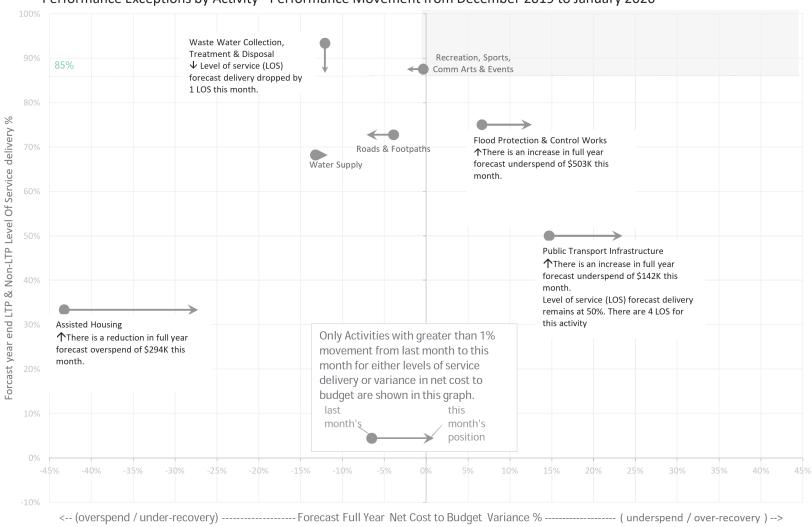
Finance and Performance Committee Christchurch City Council

Performance Exceptions by Activity

Item No.: 7







Finance and Performance Committee Christchurch City Council

Performance Exceptions by Activity

# Performance by Activity Table - Forecast FY 2019/20 January 2020

		Net C	ost *		Levels of Service (LOS)			
Activities	Full Year Forecast after C/F \$000	Full Year Plan \$000	Variance after C/F \$000	% Variance after C/F	Forecast LTP LOS % Delivery	Total LTP LOS		
Water Supply	20,416	18,265	-2,151	-12%	68%	22		
WW Collection, Treatment & Disposal	28,079	25,049	-3,030	-12%	87%	15		
Strategic Planning & Policy	15,872	15,442	-430	-3%	100%	23		
Public Information & Participation	5,210	5,149	-61	-1%	100%	7		
Economic Development	15,141	15,197	57	0%	100%	24		
Stormwater Drainage	12,210	12,931	721	6%	100%	9		
Flood Protection & Control Works	7,362	8,426	1,064	13%	75%	4		
Traffic Safety & Efficiency	3,143	3,279	136	4%	75%	4		
Parking	-6,566	-6,204	362	-6%	67%	3		
Public Transport Infrastructure	1,236	1,615	379	23%	50%	4		
Active Travel	157	129	-28	-22%	67%	6		
Roads & Footpaths	28,937	27,014	-1,922	-7%	73%	11		
Solid Waste	35,243	36,141	899	2%	100%	7		
Building Services	1,793	1,168	-625	-54%	75%	8		
Resource Consenting	2,159	2,045	-114	-6%	100%	6		
Land & Property Information Services	-1,794	-1,773	21	-1%	50%	4		
Regulatory Compliance & Licencing	2,966	2,996	29	1%	100%	14		
Parks and Foreshore	30,174	29,972	-202	-1%	72%	32		
Heritage	3,066	3,383	317	9%	0%	2		
Assisted Housing	2,333	1,834	-499	-27%	33%	3		
Governance & Decision Making	13,977	13,900	-77	-1%	50%	2		
Citizen and Customer Services	8,861	8,923	62	1%	86%	7		
Civil Defence Emergency Management	1,608	1,648	40	2%	100%	2		
Community Development and Facilities	13,202	13,137	-65	0%	100%	2		
Christchurch Art Gallery	7,043	7,108	65	1%	100%	7		
Canterbury & Akaroa Museums	8,456	8,463	8	0%	100%	6		
Libraries	29,082	33,146	4,064	12%	100%	10		
Recreation, Sports, Comm Arts & Events	16,017	15,662	-355	-2%	88%	16		
Net Cost	305,382	304,045	-1,337	0%	0.0%	260		

<sup>\*</sup>Net Cost - excludes depreciation, corporate overheads and interest.

Finance and Performance Committee Christchurch City Council

Performance Exceptions by Activity



# 8. Capital Project Performance Report - Jan 2020

Reference / Te Tohutoro: 20/143206

Report of:

Ruth Cable, Head of Programme Management Office,

ruth.cable@ccc.govt.nz

General Manager: David Adamson, General Manager City Services,

david.adamson@ccc.govt.nz

# 1. Brief Summary

1.1 The purpose of this report is for the Finance and Performance Committee to be informed of the Capital Programme Delivery Performance, the Capital Watchlist and Major Cycleways Watchlist for period ending 20 January 2020. The report has been written to provide visibility of all Capital Delivery Performance.

# 2. Officer Recommendations

That the Finance and Performance Committee:

- 1. Receives the information in the Capital Programme Performance Report.
- 2. Receives the information in the Capital Watchlist and Major Cycleways report.

# Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>↓</u>	Capital Project Performance Report - January 2020	44
B <u>↓</u>	Capital Project Watchlist - January 2020	54
C 📅	Major Cycleways - January 2020	56

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



# **Finance and Performance Committee of the Whole**

January 2020 Capital Performance Overview

















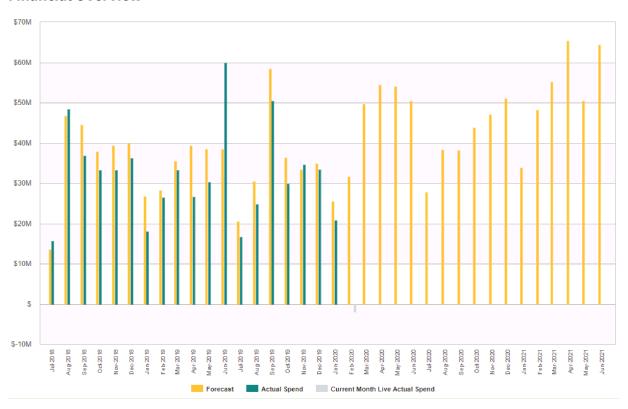
**FACILITIES** 

**OTHER DEPTS** 



#### **All of Council**

## **Financial Overview**



# **Overall Situation and Analysis**

Capital budget for this year, as at end January 2020 was \$521m. Split between Council and 3rd party delivery is \$412m and \$108m respectively.

At the end of January 2020, the Project Manager forecast was \$450m.

Spend to date was \$209m against a forecast of \$240m.

#### **Council Delivered**

The net carry forward forecast by Project Managers is at \$70m for CCC delivered projects (\$128m carry forward, \$59m bring back). The breakdown of these projects can be found later in the report.

Current delivery budget where Council manages delivery is \$412m, as at the end of January 2020, Project Managers are forecasting to spend \$362m.

The top 10 Council delivered projects (by current year budget value) are:

- Strategic Land Acquisition Rolling Package \$34m
- WW Lyttelton Harbour Wastewater Scheme \$13m
- Road Lighting LED delivery \$9m
- WW Mains Renewal Tuam St Brick Barrel Livingston St to Mathesons Rd \$8m
- WW Riccarton Road Harakeke to Matipo \$7m
- Christchurch Wastewater Treatment Plant EQ Repair Occupied Buildings \$6m
- Carriageway Smoothing AC>40mm \$6m
- Carriageway Reseals Chipseal \$5m
- Riccarton Road Bus Priority \$5m
- AAC Hereford Street (Manchester-Cambridge) \$5m



These make up nearly a quarter of this year's delivery. All projects are in Construction, except Hereford Street – a contract has been awarded and the construction programme is being finalised.

#### **Third Party Delivered**

Payments are made to 3<sup>rd</sup> parties who have primary control over project delivery timelines and handover.

Current delivery budget where 3<sup>rd</sup> parties manage delivery is \$108m this FY. As at the end of January 2020, these projects are forecast to spend \$92m with spend to date \$55m. This reflects forecast as reported in December 2019.

Key third party payment projects (by current year budget value) are:

Project	Whole of Life Budget	Current Year Budget	Current Year Forecast	Forecast Delivery Date
Metro Sport Facility	\$152m	\$47m	\$47m	Feb 2022
Central City Transport Interchange	\$23m	\$23m	\$23m	One off payment – complete
Multi Use Arena	\$470m	\$17m	\$1m	Jun 2021
New Brighton Hot Salt Water Pools	\$19m	\$11m	\$11m	Mar 2020
Northern Arterial Extension	\$54m	\$5m	\$7m	May 2021
The Square and Surrounds	\$9m	\$0.6m	\$1m	Aug 2021
Performing Arts Precinct	\$31m	\$0.4m	\$0.3m	Sep 2022
Totals	\$759m	\$104m	\$90m	

Further detail on the current performance of key third party projects can be found in the Capital Watchlist report appended to this Capital Project Performance report.

#### **All of Council**

## **Carry Forward/Bring Back Analysis**

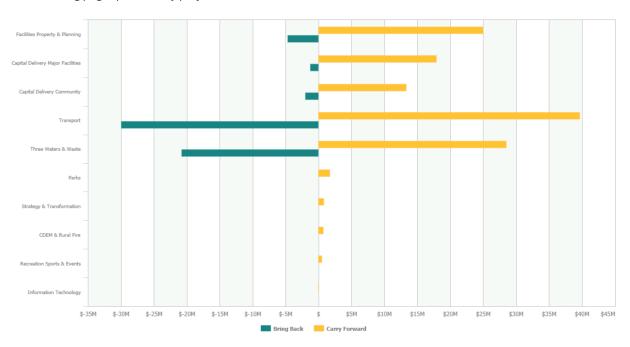
Net carry forward currently forecast by Project Managers is \$70m (difference between bring back and carry forward). This has increased since December report by \$6m.

Delivery Department	Bring Back Projects	Carry Forward Projects	Bring Back Value	Carry Forward Value	
Facilities Property & Planning	2	1	-\$4,666,864	\$24,995,578	\$20,328,714
Capital Delivery Major Facilities	3	6	-\$1,261,437	\$17,900,833	\$16,639,396
Capital Delivery Community	17	47	-\$2,046,751	\$13,329,778	\$11,283,027
Transport	29	73	-\$29,989,786	\$39,659,311	\$9,669,525
Three Waters & Waste	93	91	-\$20,834,008	\$28,546,395	\$7,712,387
Parks	2	9	-\$68,946	\$1,699,180	\$1,630,234
Strategy & Transformation	0	4	\$0	\$767,850	\$767,850
CDEM & Rural Fire	0	2	\$0	\$724,794	\$724,794
Recreation Sports & Events	0	1	\$0	\$500,000	\$500,000
Information Technology	0	3	\$0	\$43,384	\$43,384
	146 Project(s)	237 Project(s)	-\$58,867,792	\$128,167,103	\$69,299,311



The yellow bar represents project delivery dollars that are currently forecast for future years, the blue bar projects that are brought forward from future years.

The following pages provide key projects that drive these variations.



## **All of Council**

# **Top 10 Carry Forward Projects**

The following projects listed as the top carry forwards are as per previously reported in the December report.

Project Title	Project Phase	Current FY Budget	Current FY Carry Forward	Project Manager Comment
Strategic Land Acquisitions Rolling Package	(Execute) Construction	\$33.7m	\$25m	Spend relies on capital project phasing for purchase of land, which means there are fluctuations from plan on annual spend each year.  In addition, properties are purchased against previous FY budgets, for use by projects in this year's programme.  This project is currently forecasting to spend less than budget allocation this FY.
Canterbury Multi Use Arena	Concept	\$16.9m	\$15.7m	A carry-forward to FY24 will be required. The Crown are still to approve the Investment Case.  Once approved, further discussions between the Council and the Crown on the procurement strategy and delivery structure for the project will be required.
WW Mains Renewal - Tuam St Brick Barrel - Livingstone St to Mathesons Rd	(Execute) Construction	\$8.5m	\$3.8m	Carry forward flagged due to slower than planned rate of pipe laying. Refer to Capital Project Watchlist for further information.
MCR Nor'West Arc - Section 2 - Annex Road/Wigram Road to University	(Execute) Design	\$3.4m	\$3.2m	Carry forward FY20 to FY21 required due to NZTA funding delays.



Project Title	Project Phase	Current FY Budget	Current FY Carry Forward	Project Manager Comment	
AAC Victoria Street	(Execute) Construction	\$4.4m \$2.8m		Construction programme to be confirmed – start date depends on outcome of discussions with Victoria Street stakeholders.  Carry forward may be required to complete construction.	
MCR Heathcote Expressway - Section 2 - Tannery to Martindales Road	(Execute) Design	\$2.7m	\$2.6m	Carry forward required from FY20 to FY21 due to delays with NZTA funding. Possible lizard habitat could dictate when construction can happen (survey of the area to be carried out in early 2020). Depending on the extent of lizard habitat, works may not be able to start until Spring 2020.	
Annex / Birmingham / Wrights Route Upgrade	(Execute) Design	\$2.8m	\$2.5m	Carry forward required due to delays with NZTA funding.	
AAC Hereford St (Manchester-Cambridge)	(Execute) Construction	\$4.8m	\$2.4m	Construction programme to be confirmed – carry forward will be required to complete construction.	
MCR South Express - Section 1b - Gilberthorpes to Racecourse Rd/Pararoa Reserve Entrance	Initiate	\$2.3m	\$2.3m	Carry forward is required due to the delay in funding approval from NZTA	
Evans Pass Road and Reserve Terrace Remedial Works	(Execute) Design	' \$3.0m \$2.3m			

# **All of Council**

# **Top 10 Bring Back Projects**

Project Title	Project Phase	Current FY Budget	Current FY Bring Back	Project Manager Comment
Downstream of CNC (Innes to Westminster) - Project 2	(Execute)	\$1.1m \$8.9m (Execute) Project fast tracked – work m		Project fast tracked – work must be complete by end of FY20
Downstream of CNC (South of Westminster) – Project 1	Construction	nstruction \$1.4m		to meet consent conditions for Northern Arterial.
Carriageway Smoothing AC>40mm	(Execute) Construction	\$5.5m	\$2.8m	Bring back of \$2,816,566 required to smooth future programme. Current year programme now includes Cranford St, Ferry Rd (Woolston Masterplan) and Ferry Rd (work in line with 3W at Alport st) and Main Nth rd (tied in with bus lane project).
Riccarton Road Bus Priority	(Execute) Construction	\$5.1m	\$2.5m	Bring back required due to earlier forecast completion date. Current construction complete date forecast for August 2020.
Northern Arterial Extension including Cranford Street Upgrade	(Execute) Construction	\$5.4m	\$1.2m	Delivery ahead of budget phasing.
WS Eastern Tce Trunk Main Renewal	(Execute) Design	\$0.1m	\$1.1m	Delivery ahead of budget phasing. Bring back needed to cover FY20's costs
Footpath Renewals Delivery Project	(Execute) Construction	\$1.7m	\$0.9m	Bringback required to fund work programme for delivery in FY20.



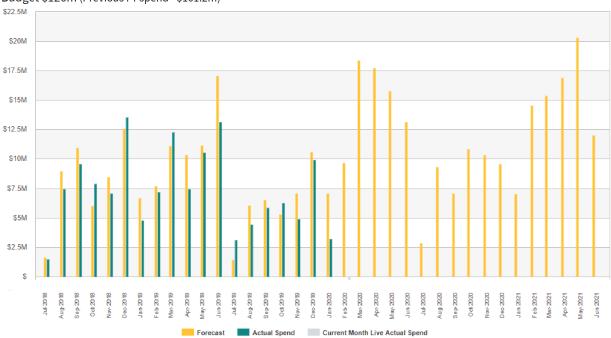
Project Title	Project Phase	Current FY Budget	Current FY Bring Back	Project Manager Comment
WW Mains Renewal - Aylesford St - Speight St - Thornton St	(Execute) Construction	\$1.2m	\$0.7m	Bring back will be required from FY21 to enable delivery against the contractor programme.
Edmonds Band Rotunda	(Execute) Construction	\$0.0m	\$0.7m	No budget this FY. Bring back required from FY21 as work is due to commence in March 2020.
SW Gardiners Stormwater Facility	(Execute) \$0.7 Design		\$0.7m	Delivery ahead of budget phasing in order to commence construction as soon as possible (to comply with discharge consent).



# **Transport Portfolio**

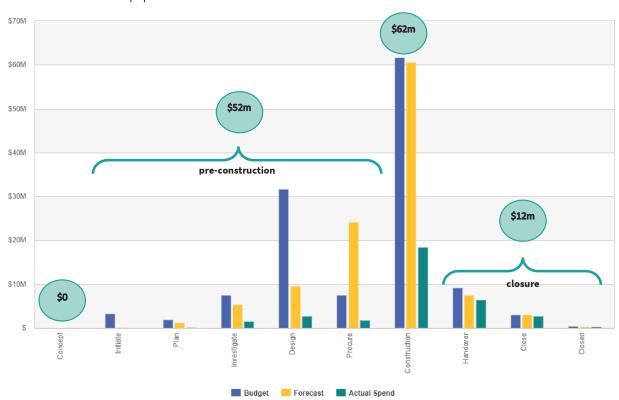
# **Financial Overview**





# **Project Value by Phase**

Since December 2020, there has been an increase in value of projects in the Construction phase, and all projects have moved out of the Concept phase.

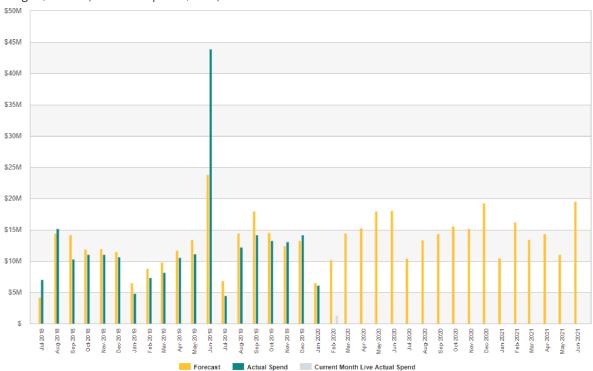




## **Three Waters and Waste Portfolio**

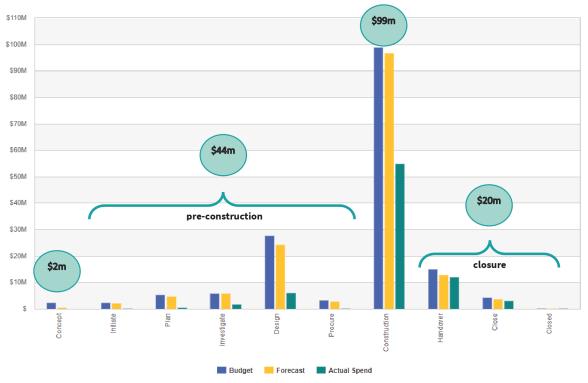
# **Financial Overview**





# **Project Value by phase**

Remains similar to budget values by phase reported in December 2020.



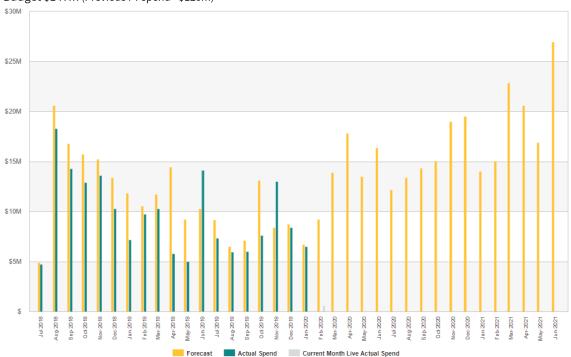


## **Facilities Portfolio**

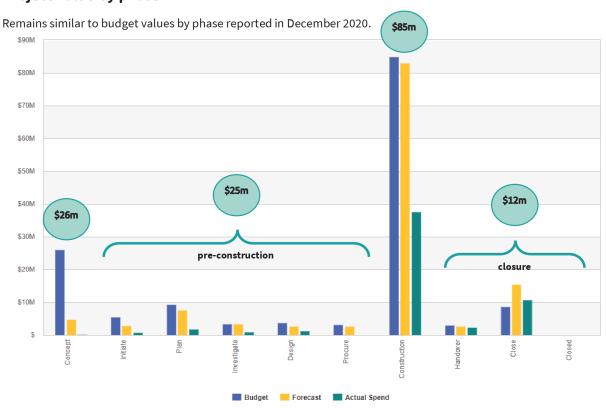
(includes Capital Delivery Major Facilities, Capital Delivery - Community, Sports and Rec, Parks, Library, Art Gallery)

## **Financial Overview**





# **Project Value by phase**



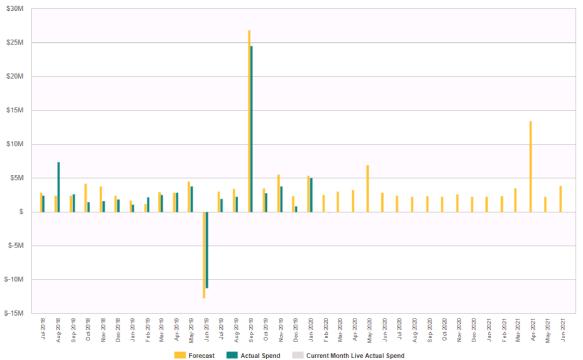


# **Other Departments**

(includes ICT, Facilities, Regulatory Compliance, Strategy and Transformation, Technical Services and Design)

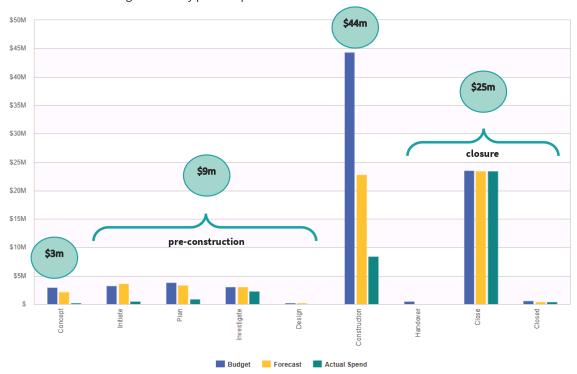
## **Financial Overview**





# **Project Value by phase**

Remains similar to budget values by phase reported in December 2020.





ime Budget

On Track On Track
Unlikely to meet target delivery date/Corrective action required
Will not meet target delivery date
Will not meet target delivery date
Will overspend

	TIME					BUDGET					
Project Title	Current Phase	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Time Status	Time Commentary	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Commentary
Naval Point Development Plan	Plan	Jun-15	Jun-26	Jun-26	Green - On Track		Green - On Track	\$11.5 M	\$11.5 M	\$1.3 M	
Hornby Library, Customer Services and South West Leisure Centre	Plan	Apr-20	Dec-22	Dec-22	Green - On Track		Green - On Track	\$35.8 M	\$35.8 M	\$0.2 M	
Te Pou Toetoe Linwood Pool	Investigate & Scheme Design	Dec-21	Dec-21	Dec-21	Green - On Track		Green - On Track	\$22.7 M	\$22.7 M	\$0.4 M	
AAC Hereford St (Manchester-Cambridge)	Execute - Construction	Dec-18	Oct-20	Nov-20	Amber - At Risk	Current forecast delivery date to be confirmed with contractor. Construction programme being developed.	Green - On Track	\$7.5 M	\$7.5 M	\$1.2 M	
AAC Victoria Street	Execute - Construction	Jun-17	Apr-21	Apr-21	Green - On Track		Green - On Track	\$11.3 M	\$11.3 M	\$3.0 M	
Akaroa Wharf Renewal	Investigate & Scheme Design	Feb-23	Feb-23	Feb-23	Green - On Track		Green - On Track	\$11.0 M	\$11.0 M	\$0.4 M	
Annex / Birmingham / Wrights Route Upgrade	Execute - Design	Sep-16	Aug-23	Aug-23	Green - On Track		Green - On Track	\$10.8 M	\$10.8 M	\$0.9 M	
Downstream Intersection Improvements: Cranford Street	Execute - Construction	Jun-20	Jun-20	Jun-20	Green - On Track		Green - On Track	\$20.5 M	\$20.5 M	\$1.9 M	
Ferry Road Masterplan - project WL1	Execute - Procurement	Sep-17	Dec-20	Dec-20	Green - On Track		Green - On Track	\$4.1 M	\$4.1 M	\$0.6 M	
New Brighton MP Streetscape Enhancements A2, A4, A5	Execute - Construction	Jun-19	Jun-20	Apr-20	Green - On Track		Green - On Track	\$4.6 M	\$4.6 M	\$2.0 M	
Riccarton Road Bus Priority	Execute - Construction	May-15	Jan-22	Sep-20	Green - On Track		Green - On Track	\$17.6 M	\$17.6 M	\$13.4 M	
Road Lighting LED delivery project	Execute - Construction	Jun-18	Jun-21	Jun-21	Green - On Track		Green - On Track	\$30.0 M	\$27.3 M	\$10.1 M	
LDRP 500 Cashmere Worsleys Flood Storage	Execute - Construction	Apr-17	Aug-22	Jun-22	Green - On Track		Green - On Track	\$27.1 M	\$27.1 M	\$15.7 M	
LDRP 526 Curletts Flood Storage	Execute - Construction	Oct-19	Oct-19	May-20	Red - Critical	Main construction contract is in defects liability period. Direct Seeding and Pest Control in maintenance period. Flood control gate installed and can be operated manually realising full flood mitigation benefits. Delay in final completion date due to finalisation of the mechanical components, as well as planting to be completed in Autumn.	Green - On Track	\$9.6 M	\$9.6 M	\$8.9 M	
LDRP 528 Eastman Wetlands	Execute - Construction	Jun-24	Jun-24	Jun-24	Green - On Track		Green - On Track	\$22.2 M	\$22.2 M	\$7.9 M	
SW Coxs - Quaifes Facility	Execute - Construction	Jun-23	Jun-23	Jun-22	Green - On Track		Green - On Track	\$14.9 M	\$14.7 M	\$3.7 M	

Item No.: 8

Christchurch City Council

	TIME						BUDGET	•			
Project Title	Current Phase	Original Delivery Date	Current Approved Delivery Date	Current Forecast e Delivery Date	Time Status	Time Commentary	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Commentary
WW Akaroa Wastewater Scheme	Investigate & Scheme Design	Jun-16	Jun-25	Jun-25	Amber - At Risk	The overall project timeline remains at risk. The Council hearings and decision process for selecting a preferred option will take place in early 2020 after which the project timeline will be updated. Whilst a number of Wastewater disposal options are being considered it is not possible to provide a more accurate timeline.	' Red - Critical	\$38.8 M	\$38.8 M	\$6.9 M	The overall project budget remains at risk. The Council hearings and decision process fo selecting a preferred option will take place in early 2020, after which the project budget will be updated subject to the increased cost being included in the 2021 LTP. Whilst a number of Wastewater disposal options are being considered, it is not possible to provide a definitive or accurate total project budget, however the best estimates available at this stage are given below.  Once a preferred solution for the disposal of treated waste water has been agreed upon by elected Council members, considering community consultation feedback, cost and technical information, the project budget will be reforecast and submitted for approval.  Options include:  1. Irrigation and storage in the inner harbour linked with I&I improvements - Estimated project cost approx. \$55M - \$60M  2. Irrigation to a farm at Goughs Bay with on site storage - Estimated project cost approx. \$65M - \$70M  3. Harbour outfall - Estimated project cost approx. \$40M
WW Lyttelton Harbour Wastewater Scheme	Execute - Construction	Feb-19	Dec-21	Sep-20	Green - On Track		Green - On Track	\$53.0 M	\$51.3 M	\$41.9 M	
WW Mains Renewal - Tuam St Brick Barrel - Livingstone St to Mathesons Rd	Execute - Construction	Jun-20	Oct-20	Dec-20	Red - Critical	The primary reason for project delay is that the old pipe being removed sits on concrete haunching and foundations 500mm – 800mm thick and was buil of in-situ poured concrete 200 - 300mm thick. This concrete had to be broker out and removed prior to pipe laying. A number of changes have been trialled to construction methodology to drive productivity. There has been an increase in the rate of pipe laying although we do not expect they will be able to recover lost time.		\$15.3 M	\$15.3 M	\$3.8 M	
WW Riccarton Road - Harakeke to Matipo	Execute - Construction	Dec-21	Dec-21	Dec-21	Green - On Track		Green - On Track	\$11.1 M	\$11.1 M	\$9.2 M	
Third Party Delivery											
New Brighton Salt Water Hot Pools	Execute - Construction	Dec-20	Mar-20	Mar-20	Green - On Track		Green - On Track	\$19.2 M	\$19.2 M	\$18.6 M	
Northern Arterial Extension including Cranford Street Upgrade	Execute - Construction	Jun-22	Jul-23	May-21	Amber - At Risk	June 2020 remains the anticipated opening date but the construction programme has no float and requires no delays due to weather or construction issues. The CNC Alliance is currently reviewing the programme	Green - On Track	\$54.0 M	\$53.7 M	\$34.0 M	
Metro Sport Facility	Execute - Construction	Jan-20	Feb-22	Feb-22	Green - On Track		Green - On Track	\$152.4 M	\$151.3 M	\$39.6 M	
Performing Arts Precinct	Investigate & Scheme Design	Jun-18		Sep-22	Green - On Track		Amber - At Risk	\$31.3 M	\$31.2 M	\$1.3 M	Project funding has been re-forecast to reflect design and construction years, with a new estimate developed in Aug/Sep to incorporate basebuild, fitout, fees, escalation and contingencies. The feasibility estimate is higher than existing budget - options will be explored during the next stage to address. Design forecast to commence in March 2020. Risks relate to decontamination of the block.
Canterbury Multi Use Arena	Concept	Jun-25	Jun-25	Jun-24	Amber - At Risk	Investment Case is still to be approved by the Crown. Discussions to be held between the Council and Crown on the procurement strategy and delivery structure.	Amber - At Risk	\$470.3 M	\$473.0 M	\$0.0 M	Funding from the Crown still be approved. Once the Crown has approved the Investment Case, budget will be updated.
Multicultural Recreation and Community Centre	Concept	Jun-21			Green - On Track		Green - On Track	\$3.0 M	\$0.0 M	\$0.0 M	
					Time	On Track Unlikely to meet target delivery date/ Corrective action required Will not meet target delivery date	Budget	On Track Likely oversper Will overspend	nd / Corrective acti	on required	



	CHRISTCHURCH CITY COUNCIL MAJOR CYCLEWAYS PROG	RAMME Cycleway	1											
	JANUARY 2020	Complete			Time	On Track Unlikely to meet target delivery date/ Corrective action required Will not meet target delivery date			dget On Track Likely overspend / Corrective action required Will overspend					
		TIME					Bu	ıdget						
	Project Title	Current Phase	Current Approved Delivery Date	Current Forecast Delivery Date	Time Status	Time Comment		dget	approved		Actuals to Date	Budget Comments		
caro	MCR Avon - Otakaro Route Section 1 - Fitzgerald Avenue to Swanns Road Bridge	Concept		Jun-28	Green - On Track			een - On ack	\$7.7 M	\$7.7 M	\$0.1 M			
n-Otal	MCR Avon - Otakaro Route Section 2 - Swanns Road Bridge to ANZAC Drive Bridge	Concept		Jun-28	Green - On Track			een - On ack	\$17.0 M	\$17.0 M	\$0.0 M			
Avo	MCR Avon - Otakaro Route Section 3 - ANZAC Drive Bridge to New Brighton	Concept		Jun-28	Green - On Track		Trac	een - On ack	\$6.6 M	\$6.6 M	\$0.0 M			
							Totals		\$31.3 M	\$31.3 M	\$0.1 M			
ote way	MCR Heathcote Expressway - Section 2 - Tannery to Martindales Road	Detailed Design	Jun-25	Nov-21	Track		Trac	een - On ack	\$8.4 M	\$8.4 M	\$0.2 M			
Heathc	MCR Heathcote Expressway - Section 1 A- Ferry Rd	Defects Liability	Oct-19	Oct-19	Тгаск		Trac	een - On ack	\$6.5 M	\$6.3 M	\$6.0 M			
_ = <u>@</u>	MCR Heathcote Expressway - Section 1 B- Charles St to Tannery	Defects Liability	Oct-19	Oct-19	Green - On Track		Trac	een - On ack	\$11.2 M	\$11.2 M	\$11.0 M			
					Croon On		Totals	oon On	\$26.1 M	\$26.0 M	\$17.3 M			
er Lin	MCR Little River Link - Section 1 - Moorhouse Avenue to Edinburgh Street, Barrington	Handover	Sep-18	Sep-18	Green - On Track Green - On	Minor works to be completed in FY20 that require co-ordination with KiwiRail.	Trac	een - On ack een - On	\$6.7 M	\$6.7 M	\$6.6 M			
le Riv	MCR Little River Link - Section 2 - Wigram Magdela Link	Closed	Jan-17	Jan-17	Track		Trac	ack	\$0.2 M	\$0.2 M	\$0.2 M			
Ë	MCR Little River Link - Section 3 - Little River Township	Closed	Oct-16	Nov-16	Green - On Track			een - On ack	\$0.8 M	\$0.8 M <b>\$7.7 M</b>	\$0.8 M <b>\$7.5 M</b>			
	MCR Northern Line Cycleway - Section 1 - Blenheim to Kilmarnock, plus Harewood				Green - On			een - On	· I					
	Crossing and Restell	Detailed Design	Jun-22		Track		Trac	ack een - On	\$7.5 M	\$7.5 M	\$3.8 M			
leway	MCR Northern Line Cycleway - Section 2a - Tuckers to Sturrocks including crossings.	Detailed Design	Jun-21	Jun-21	Track Green - On		Trac	ack een - On	\$2.7 M	\$2.7 M	\$0.0 M			
le Cy	MCR Northern Line Cycleway - Section 2b - Sturrocks to Barnes Road/ Main North Road	Detailed Design			Track		Trac	ack	\$3.1 M	\$3.1 M	\$0.0 M			
r E	MCR Northern Line Cycleway - Section 3a - Styx Mill overbridge to Northwood Boulevard				Green - On Track			een - On ack	\$0.6 M	\$0.6 M	\$0.0 M			
North	MCR Northern Line Cycleway - Section 3b - Main North to Belfast	Investigation and Scheme Design			Green - On Track			een - On ack	\$0.0 M	\$0.0 M	\$0.0 M			
	MCR Northern Line Cycleway - Section 1b- South Hagley Park Connection	Closed		Sep-14	Green - On Track			een - On ack	\$0.0 M	\$0.0 M	\$0.0 M			
		_					Totals		\$14.0 M	\$14.0 M	\$3.8 M			
	MCR Nor'West Arc - Section 1a - Cashmere Road To Sparks Road	Detailed Design	Jul-19	Dec-20	Amber - At Risk	NZTA subsidy is currently unconfirmed. Once subsidy is confirmed, project will be re programmed. Confirmation of subsidy is expected within the next month.	Trac	een - On ack	\$4.4 M	\$4.4 M	\$2.6 M			
ž	MCR Nor'West Arc - Section 1b - Sparks Road To Lincoln/ Halswell Road intersection	Detailed Design	Oct-20	Feb-21	Amber - At Risk	NZTA subsidy is currently unconfirmed. Once subsidy is confirmed, project will be re programmed. Confirmation of subsidy is expected within the next month.		een - On ack	\$3.8 M	\$3.8 M	\$0.0 M			
Nest A	MCR Nor'West Arc - Section 1c - Lincoln/ Halswell Road intersection to Annex Rd/SM Underpass	Detailed Design	Mar-22	Jan-22	Green - On Track			een - On ack	\$2.4 M	\$2.4 M	\$0.0 M			
Nor'.	MCR Nor'West Arc - Section 2 - Annex Road/Wigram Road to University	Detailed Design	Jun-22	Jul-21	Green - On Track			een - On ack	\$10.3 M	\$10.3 M	\$0.1 M			
	MCR Nor'West Arc - Section 3 - University to Harewood Road	Investigation and Scheme Design	May-25	May-25	Green - On Track			een - On ack	\$10.5 M	\$10.5 M	\$0.0 M			
							Totals		\$31.4 M	\$31.4 M	\$2.9 M			
River	MCR Opawaho River Route - Section 1 - Princess Margaret Hospital to Corson Avenue	Concept		Jun-27	Green - On Track		Trac	een - On ack	\$10.0 M	\$10.0 M	\$0.0 M			
waho   Route	MCR Opawaho River Route - Section 3 - Waltham Road To Ferrymead Bridge	Concept		Jun-28	Green - On Track		01	een - On ack	\$18.6 M	\$18.6 M	\$0.0 M			
Opav	MCR Opawaho River Route - Section 2 - Corson Avenue to Waltham Road	Concept		Jun-28	Green - On Track		0	een - On ack	\$4.0 M	\$4.0 M	\$0.0 M			
							Totals		\$32.6 M	\$32.6 M	\$0.0 M			
Shag	MCR Rapanui - Shag Rock Cycleway - Section 3 - Dyers Road to Ferry Road Bridge	Plan	Jun-23	Jun-23	Amber - At Risk	Detailed environmental impact reports have been commissioned. Following consen the project will be rescheduled	ting, Amb Risk	nber - At k	\$7.8 M	\$7.8 M	\$0.9 M			
anui - Rock	MCR Rapanui - Shag Rock Cycleway - Section 1 - Worcester Street to Linwood Ave	Handover	Oct-18	Jan-18	Green - On Track		0	een - On ack	\$9.3 M	\$9.2 M	\$9.2 M			
Rapa	MCR Rapanui - Shag Rock Cycleway - Section 2 - Aldwins Road to Dyers Road	Handover	Jul-18	Jul-18	Green - On Track		01	een - On ack	\$7.1 M	\$7.1 M	\$7.1 M			
		_					Totals		\$24.3 M	\$24.1 M	\$17.2 M			

Item No.: 8



		TIME					Budget				
	Project Title	Current Phase	Approved Delivery Date	Current Forecast Delivery Date	Time Status	Time Comment	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comments
	MCR South Express - Section 1a - Templeton to Gilberthorpes	Detailed Design	Mar-22	Mar-22	Green - On Track		Green - On Track	\$8.5 M	\$8.5 N	\$2.0 M	1
SSS	MCR South Express - Section 1b - Gilberthorpes to Racecourse Rd/Pararoa Reserve Entrance	Detailed Design		Jun-21	Green - On Track		Green - On Track	\$7.0 M	\$7.0 M	\$0.0 M	1
h Expre	MCR South Express - Section 2a - Racecourse Rd/Pararoa Reserve Entrance to Upper Riccarton Library	Detailed Design		Jun-21	Green - On Track		Green - On Track	\$6.5 M	\$6.5 N	\$0.0 M	1
Sout	MCR South Express - Section 2b - Upper Riccarton Library, Main South Road to Curletts	Detailed Design	Jun-21	Jun-21	Green - On Track		Green - On Track	\$1.6 M	\$1.6 M	\$0.0 M	1
	MCR South Express - Section 3 - Curletts Rd to Old Blenheim Rd	Detailed Design	Jun-21	Jan-22	Amber - At Risk	Consultation has closed and the project approved for detailed design and construction. Milestones are to be re-baselined to reflect construction sequencing.	Green - On Track	\$12.7 M	\$12.7 N	\$0.2	
		I				Totals		\$36.3 M	\$36.3 N	1 \$2.1 N	
South Lights	MCR Southern Lights - Section 1 - Strickland Street to Tennyson St	Investigation and Scheme Design	Dec-22	Dec-22	Green - On Track		Green - On Track	\$3.9 M	\$4.0 M	\$0.4 M	1
		I				Totals		\$3.9 M	\$4.0 N	1 \$0.4 N	
SS	MCR Wheels to Wings - Section 1 - Harewood Road to Greers Road	Investigation and Scheme Design	Mar-25	Mar-25	Green - On Track		Amber - At Risk	\$5.7 M	\$5.7 N	\$0.9 N	The inclusion of traffic signals at Harewood/Gardiners/Breens will exceed the available budget for the project. Additional funds will be required if the traffic signals are installed.
heels to Win	MCR Wheels to Wings - Section 2 - Greers Road to Wooldridge Road	Investigation and Scheme Design		Jun-27	Green - On Track		Amber - At Risk	\$8.9 M	\$8.9 N	1 \$0.0 N	The inclusion of traffic signals at Harewood/Gardiners/Breens will exceed the available budget for the project. Additional funds will be required if the traffic signals are installed.
W	MCR Wheels to Wings - Section 3 - Wooldridge Road to Johns Rd Underpass	Investigation and Scheme Design		Jun-28	Green - On Track	c	Green - On Track	\$5.0 M	\$5.0 N	1 \$0.0 N	1
						Totals		\$19.6 M	\$19.6 N	1 \$0.9 N	
MAJOF	CYCLEWAYS - ALL SECTIONS COMPLETE										
ı		TIME		Current			Budget				
	Project Title	Current Phase	Approved	Forecast	Time Status		Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comments
E E	MCR Papanui Parallel - Section 1 - Grassmere to Tomes	Closed	Oct-15	Oct-15	Green - On Track	C	Green - On Track	\$1.7 M	\$1.7 N	\$1.7 N	1
ii Paral	MCR Papanui Parallel - Section 2 - Bealey Ave to Trafalgar	Handover	Aug-17	Aug-17	Green - On Track	c	Green - On Track	\$11.1 M	\$11.1 N	\$11.1 M	1
apanı	MCR Papanui Parallel - Section 3 - Trafalgar to Tomes	Closed	May-17	May-17	Green - On Track		Green - On Track	\$0.0 M	\$0.0 M	\$0.0 M	1
ď.	MCR Papanui Parallel - Section 4 - Grassmere to Sawyers Arms Road	Handover	Aug-17	Aug-17	Green - On Track	c	Green - On Track	\$3.4 M	\$3.4 N		
		1			Green - On	Totals	Green - On	\$16.2 M	\$16.2 N	I	
Trail	MCR Quarryman's Trail - Section 1a - Hoon Hay Road to Roker/Strickland Street	Defects Liability	Jun-18	Jun-18	Track Green - On	C	Track Green - On	\$17.6 M	\$17.6 M	1 \$17.5 N	1
mans	MCR Quarryman's Trail - Section 1b - Victors Rd to Hoon Hay Road	Closed			Track		Track	\$0.0 M	\$0.0 1	1 \$0.0 N	
Quarry	MCR Quarryman's Trail - Section 2 - Halswell to Victors Road	Defects Liability	Jun-19	Oct-19	Green - On Track	c	Green - On Track	\$6.0 M	\$6.0 M	\$6.0 M	1
						Totals		\$23.6 M	\$23.5 N	1 \$23.5 N	1
	MCR Uni-Cycle - Section 1 - Matai St East	Closed	Jan-16	Jan-16	Green - On Track		Green - On Track	\$3.3 M	\$3.1 N	1 \$3.1 N	1
Cycle	MCR Uni-Cycle - Section 2 - Hagley Park to Riccarton Bush	Closed	Nov-17	Nov-17	Green - On Track		Green - On Track	\$3.3 M	\$3.3 M	\$3.3 M	1
Uni-Cycle	MCR Uni-Cycle - Section 3 - Ngahere St to Dovedale Ave	Closed	Sep-17	Sep-17	Green - On Track		Green - On Track	\$4.2 M	\$4.2 N	\$4.2 M	
	MCR Uni-Cycle - Section 4 - Railway Line Crossing	Closed	Sep-17	Sep-17	Green - On Track		Green - On Track	\$0.3 M	\$0.3 M		
	TOTAL MCD DDOCDAMME					Totals		\$11.1 M			
	TOTAL MCR PROGRAMME							\$277.9 M	\$277.4 N	M \$102.8 N	
					Time	On Track Unlikely to meet target delivery date/ Corrective action required Will not meet target delivery date	Budget	On Track Likely overspend Will overspend	d / Corrective act	ion required	



# 9. Financial Performance Report for the six months ending 31 December 2019

Reference / Te Tohutoro: 20/111011

Report of:

Diane Brandish, Head of Financial Management,

diane.brandish@ccc.govt.nz

General Manager: Carol Bellette, General Manager Finance and Commercial (CFO),

carol.bellette@ccc.govt.nz

# 1. Brief Summary

1.1 The purpose of this report is to update Finance and Performance Committee on a quarterly basis on the financial results to date and the current forecast for the full financial year.

# 2. Officer Recommendations

That the Finance and Performance Committee:

1. Receives the information in the Financial Performance Report for the six months ending 31 December 2019.

#### 3. Overview

- 3.1 Financial information reported to Council covers two key areas. Operational (expenditure and revenue) covers the day to day spend on staffing, operations and maintenance, and revenues. Capital covers the delivery of the capital programme and funding relating to it.
- 3.2 Generally operational revenues will exceed expenditure. This is because included in the rates revenue is funding for capital renewals and debt repayment. This is removed in the table below to show a true (rate funded) operating result.
- 3.3 The residual source of funding for the Capital programme is borrowing.
- 3.4 The December forecast operating result for the year is a \$1.8 million deficit. This is a slight improvement on the November \$1.9 million forecast deficit signalled in the report presented 5 December 2019 to the Committee. The key drivers remain the same.
- 3.5 The January accounts are now available and the forecast has improved to a \$0.9 million deficit. The \$0.9 million improvement largely relates to a forecast reduction in Heathcote dredging maintenance expenditure (\$0.65 million) which affects the Flood Protection Activity with the balance affecting Strategic Planning and Policy. The improved results are not reflected in the report below.



	Yea	Year to Date Results				ast Year Er	nd Results	After Car	ry Forwards
\$m	Actual	Plan	Var		Forecast	Plan	Var	Carry Fwd	Var
<u>Operational</u>									
Revenues	(380.7)	(382.8)	(2.1)		(768.6)	(777.5)	(8.9)	(2.0)	(6.9)
Expenditure	310.1	320.0	9.9		612.1	618.2	6.1	1.9	4.2
Funds not available for Opex	79.4	79.0	(0.4)		158.4	159.3	0.9	-	0.9
Operating Deficit / (Surplus)	8.8	16.2	7.4		1.9	-	(1.9)	(0.1)	(1.8)
<u>Capital</u>									
Gross Programme Expenditure	186.7	219.9	33.2		471.0	533.2	62.2	72.7	(10.5)
Less planned Carry Forwards	-	(55.8)	(55.8)		(42.1)	(136.1)	(94.0)	(94.0)	-
Capital Programme Expenditure	186.7	164.1	(22.6)		428.9	397.1	(31.8)	(21.3)	(10.5)
Revenues and Funding	(190.6)	(195.1)	(4.5)		(401.3)	(402.5)	(1.2)	(2.8)	1.6
Borrowing required	(3.9)	(31.0)	(27.1)		27.6	(5.4)	(33.0)	(24.1)	(8.9)

# 4. Key Points

Operating Deficit Full year forecast¹ \$1.8mû

Budget \$0m

**Key drivers:** Forecast operating deficit is mainly due to lower Trade Waste revenues (\$1.8 million), higher Water Supply and Wastewater maintenance costs (\$1.7 million) and additional chlorination costs (\$1 million). These are partially offset by higher rates/penalties (\$1.9 million) and lower insurance costs (\$0.8 million).

Actions are underway to minimise any full year operating deficit.

Operating Revenue

Year to date \$380.7m↓ Full year forecast¹ \$770.6m↓ Budget \$382.8m Budget \$777.5m

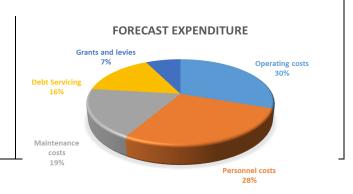
**Key drivers:** Lower Vbase recoveries (offset by lower costs below), lower Trade Waste Revenues, lower Housing revenues, and lower Consenting volumes (offset by lower costs below), partially offset by higher rates income.

(Ref. 5.1 and 5.2 for variances and explanations)

# **Operating Expenditure**

Year to date \$310.1m Full year forecast¹ \$614.0m \$618.2m

**Key drivers – full year forecast** – lower Vbase salaries paid via Council, lower insurance costs, and Consenting cost savings, partially offset by higher Water Supply and Wastewater maintenance, and additional chlorination costs. (Ref. 5.3 – 5.6 for variances and explanations)



<sup>&</sup>lt;sup>1</sup> After carry forwards



#### FORECAST OPERATING EXPENDITURE BY GROUP OF ACTIVITIES



# Capital Expenditure

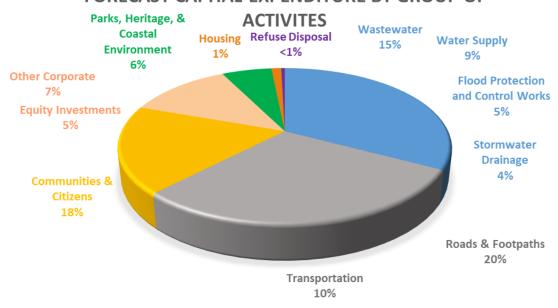
Year to date **\$186.7m** Forecast delivery **\$428.9m** Budget **\$397.1m**Budget \$164.1m Forecast carry forwards \$114.8m<sup>1</sup> 22% of gross budget

Forecast over spend \$10.5m 1

**The forecast overspend is due to:** savings not yet confirmed to offset the Town Hall (\$6.9 million), and a forecast additional \$4.1 million equity injection into CCHL to enable DCL to purchase land off Council. (The latter is offset by the asset sale under Revenues and Funding). (Ref. section 6)

1\$136.1 million of carry forwards are budgeted.

# FORECAST CAPITAL EXPENDITURE BY GROUP OF





# 5. Operational Details

	Year	to Date Resul	lts	Forecas	t Year End Re	esults	After C Forwa	
\$m	Actual	Plan	Var	Forecast	Plan	Var	C/F	Result
Operating revenue	(74.5)	(80.9)	(6.4)	(155.1)	(165.9)	(10.8)	(2.0)	(8.8)
Interest and dividends	(42.3)	(39.5)	2.8	(87.2)	(87.2)	-	-	-
Rates income	(263.9)	(262.4)	1.5	(526.3)	(524.4)	1.9	-	1.9
Revenue	(380.7)	(382.8)	(2.1)	(768.6)	(777.5)	(8.9)	(2.0)	(6.9)
Personnel costs	104.7	103.8	(0.9)	208.7	213.3	4.6	-	4.6
Less recharged to capital	(20.5)	(21.2)	(0.7)	(39.3)	(41.5)	(2.2)	-	(2.2)
Grants and levies	27.8	28.1	0.3	46.4	46.5	0.1	-	0.1
Operating costs	93.8	102.4	8.6	184.8	188.2	3.4	1.9	1.5
Maintenance costs	56.4	58.8	2.4	115.9	115.9	-	-	-
Debt servicing	47.9	48.1	0.2	95.6	95.8	0.2	-	0.2
Expenditure	310.1	320.0	9.9	612.1	618.2	6.1	1.9	4.2
Net Cost	(70.6)	(62.8)	7.8	(156.5)	(159.3)	(2.8)	(0.1)	(2.7)
Other Funding								
Transfers from Special Funds available	(8.8)	(8.0)	0.8	(13.5)	(12.6)	0.9	-	0.9
Borrowing for capital grants	(1.6)	(2.8)	(1.2)	(7.5)	(7.5)	-	-	-
Less Rates for capex and debt repayment	89.8	89.8	-	179.4	179.4	-	-	-
Funds not available for Opex	79.4	79.0	(0.4)	158.4	159.3	0.9	-	0.9
Operating Deficit / (Surplus)	8.8	16.2	7.4	1.9	-	(1.9)	(0.1)	(1.8)

#### Revenue

- 5.1 Revenue is \$2.1 million lower than budget year to date. Large variances include slower Lancaster park demolition recoveries (\$3.5 million offset by slower expenditure); (a carry forward of \$1.9 million is forecast for stage 6 of the project being the physical finish and agreed layout of site), decreased Trade Waste revenue (\$0.9 million), and lower Housing revenue (\$0.8 million). These are partially offset by timing of the special Transwaste Dividend (\$1.9 million), and higher rates/penalties revenues (\$1.5 million).
- 5.2 The revenue forecast variances include;
  - 5.2.1 Lower Operating revenue (\$8.8 million after adjusting for carry forwards) largely due to:
    - Lower Vbase recoveries (\$3.4 million) due to lower salary costs recharged,
    - Lower Trade Waste revenues (\$1.8 million) the plan included revenues from a new client, however extra infrastructure capacity is required to be built, and negotiations are underway with the client in regards to this. Also impacting is the Gelita Head office announcing in late June 2019 that they would not be rebuilding the damaged factory to the level of production that it previously had,
    - Lower Waste Management cost recoveries (\$1 million) offset by lower costs,
    - Lower Building consent volumes (\$0.7 million) offset by lower costs,
    - Lower Housing revenues (\$0.7 million) due to property transfers largely completed last year,
    - LTP contractor bonds initiative (\$0.4 million) which will not eventuate, and,
    - Lower revenues from Private Plan Changes (\$0.4 million).



5.2.2 These are partially offset by higher Rates income (\$1.9 million) due to higher rating growth late in the 2018/19 year (\$1.3 million), and higher penalties than planned.

# **Expenditure**

- 5.3 Operational expenditure is \$9.9 million below budget year to date, mainly due to:
  - Slower than budgeted Lancaster Park demolition costs (\$3.5 million) offset by matched recoveries, with \$1.9 million of budget forecast to be carried forward,
  - Timing of Roads and Footpath maintenance costs (\$1.4 million),
  - Reduced Refuse Disposal costs (\$1.3 million), driven by organics material collection costs being lower than planned due to reduced volumes,
  - Timing of spend on the Earthquake Rebuild/Repair Programme (\$1.1 million),
  - Lower Flood Protection costs (\$0.9 million); there is a forecast saving on Heathcote Dredging costs of \$0.5 million,
  - Bus Interchange savings (\$0.6 million); the budget assumed the Council would bear these costs for the entire year.
- 5.4 The \$4.2 million below budget forecast expenditure variance after adjusting for carry forwards is mainly due to:
  - Lower Vbase salaries paid via Council (\$3.4 million) offset by lower recoveries,
  - Lower Waste Management costs (\$1 million) offset by recoveries,
  - Lower Building Consent costs (\$1 million) driven by lower volumes,
  - Reduced volumes of Refuse Disposal (\$1 million), partially offset by,
  - Higher Water Supply and Wastewater maintenance costs (\$1.7 million), these are necessary
    to deliver the minimum levels of service for these two activities under business as usual
    conditions.
  - Additional chlorination costs (\$1 million), to meet the revised Drinking Water Standards implemented post the annual plan and due to indications that some chlorination beyond the indicated timeframes and peak times will be required.
- 5.5 Personnel costs variance year to date is driven by additional resource brought in to support the IT capital programme. This cost is capitalised. The forecast reflects the lower Vbase salaries paid via Council and savings from vacancies, particularly within Building Consenting where resource levels have been aligned with volumes.
- 5.6 Operating costs behind budget spend year to date is largely due to timing of expenditure for Lancaster Park demolition costs (\$3.5 million), reduced Refuse Disposal costs (\$1.3 million), and a slower spend on the Earthquake Rebuild/Repair programme (\$1.1 million).
- 5.7 The net cost of individual activities is shown in **Attachment A.**



# 6. Capital Programme

	Year	to Date Res	ults	Forecas	st Year End Re	esults	After C Forwa	-
\$m	Actual	Plan	Var	Forecast	Plan	Var	C/F	Result
Three Waters	59.2	80.9	21.7	128.8	128.9	0.1	(0.2)	0.3
Roading and Transport	28.3	35.3	7.0	97.1	99.4	2.3	3.1	(0.8)
Strategic Land	(0.9)	-	0.9	5.4	24.8	19.4	19.4	-
IT	11.0	12.5	1.5	23.5	23.9	0.4	0.3	0.1
Other	25.6	28.2	2.6	60.1	72.0	11.9	12.2	(0.3)
Works Programme	123.2	156.9	33.7	314.9	349.0	34.1	34.8	(0.7)
Infrastructure	13.8	20.1	6.3	31.8	46.1	14.3	13.6	0.7
Transitional / Recovery Projects	2.5	2.8	0.3	6.9	14.6	7.7	7.3	0.4
Facilities Rebuild	50.2	37.4	(12.8)	100.5	110.7	10.2	17.0	(6.8)
Rebuild Programme	66.5	60.3	(6.2)	139.2	171.4	32.2	37.9	(5.7)
Capital Works Programme	189.7	217.2	27.5	454.1	520.4	66.3	72.7	(6.4)
Equity Investments	-	2.7	2.7	16.9	12.8	(4.1)	-	(4.1)
Vbase recovery - Town Hall	(3.0)	-	3.0	-	-	-	-	-
Gross Capital Spend	186.7	219.9	33.2	471.0	533.2	62.2	72.7	(10.5)
Unidentified Carry forwards	-	(55.8)	(55.8)	(42.1)	(136.1)	(94.0)	(94.0)	-
Capital Programme								
Expenditure	186.7	164.1	(22.6)	428.9	397.1	(31.8)	(21.3)	(10.5)
Development Contributions	(19.8)	(11.0)	8.8	(32.0)	(21.9)	10.1	-	10.1
Less DC Rebates	1.5	4.5	3.0	5.7	11.3	5.6	5.6	-
Crown Recoveries	(7.6)	(4.6)	3.0	(21.5)	(21.5)	-	-	-
NZTA Capital Subsidy	(10.3)	(23.6)	(13.3)	(32.1)	(48.1)	(16.0)	(7.5)	(8.5)
Misc Capital Revenues	(2.2)	(0.8)	1.4	(9.4)	(8.3)	1.1	-	1.1
Asset Sales	(18.9)	(4.7)	14.2	(28.2)	(5.0)	23.2	-	23.2
Capital Revenues	(57.3)	(40.2)	17.1	(117.5)	(93.5)	24.0	(1.9)	25.9
Rates for Renewals	(66.0)	(66.0)	-	(131.8)	(131.8)	-	-	-
Reserve Drawdowns	(67.3)	(88.9)	(21.6)	(152.0)	(177.2)	(25.2)	(0.9)	(24.3)
Other Available Funding	(133.3)	(154.9)	(21.6)	(283.8)	(309.0)	(25.2)	(0.9)	(24.3)
Borrowing Required	(3.9)	(31.0)	(27.1)	27.6	(5.4)	(33.0)	(24.1)	(8.9)

## **Capital Expenditure**

- 6.1 Gross capital expenditure of \$186.7 million has been incurred for the first six months of the year. A further \$242.2 million is forecast to be spent by year end.
- 6.2 The forecast is \$10.5 million ahead of budget after carry forwards, mainly due to the approved additional spend for the Town Hall (\$6.9 million). Offsetting savings will be found from the capital programme (Council approved up to \$15 million additional spend on the project to be found from the capital programme \$7 million of this was spent in the 2018/19 financial year with offsetting savings identified). An additional CCHL equity injection forecast (\$4.1 million) to enable DCL to purchase land off Council is also contributing to the forecast spend (offset by asset sales under Revenues and Funding).
- 6.3 Group of Activity level variance commentary for the capital programme is shown in **Attachment A.**
- 6.4 Financial results of significant (>\$250,000) capital programme projects are shown in **Attachment B.**



# **Capital Revenues**

- 6.5 Development contributions are higher than budget year to date because new development has been higher than anticipated. Development contribution rebates have been slower than planned, pending compliance with the scheme criteria (unallocated rebate funding is carried forward).
- 6.6 Crown recoveries are higher year to date due to an unbudgeted \$3 million received as part of the Global Settlement. This money is to be used for decontamination of land but does not form part of the forecast, as unbudgeted expenditure is likely to offset this.
- 6.7 NZTA capital revenues are \$13.3 million behind budget year to date and forecast to be \$16 million behind at year end. After a forecast carry forward of \$7.5 million (subsidies on delayed capital spend) there is a permanent variance forecast of \$8.5 million. Subsidies have not been forecast where the funding team deems these unlikely to eventuate based on interactions with NZTA.
- 6.8 Asset sales year to date reflects Housing assets sold to the Ōtautahi Community Housing Trust (\$17.6 million). There is an interest free loan receivable from the Trust in recognition of these assets and funds transferred, repayable in the event of windup. Included in the forecast result is the sale of land to DCL (\$4.1 million), offset by the equity injection above (ref. 6.2).
- 6.9 Reserve net drawdowns are \$21.6 million lower than budget year to date, mainly due to a lower drawdown from the Housing Fund due to the sale of Housing assets above and higher development contributions set aside for future drawdown.
- 6.10 The budget indicated a \$5.4 million funding surplus for the Capital Programme. Due to Town Hall offsets which are still to be found and lower NZTA capital subsidies, (partially offset by higher development contributions), there is a current forecast borrowing requirement after carry forwards of \$3.6 million (\$8.9 million higher than budget).

# **Special Funds**

- 6.11 The current and forecast movements and balance of the Housing Account, Capital Endowment Fund and Earthquake Mayoral Relief Fund are shown in **Attachment C**.
- 6.12 The balance of 2019/20 funds available for allocation from the Capital Endowment Fund at 31 December 2019 was \$665,545.

Christchurch City Council



# Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>↓</u>	Financial Performance	67
B <u>↓</u>	Significant Capital Projects	74
C 📅	Special Funds	81

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



# Attachment A - Financial Performance

# **Activity Operating Results**

		Yea	ar to Date Re	sults		Forecas	t Year End Re	sults	
\$000's		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Christchurch Art Gallery		5,790	6,022	231	11,660	11,688	28	-	28
Canterbury & Akaroa Museums		5,831	5,841	10	8,965	8,964	(1)	-	(1)
Libraries		23,496	23,397	(100)	46,913	46,951	37	-	37
Community Development and Facilities	1	10,979	11,494	515	16,264	16,366	102	-	102
Recreation, Sports, Comm Arts & Events	2	13,371	14,296	925	29,536	28,732	(804)	-	(804)
Civil Defence Emergency Management		950	1,053	102	1,910	2,093	183	-	183
Citizen and Customer Services		4,484	4,748	264	9,262	9,334	71	-	71
Capital Revenues - Comm & Citizens		(396)	(155)	241	(5,639)	(5,616)	23	-	23
Communities & Citizens		64,507	66,696	2,189	118,871	118,510	(361)	_	(361)
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Flood Protection & Control Works	3	3,360	4,337	977	9,107	9,755	649	-	649
Capital Revenues - Flood Protection	4	(1,500)	(2,436)	(936)	(2,280)	(4,620)	(2,340)	211	(2,551)
Flood Protection and Control Works		1,860	1,901	41	6,827	5,135	(1,692)	211	(1,903)
		,	,		,	,	, , ,		.,,,
Governance & Decision Making		9,746	10,012	265	19,135	19,255	120	-	120
Governance		9,746	10,012	266	19,135	19,255	120	-	120
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,			,			
Assisted Housing		8,051	7,855	(197)	9,729	10,002	273	-	273
Housing		8,051	7,855	(196)	9,729	10,002	273		273
•		-,	.,	(===,	-,	,			
Parks and Foreshore	5	32,104	32,145	41	62,624	61,645	(979)	_	(979)
Heritage	6	1,497	2,343	845	3,813	4,166	353	_	353
Capital Revenues - Parks, Heritage & For	7	(3,562)	386	3,948	(3,830)	1,109	4,939	1,078	3,861
Parks, Heritage & Coastal Environment		30,039	34,873	4,834	62,607	66,920	4,313	1,078	3,235
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Solid Waste	8	18,531	19,957	1,426	39,303	40,076	773	_	773
Refuse Disposal		18,531	19,957	1,426	39,303	40,076	773	_	773
Nellace Disposal		20,002	20,001	2, .20	55,555	10,010			
Regulatory Compliance & Licencing		1,579	1,663	83	5,791	5,762	(28)	_	(28)
Building Services		1,294	1,537	243	2,479	2,703	225	_	225
Resource Consenting		1,418	1,341	(77)	2,377	2,467	91	_	91
Land & Property Information Services	9	(915)	(883)	31	(2,112)	(1,669)	442	_	442
Regulatory & Compliance		3,377	3,657	280	8,534	9,264	730	_	730
negatiatory at compilation		5,511	5,551		5,55 /	0,201			
Roads & Footpaths	10	50,122	51,238	1,117	102,014	101,475	(539)	_	(539)
Capital Revenues - Roads & Footpaths	11	(4,078)	(20,844)	(16,766)	(26,655)	(42,654)	(16,000)	(7,524)	(8,476)
Roads & Footpaths		46,044	30,394	(15,650)	75,359	58,821	(16,538)	(7,524)	(9,014)
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Stormwater Drainage	12	16,196	16,436	240	31,211	31,820	610	_	610
Stormwater Drainage		16,196	16,436	240	31,211	31,820	609		609
		,			,	-2,023			
Strategic Planning & Policy	13	8,771	9,548	776	18,829	18,397	(433)	_	(433)
Economic Development	14	7,920	8,341	422	16,023	16,010	(13)	_	(13)
Public Information & Participation		3,089	3,309	220	6,758	6,569	(189)	-	(189)
	-				41,610	40,975	(635)		. /

Attachment A – Financial Performance as at 31 December 2019



		Yea	r to Date Res	ults		Forecast	Year End Re	sults	
\$000's		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Traffic Safety & Efficiency		3,019	3,148	128	6,055	6,153	98	-	98
Active Travel	15	180	651	471	659	1,319	661	-	661
Parking	16	(2,507)	(2,297)	210	(5,012)	(4,647)	365	-	365
Public Transport Infrastructure	17	589	1,610	1,022	2,553	3,413	859	-	859
Capital Revenues - Transport	18	(15,586)	(8,738)	6,848	(19,103)	(13,864)	5,239	1,103	4,137
Transportation		(14,305)	(5,627)	8,678	(14,848)	(7,626)	7,222	1,103	6,119
MOM Collection Treatment & Discount	19	50.021	40.025	(2.005)	02.701	00.005	(2.505)		(2.505)
WW Collection, Treatment & Disposal		50,931	48,835	(2,096)	92,791	90,096	(2,695)	-	(2,695)
Capital Revenues - Wastewater	20	(7,634)	(2,279)	5,355	(10,722)	(3,582)	7,140	2,241	4,899
Wastewater		43,297	46,556	3,259	82,069	86,514	4,445	2,241	2,204
Water Supply	21	35,317	34,130	(1,188)	65,245	61,778	(3,467)	-	(3,467)
Capital Revenues - Water Supply	22	(2,676)	(1,364)	1,312	(4,226)	(2,401)	1,825	962	863
Water Supply		32,641	32,766	125	61,018	59,377	(1,641)	962	(2,603)
Groups of Activities		279,765	286,673	6,908	541,424	539,043	(2,381)	(1,929)	(452)
Corporate Revenues & Expenses	23	(274,260)	(266,935)	7,325	(557,690)	(555,089)	2,601	-	2,601
ISPs & Eliminated Internals	24	4,834	3,561	(1,272)	14,292	11,664	(2,628)	(55)	(2,573)
Net Cost of Service (excl Vested)		10,339	23,300	12,961	(1,973)	(4,382)	(2,409)	(1,984)	(425)
Misc P&L Unallocated		(10)	-	10	(2)	-	2	-	2
Vested Asset Income	25	(48,303)	(57,753)	(9,450)	(52,728)	(66,092)	(13,364)	-	(13,364)
Total Net Cost of Service		(37,974)	(34,453)	3,521	(54,703)	(70,475)	(15,772)	(1,984)	(13,788)

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

#### **Notes**

- 1. Community Development and Facilities variance year to date is driven by slower EQ Rebuild Programme costs (\$0.3 million) and lower depreciation (\$0.2 million).
- 2. Recreation, Sports, Community Arts & Events variance year to date is due to higher revenues (\$0.6 million), particularly in Swim Education/Swim Smart programmes. A slower spend within operating and maintenance costs (\$0.3 million) is also affecting the year to date result. The forecast includes increased personnel costs of \$0.2 million due to the living wage, higher maintenance costs of \$0.2 million due to the Intelli upgrade necessary to resolve systemissues, increased electricity costs (\$0.2 million), and higher depreciation (\$0.7 million) driven by Nga Puna Wai where some of the plan was included in prioryears. Partially offsetting these are higher forecast revenues of \$0.5 million.
- 3. Flood Protection & Control Works favourable forecast variance relates to a saving on Heathcote Dredging costs (\$0.5 million).
- 4. Capital Revenues Flood Protection unfavourable variances are driven by lower development contributions than planned.
- 5. Parks & Foreshore full year forecast unfavourable variance is driven by depreciation \$0.6 million.
- 6. Heritage favourable variance year to date is driven by an under spend on Major Community Facilities Heritage (\$0.4 million), due to a lower maintenance spend (forecast \$0.2 million saving). Also contributing to the below budget spend is a slower spend on the EQ Rebuild Programme (\$0.2 million), and a favourable variance within operational Heritage Properties (\$0.2 million), driven by lower insurance costs and higher term rental income.
- 7. Capital Revenues Parks, Heritage & Foreshore favourable variances are driven by higher development contributions (\$3.1 million YTD \$3.8 million forecast), and a slower eligibility for development contribution rebates (\$0.8 million YTD \$1.1 million forecast).
- 8. Solid Waste favourable variances are mainly driven by organics material collection costs being lower (\$0.7 million YTD \$0.2 million forecast) than planned due to reduced volumes. It is anticipated volumes will increase into summer. Recyclable materials collection costs are also under spent (\$0.4 million YTD \$0.4 million forecast).

Attachment A - Financial Performance as at 31 December 2019

- 9. Land & Property Information Services favourable forecast variance is driven by higher LIM activity than planned.
- 10. Roads & Footpaths favourable variance year to date is due to the timing of costs and lower depreciation \$0.7 million. The forecast reflects planned LTP Contractor Bonds revenue that will not be achieved (\$0.4 million); additional electricity costs (\$0.2 million net of NZTA rebates) due to the contract renewal and \$0.4 million reduced charging of project management staff time to capital projects. These are partially offset by lower depreciation \$0.5 million.
- 11. Capital Revenues Roads & Footpaths unfavourable variances are driven by lower NZTA subsidies (\$15.5 million YTD \$13.4 million forecast). Subsidies have been removed in the forecast where the funding team deems these unlikely to eventuate based on interactions with NZTA. Also contributing are lower developer contributions (\$1.3 million YTD \$2.6 million forecast).
- 12. Stormwater Drainage forecast variance is mainly due to lower maintenance costs (\$0.5 million) identified to assist with the above budget spend in otherwaters activities.
- 13. Strategic Planning & Policy under spend is mainly in urban regeneration (\$1.1 million) due to the timing difference of grant and professional fees spending. An overspend due to unrealised revenue for private plan changes \$0.2 million and overspend in Smart Cities and Resilient Cities \$0.1 million is partially offsetting this.
- 14. Economic Development below budget spend year to date is due to a slower spend on regeneration projects.
- 15. Active Travel variances are due to lower than planned depreciation.
- 16. Parking variances are due to lower than planned depreciation.
- 17. Public Transport Infrastructure year to date variance is mainly due to the net cost reduction after NZTA subsidy from the Bus Interchange handover part way through the financial year. Favourable forecast relates to depreciation underspend \$0.6 million driven by lower book value than planned for the Bus Interchange.
- 18. Capital Revenues Transport favourable year to date result is due to higher development contributions (\$4.1 million), a slower take-up of development contribution rebates (\$0.5 million) and higher NZTA capital subsidies (\$2.2 million). Subsidies have been removed in the forecast where the funding team deems these unlikely to eventuate based on interactions with NZTA. The forecast is impacted by higher development contributions of \$6.6 million, lower development contribution rebates of \$1.1 million, and lower NZTA capital subsidies, (\$2.5 million.)
- 19. WW Collection, Treatment & Disposal is \$2.1 million unfavourable year to date, mainly due to lower Trade Waste revenues (\$0.9 million) and higher maintenance costs (\$0.7 million). The full year is forecast to be \$2.7 million unfavourable; mainly due to lower Trade Waste revenues (\$1.8 million) and increased Wastewater Network and Pumping maintenance costs (\$0.7 million) in order to meet current levels of service. Electricity costs at the Wastewater Treatment Plant are higher due to increased electricity pricing (\$0.6 million). These are offset by lower depreciation of \$0.3 million.
- 20. Capital Revenues Wastewater favourable variances are due to higher development contributions (\$4 million YTD \$4.9 million forecast), and a slower eligibility for development contribution rebates (\$1.3 million YTD \$2.2 million forecast).
- 21. Water Supply is forecast to be \$3.5 million above budget due to the following; maintenance costs are forecast to be \$1 million higher in order to meet current levels of service, chlorination costs (\$1 million) to meet the revised Drinking Water Standards implemented post the annual plan and depreciation (\$1.1 million). These also account for the year to date variance.
- 22. Capital Revenues Water Supply favourable year to date variance is a result of higher development contributions (\$0.8 million YTD), and a slower eligibility for development contribution rebates (\$0.4 million). These are reflected in the forecast with \$0.9 million of rebates forecast to be carried forward.
- 23. Corporate Revenues and Expenses year to date variance reflects \$3 million received from the Crown as part of the Global Settlement. This money is to be used for decontamination of land, this is unbudgeted revenue and is not incorporated in the forecast as unplanned expenditure is

Attachment A – Financial Performance as at 31 December 2019



likely to offset this. Also contributing to the year to date variance is the Special Transwaste dividend received earlier than planned (\$1.9 million), higher rates/penalties (\$1.5 million), and the final 2019 Transwaste dividend received in Septemberwas \$0.5 million higher. Dividends are forecast to plan until we receive notice of the expected 2020 interim Transwaste dividend amount. The forecast reflects higher rates/penalties (\$2 million), and lower insurance costs (\$0.8 million).

- 24. ISPs & Eliminated Internals variance year to date is driven by fewer IT labour hours being capitalised than planned (\$1.5 million). A plan is underway to address this and it is anticipated the full year forecast variance will reduce to \$0.7 million. Other forecast variances include higher depreciation on IT assets (\$1.8 million) due to anticipated capitalisation of multi year projects.
- 25. Vested assets unfavourable variance year to date is mainly driven by the Bus Interchange planned vesting of \$54 million, actual vesting was \$24.5 million lower than planned. This is partially offset by vesting of the Performance Art Precinct (\$3.5 million), and higher subdivision growth. The forecast deteriorates further as \$4.6 million, expected in June for the Cathedral Square was included in the Global Settlement received in September and not as a vested asset.

#### **Group of Activities Capital Programme**

		Year to Date Results Forecast Year End Results							Forwards
\$000's		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Communities & Citizens	1	32,140	22,707	(9,433)	85,690	90,087	4,398	4,284	113
Flood Protection & Control Works	2	9,164	11,290	2,127	24,979	26,954	1,976	2,288	(312)
Governance		3	21	18	22	22	-	-	-
Housing Parks, Heritage & Coastal	3	4,276	3,292	(984)	5,437	5,411	(26)	(55)	28
Environment	4	9,967	14,562	4,595	27,312	33,123	5,810	6,116	(305)
Refuse Disposal	5	595	556	(39)	1,911	3,462	1,552	1,552	-
Regulatory & Compliance		-	-	-	2	2	-	-	-
Roads & Footpaths	6	25,324	31,140	5,816	91,932	93,974	2,042	3,582	(1,540)
Stormwater Drainage	7	5,631	8,705	3,074	16,955	22,247	5,292	4,824	468
Strategic Planning & Policy		140	381	241	947	1,278	331	323	8
Transportation	8	32,854	35,897	3,044	46,209	57,346	11,137	10,269	869
Wastewater	9	33,847	49,333	15,486	70,122	75,284	5,162	3,812	1,350
Water Supply	10	22,185	24,231	2,046	42,322	37,678	(4,645)	(3,971)	(674)
Corporate	11	14,575	17,825	3,250	51,880	61,480	9,601	20,273	(10,672)
Strategic Land Acquisitions	12	(882)	-	882	5,418	24,808	19,389	19,389	
Gross Capital Spend		189,819	219,940	30,121	471,138	533,156	62,018	72,686	(10,668)

Attachment B provides financial results of individual significant projects.

#### Notes

#### 1. Communities and Citizens

The ahead of budget spend year to date is driven by the Metro Sports project (\$10.7 million). This is a timing variance, the project is forecast to be near budget by year end, reflecting the Council's share of Ōtākaro's current cash flow projections.

Projects with significant carry forwards forecast include: St Albans Community Centre (\$1.8 million), due to the project being delayed during initial consenting; and the Multi-Cultural Recreation and Community Centre (\$1.5 million), additional time is required due to diverse community and many stakeholders differing views and priorities.

#### 2. Flood Protection and Control Works

Contributing to the forecast carry forwards is the Heathcote Dredging project (\$1 million), contingency funds are currently held in this financial year and are to be carried forward to the final year of the project. There is a carry forward forecast for Owaka Basin, this is an NZTA led project.

Attachment A - Financial Performance as at 31 December 2019



The above budget spend after carry forwards is mainly driven by the Gardiners Stormwater Facility (\$0.7 million), funds are available in future years to bring back and will be forecast going forward.

#### 3. Housing

Budget was reassigned from the Housing Improvements / Remodelling programme to the Earthquake related capital programme during December. The year to date ahead of budget spend is a timing difference.

#### 4. Parks, Heritage & Coastal Environment

The year to date variance is driven by slower spends over numerous projects (ref. Attachment B).

The largest forecast under budget spends with carry forwards signalled include: Groynes/Roto Kohatu/Otukaikino Development (\$0.8 million), consenting is progressing, however is taking longer than planned, Former Redcliffs School Development project (\$0.7 million), there are delays due to archaeological and consenting requirements, and the Robert McDougall Gallery – Strengthening (\$0.5 million), discussions on this project are ongoing.

The Thomas Edmond Band Rotunda has a bring back of funds forecast of \$0.7 million from 20/21 to enable earlier project delivery.

#### 5. Refuse Disposal

The forecast carry forward of funds mainly relate to the Inner City Waste Collection System (\$1.1 million), now planned for delivery in future years.

#### 6. Roads and Footpaths

The year to date slower spend largely relates to the Lighting Renewal project (\$3 million), due to delivery delays in both luminaires and light controllers. This is a timing variance and the project is forecast to require a \$0.7 million bring back of funds by year end.

The following projects are contributing to the forecast under spend for the year, with a carry forward of funds required:

- AAC Hereford Street Manchester-Cambridge (\$2.7 million) the forecast reflects the amended milestones for project completion. The contract for work has been awarded.
- AAC Victoria Street (\$2.5 million) Council met on 29 August and this project was approved to continue. Detailed design and tender evaluations have progressed.
- Annex / Birmingham / Wrights Route Upgrade (\$2.5 million) construction is delayed due to NZTA funding.
- Evans Pass Road and Reserve Terrace Remedial Works (\$2.3 million) the project is in concept and detailed design. A carry forward is being forecast to complete project in FY2021
- Sumner Road (\$1.5 million) carry forward of funds is required to cover costs and risk of complying with RMA consent requirements (2 years of planting and 5 years plant establishment management).
- Cashmere / Hoon Hay Intersection (\$1.5 million) due to NZTA funding issues.
- Paving Cathedral Square, City Mall, High Street (\$1.5 million) a carry forward is anticipated to support future paving reinstatement works following developments in FY2021 and beyond.
- Tram Extension High Street (\$1 million) land negotiations are processing.
- Burwood & North Shirley SCIRT (\$1 million) works have been delayed pending a review of concerns raised by elected members regarding the future alignment of New Brighton Road.

Attachment A - Financial Performance as at 31 December 2019



Projects with significant bring back of funds forecast from future years include:

- Downstream of Christchurch Northern Corridor Delivery Package 1 (-\$8 million) and 2 (-\$8.1 million) – works must be completed by end of this financial year. The works are to be completed within the allocated budget. A bring back of funds will be required.
- Northern Arterial Extension (-\$1.2 million) bring back of funds is required to enable the construction commitment to be paid.

The forecast above budget spend after carry forwards is mainly due to Footpath Resurfacing (\$0.9 million), funds are available in future years to bring back and will be forecast going forward. The Major Cycle Way Programme has an above budget spend after carry forwards forecast of \$0.8 million under Roads and Footpaths, however this is offset by an under spend in the Transportactivity.

#### 7. Stormwater Drainage

The slower forecast spend for the year is largely driven by: Estuary Drain (\$1.1 million), delays in detailed design is likely to cause a construction start delay to avoid wet season construction, Canal Reserve Drain Prestons (\$0.7 million), due to project delays; Upper Heathcote Storage (\$0.7 million), this is a multi-year project and funds are required to be carried forward to future years. The remainder of the behind budget spend is spread across various projects as outlined in Attachment B.

#### 8. Transportation

The year to date under spend is mainly driven by the Major Cycle Way Programme (\$3 million), due to NZTA funding delays, forecast to be \$13 million under by year end.

There is an earlier forecast spend on the Riccarton Road Bus Priority (\$2 million), this has been a multi-year project, a bring back of funds is forecast from 2021 to cover the forecast spend this financial year.

The under spend after carry forwards is in relation to the Major Cycle Way Programme which has an above budget spend under Roads and Footpaths.

## 9. Wastewater

The year to date under spend is mainly due to the timing of Wastewater Reticulation Renewals (\$6.7 million), and the Lyttelton Harbour Waste Water Scheme (LHWWS) (\$3.4 million). By year-end the LHWWS project is forecast to have an earlier spend of \$2.1 million with a bring back of funds required to accelerate the programme.

The under budget forecast spend and funds to be carried forward largely relate to:

- The WW Mains Renewal Tuam St Brick Barrel (\$3.9 million), pipe laying has been slower than planned.
- The Christchurch Waste Water Treatment Plant EQ Repair Occupied Buildings project (\$1.5 million), due to asbestos being discovered.
- Riccarton Trunk Main (\$1.3 million), at this stage this is forecast to be carried forward until savings can be confirmed.

The below budget spend after carry forwards is due to final works being completed for various projects. Savings to be confirmed after practical completion.

#### 10. Water Supply

The year to date under spend is timing. There is a forecast ahead of budget spend of \$5.3 million with funds to be brought back from future years, earlier work is forecast to be delivered in water supply mains and pump station renewal projects.

Attachment A - Financial Performance as at 31 December 2019



The forecast above budget spend after carry forwards is mainly driven by the Well Head Conversion programme. This over spend will offset through reprioritising the Water Supply reactive renewals delivery programme.

### 11. Corporate

The year to date below budget spend is largely due to timing of equity investments (\$2.7 million).

The forecast above budget spend after carry forwards is driven by the Town Hall (\$6.9 million), with offsets to be found in the capital programme, additional equity into CCHL (\$4.1 million) is also contributing to enable DCL to purchase land (offset by Asset Sale Revenue).

The following projects have significant carry forward of funds forecast:

- Canterbury Multi Use Arena (\$15.7 million), further discussions between the Council and the Crown on the procurement strategy and delivery structure for the project is required.
- Community Facilities Tranche 1 and 2 programmes are forecast to be behind budget \$1.6 million and \$2.2 million respectively, a carry forward of funds is required until all projects within the programmes are completed.

### 12. Strategic Land Purchases

Strategic Land Acquisitions are forecast to be \$25 million under budget and will need to be carried forward to future years. The SLP Land Value Offset is forecast to be \$5.6 million behind budget which will be offset by funds to be brought back from future years.

Attachment A - Financial Performance as at 31 December 2019



Attachment B - S	Significant Ca	pital Projects
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Project Title	% YTD	· -	Proposed	Variance
Communities & Citizens   Section   Section	dget Forecast	Year End Variance (\$000s)	Carry Forwards	After C/Fwd
c+\$250k         Equipment Replacement         -         -         -         135           Content Capital Project         1,984         25         (1,959)         5,022           FA Al Libraries         165         53         (112)         232           Purchase Restricted Assets         99         -         (99)         270           Library Built Asset Renewal & Replacemnt         240         218         (22)         545           Community Facilties R&R         45         -         (45)         984           FA NA Collections Acquisitions         297         205         (92)         508           Art Gallery renewals R&R         243         288         46         443           New Civil Defence Bldg (Emerg Ops Cntr)         -         -         -         -           Manuka Cottage Capital Endowment Fund pr         6         480         474         393           RSU South/West Hub Infrastructure         441         792         351         88           New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (233)         382           Renewal of Fitness Equipment         8         - <td>Spend</td> <td></td> <td>(\$000s)</td> <td>(\$000s)</td>	Spend		(\$000s)	(\$000s)
Equipment Replacement         -         -         -         -         135           Content Capital Project         1,984         25         (1,959)         5,022           FA Al Libraries         165         53         (112)         232           Purchase Restricted Assets         99         -         (99)         270           Library Built Asset Renewal & Replacemnt         240         218         (22)         545           Community Facilties R&R         45         -         (45)         984           FA NA Collections Acquisitions         297         205         (92)         508           Art Gallery renewals R&R         243         288         46         443           New Civil Defence Bldg (Emerg Ops Cntr)         -         -         -         -           Manuka Cottage Capital Endowment Fund pr         6         480         474         393           RSU South/West Hub Infrastructure         441         792         351         888           New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (233)         382           Renewal of Fitness Equipment         8         -				
Content Capital Project         1,984         25         (1,959)         5,022           FA Al Libraries         165         53         (112)         232           Purchase Restricted Assets         99         -         (99)         270           Library Built Asset Renewal & Replacemnt         240         218         (22)         545           Community Facilities R&R         45         -         (45)         984           FA NA Collections Acquisitions         297         205         (92)         508           Art Gallery renewals R&R         243         288         46         443           New Civil Defence Bldg (Emerg Ops Cntr)         -         -         -         -           Manuka Cottage Capital Endowment Fund pr         6         480         474         393           RSU South/West Hub Infrastructure         441         792         351         888           New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (233)         382           Renewal of Fitness Equipment         8         -         (8)         498           St Albans Permanent Community Centre         189         726				
FA Al Libraries         165         53         (112)         232           Purchase Restricted Assets         99         -         (99)         270           Library Built Asset Renewal & Replacemnt         240         218         (22)         545           Community Facilities R&R         45         -         (45)         984           FA NA Collections Acquisitions         297         205         (92)         508           Art Gallery renewals R&R         243         288         46         443           New Civil Defence Bldg (Emerg Ops Cntr)         -         -         -         -           Manuka Cottage Capital Endowment Fund pr         6         480         474         393           RSU South/West Hub Infrastructure         441         792         351         888           New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (23)         382           Renewal of Fitness Equipment         8         -         (8)         498           St Albans Permanent Community Centre         189         726         537         1,103	363 0.0%	228	228	
Purchase Restricted Assets         99         -         (99)         270           Library Built Asset Renewal & Replacemnt         240         218         (22)         545           Community Facilties R&R         45         -         (45)         984           FA NA Collections Acquisitions         297         205         (92)         508           Art Gallery renewals R&R         243         288         46         443           New Civil Defence Bldg (Emerg Ops Cntr)         -         -         -         -           Manuka Cottage Capital Endowment Fund pr         6         480         474         393           RSU South/West Hub Infrastructure         441         792         351         888           New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (233)         382           Renewal of Fitness Equipment         8         -         (8)         498           St Albans Permanent Community Centre         189         726         537         1,103	5,023 39.5% 299 71.2%	1 67	-	67
Library Built Asset Renewal & Replacemnt     240     218     (22)     545       Community Facilties R&R     45     -     (45)     984       FA NA Collections Acquisitions     297     205     (92)     508       Art Gallery renewals R&R     243     288     46     443       New Civil Defence Bldg (Emerg Ops Cntr)     -     -     -     -       Manuka Cottage Capital Endowment Fund pr     6     480     474     393       RSU South/West Hub Infrastructure     441     792     351     888       New South West Leisure Centre     -     173     173     631       RSU delivery package FY17     333     100     (233)     382       Renewal of Fitness Equipment     8     -     (8)     498       St Albans Permanent Community Centre     189     726     537     1,103	271 36.7%	1		
Community Facilties R&R         45         -         (45)         984           FA NA Collections Acquisitions         297         205         (92)         508           Art Gallery renewals R&R         243         288         46         443           New Civil Defence Bldg (Emerg Ops Cntr)         -         -         -         -           Manuka Cottage Capital Endowment Fund pr         6         480         474         393           SSU South/West Hub Infrastructure         441         792         351         888           New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (233)         382           Renewal of Fitness Equipment         8         -         (8)         498           St Albans Permanent Community Centre         189         726         537         1,103	545 44.0%	_		
FA NA Collections Acquisitions     297     205     (92)     508       Art Gallery renewals R&R     243     288     46     443       New Civil Defence Bldg (Emerg Ops Cntr)     -     -     -     -     -       Manuka Cottage Capital Endowment Fund pr     6     480     474     393       RSU South/West Hub Infrastructure     441     792     351     888       New South West Leisure Centre     -     173     173     631       RSU delivery package FY17     333     100     (233)     382       Renewal of Fitness Equipment     8     -     (8)     498       St Albans Permanent Community Centre     189     726     537     1,103	984 4.6%	_	_	
Art Gallery renewals R&R       243       288       46       443         New Civil Defence Bldg (Emerg Ops Cntr)       -       -       -       -         Manuka Cottage Capital Endowment Fund pr       6       480       474       393         RSU South/West Hub Infrastructure       441       792       351       888         New South West Leisure Centre       -       173       173       631         RSU delivery package FY17       333       100       (233)       382         Renewal of Fitness Equipment       8       -       (8)       498         St Albans Permanent Community Centre       189       726       537       1,103	508 58.3%			
New Civil Defence Bldg (Emerg Ops Cntr)         -	589 54.8%	146	-	146
RSU South/West Hub Infrastructure     441     792     351     888       New South West Leisure Centre     -     173     173     631       RSU delivery package FY17     333     100     (233)     382       Renewal of Fitness Equipment     8     -     (8)     498       St Albans Permanent Community Centre     189     726     537     1,103	497 0.0%	497	497	
New South West Leisure Centre         -         173         173         631           RSU delivery package FY17         333         100         (233)         382           Renewal of Fitness Equipment         8         -         (8)         498           St Albans Permanent Community Centre         189         726         537         1,103	571 1.6%	178	178	
RSU delivery package FY17 333 100 (233) 382 Renewal of Fitness Equipment 8 - (8) 498 St Albans Permanent Community Centre 189 726 537 1,103	792 49.7%	(96)	(96)	
Renewal of Fitness Equipment         8         -         (8)         498           St Albans Permanent Community Centre         189         726         537         1,103	631 0.0%	-	-	
St Albans Permanent Community Centre 189 726 537 1,103	358 87.2%	(24)	-	(24
	498 1.5%	-	-	
Hagley Oval Delivery Package 28 18 (10) 546	2,935 17.2%	1,832	1,832	
	710 5.1%	164	-	164
·	1,350 22.0%	225	225	
	7,280 28.0%	125	125	100
New Central Library         193         500         307         308           Jellie Park Recreation and Sports Centre         510         729         219         961	500 62.7% 1,228 53.0%	192 267	267	192
	1,228 53.0% 3,627 81.2%	22	22	
Opawa Public Library Earthquake Repair 220 219 (1) 621	620 35.5%	(1)	-	(1
	.0,507 80.8%	(1)	_	/-
QEII Park Delivery Package 5 367 362 231	502 2.0%	271	270	1
Fendalton HVAC & Library Building 312 344 32 348	348 89.5%	-	-	
RSU Operations R&R Delivery Package 666 400 (266) 948	985 70.2%	36		36
Graham Condon R&R Cycle Shutdown 50 224 175 964	500 5.2%	(464)	(464)	
Cowles Stadium Carpark Renewal 810 1,080 269 1,479	1,179 54.8%	(300)	(300)	
Pioneer Recreation&Sport Centre-RoofRepr 20 216 196 1,163	1,163 1.7%	-	-	
Okains Bay Campground Pavilion EQ Repair 75 289 214 299	289 24.9%	(11)	-	(11
	1,500 0.0%	1,500	1,500	
Pioneer Rec & Sport Centre Renewals Deli 8 10 2 452	450 1.8%	(2)	-	(2
Cowles Stadium Building Renewals 2 135 133 722	720 0.3%	(2)	-	(2
Spencer Beach Holiday Park Renewals Deli 3 4 1 400	400 0.7%	- (= ==)	-	
NPW - Athletics Indoor Training Facility 37 45 8 869	302 4.2%	(567)	-	(567
	1,065 30.6% 0,087 37.5%	4,398	4,284	114 113
Communities & Citizens Total 32,140 22,101 (9,433) 63,090 90	7,081 31.5%	4,396	4,204	113
Flood Protection and Control Works				
>\$250k	272 5.90/			
Prestons/Clare Park         16         273         257         273           Worsleys spur stormwater pipe&drain syst         300         235         (66)         300	273 5.8%	- 10	-	10
	319 100.0% 1,980 27.9%	18 20	20	18
SW Rossendale Infrastructure Provision 306 710 404 720	719 42.6%	-	20	
	2,551 23.8%	51	_	51
	3,409 16.9%	386	386	
LDRP 512 No 1 Drain 292 373 80 331	373 88.3%	42	42	
SW Owaka Basin - 259 259 59	867 0.0%	808	808	
SW Works 1 Stormwater Facility 77 450 373 532	715 14.5%	183	185	(2
LDRP 509 Knights Drain Ponds 322 6 (316) 517	6 62.3%	(511)	(511)	
_	1,023 98.5%	239	239	
LDRP 526 - Curletts Flood Storage 603 860 257 1,239	860 48.7%	(379)	(379)	
177&185 Cavendish Rd Waterway & FF Basin 25 997 973 1,529	1,529 1.6%	-	-	
SW Summerset at Highsted IPA - 349 -	349 0.0%	349	348	1
SW Gardiners Stormwater Facility 1,008 316 (692) 1,402	715 71.9%	(688)	-	(688
	2,459 38.7%	960	957	3
	3,696 44.0%	20	20	
Hereford St SW Pipe Renewal/Refurbishmnt 13 36 23 342	630 3.9%	288	287	:
SW Carrs Corridor - Stage 1 530 597 66 600	597 88.4%	(3)	-	(3
SW Highfield Norwest Basins-InfrastrProv 740	509 0.0%	(231)	(231)	
Upper Heathcote Storage Optimisation 69 125 56 297	350 23.1%	53	53	
South New Brighton estuary edge repair 114 - (114) 684			66	
Balance of Programme 863 1,698 835 1,971 2 Flood Protection and Control Works Total 9.164 11.290 2.127 24.979 26	750 16.7% <b>2,277 43.8%</b>	66 <b>306</b>	(2)	308



Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	Forecast	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Governance Balance of Programme	3	21	18	22	22	13.6%	_	_	_
Governance Total	3	21	18	22	22	13.6%	-		-
Housing									
>\$250k									
Housing Improvements/Remodelling - Prj 1	1,141	360	(782)	2,079	2,079	54.9%	-	-	-
HP Smith	559	503	(57)	504	503	111.0%	(1)	-	(1)
Walsall Street	643	652	10	652	652	98.5%	-	-	-
Bryndwr Courts Mackenzie Courts	255 290	252 227	(3) (63)	252 227	252 227	101.2% 127.9%	-	-	-
Waltham Courts	344	364	21	364	364	94.3%	-	_	-
Cleland Street	159	261	103	261	261	60.7%	-	-	-
Nayland Street	362	125	(237)	251	252	144.3%	1	-	1
Balance of Programme	523	547	24	846	820	61.8%	(26)	(55)	29
Housing Total	4,276	3,292	(984)	5,437	5,411	78.6%	(26)	(55)	28
Parks, Heritage, & Coastal Environment									
>\$250k									
Marina - Other Capex	228	490	262	600	600	37.9%	-	-	-
Mid Heathcote Masterplan Implementation	6	9	3	13	296	44.7%	283	283	-
Neighbourhd Reserv Purch Catchmt3 GField	-	-	-	1,500	1,500	0.0%	-	-	-
Halswell Domain Car Park	87	334	246	334	335	26.1%	-	-	-
Belfast Cemetery Extension CETG Fixed New Garden & Heritage Parks	327 143	269	(58) (143)	657 238	657 390	49.8% 59.9%	152	33	119
St Albans Park Sport Turf Renewal	34	275	241	272	275	12.5%	4	-	4
Chokebore Lodge	22	536	514	502	883	4.4%	381	381	
Thomas Edmond Band Rotunda	20	-	(20)	714		2.9%	(714)	(714)	-
Kapuatohe Dwelling	16	83	66	362	362	4.5%	-	-	-
Cob Cottage	13	355	342	460	460	2.9%	-	-	-
Sport Parks Glyphosate Reduction FY17	-	-	-	95	351	0.0%	256	256	-
Akaroa Wharf Renewal	265	630	365	975	975	27.2%	-	-	-
RRZ-Buildings and Assets Renewals Progra	- F20	1 677	1 140	- 000	258 1,713	0.0%	258	178	80
Groynes/ Roto Kohatu/ Otukaikino Develop DP Hagley Park Renewals	529 174	1,677	1,148 (174)	908 432	281	58.2% 40.2%	804 (151)	804	(151)
DP Botanic Gardens Buildings Development	27	_	(27)	115	288	23.5%	173	173	(131)
Bexley Park Development	43	325	282	443	421	9.6%	(22)	-	(22)
South New Brighton Park Development	24	100	76	387	387	6.3%	-	-	-
DP Sports Fields Development	473	307	(166)	537	537	88.2%	-	-	-
DP Play and Recreation Development	139	133	(6)	194	437	71.7%	243	214	29
DP Harewood Nursery Development	8	87	79	55	350	14.5%	295	296	(1)
DP Hagley Park Building & Toilet Develop	6	-	(6)	499	499	1.1%	- (20)	(20)	-
DP Op Plant Vehicles & Equip Acquisition DP Marine Seawall Renewals	1,426 73	1,054 227	(372) 153	1,490 69	1,452 306	95.7% 106.1%	(38) 237	(38) 237	-
DP Community Parks Tree Renewals	215	- 221	(215)	468	394	45.9%	(75)	231	(75)
DP Sport Field Renewals	5	-	(5)	353	437	1.3%	84	84	- (15)
DP Community Parks Hard Surface Renewals	60	210	150	301	651	19.9%	350	350	-
DP Community Parks Green Assets Renewals	170	528	358	330	541	51.5%	211	211	-
DP Playspace Renewals	270	85	(185)	420	330	64.3%	(90)	-	(90)
DP Play Item Renewals	158	74	(84)	273	273	57.9%	-	-	-
Place de la Poste toilet Renewal	564	315	(250)	564	315	100.1%	(249)	-	(249)
DP Community Parks Buildings Renewals	64	71	7	290	316	22.1%	26	121	26
DP Marine Structures Renewals Redcliff Park / School Swap	157 59	209 205	52 146	221 411	352 1,131	71.3% 14.4%	131 720	131 720	_
Donnell sports park project	518	548	30	600	600	86.3%	120	120	
Coastal Hard Surface Renewals	6	110	104	255	255	2.3%	-	-	-
Horseshoe Lake Reserve - stage 2	470	331	(139)	462	462	101.8%	-	-	-
Little River Goods Shed	234	261	27	261	261	89.5%	-	-	-
Memorial Cemetery Development	71	23	(48)	119	270	59.6%	151	150	1
Park Maintenance Facility Renewals	243	481	238	393	1,091	61.9%	698	698	-
Robert McDougall Gallery - Strengthening	-	-	-	-	534	0.0%	534	534	-
QEII Park MP – Delivery Package	6	-	(6)	260	318	2.4%	58	58	-
QEII Park MP – sports field repositionin  Balance of Programme	10 <b>2,602</b>	300	290	102 <b>9,378</b>	400	10.2% <b>27.7%</b>	298 <b>803</b>	299 <b>779</b>	(1) <b>24</b>
Parks, Heritage, & Coastal Environment Total	9,967	3,921 14,562	1,319 4,595	27,312	10,181 33,123	36.5%	5,810	6,116	(305)



Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend	Current Budget (\$000s)		Year End Variance (\$000s)	Proposed Carry Forwards	Variance After C/Fwd
				(\$000s)		Spend		(\$000s)	(\$000s)
Refuse Disposal >\$250k									
Vaste Transfer Stations and Bins (R&R	215	_	(215)	612	612	35.1%			
SW Miscellaneous Renewals	24	_	(24)	294	294	8.2%			
Burwood Gas Treatment Plant-Chiller Rnwl	4	556	553	358	556	1.1%	198	198	-
Closed Landfills Aftercare	53	-	(53)	46	252	115.5%	206	206	
Closed L'fill A'care Burwood Stg2C2D2E	300	-	(300)	538	606	55.7%	67	67	-
Inner City Waste Collection System	-	-	-	-	1,080	0.0%	1,080	1,080	-
Balance of Programme	-	-	-	63	63	0.0%	-	-	-
Refuse Disposal Total	595	556	(39)	1,911	3,462	31.2%	1,552	1,552	-
Regulatory & Compliance									
Balance of Programme	-	-	-	2	2	0.0%	-	-	-
Regulatory & Compliance Total				2	2	0.0%			-
Roads & Footpaths									
>\$250k									
Carriageway Smoothing	2,041	2,780	739	5,518	5,519	37.0%	-	-	-
Footpath Resurfacing	1,449	-	(1,449)	2,605	1,700	55.6%	(905)	-	(905)
Subdivisions	385	250	(135)	904	915	42.6%	10	-	10
Carriageway Sealing and Surfacing	898	-	(898)	5,146	5,150	17.5%	4	-	4
Road Pavement Replacement	64	-	(64)	1,513	1,513	4.2%	-	-	-
Signs Renewals	58	-	(58)	255	273	22.7%	18	-	18
Marshland Road bridge renewal	16	55	39	37	500	43.3%	463	463	-
Northern Arterial Extension includ Cranf	4,230	44	(4,186)	6,590	5,378	64.2%	(1,212)	(1,212)	=
BPDC road metalling	479	-	(479)	1,243	1,243	38.6%	2.450	2.450	-
Birmingham to Wrights Route Upgrade	21	-	(21)	344	2,800	6.0%	2,456	2,456	-
Halswell Junction Road Extension Inner Harbour Road Improvement	64 42	890 920	826 878	110 623	890 1,008	58.5% 6.8%	780 385	780 385	-
Intersection Safety: Ilam/ Middleton/ Ri	19	250	231	60	751	30.8%	690	690	-
Intersection Safety: Manchester/ Moorhou	9	156	147	16	349	55.5%	333	333	-
Safety Improvements: Guardrails - Dyers	230	515	285	620	620	37.1%	-	-	_
Railway Crossing Renewals	-	-	-	312	312	0.0%			-
Palmers Road (Bowhill-New Brighton)	639	1,708	1,069	2,882	2,882	22.2%	-		-
Sumner Village Centre Masterplan P1.1	1,859	1,501	(358)	2,050	1,654	90.7%	(396)	(426)	30
Ferry Road Masterplan - project WL1	155	110	(45)	926	1,599	16.7%	674	673	1
RONS Downstream Intersection Improvement	1,083	180	(903)	1,484	752	73.0%	(733)	(675)	(58)
Red rock retaining walls	227	250	23	529	571	42.9%	42	-	42
Paving Cathedral Square, City Mall and H	116	350	234	344	1,803	33.7%	1,460	1,460	-
Sumner Road Geotech & Roading Infra	563	1,789	1,226	1,329	2,876	42.3%	1,547	1,547	-
Peacocks Gallop Geotech & Roading Infra	293	623	330	682	675	43.0%	(7)	-	(7)
AAC Victoria Street	216	9	(207)	313	2,759	68.9%	2,446	2,464	(17)
TP30k AAC Slow Core	25	- 110	(25)	24	682	107.5%	659	659	-
AAC Control City Wooding	170	110	(60)	2,044	4,745	8.3%	2,701	2,701	-
AAC Central City: Wayfinding	332	510 595	178	1,018	1,018	32.6%	1.462	1 462	-
Cashmere / Hoon Hay Intersection New Brighton MP Streetscape Enhancements	88 1,039	2,195	508 1,156	85 2,945	1,547 2,195	103.0% 35.3%	1,462 (750)	1,462 (750)	-
traffic signals renewals FY18	240	2,195	(240)	1,118	1,098	21.5%	(20)	(130)	(20)
Retaining wall ex Scirt 11260 Stonehaven	27	372	345	368	372	7.4%	5	_	5
Cressy Tce Retaining Wall Renewal	216	286	69	286	286	75.8%	-		-
Bridge Renewals - FY2018	311	600	289	1,594	1,338	19.5%	(256)	(256)	
Retaining Walls Renewals - FY2018	87	425	337	625	540	13.9%	(86)	(86)	_
New Retaining Walls FY2018	407	260	(147)	636	360	64.0%	(276)	(275)	(1)
Landscaping Renewals FY2018	-	-	-	275	275	0.0%	-	-	-
Road Lighting Safety FY2018	16	200	184	325	529	5.0%	205	200	5
Street Tree Renewals	96	-	(96)	423	423	22.8%	-	-	-
Enliven Places CCC led Projects	139	186	48	299	353	46.5%	54	-	54
Road Lighting Renewals FY2018	1,541	4,505	2,964	9,336	8,544	16.5%	(791)	(700)	(91)
Intersection Safety: Marshs / Springs	-	-	-	-	765	0.0%	765	765	-
Culvert Improvement: Blakes Road	458	483	25	512	483	89.4%	(29)	-	(29)
Tram Extension - High Street	63	692	629	860	1,862	7.3%	1,002	1,002	
MCR Heathcote Expressway-Section1A-Ferry	707	-	(707)	678	-	104.3%	(678)	-	(678)
Traffic signs & markings installations	133	110	(23)	253	253	52.7%	-	-	-
Minor Road Safety Improvements	955	472	(483)	1,945	1,945	49.1%	-	-	-
Transport Corridor Optimisation Works R102 Pages Road Bridge	1	81	80	424	424	0.1%	100	100	-
Burwood & North Shirley SCIRT 11091	14 66	369 551	355 485	230 59	369 1,088	5.9% 111.8%	138	138 1,028	1
AAC Antigua Street (St Asaph-Moorhouse)	29	199	485 170	107	600	26.5%	1,029 492	1,028	492
AAC Colombo Street (Bealey-Kilmore)	15	199	(15)	60	357	24.6%	298	298	432
AAC Colombo Street (Bealey-Rimore) AAC High Street (Manchester-St Asaph)	96	195	99	373	1,273	25.8%	900	900	
									(65)
Stapletons Rd (Averil to Dudlev)	840	771	(69)	855	779	98.7%	(/6)	(11)	Inni
Stapletons Rd (Averil to Dudley) Road Lighting Renewals delivery project	840 123	771	(69) (123)	855 413	779 409	98.2% 29.8%	(76) (4)	(11)	(65) (4)



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)
WL6 Heathcote St Pocket Park and Pedestr	0	192	192	0	408	100.0%	408	408	-
Marine Drive - Church Bay road improvemt	6	60	54	445	500	1.4%	55	-	55
Warden Street (Petrie-Chancellor)	95	45	(50)	1,188	1,286	8.0%	98	-	98
Evans Pass Rd & Reserve Tce RemedialWork	24	1,300	1,276	748	3,000	3.2%	2,252	2,252	-
Intersection Improvement: Awatea/Carrs	5	141	136	42	309	11.7%	267	267	-
Downstream of CNC Deliv Pack 1	-	-	-	9,327	1,362	0.0%	(7,965)	(7,965)	-
Downstream of CNC Deliv Pack 2	-	-	-	9,135	1,072	0.0%	(8,063)	(8,063)	-
Hereford Str at Oxford Terrace Bollards	36	118	82	63	275	56.8%	212	212	-
Richmond Hill Road new footpath	10	15	5	550	550	1.8%	-	-	-
Balance of Programme Roads & Footpaths Total	1,708 25,324	2,722 31,140	1,013 5,816	5,381 91,932	5,810 93,974	31.8% 27.5%	430 2,042	909 3,582	(479) (1,540)
Stormwater Drainage									
>\$250k									
Matuku Waterway	108	403	295	378	403	28.5%	25	-	25
City Wide Modelling	210	150	(60)	452	729	46.5%	277	277	-
Upper Heathcote Storage	1,558	1,477	(81)	2,531	3,197	61.6%	666	666	-
Estuary Drain	80	160	80	90	1,199	88.2%	1,109	1,109	-
Temporary stop bank management	67	226	159	427	518	15.6%	90	90	-
LDRP517 - Flood Intervention	578	678	100	733	1,097	78.9%	364	364	-
LDRP 513 PS205 Upgrade	236	182	(54)	751	1,278	31.4%	527	527	-
Linwood Canal and Cuthberts Drain South	129	728	599	1,118	1,560	11.6%	442	377	65
LDRP 520 Wigram East Retention Basin	1,040	963	(77)	1,971	1,973	52.8%	2	-	2
Canal Reserve Drain Prestons Rd to QEII	156	121	(34)	1,208	1,890	12.9%	681	681	-
Lyttelton Brick Barrels renewals – High	314	689	375	1,575	1,790	19.9%	215	215	-
Jacksons Creek BB renewal near Selwyn St	127	371	244	1,003	371	12.7%	(631)	(631)	(1)
Little River SW System Renewals	67	140	73	346	442	19.4%	96	-	96
80m BB Renewal, Jacksons Creek UpperWard	70	286	216	239	286	29.3%	47	-	47
REACTIVE Stormwater Drainage Asset Renew	25	500	475	196	500	12.8%	305	305	-
SW Mains Renewals Affiliated with Roadin	92	145	53	309	379	29.8%	70	70	
Natural Waterways Rolling Delivery Packa	67	105	38	239	424	28.1%	186	152	33
LDRP 533 Halswell Modelling	53	52	(1)	491	620	10.9%	129	129	•
LDRP 534 St Albans Creek Slater to Hills	40	4 222	(40)	642	1,258	6.3%	616	616	-
Balance of Programme Stormwater Drainage Total	613 5,631	1,328 8,705	715 3,074	2,256 16,955	2,333 22,247	27.2% 33.2%	77 5,292	(124) 4,824	201 468
-	5,051	0,100	3,011	10,555	22,211	331270	5,252	1,021	100
Strategic Planning & Policy >\$250k									
Urban Renewal	111	381	270	373	381	29.7%	8	-	8
Smart City Strategic Planning & Policy Total	29 <b>140</b>	381	(29) <b>241</b>	574 <b>947</b>	897 <b>1,278</b>	5.0% <b>14.8</b> %	323 331	323 <b>323</b>	8
Transportation									
>\$250k									
FA RR Off Street Parking	-	-	-	265	265	0.0%	-	-	-
MCR South Express - Section 1	77	325	248	77	500	99.4%	423	348	75
MCR Northern Line Cycleway - Section 1a	19	13	(6)	30	284	63.2%	255	242	12
MCR Heathcote Expressway - Section 1	695	745	49	850	901	81.8%	51	-	51
MCR Nor'West Arc - Section 1	176	609	433	606	1,945	29.1%	1,339	1,314	25
PT Facilities : Northlands Hub	99	804	705	640	804	15.4%	164	164	-
Section 2 Curries Rd to Martindales Rd	76	5	(71)	148	2,736	51.1%	2,588	2,585	3
Palms PT Facilities	41	62	21	263	300	15.5%	37	21	15
Orbiter PT Route-Riccarton to Northwest	2.252	400	400	500	600	0.0%	100	100	(040)
Riccarton Road Bus Priority	3,360	1,016	(2,344)	7,353	5,070	45.7%	(2,282)	(1,971)	(312)
Coastal Pathway	1,445	1,159	(287)	1,586	1,190	91.1%	(396)	(173)	(223)
Section 3 -Dyers Rd to Ferry Road Bridge	51	297	246	136	297	37.4%	161	161	-
bus shelter renewals FY18 Section 2 - Tuckers to Main North	58	-	(58)	561	567	10.4%	6 259	250	6
Section 2 - Tuckers to Main North	-		-	-	259	0.0%		259	-
PT Bus Priority Electronic Installations		1 205	906		255	0.0%	255	255	
MCR Heathcote Expressway-Section1A-Ferry Core PT Route & Facilities: North (Papan	999	1,305 271	306 271	1,326 680	2,112 271	75.3% 0.0%	786 (409)	(409)	786
Section 2 - Hoon Hay Road to Halswell	1,267	1,182	(85)	1,242	1,242	102.0%	(403)	(409)	-
Public Transport Stops, Shelters and Sea	1,267	1,182	(21)	1,242 540	624	32.5%	84	-	84
Transport Interchange (& 4 suburban)	22,933	22,933	(0)	22,933	22,933	100.0%	- 04	-	-
Parking Replacement Capex	22,933	22,333	(24)	541	532	4.3%	(9)		(9)
The Square (Facilities Rebuild)	249	584	336	1,047	584	23.8%	(462)	(552)	90
Cycle facilities and connection improvmt	13	745	732	664	1,177	2.0%	513	447	67
Local Cycleway: Northern Arterial Link C	118	480	362	1,472	1,846	8.0%	373	373	-
Section 2 - Hillmorton to University	119	1,190	1,071	203	3,387	58.9%	3,184	3,184	-
Section 3-Annex Rd to South Hagley Park	146	325	179	500	500	29.2%	-,	-,	-
MCR Nor'West Arc - Section 1b	-	88	88	127	1,021	0.0%	894	894	_
MCR South Express - Section 1b	-	325	325	-	2,289	100.0%	2,289	2,289	-
MCR South Express - Section 2b	1	290	289	200	514	0.3%	314	314	-
Balance of Programme	713	584	(129)	1,718	2,341	41.5%	623	425	198
Transportation Total	32,854	35,897	3,044	46,209	57,346	71.1%	11,137	10,269	869



Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)		Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Wastewater									
>\$250k									
WW Riccarton Trunk Main Project	98	-	(98)	410	1,689	23.8%	1,279	1,279	
WW Akaroa WWTP Improvements	295	180	(115)	464	356	63.6%	(108)	-	(108)
WW Lyttelton Harbour WWTP	7,490	10,930	3,440	14,645	12,517	51.1%	(2,127)	(2,127)	
WW EQ Legacy Lateral Renewals	595 293	990	395	1,418	1,980	42.0%	562	562	
WW Treatment Plant Reactive Renewals Whero Ave WW Retic - Diamond Harbour	293 850	101 910	(192) 60	575 1,610	575 910	50.9% 52.8%	(700)	(700)	-
WW Colombo St Trunk Main	90	680	590	430	682	21.0%	251	(100)	251
WW Riccarton Interceptor - Avonhead Road	620	347	(273)	630	347	98.5%	(283)	(283)	231
WW Highfield Connection to Northcote	284	807	523	284	807	100.1%	524	524	_
WW Mains Renewal Akaroa Foreshore North	687	1,162	476	658	1,162	104.4%	504	504	
CWTP EQ Occupied Buildings	1,291	1,739	447	4,057	5,605	31.8%	1,548	1,548	-
CWTP EQ Channels Restoration	671	437	(234)	1,207	1,194	55.6%	(12)	(13)	1
WW Red Zone Servicing	67	-	(67)	39	346	173.1%	308	308	-
WW Riccarton Road - Harakeke to Matipo	5,508	4,840	(667)	7,344	6,648	75.0%	(696)	(696)	-
WW Vacuum System Monitoring Equipment	498	857	359	1,006	1,006	49.5%	-	-	-
Refurbish Amenities & Mezzanine Roof.	117	36	(82)	546	577	21.5%	31	31	-
Northern Toe Drain Pump Station	269	405	136	405	405	66.4%	-	-	-
WW Mains Renew-Tuam St Brick Barrel Liv	2,292	3,600	1,308	4,563	8,492	50.2%	3,929	3,929	-
CWTP Lagoon 3	726	1,146	420	772	1,146	94.1%	374	-	374
SCIRT 11257 Hay Street WW	-	-	- (00)	150	252	0.0%	102	102	-
Gravity Belt Thickeners Renewal	369 6	347 821	(22)	471 66	347 821	78.5% 8.5%	(123)	(123)	- 5
WW PS65 Upgrade WW Eastern Tce Wastewater Main Upgrade	54	821 35	815 (19)	59	583	92.0%	755 524	750 524	5
CWTP Biogas Storage Upgrade	54 87	33	(87)	559	425	15.5%	(134)	(134)	
CWTP MLCG Renewal	14	285	271	367	367	3.9%	(134)	(134)	
WW Pump & Storage MEICA Renewals FY2019	649	663	14	740	663	87.7%	(77)	(77)	_
Deans Ave - Old Blenheim Rd Odour Treatm	40	170	130	326	326	12.2%	- ()	- (,	
WW Mains Renewal – Tilford St / Bute St	1,614	2,280	666	1,876	2,665	86.1%	789	789	_
WW Manholes - Intervention of Infiltrati	11	107	96	382	638	2.9%	257	257	-
WW Pump & Storage MEICA Ren for FY2020	51	447	395	761	494	6.7%	(267)	(267)	
WW Mains Renewal - Compton St - Frensham	723	755	32	726	755	99.5%	29	-	29
WW Mains Renewal - Mackworth St- Matlock	1,015	669	(346)	1,010	669	100.5%	(341)	(341)	-
WW Mains Renewal – Hay St – Linwood Ave	499	1,317	817	499	1,317	100.0%	817	817	-
WW Mains Renewal – Jollie St – Butterfie	649	612	(37)	647	612	100.4%	(35)	(31)	(3)
WW Mains Renewal – Ripon St	437	568	131	1,144	568	38.2%	(577)	(577)	-
WW Mains Renewal – Aylesford St - Speigh	669	1,100	431	1,979	1,154	33.8%	(825)	(825)	-
WW Mains Renewal – Flockton St	265	558 294	294	683	558 294	38.8%	(125)	(125)	-
WW CWTP Network Fibre Ring Renewal PLC 17 Hardware and Software Renewal	20	294 259	274 240	260 221	294	7.7%	34 39	34 39	-
BiosBiosolids Dryer Silo Controls Split	19 9	324	316	221	359	8.6% 3.8%	134		-
WW CWTP Mechanical Renewals FY19	233	62	(171)	393	62	59.2%	(332)	134	(332)
WW Mains Renewal - Neville St, Domain Tc	38	700	662	1,093	1,255	3.5%	162	162	(552)
WW Mains Renewal - Ensors Rd, Fifield Tc	42	400	358	1,055	740	4.0%	(315)	(315)	-
WW Mains Renewal - Barbadoes St, Cannon	125	844	719	1,469	1,534	8.5%	65	65	
WW Mains Renewal - Randolph St, Hobson S	60	376	316	1,212	769	4.9%	(443)	(443)	1
WW Mains Renewal - Springfield Rd, Berry	30	761	731	1,338	1,181	2.2%	(157)	(157)	-
WW CWTP Digesters 1-6 Controls Renewal	13	270	257	101	270	12.9%	169	169	-
WW CWTP Ponds Midge Control	232	160	(72)	259	259	89.5%	-	-	-
WW Wet Weather Wastewater Model Construc	284	398	114	469	398	60.7%	(70)	(10)	(60)
WW PS31 Barnett capacity improvement	8	-	(8)	260	260	2.9%	-	-	-
WW Mains Renew - FerryRd MasterplanBusAr	127	170	43	675	802	18.8%	127	-	127
WW Mains Renewal - Linwood College	440	260	(180)	474	260	92.8%	(215)	(215)	-
Wastewater Renewals - Fast Track Deliver	323	907	584	379	907	85.2%	528		528
WW Riccarton Interceptor-Upper Riccarton	6	-	(6)	332	50	1.8%	(282)	(282)	-
WW Mains Renew-Trafalgar, Dover, Cornwal  Balance of Programme	344 <b>1,606</b>	23 <b>3,226</b>	(322) <b>1,621</b>	581 <b>5,823</b>	95 <b>5,872</b>	59.2% <b>27.6%</b>	(486) <b>49</b>	(486) (487)	536
Wastewater Total	33,847	49,333	15,486	70,122	75,284	48.3%	5,162	3,812	1,350



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Water Supply									
>\$250k	640	F00	(140)	1 122	1.040	E7 00/	(74)		(74)
WS New Connections WS R&R Submains Meter Renew	648 55	508 254	(140) 200	1,122 179	1,048 254	57.8% 30.7%	(74) 76		(74) 76
Water Supply - Reactive Renewals	148	330	182	88	517	169.1%	429		429
Wrights Pump station Well Renewal	607	1,580	973	1,165	1,801	52.1%	636	600	36
WS Eastern Tce Trunk Main Renewal	280	45	(235)	937	60	29.8%	(877)	(851)	(26)
CCPwPS1076 - Jeffreys Suction Tank Repla	306	130	(176)	356	922	85.8%	566	566	-
WS Ben Rarere Pump Station - Bexley EQ R	152	180	28	363	1,050	41.8%	687	662	25
WS Riccarton Road - Harakeke to Matipo	443	581	138	794	785	55.8%	(8)	-	(8)
WS Pump & Storage MEICA Renewals FY19	276	383	107	404	383	68.2%	(21)	-	(21)
WS Highfield Water Supply Mains	985	1,618	633	904	1,618	108.9%	713	713	-
WS Christchurch Well Head Security	463	-	(463)	603	314	76.8%	(289)	(190)	(99)
WS Mains Renewal - Halswell Junction Rd WS Mains Renewal - Weka St and Makora St	306	367	61	750 306	791 367	0.0% 100.0%	41 61	-	41 61
Reactive WS Submains Renewal – Petrie St	202	294	92	292	294	69.1%	2		2
WS Submains Renewal – Pine Ave North	331	393	62	331	393	100.0%	62	_	62
WS Mains Renewal - Colombo St - Moorhous	68	331	263	329	331	20.8%	2		2
WS Mains Renewal - Westmont St, Bartlett	59	200	141	977	1,017	6.0%	39	39	
WS Mains Renewal – Balgay St, Karamu St	15	275	260	583	620	2.5%	37	-	37
WS Pump & Storage MEICA Ren for FY2020	98	410	312	1,253	1,773	7.8%	520	520	-
WS Hays 2 Reservoir Renewal	-	250	250	-	250	0.0%	250	250	-
WS Well Renewal - Grassmere Well 1	42	-	(42)	513	727	8.2%	215	182	32
WS Well Renewal - Mays Well 3	78	40	(38)	84	607	92.9%	523	477	46
WS Mays - Well Head Conversion	500	694	193	519	742	96.5%	224	-	224
WS Main Pumps UV Treatment WS Suction Tank/Reservoir Roof Repairs	371 57	434 200	63 143	539 526	443 862	68.9% 10.7%	(96) 336	336	(96)
WS Sydenham Suction Tank Replacement	61	80	143	117	300	52.2%	183	181	2
WS Communications Upgrade Works	1	277	276	1	345	100.0%	344	344	-
WS Addington - Well Head Conversion	492	274	(218)	536	274	91.9%	(262)	(91)	(171)
WS Sydenham - Well Head Conversion	473	630	157	644	630	73.4%	(15)	(10)	(5)
WS Hillmorton - Well Head Conversion	477	168	(308)	586	168	81.3%	(418)		(418)
WS Worcester - Well Head Conversion	199	361	162	225	361	88.3%	136	-	136
WS Trafalgar - Well Head Conversion	275	264	(11)	879	264	31.3%	(616)	-	(616)
WS Carters - Well Head Conversion	563	524	(39)	716	524	78.6%	(192)	-	(192)
WS Denton - Well Head Conversion WS Picton - Well Head Conversion	408	57	(351)	404	57	101.0%	(347)	(344)	(3)
WS Crosbie - Well Head Conversion	351 206	378 288	28 82	430 258	378 288	81.5% 80.1%	(52) 30	(52)	30
WS Prestons Additional Well Development	108	334	226	307	334	35.0%	27	27	30
WS Sockburn - Well Head Conversion	1,372	1,189	(182)	1,817	1,189	75.5%	(628)	(627)	(1)
WS Wilmers - Well Head Conversion	301	218	(83)	358	218	84.0%	(141)	-	(141)
WS Marshland - Well Head Conversion	453	356	(97)	555	356	81.6%	(199)	(224)	25
WS Spreydon – Well Head Conversion	1,133	995	(138)	1,426	995	79.4%	(431)	(442)	11
WS Avonhead-Well Head Security Improve	942	999	57	1,424	999	66.2%	(424)	(414)	(10)
WS Belfast – Well Renewal	93	239	146	697	360	13.3%	(337)	(337)	-
WS Montreal - Well Head Conversion	521	371	(150)	514	344	101.3%	(171)	(148)	(23)
WS Thompson – Well Head Conversion	280	253	(28)	313	253	89.5%	(61)	(57)	(4)
WS Aldwins - Well Head Conversion	382 478	56 25	(325)	466 492	56 25	81.9% 97.2%	(410)	(410)	(12)
WS Effingham - Well Head Conversion WS Averill - Well Head Conversion	310	43	(454) (267)	492	43	77.5%	(467) (357)	(455) (274)	(12) (83)
WS Jeffreys - Well Head Conversion	273	33	(240)	350	33	78.1%	(317)	(317)	(00)
WS Mains Renewal - Sparks Rd Roading / C	11	636	625	517	636	2.2%	119	119	-
Reactive WSMains Renew-OtamuhuaLn IlamRd	313	614	301	868	614	36.0%	(255)	(255)	
WS Lyttelton Road TunnelPipe Apprch Renw	359	405	46	359	405	100.0%	46	-	46
WS Mains Renewal - Riccarton Rd - Hanson	15	97	82	267	267	5.5%	-	-	-
WS Mains Renewal - Scruttons PS to Lytte	85	238	153	513	319	16.5%	(194)	(159)	(35)
WS Submains Renewal-Aranui Area-2021FY	14	19	4	550	19	2.6%	(532)	(532)	-
WS Pressure and Acoustic Sensors	1	-	(1)	1,450	1,500	0.1%	50	-	50
WS Reactive Water Meter Replacement	1,180	-	(1,180)	1,293	300	91.3%	(993)	(993)	
WS Mains Renewal - Port Hills Rd	1	20	19	945	700	0.1%	(245)	(000)	(245)
WS Mains Renew -Cranford St,SherbornSt &  Balance of Programme	3,566	37 <b>4,258</b>	37 <b>691</b>	725 <b>7,003</b>	37 <b>6,118</b>	0.0% <b>50.9%</b>	(689) ( <b>885</b> )	(689) (1,120)	234
Water Supply Total	22,185	24,231	2,046	42,322	37,678	52.4%	(4,645)	(3,971)	(674)



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Corporate Capital									
>\$250k									
Technology Systems R&R Programme	-	32	32	760	419	0.0%	(342)	-	(342)
IM&CT Equipment Renewals and Replacement	1,224	1,370	147	2,745	2,753	44.6%	8	-	8
Business Technology Solutions Programme	-	1	1	488	418	0.0%	(70)	-	(70)
Continuous Improvement Technology Pgm	-	452	452	766	1,322	0.0%	556	249	307
Fleet and Plant Asset Purchases	67	-	(67)	564	534	11.9%	(30)	-	(30)
Corporate Property R&R	350		(350)	846	1,126	41.4%	280	-	280
Health and Safety Management	136	404	267	160	404	85.5%	244	-	244
Land Purchase - Mass Movement Remediatio	6	691	686	694	691	0.8%	(3)	-	(3)
FRP Community Fac Tranche I Budget Only	-	-	-	-	1,581	0.0%	1,581	1,581	-
Capital Budget Items	-	396	396	-	-	0.0%	-	-	-
Energy Efficiency Projects (Budget only)	-	-	-	-	350	0.0%	350	350	-
Town Hall Rebuild Equity	3,015	1,000	(2,015)	6,898	-	43.7%	(6,898)	-	(6,898)
Performing Arts Precinct	28	65	37	320	400	8.8%	80	80	-
Community Fac Tranche II Budget Only	-	-	-	-	2,239	0.0%	2,239	2,239	-
Windows 10 Deployment	498	552	54	651	755	76.6%	105	-	105
IntelliLeisure Enhancement FY17/#1	92	179	87	324	358	28.5%	33	15	18
Trade Waste Management System Replacemen	77	186	109	909	537	8.4%	(372)	-	(372)
SAP Cloud Platform Transformation	3,016	3,202	185	3,362	3,202	89.7%	(160)	-	(160)
Trim Upgrade FY19	215	332	117	236	332	90.9%	96	-	96
Pages Road Depot - Buildings	-	95	95	493	500	0.0%	7	5	3
Corporate Investments	-	2,747	2,747	16,894	12,757	0.0%	(4,137)	-	(4,137)
Windows 2008 Server Upgrade	533	546	13	642	645	83.0%	3	-	3
3 Waters Contract Management	400	420	20	899	848	44.5%	(51)	-	(51)
Business Intelligence&Data Analytics Str	251	554	303	538	554	46.6%	15	-	15
Network Monitoring and Analytics	125	261	136	148	261	84.4%	112	-	112
Asset Management Enhancement Bundle FY20	328	280	(48)	600	600	54.7%	-	-	-
SAP Cloud Platform Transformatn- BPC/BW	2,191	2,024	(167)	2,993	3,014	73.2%	21	-	21
Canterbury Multi Use Arena	-	-	-	1,115	16,853	0.0%	15,738	15,738	-
Data Network Upgrade - New Design Future	-	-	-	2,347	2,347	0.0%	-	-	-
Get off GEMS Programme - Stage 1 FY20	81	-	(81)	1,500	1,500	5.4%	-	-	-
Service Request Improvement FY20	315	295	(20)	1,051	1,100	30.0%	49	-	49
Trade Waste Managemt Systm Replacemt-CIT	418	-	(418)	418	418	100.0%	-	-	-
Balance of Programme	1,207	1,743	536	2,518	2,665	47.9%	147	16	131
Corporate Capital Total	14,575	17,825	3,250	51,880	61,480	28.1%	9,601	20,273	(10,672)
Strategic Land Acquisitions >\$250k									
Strategic Land Acquisitions	81		(81)	8,685	33,691	0.9%	25,006	25,006	-
SLP Land Value Offset	(964)		964	(3,266)	(8,883)	29.5%	(5,617)	(5,617)	
Strategic Land Acquisitions Total	(882)		882	5,418	24,808	-16.3%	19,389	19,389	-



### Attachment C - Special Funds

	Year	to Date Re	sults	Foreca	st Year End	Results	After Carr	y Forwards
\$000's	Act/YTD	Plan/YTD	Variance	Forecast	Plan Year	Variance	Carry Fwd	Variance
Housing - Normal Operations								
1 July Opening Balance	12,205	12,205	-	12,205	12,205	-	-	-
Income	6,776	7,527	(751)	14,380	15,057	(677)	_	(677)
Operating Expenditure	(6,693)	(6,953)	260	(13,243)	(13,128)	(115)	_	(115)
Capital expenditure	(1,254)	(465)	(789)	(2,410)	(2,368)	(42)	(55)	13
Interest on fund balance	65	75	(10)	122	149	(27)		(27)
Balance	11,099	12,389	(1,290)	11,054	11,915	(861)	(55)	(806)
Housing - Earthquake proceeds								
1 July Opening Balance	8,544	8,544	-	8,544	8,544	-	-	-
Repairs	(5,141)	(4,926)	(215)	(4,926)	(4,926)	-	-	-
Capital rebuild expenditure	(3,022)	(2,827)	(195)	(3,027)	(3,043)	16	-	16
Interest on fund balance	34	52	(18)	37	105	(68)	-	(68)
Balance	415	843	(428)	628	680	(52)	-	(52)
0.7.15.1	1			1			ı	
Capital Endowment Fund - Capital								
1 July Opening Balance	104,165	104,165	-	104,165	104,165	-	-	-
Less: Expenditure	/			/>	( )			
Participatory Democracy Project	(103)	(121)	18	(242)	(242)	-	-	-
Balance	104,062	104,044	18	103,923	103,923	-	-	-
Capital Endowment Fund - Income Distribution				Ι				
1 July Opening Balance	775	775	_	775	775			_
Income	1,793	1,810	(17)	3,548	3,601	(53)		(53)
Less: Expenditure	1,755	1,010	(11)	3,540	3,001	(55)		(55)
Christchurch NZ	(769)	(769)	_	(1,539)	(1,539)			
Multicultural Recreation and Community Centre	(103)	(103)	_	(1,555)	(500)	500	500	-
Innovation and sustainability grants	(400)	(200)	(200)	(400)	(400)	500	300	-
South Brighton Surf Life Saving Club	(250)	(250)	(200)	(250)	(250)	-	· -	-
Buskers	(200)	(200)			(200)		· -	-
			-	(200)	(172)	-	· -	-
Rawhiti Domain Canopy	(172)	(172)	-	(172)		-	· -	-
Botanic D'Lights	_	-	-	(117)	(117)	-	-	-
The Art & Industry Biennial Trust	(27)	(07)	-	(100)	(100)	- 41		-
Modular Pump Track	(37)	(87)	42	(47)	(88)	41	41	-
Healthier Homes Canterbury		(42)	42	(85)	(85)	-	-	-
Huntsbury Community Centre	(50)	(50)		(50)	(50)		-	-
Enviroschools	(50)	(50)	-	(50)	(50)	-	-	-
Other funds approved by Council for allocation	-	-	-	(50)	(50)	-	-	-
Unallocated funds	640	764	(405)	(718)	(718)	- 400	-	(50)
Balance Forecast funds available for allocation	640	764	(125)	545 665	57	488	541	(53)
Forecast runus avaitable for attocation	1			665			l	
Earthquake Mayoral Relief Fund								
1 July Opening Balance	10	10	-	10	10	-	-	-
Contributions	_	_	_	-	_	_	_	_
Interest	-			-	-		-	-
Balance	10	10	-	10	10	-	-	



# 10. Community Facilities Earthquake Rebuild Programme Bi-Monthly Update March 2020

Reference / Te Tohutoro: 20/134113

Report of: Darren Moses, Manager Capital Delivery Community,

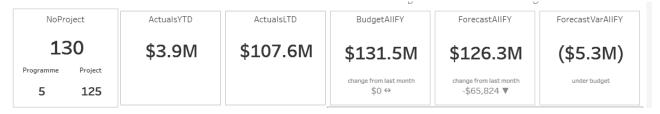
Darren.Moses@ccc.govt.nz

**General Manager:** Mary Richardson, GM Citizens and Community,

Mary.Richardson@ccc.govt.nz

### 1. Brief Summary

- 1.1 The purpose of this report is for the Finance and Performance Committee to be informed of the current status of the remaining earthquake repair and rebuild projects being delivered by the Capital Delivery Community Unit. The report has been written to provide visibility on those projects.
- 1.2 The Council prioritised and approved a number [circa 80] of suburban facilities to form its Facilities Rebuild earthquake repair and rebuild programme in 2014. This report summarises the performance of each project.
- 1.3 The programme metrics are summarised below and indicate the programme risk fund currently sits at \$5.3 M. This is the programme risk contingency allocated to complete the remaining projects.



1.4 A summary of the completed and opened facilities as well as the yet to be completed community facility projects and the heritage facility projects can be found in **Attachment A**.

### 2. Officer Recommendations

That the Finance and Performance Committee:

1. Receives the information in the Community Facilities Earthquake Rebuild Programme Bi-Monthly Update report.

# Finance and Performance Committee 05 March 2020



### Attachments / Ngā Tāpirihanga

No.	Title	Page
Α <u>Ū</u>	Finance & Performance Committee Feb 2020 Community Facilities Rebuild and	85
	Heritage Bimonthly Report	

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

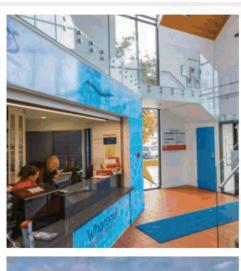
# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



# Attachment 1 Community Facilities and Heritage Earthquake Rebuild Programme











Christchurch City Council

Elected Member Update February 2019

- Active Projects Community Facilities
- Active Projects Heritage
- Projects in Close Phase Community Facilities and Heritage
- Projects Still to be Delivered Community Facilities and Heritage
- Projects Removed from Programme Community Facilities
- Projects Delivered Community Facilities and Heritage
- **Demolitions Completed** Community Facilities

NOTE: For reporting purposes, the status of a project will no longer be reported once the public opening has occurred. Completion of projects can take up to a year depending on the Defect Notification period.



# **Active Projects - Community Facilities**

### Opawa Public Library Rebuild (formerly 'Earthquake Repairs')

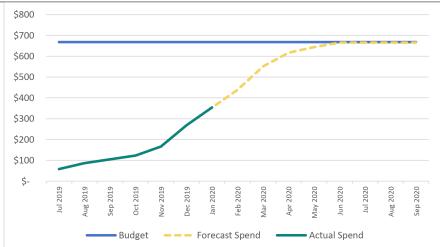
Linwood/ Central/ Heathcote Community Board

Opening	Q2 2020
Current Phase / Sub-Phase	Executing Construction
Delegated Authority for concept Approval	Christchurch City Council – Libraries Unit Internal staff building custodian

Total Spend To Date	\$352,345
Total Project Budget	\$667,980
Percentage Total Project Spend	53%

### **Description of Work**

Works to rebuild the Opawa Public Library in order to remediate the facility after earthquake damages incurred in 2011. The construction of the new community facility for the primary tenant, Opawa Volunteer Library group, will be delivered by means of a 'Design & Build' form of contract.



### **Current Status**

Good progress has been achieved: foundations, retaining walls, utilities connections, external and internal framing, roof damp proofing and steel roofing have all been completed. Work is progressing in external wrapping and brick wall installation.





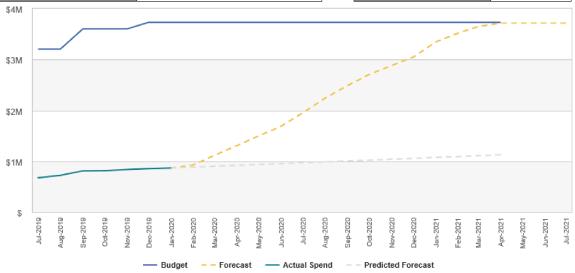


### **St Albans Community Centre**

Papanui-Innes Community Board
Community Facilities

Opening	December 2020
Current Phase / Sub-Phase	Executing Construction
Delegated Authority for concept Approval	Papanui-Innes Community Board

Total Spend To Date	\$871,755
Total Project Budget	\$3,730,279
Percentage Total Project Spend	23%



### **Description of Work**

Council is redeveloping the St Albans Community Centre at 1049 Colombo Street, 122 and 126 Caledonian Road. The original building was lost during the 2010 / 2011 earthquakes. An expansion to the former building was in the planning phase in 2010 and prior to the earthquakes. A temporary facility has been located on site to provide a facility for the new community and until the construction of the new facility is scheduled.

### **Current Status**

The Contractors (Watts and Hughes) are currently onsite. Pile driving is now complete.

Works on the acoustic fencing will commence in February.





# **Active Projects- Heritage**

### The Chokebore Lodge

Halswell-Hornby-Riccarton Community Board

Opening	Q1 2021
Current Phase / Sub-Phase	Planning Consenting
Delegated Authority for concept Approval	Christchurch City Council –Internal staff building custodian

Total Spend To Date	\$127,240
Total Project Budget	\$1,177,595
Percentage Total Project Spend	11%



### **Description of Work**

Chokebore Lodge currently has a 15%NBS in the area affected by The Cob (clay walls).

There has been significant damage to the Cob elements of the structure and further damage to the remainder of the building through seismic movement. It is now to be strengthened and restored to a habitable residential use building.

### **Current Status**

Detailed design including documentation with specialist constructors and heritage wall finishes is now complete. Necessary consenting is underway with procurement of the main contracted works currently being finalised with anticipated works commencing in February/March 2020.



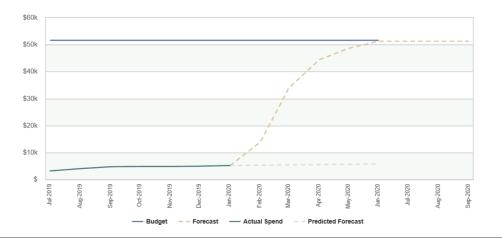


### **Kapuatohe Cottage**

Fendalton-Waimairi-Harewood

Opening	Q3 2020
Current Phase / Sub-Phase	Executing Construction
Delegated Authority for concept Approval	Christchurch City Council - Internal staff building custodian

Total Spend To Date	\$5,168
Total Project Budget	\$51,579
Percentage Total Project Spend	10%



### **Description of Work**

Works include EQ Repairs to chimney and maintenance works for re-tenanting.

## Current Status

The Cottage & Dwelling contract with Higgs Construction commenced in January 2020. Temporary protection has been installed and recording of deconstructed elements is underway.

Works are programmed to be completed early July 2020



Kapuatohe Cottage

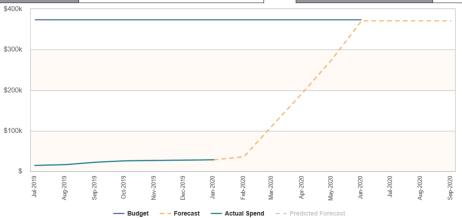


### **Kapuatohe Dwelling**

Fendalton-Waimairi-Harewood

Opening	Q3 2020
Current Phase / Sub-Phase	Executing Construction
Delegated Authority for concept Approval	Asset Owner

Total Spend To Date	\$28,868
Total Project Budget	\$373,350
Percentage Total Project Spend	8%



### **Description of Work**

Kapuatohe Dwelling currently has a 100%NBS and was re-opened following the chimney deconstruction. It is now closed due to exterior maintenance work, including borer treatment and exterior repaint. Chimney reconstruction and strengthening works will be undertaken to restore the original aesthetic and provide further residential ongoing use.

### **Current Status**

The Cottage & Dwelling contract with Higgs Construction commenced in January 2020. Temporary protection has been installed and recording of deconstructed elements is underway.

Works are programmed to be completed early July 2020.



Kapuatohe Dwelling

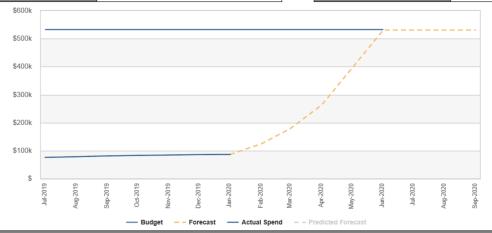


### **Penfolds Cob Cottage**

Linwood-Central-Heathcote Community Board

Opening	Q3 2020
Current Phase / Sub-Phase	Planning Detailed design
Delegated Authority for concept Approval	Christchurch City Council – Internal staff building custodian

Total Spend To Date	\$86,887
Total Project Budget	\$532,339
Percentage Total Project Spend	16%



### **Description of Work**

Undertake the stabilisation and repair in current damaged state and interpretation works, to James Penfolds c 1870 cottage near Ferrymead Bridge. The road frontage wall will be strengthened with interior steel frame supporting roof and walls. The rear of the cottage will have toughened glass panels outside of the line of the original walls. Glass will be secured with steel columns allowing visitors to view construction, repairs and how the building was affected by the earthquakes.

### **Current Status**

Architectural detailed design and engineering is complete. Finalisation of Construction methodology has been undertaken. Archaeological authority has been applied for. Necessary consenting and associated approvals are underway together with contractor procurement. Physical works expected to commence April 2020.







### **Signal Box Norwich Quay**

Banks Peninsula Community Board Tranche 2

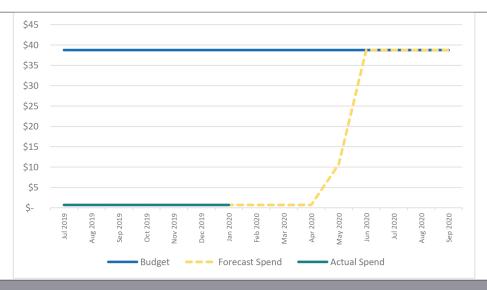
Heritage

Opening	Q2 2020
Current Phase / Sub-Phase	Executing Procurement
Delegated Authority for concept Approval	Christchurch City Council – Internal staff building custodian

Total Spend To Date	\$688
Total Project Budget	\$38,760
Percentage Total Project Spend	2%

### **Description of Work**

Norwich Quay Signal Box is categorized as a building of "Significant" Heritage Value in the Christchurch City Council District Plan. The building performed well in the Canterbury Earthquakes however repairs to the retaining wall are required and an assessment of deferred maintenance items needs to be completed.



### **Current Status**

Currently awaiting three prices for the reinstatement of the retaining wall. Procurement documents are being prepared.







### **Thomas Edmond Band Rotunda**

Linwood-Central-Heathcoat Community Board

Opening	Q1 2021		
Current Phase / Sub-Phase	Planning Detailed design		
Delegated Authority for concept Approval	Christchurch City Council – Internal staff building custodian		

Total Spend To Date	\$116,162
Total Project Budget	\$1,573,530
Percentage Total Project Spend	7%



### Description of Work

The structure is to be reinstated as per the original aesthetic utilizing the existing Dome with a new engineered foundation and supporting columns .Main contractor procurement is complete pending award and final contractual matters prior to site establishment.

### **Current Status**

Detailed Inspection and measurement of the dome has taken place to facilitate replication of key elements damaged and lost during EQ events and post partial deconstruction. The paths and curbing surrounding the site by the Avon River Wall have been reinstated to allow public access to the Pavilion and Landing adjacent to the construction site.

Main contract works award is imminent with site establishment to follow In Feb/March 2020.



Edmonds Band Rotunda Pre-Earthquake



# **Projects in Close Phase**

Phase	ID	Project Title	Delivery Team	Current FY Actuals	Current FY Budget	Current FY Spend %	Total Project Spend %	Project Delivery Closed
Close	8385	Bishopdale Library and Community Centre Rebuild	Community	\$16,233	\$49,346	33	99	May-20
Close	27184	Parklands Library	Community	\$474	\$1,974	100	100	Jun-20
Close	20051	Riccarton Community Centre	Community	\$3,067,356	\$3,626,870	85	89	Mar-21
Close	8226	Mona Vale Boundary Brick Wall	Heritage	\$0	\$0	0	94	Jan-20
Close	46085	Redwood Plunket Building Repair	Heritage	\$0	\$4,601	0	93	Feb-20
Close	3376	Risingholme Hall	Heritage	\$0	\$0	0	100	Jun-20
Close	3377	Risingholme Homestead	Heritage	\$11,299	\$30,682	36	99.3	Jun-20

Close Phase is the period after opening when the building is in operation. Defects, if any, are remedied during this period and paid for from contractor retentions.



# **Projects Still to be Delivered**

Asset Name	Status	Community Board	Target Start Date
Centennial Hall - Spreydon Community Centre - Community Facilities  Progress is on hold while the Community Facilities Network Plan is being developed, discussed and adopted by Elected Members.	On Hold	Spreydon- Cashmere	TBA
Cathedral Square Toilets – Community Facilities This budget is being held in future years for the following reasons: There is too much uncertainty around what the Cathedral Square Anchor Project will be and where/how many public toilets will be required.	On Hold	Linwood-Central- Heathcote	ТВА
Pages Road Depot - Buildings – Community Facilities Investigations are underway to determine the long-term use of the buildings and potentially carry out strengthening.	Concept	Linwood-Central- Heathcote	TBA
South Library and Service Centre EQ – Community Facilities  The capital funding for this project was moved as a result of the 2018 – 2028 Long Term Plan.  Investigation works to validate design and budget about to commence	Funding commences FY22	Spreydon- Cashmere	N/A
Jellie Park Recreation and Sports Centre Stage 4 – Community Facilities Stage 4 budget moved out to FY22 to allow RSU to maintain levels of service until Metro Sports comes on line. Work areas include the Fitness Centre, Recreational Pool and Sports Hall/Pool areas.	Funding re- commences FY22	Fendalton-Waimairi- Harewood	N/A
Pioneer Stadium & Pools Complex - Pools, Squash, Sports Hall Stage 4 – Community Facilities  Stage 4 budget moved out to FY22 to allow RSU to maintain levels of service until Metro Sports comes on line. Work areas include the Above Concourse Pool Hall, Fitness Centre, Entrance & Change Room plus other minor touch-ups.	Funding re- commences FY22	Spreydon- Cashmere	N/A
Halswell Library – Community Facilities  The old Halswell Library has been replaced at Te Hapua: Halswell Centre. Project funds have not been drawn down as the long-term future of this facility is unknown. The facility is currently leased. Should work proceed, it is of a minor nature.	On Hold	Halswell-Hornby- Riccarton	TBA
Milton St Depot - #3 Shed- demolition – Community Facilities  It is not anticipated that repair or demolition of this building will be required as a separate project. The strategy at this stage is to transfer the property to DCL who will manage the end of the lease with City Care, site clearance and redevelopment.	On Hold	Linwood-Central- Heathcote	ТВА
Former Council Stables – Donald St- <b>Heritage</b> Asset repair put on hold until future use is determined, via EOI	On Hold	Banks Peninsula	TBC
Kukupa Hostel – <b>Heritage</b> Asset repair be put on hold until future use is determined via EOI	On Hold	Banks Peninsula	TBC
Little River (Coronation) Library - Heritage Asset repair put on hold until future use is determined.	On Hold	Banks Peninsula	TBC
Mona Vale Bathhouse – <b>Heritage</b> Asset repair put on hold until future use is determined.	On Hold	Halswell-Hornby- Riccarton	TBC



# **Projects Removed from Programme**

Asset Name	Community Board
Shirley Community Centre - Community Facilities  The Capital Budget for this project was removed from the 2018-2028 LTP. The future of this project will be guided by the Community Facilities Network Plan and any budget to support that will require a new LTP bid.	Papanui-Innes
Cracroft Caverns Reserve - Cashmere Caverns - Community Facilities  The capital budget for this project was removed from the 2018 – 2028 Long Term Plan and the project will not proceed.	Spreydon-Cashmere
Linwood Library – Community Facilities  The capital funding has been removed from the 2-18 – 2028 Long Term Plan and the project will not proceed. The Linwood Library continues to operate out of Eastgate Mail.	Linwood-Central-Heathcote d
Milton St Depot - Works Op Admin Building - Community Facilities  On 25 June 2015 the Council amendment the LTP and resolved that the Tranche 2 community repairs of the proposed work on Milton St depot be substituted to other projects:  The repair and reopening of Wharenui Recreation Centre  The repair or rebuild of Avebury Park Paddling Pool.	Linwood-Central-Heathcote
Milton St Depot - Tradesmen Workshop - <b>Community Facilities</b> As above	Linwood-Central-Heathcote
Milton St Depot - Plant Maintenance Workshops - <b>Community Facilities</b> As above	Linwood-Central-Heathcote
Milton St Depot - Plant Maintenance Workshops - <b>Community Facilities</b> As above	Linwood-Central-Heathcote
Milton St Depot - Store No. 3 - Community Facilities  As above	Linwood-Central-Heathcote
Milton St Depot - Tyre Bay - Community Facilities  As above	Linwood-Central-Heathcote
Milton St Depot - Parks Store - <b>Community Facilities</b> As above	Linwood-Central-Heathcote
Milton St Depot - Vehicle Garage - <b>Community Facilities</b> As above	Linwood-Central-Heathcote
Huntsbury Playground Community Building - Community Facilities  Community Owned Building - not CCC	Spreydon-Cashmere
Bottle Lake Forest - Information Centre & Shed - Community Facilities  Facility found to be fully functional, with minor damage of a cosmetic nature. Asset owner asked that the project does not proceed.	Coastal- Burwood



# **Projects Delivered – Community Facilities and Heritage**



Little River Goods Shed Banks Peninsula / December 2019



Risingholme Craft Workshops Linwood-Central-Heathcote / 9 May 2019



Riccarton Community Centre Halswell-Hornby-Riccarton / December 2019



Parklands Library Coastal-Burwood / 29 March 2019



Risingholme Hall Linwood-Central-Heathcote / 9 May 2019



Risingholme Homestead Linwood-Central-Heathcote / 31 May 2019



Jellie Park – Stage 3 Fendalton-Waimairi-Harewood CB / 31 May 2019



Spencer Park Campground Phase 3 – all other buildings Coastal-Burwood / December 2018



Nurses Memorial Chapel Linwood Central Heathcote CB / November 2018



Pioneer Stadium & Pools Complex (Stage 2) Spreydon-Cashmere CB / 12 October 2018



St Albans Pavilion
Papanui-Innes CB / September 2018



Woolston Community Library Linwood-Central-Heathcote CB / 15 August 2018



Edmonds Poplar Crescent Pavilion Linwood-Central-Heathcote CB / 20 July 2018



Elected Member Update February 2019



Akaroa Service Centre Banks Peninsula CB / 31 May 2018



St Albans Creche Papanui-Innes CB / June 2018



Pioneer Stadium & Pools Complex (Stage 2) Spreydon-Cashmere CB / 9 May 2018



Rose Historic Chapel Linwood-Central-Heathcote CB / May 2018



Langlois-Eteveneaux Cottage Banks Peninsula CB / May 2018



Lyttelton Skate Park Murals Banks Peninsula CB / May 2018



Lyttelton Skate Park – Retaining Wall Banks Peninsula CB / May 2018



Jellie Park RSC Stage 2 Fendalton-Waimairi-Harewood CB / 13 April 2018



South Brighton Camping Ground Coastal- Burwood CB / March 2018



Addington Water Station Halswell/Hornby CB / 23 March 2018



Allandale Community Centre Repair Banks Peninsula CB / Mid-Feb 2018



Community Centre – Cracroft (Old Stone House) Spreydon-Cashmere CB / 7 February 2018

### **Opened to Public 2017**



Spencer Park Campground Phase 2 new amenities buildings

Coastal- Burwood CB / 22 December 2017



Mona Vale Gatehouse Fendalton-Waimairi-Harewood CB / 9 November 2017



Edmonds phone cabinet/telephone kiosk Linwood-Central-Heathcote CB / 19 August 2017



**Elected Member Update** February 2019



Halswell Quarry - Crusher Building Halswell-Hornby-Riccarton CB / 4 October 2017



Halswell Quarry - Old Stone House Halswell-Hornby-Riccarton CB / 4 October 2017



Halswell Quarry - Singlemen's Quarters Halswell-Hornby-Riccarton CB / 4 October 2017



Sumner Library, Community Centre & Museum Linwood-Central-Heathcote CB / 19 August 2017



**Bishopdale Library and Community Centre** Fendalton-Waimairi-Harewood CB / 22 July 2017



Hagley Park North - Bandsman Memorial Rotunda Linwood-Central-Heathcote CB / 5 July 2017



Governors Bay Old School House Banks Peninsula CB / 30 June 2017



Coronation Library (Akaroa) Banks Peninsula CB / 16 June 2017



Akaroa Court House Banks Peninsula CB / 16 June 2017



Wharenui Pool Building Strengthening Halswell-Hornby-Riccarton CB / 13 June 2017



Lyttelton (Upham) Clock Tower Banks Peninsula CB / 7 June 2017



Hagley Park North - RSA Bowling-Petanque Club Linwood-Central-Heathcote CB / 5 June 2017



Sign of the Takahe Spreydon-Cashmere CB / 22 May 2017



Custom House, Akaroa Banks Peninsula CB / 8 April 2017



Parklands Library- Landscaping Coastal- Burwood CB / 21 April 2017









Lyttelton Library, Service Centre and Integration with Library EQ Repairs Banks Peninsula CB / 13 March 2017

Stoddart Cottage – Earthquake repairs Banks Peninsula CB / March 2017 New Brighton Library EQ Repair Coastal- Burwood CB / 13 Feb 2017



Kapuatohe Museum – Repair & Strengthen. Fendalton-Waimairi-Harewood CB / February 2017



Pioneer Women's Shelter
Linwood-Central-Heathcote CB / February 2017

### Opened to Public 2016



Governors Bay community centre Banks Peninsula CB/ 14 December 2016



Heathcote Combined Community Facility Linwood-Central-Heathcote CB/ 14 December 2016



Memorial Cemetery Toilets – New Exeloo Linwood-Central-Heathcote CB / 12 December 2016



Waimairi Cemetery Toilets- Strengthened Fendalton-Waimairi-Harewood CB/12 December 2016



Woodham paddling pool
Linwood-Central-Heathcote CB /8 December 2016



Redcliffs Library
Linwood-Central-Heathcote CB / 2 December



Mona Vale Homestead – EQ Repair, Strengthening and Maintenance Halswell-Hornby-Riccarton CB/ 25 November 2016



Avebury paddling pool Linwood-Central-Heathcote CB / 23 November 2016



St Martins Community Facility (Former St Martins Public Library) Spreydon-Cashmere CB/ 21 November 2016



Edgar Macintosh paddling pool Papanui-Innes CB / 20 November 2016



Abberley paddling pool Fendalton-Waimairi-Harewood CB / 17 November 2016



Spencer Park paddling pool Coastal- Burwood CB/ 5 November 2016



Elected Member Update February 2019



Cave Rock Signal Box – EQ Repairs
Linwood-Central-Heathcote CB / November 2016



Sign of the Kiwi – EQ Repairs and Strengthening Spreydon-Cashmere CB/ November 2016



Kaianga Hall toilets
Papanui-Innes CB / 21 October 2016



English Park- EQ Repairs
Papanui-Innes CB / 21 October 2016



Mona Vale Fernery – EQ Repairs and Strengthening Halswell-Hornby-Riccarton CB / October 2016



Denton Oval - Grandstand & Amenities Halswell-Hornby-Riccarton CB/ 28 September 2016



Lyttelton Mt Herbert Board Room Replacement (25 Canterbury Street) Banks Peninsula CB / 7 September 2016



Pigeon Bay Campground Toilet -Banks Peninsula CB / 3 August 2016



Somerfield Community Centre Spreydon-Cashmere CB / 15 July 2016



Governors Bay Headmasters House – EQ Repair, Strengthening and Maintenance Banks Peninsula CB / 14 July 2016



Wharenui Rec Centre Halswell-Hornby-Riccarton CB / 1July 2016



Lyttelton Plunket Rooms & Toy Library Demolished & 15 year lease at Lyttelton Rec Centre Banks Peninsula CB/ July 2016



180 Smith Street - Library Archive Building Linwood-Central-Heathcote CB / 30 June 2016



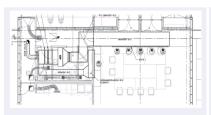
Rawhiti Domain - Golf Club Buildings Coastal- Burwood CB / 23 June 2016



Spencer Park Campground Phase 2 new amenities buildings
Coastal- Burwood CB / 10 June 2016



Elected Member Update February 2019



Upper Riccarton Library Halswell-Hornby-Riccarton CB Phase 2 Completed 31st May 2016



Fendalton Community Centre Fendalton-Waimairi-Harewood CB / 20 May 2016



Aranui Community Centre Rebuild- New Build Coastal- Burwood CB / 19 May 2016



Halswell Domain toilet Halswell-Hornby-Riccarton CB / 13 May 2016



Horseshoe Lake toilets Coastal- Burwood CB / 13 May 2016



Parklands Library- Phase 1 Stormwater & Sanitary Services Repair Coastal- Burwood CB / 13 May 2016



Mona Vale Lode – EQ Repair, Strengthening & Maintenance

Halswell-Hornby-Riccarton CB / 6<sup>th</sup> May 2016



Heathcote Domain - Former Tennis Club Shed Linwood-Central-Heathcote CB / 26 April 2016



Barrington Park - Cricket Club / Community Building Spreydon-Cashmere CB / 22 April 2016



Barnett Park - Sumner/Redcliffs Crèche Linwood-Central-Heathcote CB / 9 January 2016 ( Decorative wall repairs completed 12 April 2016)



The Gaiety Hall – EQ Repair, Strengthening & Maintenance Banks Peninsula CB / 1st April 2016



New Brighton Crèche Coastal- Burwood CB / 28 March 2016



St Martins Opawa Toy Library Spreydon-Cashmere CB / 14 March 2016



Tram Barn - Tramway Lane Linwood-Central-Heathcote CB Completed 11<sup>th</sup> November 2015- Roof repairs in March 2016



Lyttelton Recreation Centre and Trinity Hall Repair Banks Peninsula CB /Completed 18<sup>th</sup> December 2015- Official Opening 20th February 2016





Lyttelton Recreation Ground – Pavilion and Shed #2 Banks Peninsula CB / 05 February 2016



Grubb Cottage - EQ Repair and Maintenance Banks Peninsula CB / 2nd February 2016



**Upper Riccarton Library** Halswell-Hornby-Riccarton CB Phase 1 Completed 1st February 2016



North New Brighton Community Centre Coastal- Burwood CB / 29 January 2016

### Opened to Public 2015



Sumner Surf Club Toilets Rebuild Linwood-Central-Heathcote CB / 11<sup>th</sup> December 2015



Victoria Park Information Centre – EQ Repair & Strengthening Spreydon-Heathcote CB/ 15th December 2015



South Hagley netball toilets Linwood-Central-Heathcote CB / 20th November 2015



Heathcote Domain Exeloo Toilet Linwood-Central-Heathcote CB / 30th October 2015



Cashmere Valley Exeloo Toilets Spreydon-Cashmere CB / 30th October 2015



Bexley Park Exeloo Toilet Coastal- Burwood CB / 23rd October 2015



Linwood Resource Centre Linwood-Central-Heathcote CB / 20th October 2015



Shirley Library EQ Repairs Coastal- Burwood CB /16 October 2015



Avebury Workshed & Toilets – EQ Repair and Strengthening Linwood-Central-Heathcote CB / 13 October 2015



Elected Member Update February 2019



Akaroa Museum – EQ Repairs, Strengthening and Re-roof

Banks Peninsula CB / 13 October 2015



Papanui Library EQ Repairs Papanui-Innes CB /13 October 2015



Botanic Gardens Tea Kiosk - Strengthening & Repair Project
Linwood-Central-Heathcote CB / 02 October 2015



Le Bons Bay Exeloo Toilet Banks Peninsula CB / 25<sup>th</sup> September 2015



Awa-iti Reserve Exeloo Toilet
Banks Peninsula CB / 20th September 2015



Dog Pound - Dog Shelter and Dwelling Portacom Linwood-Central-Heathcote CB / 20<sup>th</sup> August 2015



Avon Park Exeloo Toilet Linwood-Central-Heathcote CB / 17th August 2015



Duvuachelle Show Grounds Exeloo Toilet Banks Peninsula CB / 12<sup>th</sup> August 2015



Sockburn Recreation Centre Strengthening and Repair Halswell-Hornby-Riccarton CB / 7<sup>th</sup> August 2015



Bottle Lake Forest Information Centre Coastal- Burwood CB / 31st July 2015



Duvauchelle Reserve and Campground - All Buildings Banks Peninsula CB / 30th July 2015



Scarborough Beach - Jet Boat Shed Linwood-Central-Heathcote CB / 21st July 2015



South New Brighton Park Exeloo Toilet Coastal- Burwood CB / 10<sup>th</sup> July 2015



Middleton Park Public Toilet Halswell-Hornby-Riccarton CB / 20<sup>th</sup> June 2015



Spreydon Library
Spreydon-Cashmere CB / 4<sup>th</sup> May 2015







**Elected Member Update** February 2019

Woolston Park Memorial to Fallen Soldiers and Pavilion Rebuild Linwood-Central-Heathcote CB / Sports changing facilities- 8th June 2015, War Memorial Facility- 25th April 2015

Port Levy Pool Changing Shed Banks Peninsula CB / 2nd April 2015

Cuthberts Green Softball Complex and Grandstand Linwood-Central-Heathcote CB / 2<sup>nd</sup> April 2015



Withells Island Boat Sheds Coastal- Burwood CB / 2nd April 2015



Edmonds Clock Tower -EQ Repairs & Strengthening- <u>Heritage</u> Linwood-Central-Heathcote CB/ April 2015



Clare Park Pavilion and Changing sheds Coastal- Burwood CB / 30<sup>th</sup> March 2015



Norman Kirk Pool Rebuild Banks Peninsula CB / 12th February 2015



Hei Hei Community Centre -Repair & Strengthening Halswell-Hornby-Riccarton CB / 28th January 2015



**Cuthberts Green Pavilion EQ Repairs** Linwood-Central-Heathcote CB / 24th January 2015



Waltham Pool Rebuild



**Cuthberts Green Softball Groundsmans Shed** Linwood-Central-Heathcote CB / 17th January 2015 Linwood-Central-Heathcote CB / 12th January 2015

# **Opened to Public 2014**



 $\textbf{Godley House-Foundation Remediation-} \underline{\textbf{Heritage}}$ Banks Peninsula CB / December 2014



Scarborough Paddling Pool Rebuild Linwood-Central-Heathcote CB / 20th December 2014



Yaldhurst Domain Toilet block strengthening Fendalton-Waimairi-Harewood CB / November 2014



Waltham Park Pavilion Earthquake repair and Strengthening Linwood-Central-Heathcote CB / October 2014



Avonhead Pavilion Earthquake repair and Strengthening Fendalton-Waimairi-Harewood CB / October 2014



Victoria Clock (Jubilee) - EQ Repairs and Strengthening- Heritage Linwood-Central-Heathcote CB / October 2014



**Elected Member Update** February 2019



Denton Oval - Amenities Below Grandstand Halswell-Hornby-Riccarton CB / 22nd July 2014



Riccarton House – EQ Repairs and Strengthening-Heritage Halswell-Hornby-Riccarton CB / May 2014



Jellie Park Recreation & Sports Centre - Main Plant Room Strengthening Fendalton-Waimairi-Harewood CB / 31st January 2014

### Opened to public before 2014



South Brighton Community Centre Transitional Facility Coastal- Burwood CB / 8th November 2013



Linwood Community Arts Centre – EQ Repairs and Strengthening- <u>Heritage</u> Linwood-Central-Heathcote CB / October 2013



Avebury House - EQ Repairs and Strengthening-Heritage Linwood-Central-Heathcote CB / September 2013



Curators House - EQ Repairs and Strengthening Linwood-Central-Heathcote CB / November 2012



YHA Rolleston House - EQ Repairs and StrengtheningLinwood-Central-Heathcote CB / November 2012



Beachcomber Restaurant - EQ Repairs Linwood-Central-Heathcote CB / November 2012



Cowles Stadium Earthquake repair and Strengthening

Linwood-Central-Heathcote CB / October 2012



# **Demolitions Completed - Community Facilities**



Sumner Carpark Demolished Sep - 2017



Bishopdale Community Centre Papanui-Innes CB



South Brighton Motor Camp Coastal-Burwood CB Demolished Dec - 2016





Robbie's Bar & Bistro Riccarton Halswell-Hornby-Riccarton CB Demolished September 2016



QE2 sports house Coastal-Burwood CB Demolished March 2016

After



Porritt park, the main stadium Coastal- Burwood CB Demolished March 2016





Cathedral Square Toilets Linwood-Central-Heathcote CB



Ex-Model Railway Site - Andrews Crescent Spreydon-Cashmere CB Demolished December - 2015



Hagley Park North - RSA Bowling-Petanque Club Linwood-Central-Heathcote CB Demolished December - 2015



Elected Member Update February 2019



Linwood Nursery (Garage, Lunchroom, Potting Shed, Staorage Shed, Soil Shelter, Glasshouses (x6),Cold Frames, Shrubbery Frame (x3), Shade House (x3), Portacom Office,

Linwood-Central-Heathcote CB Demolished November - 2015



Sea field park "the Lodge" Coastal- Burwood CB Demolished July - 2015



North Beach Community Crèche Coastal- Burwood CB Demolished July - 2015



Ferrymead reserve old toilets Linwood-Central-Heathcote CB Demolished June - 2015



Styx River reserve shed number two Fendalton-Waimairi-Harewood CB Demolished June - 2015



Cashmere Reserve Toilet Spreydon-Cashmere CB Demolished May - 2015





Styx River reserve living laboratory / dwelling and buildings

Fendalton-Waimairi-Harewood CB

Demolished May - 2015



Parklands Library Garage Coastal- Burwood CB Demolished May - 2015



Westminster park buildings x 2
Papanui-Innes CB
Demolished April - 2015

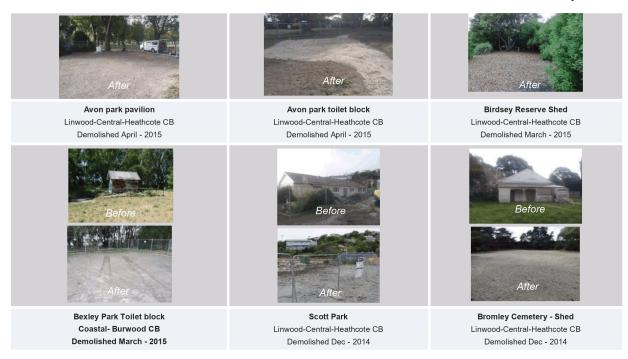








## Elected Member Update February 2019





# 11. LTP 2021 Programme Update February 2020

Reference / Te Tohutoro: 20/140391

Report of:

Peter Ryan, Head of Performance Management,

Peter.Ryan@ccc.govt.nz

General Manager: Carol Bellette, GM Finance & Commercial,

Carol.Bellette@ccc.govt.nz

# 1. Brief Summary

1.1 The Finance and Performance Committee has requested ongoing monthly updates on the implementation of the Long Term Plan (LTP) 2021 project plan and Mayor's Letter of Expectation.

#### 2. Officer Recommendations

That the Finance and Performance Committee:

- 1. Notes that the fundamental premise of the Long Term Plan process is that all components (Financial and Infrastructure Strategies, Activity Plans, Asset Management Plans, the capital programme) will be completed by staff in draft form by 1 June 2020.
- 2. Notes that this will provide councillors reasonable time to work through proposals, options and budgets in a measured way before finalising a draft Long Term Plan in December 2020 and formally adopting the draft in February 2021.
- 3. Notes the Long Term Plan work stream progress report (as attached.)
- 4. Notes the draft calendar of LTP briefings for Elected Members for 2020. This programme of work was proposed by the LTP Programme Group and approved by the Project Sponsor.

# Attachments / Ngā Tāpirihanga

No.	No. Title	
A <u>U</u>	A LTP Programme Update February 2020	
B <u>↓</u>	LTP 2021 Draft Calendar for 2020	115

In addition to the attached documents, the following background information is available:

<b>Document Name</b>	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002). (a) This report contains:

# Item 11

# Finance and Performance Committee 05 March 2020



- (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.



# Memo

Date: 11 February 2020

From: Dawn Baxendale - Chief Executive / LTP Programme Sponsor

Peter Ryan – LTP Programme Manager

To: Mayor and Councillors

Executive Leadership Team

# LTP 2021-31 Programme Update – 11 February 2020

# 1. Executive Summary

The LTP process remains on track overall. Progress on individual work streams is as follows:

Wo	ork stream description	Work stream lead	Status	Commentary
1	Asset Management Plans	Piers Lehmann	A	These were not signed off by 20 December as planned, however mitigations have been put in place. This does not compromise the overall LTP timeline.
2	Infrastructure Strategy	David Griffiths	G	The team delivered a successful update to councillors on 4 February outlining issues the IS must address. A further workshop is scheduled for 3 March. IS options will be presented on 7 April.
3	Capital Programme Development & Prioritisation Process	Carolyn Gallagher	A	The Capital Development team will deliver a briefing on 10 March to set out the proposed methodology for prioritising capital works 2021-31. This work stream is marked amber due to resourcing issues (under review.)
4	Financial Strategy	Di Brandish	G	Financial Strategy – the team will hold a briefing with councillors on 24 March to seek direction on key financial levers driving the LTP process.
5	Budgets & Financial Policies	Di Brandish	G	Both external and internal activity plans will be presented to elected members. These will include results of the Zero Based Budget reviews.

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6	Activity Plans	Peter Ryan	G	Activity Plans have been drafted for asset- based activities. The remaining activities are under development and will meet the 1 June deadline.
7	Community Board John Filsell Engagement		G	On track.
8	Submissions & Hearings	Megan Pearce	G	On track.
9	Communications & Di Keenan Engagement		G	The Pre-Engagement process is well underway. Community panels are being formed with a view to obtaining feedback from various special interest groups and demographics before the draft LTP is built.
10	Consultation with Community	Di Keenan	G	On track.
11	External Advisory Group	Peter Ryan	G	The Chair and Deputy Chair of the EAG have now been appointed and are working to coordinate meeting times and to appoint the remaining members of the Group.
12	Developing Resilience	Mike Gillooly	G	The IS, activity plans and asset plans are all being built with a view to strengthening resilience.
13	Participatory Budgeting	Michael Healy	G	A Participatory Budgeting tool has been identified and is being progressed via Smart Cities. It is expected that councillors will see a demonstration in March.
14	Co-Development Process	Peter Ryan	G	In keeping with the direction set out in the Mayor's Letter (and in subsequent meetings with elected members) a co-development process has been set up, meaning that councillors and staff will have access to LTP content as it is being developed.

A further update will be provided to the Committee on 2 April 2020.

**Peter Ryan** 

Head of Performance Management / LTP Programme Manager

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# LTP 2021-31 Calendar for the year 2020

As at 20 Feb 2020

DRAFT - To be confirmed

				DRAFT - To be d	
EM briefing date	submission deadline	time	Activity Plan #	LTP documents	Workshop leads
Tue 25-Feb	Wed 12-Feb				
Tue 3-Mar	Wed 19-Feb	1.0 hr	IS	Infrastructure Strategy - What's the problem	David Griffiths Mike Gillooly
Tue 10-Mar	Wed 26-Feb	1.0 hr			
Tue 24-Mar	Wed 11-Mar	1.0 hr	CP	Capital Prioritisation Model	Carolyn Gallagher
Tue 31-Mar	Wed 18-Mar		FS	Financial Strategy - What's on the table? -borrowing -capital programme -rates -alternative funding, regional contribution -comparatives with other Councils	Diane Brandish
Tue 7-Apr	Wed 25-Mar	1.0 hr	IS	Infrastructure Strategy Options and Scenarios	David Griffiths Mike Gillooly
Recess week 10	to 19 April 202	0		Scoriarios	winte emoory
Week starting 20 April			СВ	Joint meeting with Community Boards – receive results from community focus groups / pre-engagement	Di Keenan John Filsell
Tue 21-Apr	Wed 8-Apr				
Tue 28-Apr	Wed 15-Apr				
Tue 5-May	Wed 22-Apr				
Tue 12-May	Wed 29-Apr	1.0 hr	IS FS	Draft Infrastructure Strategy, Financial Strategy Discussion	David Griffiths Mike Gillooly Diane Brandish
Tue 26-May	Wed 13-May				
Tue 2-Jun	Wed 20-May	1.0 hr	IS FS CP	Draft Infrastructure Strategy, Financial Strategy, Capital Programme	David Griffiths Mike Gillooly Diane Brandish Carolyn Gallagher
Tue 9-Jun	Wed 27-May	1.0 hr	СР	Overall Capital Programme Deliverability	Carolyn Gallagher Peter Langbein
		2.0 hr	EAG	EAG Update	Peter Ryan
Tue 30-Jun	Wed 17-Jun	1.0 hr	IS FS CP	Infrastructure Strategy, Financial Strategy, Capital Programme Update	David Griffiths Mike Gillooly Diane Brandish Carolyn Gallagher
Tue 7-Jul	Wed 24-Jun	0.6 hr	AP 1	Christchurch Art Gallery	Blair Jackson
		0.4 hr	AP 2	Museums	Blair Jackson
		1.0 hr	AP 3	Transport	Richard Osborne
Recess week 11					
Tue 28-Jul	Wed 15-Jul	1.0 hr 1.0 hr		Libraries Solid waste	Carolyn Robertson Helen Beaumont
Tue 4-Aug	Wed 22-Jul	1.0 hr		Assisted housing	Bruce Rendall
			AP Int 1	Facilities, Property & Planning	Bruce Rendall
Tue 11-Aug	Wed 29-Jul	1.0 hr		Heritage Management	Andrew Rutledge
		1.0 hr		Parks and foreshore	Andrew Rutledge
		2.0 hr		EAG Update	Peter Ryan
Tue 25-Aug	Wed 12-Aug	1.0 hr		Water supply	Helen Beaumont
		1.0 hr	AP 10	Wastewater collection treatment and dispos	Helen Beaumont
Tue 1-Sep	Wed 19-Aug	1.0 hr	AP 11	Stormwater drainage	Helen Beaumont
		1.0 hr	AP 12	Flood protection and control works	Helen Beaumont
Tue 8-Sep	Wed 26-Aug	1.0 hr	AP 13	Community development and facilities	John Filsell
		1.0 hr	AP 14	Recreation, sports, community arts and eve	Nigel Cox

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# LTP 2021-31 Calendar for the year 2020

As at 20 Feb 2020

DRAFT - To be confirmed

EM briefing date	submission deadline	time	Activity Plan #	LTP documents	Workshop leads
Tue 22-Sep	Wed 9-Sep		AP Int 2	Information Technology	Symon McHerron
		0.7 hr		Citizens and customer services	Sarah Numan
			AP Int 3	C&C Business Support	Sarah Numan
Tue 29-Sep	Wed 16-Sep	1.0 hr	AP 16	Strategic planning and policy	Brendan Anstiss Emma Davis David Griffiths Carolyn Ingles Mike Gillooly
		0.5 hr	AP 17	Public information and participation	Michael Healv Di Keenan
		0.5 hr	AP Int 4	Office of the CE	Jonathan King
				Mayor's Office	Duncan Sandeman
				Ngai Tahu relationship	Ross Pringle
					Shayne Te Aika
Tue 6-Oct	Wed 23-Sep	0.5 hr	AP 18	Civic and International Relations	Matt Nichols
		1.0 hr	AP 19	Economic development	Brendan Anstiss
Week starting			СВ	Joint meeting with Community Boards	Di Keenan
12 Oct					John Filsell
Tue 20-Oct	Wed 7-Oct	0.8 hr	AP 20	Building services	Robert Wright
					Sam Hay
		0.4 hr	AP 21	Land and property information services	Aaron Haymes Sam Hay
		0.8 hr	AP 22	Resource consenting	John Higgins
Tue 27-Oct	Wed 14-Oct	1.0 hr	AP 23	Regulatory compliance and licencing	Tracey Weston
		0.75 hr	AP 24	Civil defence and emergency management	Rob Orchard
		0.75 hr	AP 25	Governance and decision-making	John Filsell
Tue 3-Nov	Wed 21-Oct	0.25 hr	AP Int 5	Risk and Internal Audit	Shaun Dowers
		0.25 hr	AP Int 6	Legal Services	Adela Kardos
		0.25 hr	AP Int 7	Human Resources	Prue Norton
		0.25 hr	AP Int 8	Continuous Improvement	Jo Glendinning
		0.25 hr	AP Int 9	Programme Management Office	Ruth Cable
			AP Int 10	Capital Delivery	Alistair Pearson Darren Moses
			AP Int 11	Technical Services & Design	Ron Clarke Piers Lehmann
			AP Int 12 AP Int 13	Asset Management	Carol Bellette
		0.25 111	AP IIIL 13	Performance Management and Reporting	Peter Ryan
					Diane Brandish
					Patricia Christie
					Jane O'Toole
Tue 10-Nov	Wed 28-Oct				
5 Nov or			EAG	EAG report to either F&P Committee or	Peter Ryan
12 Nov			A Lib	Council	Datas Dua
Mon 30-Nov			Audit	informal LTP discussion Audit NZ	Peter Ryan
Tue 1-Dec			CD	confirm draft Consultation Document	Di Keenan
Tue 8-Dec			CD	confirm final consultation and engagement	Di Keenan

Other Council Meetings, not Elected Members' Briefings Meeting with Community Boards Other LTP documents, not Activity Plans

Page 2 of 2



# 12. Close Out Report for Council Voice Upgrade Project

**Reference / Te Tohutoro:** 20/143198

Penny Trousselot, Project Management Team Leader, Information Report of:

Technology Unit, penny.trousselot@ccc.govt.nz

Leonie Rae, General Manager Corporate Services, **General Manager:** 

leonie.rae@ccc.govt.nz

# 1. Brief Summary

The purpose of this report is for the Finance and Performance Committee to be informed of the Council Voice Upgrade project close out report. The report has been written to confirm of the final performance of this Capital project.

#### 2. Officer Recommendations

That the Finance and Performance Committee:

Receives the information provided in the Project Closeout report for the Council Voice Upgrade Project.

# Attachments / Ngā Tāpirihanga

No.	Title	Page
Α <u>Ū</u>	Council Voice Upgrade Project Closure Report	118

In addition to the attached documents, the following background information is available:

<b>Document Name</b>	Location / File Link	
Not Applicable	Not Applicable	

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



#### **Project Summary and Highlights**

This project was initiated as a project in August 2016

In February 2018, the project undertook to retire the existing AVAYA telephone system (PABX) and handsets that were at end of life, unsupported and posed significant risk to council operations. Skype for Business was the approved as replacement solution. The new Skype solution was rolled out to all Council facilities.

The Skype rollout was deployed across 3 streams:

Stream 1: Pilotin IT Unit and Civic Building

Stream 2 & 3: Pages Rd, Service Centers, Libraries, Sport, and Recreation Centers

In March 2019 a Project Change Request was approved at Business Change Board to;

- 1. De-scope 'Disaster Recovery Solution' (Stream 4). The de-scoping of the DR solution was recommended to BCB, following a technical investigation by Computer Concepts into how Skype DR could be implemented including building in geographic redundancy by having hardware in two sites (Civic and Perimeter Road). This Computer Concepts report highlighted that although it is technically possible, the cost would be prohibitive and outweigh the benefits.
- 2. Add to scope Migration from legacy primary rate ISDN (copper lines) to SIP trunking, which will bring Council in line with modern communication technologies and align with Sparks decommissioning of the copper lines by June 2020.

Overall the project progressed on schedule and within budget, with completing the SIP migration the only exception, due to vendor and internal resourcing constraints.

#### **Customer Feedback**

316 users were surveyed in October 2017. Perhaps most informative were the 170 responses to "Is there anything you would like to tell us about Skype for Business at Christchurch City Council?" summarised below:

Overall Positive: 24 Overall Negative: 146

Of those negative, the primary topic was:

Functionality: 47
Call quality: 34
Hardware: 30
Training: 19
Rollout: 17
Support: 5
Other: 5

An additional survey was originally scheduled in April 2019 to obtain feedback after 1 year of use, and has been rescheduled due to volume of communications being issued and will now be undertaken as part of Business as Usual.

## **Closure Synopsis**

	Flag	Comment
Overall		
Time		Streams 1, 2 & 3 completed milestones on time, however the final Project Delivery complete milestone baseline has been missed by 6 weeks due to vendor and internal resources constraints to complete the SIP Trunk Migration.
Budget		Budget was approximately \$115,000 under budget (including \$50,000 contingency), due to budget associated with the change request for SIP Trunk migration.
Scope		Project has delivered to scope (final scope approved via change request to de-scope Disaster Recovery and include migrating Primary Rate services to SIP Trunks

Benefits	In the absence of any quantifiable data on staff working remotely, the emerging benefit from transitioning to SIP trunks provides a positive financial benefit.
Objectives	Project objectives have been met



#### **Business Objectives Delivered**

Objectives	Met?	Comment
Provide CCC with a suite of tools that will enhance the communication and collaboration capabilities	Y	All functionality of Skype for Business was deployed, including Voice, Instant Message & Calendar.
Replace technology that has passed useful life	Y	AVAYA and Primary Rate services have been decommissioned.

#### Forecast Performance against Business Benefits

#### **Non-Financial Benefits**

ID	Benefit Name	Description	Comments	Flag
294	Decrease in risk due to having system failure	The current phone system technology is outdated and not supported by a maintenance and service contract.	Benefit(s) being realised.	Green on track
765	Enabling a modern agile organisation	Skype for Business will provide the organisation with a modern toolset to enable greater collaboration both within the organisation and when dealing with external stakeholders	Benefit(s) being realised.	Green on track

#### **Financial Benefits**

ID	Benefit Name	Description	Baseline Benefit	Forecast Benefit	Comments	Flag
NEW	Transitioning to SIP trunks	Current primary rate	\$26,640	\$26,640	Emergent	Green-
		trunks end of life, SIP			Benefit:	On Track
		is the replacement and			\$2,220 per	
		it comes with a			month saving.	
		cheaper monthly fee				

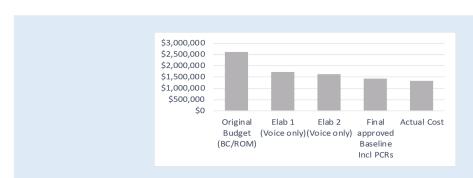
#### **Project Performance Against Budget**

The original budget (BC/ROM) estimate (\$2.618m) was based on delivering both Contact Centre Upgrade and Council Voice Upgrade, that was subsequently split into two streams.

At the time of the split; \$280K was drawn down for Council Voice Upgrade to complete Elaboration 1. Based on the guideline that Elaborations broadly represent 20% of the estimated total budget, indications suggest project budget was estimated at \$1.4M for the Council Voice Upgrade.

The first elaboration stage (Elab 1) provided a range \$1.58m to \$1.88m – the median amount is included in the table below.

At the second elaboration stage (Elab 2), the total budget was estimated at \$1.33m\$ that specifically excluded stage 4 (Disaster Recovery). For budgeting purposes, stage 4 was estimated at \$300K, suggesting a total budget of \$1.63m.



Delivery to Budget	Original Budget (BC/ROM)	Elab 1 (Voice only)	Elab 2 (Voice only)	Final approved Baseline Incl PCRs	Actual Cost	Variance 1 (Original to Actual)	Variance 2 (Elab 1 to Actual)	Variance 3 (Final Baseline to Actual)
Capital Costs	\$2,618,700	\$1,715,000	\$1,630,000	\$1,430,000	\$1,317,328	\$1,301,372	\$397,672	\$112,672
Operational Costs	\$0					\$0	\$0	\$0
Total	\$2,618,700	\$1,715,000	\$1,630,000	\$1,430,000	\$1,317,328	\$1,301,372	\$397,672	\$112,672

## **Ongoing Operational Costs**

	RoM/Business Case	Elaboration/Planning	Closure		
Software Licensing	\$564,704	\$564,704	\$450,000 - CCL		
			\$69,000* – MS licenses		
			\$61,056SparkVoiceConnect		
			\$580,056		
Hardware Fees	\$0	\$0	\$0		
Staff Costs	\$0	\$0	\$0		
Totals	\$564,704	\$564,704	\$580,056		
Explanation of Variance	* Skype for business licenses (E3) plus enterprise voice CALS. Based on 2,708 people as at May 20				
	(Est \$25 per user per annum)				
	As a result of transitioning to SI	P trunks.			

#### **Project Performance against Time**



Delivery to Milestones	Original Date (BC/ROM)	Elab 1 (Voice only)	Latest PCR Baseline (if applicable)	Actual Date	Variance 1 (Original to Actual) Days	Variance 2 (Elaboration to Actual) Days	Met? Y/N
Business Case/ROM Approved	13/07/2016			13/07/2016	0		
Project Brief Validated (IT Initiate Complete)	31/07/2016	31/07/2016	30/09/2016	8/12/2016	-130	-130	
Project Delivery Planned	14/12/2016	14/12/2016	28/02/2019	28/02/2019	-806	-806	
Project Delivery Complete	31/08/2017	31/08/2017	28/05/2019	10/07/2019	-678	-678	
Project Delivery Closed	30/11/2017	30/11/2017	28/06/2019	12/07/2019	-589	-589	
OT Milestone	14/12/2016	30/11/2017	28/05/2019	10/07/2019	-938	-587	

## **Project History**

This work was originally scoped within the Contact Centre Upgrade project, and was established as separate project in July 2016.

Stream 1 (Pilot) was completed January 2018

The <u>planning</u> of Streams 2 and 3 was completed together as scheduled (30<sup>th</sup> June 2017), with the <u>rollout</u> of Streams 2 and 3 completed in August 2018 as schedule.

In March 2019, the Steering Board approved a PCR to de-scope DR (Stream 4) and add to scope the migration of Primary Rates to SIP Trunks

The SIP Trunk Migration is scheduled to be completed by 10<sup>th</sup> July (see outstanding activities below), approximately 6 weeks later than originally planned, due to delays in Sparks internal planning process and then availability of CCC internal resources to support the migration.

#### **Project Change Request Summary**

Change Summary	Date Approved
<b>PCR 1</b> Re-baseline the current date for elaboration phase completion to 29 July - a 1 month slippage due to delays in engagement from vendor.	10/5/2017
PCR 2 Inclusion of Pilot in planning phase. Change the timeframe by:  Re-baselining the Project Delivery Planned (el aboration complete and FY17 OT Milestone) milestone FROM 14 December 2016 TO 30 June 2017 for Phase 1 (Core Civic End Users)  Re-baselining Project Delivery Complete FROM 31 August 2017 TO 15 December 2017 for Phase 1 (Core Civic End Users)  Re-baselining Project Close FROM 30 November 2017 TO 30 March 2018 for Phase 1 (Core Civic End Users)  Note: Project delivery and closure milestones will be re-confirmed at the end of el a boration phase.	16/2/2017
PCR 3 Change the scope by; Removing Skype DR and the 4th Elaboration Phase, Add to scope Migration from legacy primary rate ISDN (copper lines) to SIP trunking, which will bring Council in line with modern communication technologies and align with Sparks decommissioning of the copper lines by June 2020.	11/3/2019

## **Key Lessons**

Reference	What Went Well/To Improve	Lesson	Group
1	Went Well	Assessment of Disaster Recovery considerations and subsequent de-scoping	П
2	Improve	Capturing Lessons Learned at end of each streamor when people leave	П
3	Went Well	Floor walkers after each sprint to check-in with end users	П
4	Went Well	Training by Ripped Orange, w hich gave ability for users to book courses of interest.	П
5		Phased approach and sprint based implementation with retrospectives was a good fit for the project and allowed end users to have sufficient support	П
6	Went Well	Project team (including CCL and CCC) worked well together and solved problems	П
7	Went Well To Improve	Business Change management provided by EY Internal Change Management would have been beneficial	П
8		Benefits of Enterprise solutions like SfB have greater chance of achievement as part of programme versus single implementation project, driven by a product ow ner.	IT & Business
9	To Improve	Ensure scope of projects is confirmed and finalised as part of Planning phase.	П
10	To Improve	Don't split projects, start a new ROM	П
11	Went Well	Undertaking a retrospective after each Sprint was beneficial	П
12	Went Well	Concept of floor w alkers – scope for improvement (refer to survey results) on sound idea	П



13	Went well	Overall handover to Service Desk – scope for improvement on initial training to Service Desk.	П
14	To Improve	Post implementation training for either new starts or advancing the skill levels of existing users, necessary in preparation for future migration to Microsoft Teams	Business

# **Closure Recommendations**

The project has achieved the the project outcomes to remove the reliance on the legacy Avaya system and to implement Skype for Business to Council.



# 13. Draft submission on the Infrastructure Funding and Financing Bill

Reference / Te Tohutoro: 20/176783

Report of: Andrew Jefferies, Manager Funds and Financial Policy,

andrew.jefferies@ccc.govt.nz

General Manager: Carol Bellette, General Manager Finance & Commercial,

carol.bellette@ccc.govt.nz

# 1. Brief Summary

1.1 The purpose of this report is to provide information about the Infrastructure Funding and Finance Bill (IFF Bill) and to have the Committee approve the draft submission (attached) on the Bill.

#### Issue or Opportunity / Ngā take, Ngā Whaihua rānei

- 1.2 The IFF Bill and its explanatory note can be viewed at <a href="http://www.legislation.govt.nz/bill/government/2019/0204/latest/LMS235094.html?src=qs">http://www.legislation.govt.nz/bill/government/2019/0204/latest/LMS235094.html?src=qs</a>
- 1.3 **Problem:** Some high-growth local authorities are facing challenges in financing housing-related infrastructure and supplying serviced urban land. Councils that borrow funds from the LGFA have to keep their net debt and interest expense within certain agreed limits. Once councils approach these limits it can be difficult to borrow further funds, even for projects that have a strong business case. Councils can also be reluctant to borrow due to concerns about the implications for their credit rating, or because the borrowing would increase rates to existing ratepayers.
- 1.4 **The SPV model:** The IFF Bill will establish a new funding and financing model with the purpose of supporting the provision of infrastructure for housing and urban development. The Bill enables special purpose vehicles (SPVs), which are companies, limited partnerships, Crown entities, or other persons (not Councils) to:
  - 1.4.1 be responsible for both financing and construction of the infrastructure assets.
  - 1.4.2 service the finance raised to cover the costs of the infrastructure via a levy.
- 1.5 Once constructed, the infrastructure will vest in the relevant local authority or other public body (such as NZTA). The Bill includes a range of disclosure and reporting obligations with which the SPV must comply.
- 1.6 **SPV funded by levy:** A levy order will identify which ratepayers pay the levy (the focus is on identifying a levy area within which the beneficiaries of the infrastructure are located), how much is to be paid, and the period over which the levy will be collected. The levy will be collected by the territorial authority that becomes the responsible levy authority for the infrastructure. A process is specified for the territorial authority and the SPV to negotiate a levy administration agreement which would allow the territorial authority to recover its costs.
- 1.7 **Complements existing regulatory regimes:** Under the Bill, the new model will work with complementary regulatory regimes, such as district planning, and resource and building consenting processes. It does not override or interfere with any of those regulatory regimes.



- 1.8 **Roles:** The Bill provides for the following roles:
  - 1.8.1 **Proposer:** Any person may propose that a levy be used to fund an eligible infrastructure project. A proposer must give the proposal to the recommender.
  - 1.8.2 **Recommender:** The recommender will be a government agency (e.g. Crown Infrastructure Partners) appointed by Order in Council. Its role will be to provide independent advice to the Minister for Urban Development on a levy proposal and whether to recommend the use of a levy. The recommender is intended to safeguard the interests of levy payers.
  - 1.8.3 **Monitor:** The monitor will be a central government agency (such as the Treasury, or the Ministry of Housing and Urban Development). Its role will be to ensure that SPVs comply with the terms of the empowering Act and levy orders. The Bill intends for the monitor to be a safeguard for the Crown and levy payers once a levy order has been made.
- 1.9 The monitor has a number of roles, including considering and determining any objection by a person subject to the levy as to the accuracy of the levy assessed to that person.
- 1.10 **Endorsement mechanism:** The Bill will also provide for a local authority ("responsible infrastructure authority") endorsement mechanism to safeguard the legitimate interests of the local authority in which the assets will vest. A proposal cannot proceed without an asset endorsement and a levy endorsement from the local authority.
  - 1.10.1 **Asset endorsement:** The local authority can give an asset endorsement if it is satisfied that the assets will be compatible with the wider infrastructure network and that the local authority will be able to plan for and meet the necessary operational and maintenance costs of the infrastructure after it is transferred to the authority.
  - 1.10.2 **Levy endorsement**: The local authority may endorse its ability to collect rates during the proposed levy period if satisfied that that ability will not be demonstrably compromised by the proposed levy.
- 1.11 The closing date for written submissions on the IFF Bill is 5 March 2020.
- 1.12 **SOLGM submission:** Council's draft submission endorses the SOLGM submission.

#### **Key Submission Points**

1.13 At the time of preparing this paper (12 February), the process of staff consultation on the draft submission is still ongoing. Consequently we have not outlined the key submission points in this paper. We refer you to the attached draft submission.

## Decision Making Authority / Te Mana Whakatau

1.14 **Within Committee's terms of reference:** The IFF Bill concerns an additional funding tool that can be accessed to provide infrastructure the Council would otherwise provide, via a special purpose vehicle, and, if approved, requires Council to collect the levy. The general themes of the Bill are therefore considered to fall within the Committee's terms of reference. The Committee was given a delegation from Council to approve submissions on 23 January 2020.

# **Strategic Alignment**

1.15 This report aligns with the objective in the <u>Council's Long Term Plan (2018 - 2028)</u> to provide Strategic Policy advice.

Christchurch City Council



That the Finance and Performance Committee:

1. Approves the draft Council submission on the Infrastructure Funding and Financing Bill.

# Attachments / Ngā Tāpirihanga

I	No.	Title	Page
1	<b>₹</b>	Draft Submission Infrastructure Funding and Financing Bill	124

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



5 March 2020

Committee Secretariat Transport and Infrastructure Committee Parliament Buildings Wellington

ti@parliament.govt.nz

#### Christchurch City Council submission on the Infrastructure Funding and Financing Bill

#### Introduction

- 1. Christchurch City Council (the Council) thanks the Transport and Infrastructure Select Committee for the opportunity to provide comment on the Infrastructure Funding and Financing Bill (Bill).
- 2. In the 10 year period 2018-2028 Christchurch City will need an additional 17,400 dwellings. However, we expect a substantial focus of that development to be in the central city where infrastructure largely already exists.
- 3. The Council is obliged by its LGFA covenants to keep its net debt below 250% of total revenue. Given the cost of the post-earthquake rebuild, we expect this ratio to peak around 220% to 230% by 2024. There is some potential for this ratio to constrain development of the infrastructure needed to support growth development in Christchurch.
- 4. We understand that the Treasury and the Department of Internal Affairs have worked closely with high growth councils (Auckland Council, Hamilton City Council, Queenstown Lakes District Council and Tauranga City Council) when developing the policy embodied in the Bill. We expect that the SPV model will be used in one or more of those areas in the near future, providing Christchurch with an opportunity to see how the model works in practice. We will be watching developments closely. While there are no obvious and imminent candidate developments for the SPV model in Christchurch, we will learn from the experience of others and opportunities may well arise for the model in our district.
- 5. Some councils have expressed support for the Bill and believe it offers a funding mechanism that will better enable them to provide infrastructure to service growth development. It is acknowledged that the Bill could provide the opportunity for large-scale growth development to be contemplated in districts which otherwise could not afford to.
- 6. For this reason the Council supports the broad intent behind the Bill while suggesting some areas for improvement to address significant concerns, particularly around the potential loss of Council control over infrastructure.

<sup>&</sup>lt;sup>1</sup> Refer to Our Space 2018–2048 Greater Christchurch Settlement Pattern Update, available at https://greaterchristchurch.org.nz/background/our-space.



7. We have had the benefit of reading a draft submission prepared by the Society of Local Government Managers (SOLGM). We support that submission and make the following additional points below.

#### Protecting Council's planning role and its interests as ongoing owner of the infrastructure

# Bill transfers infrastructure planning role to the SPV when the necessary planning skills lie within local government

- 8. The Bill is concerned with the funding and financing of infrastructure. However, in fixing the funding and finance problem, the Bill almost incidentally gives the SPV responsibility for planning the location and design (e.g. sizing) of infrastructure. Local authority influence over the SPV's infrastructure planning is weak.
- 9. Infrastructure planning is a skill set residing within local government. The Council will normally take into account a wide range of matters when planning infrastructure, including the expected location and timing of future development, the desirability of reducing carbon emissions, and the need to ensure infrastructure is resilient in the face of potential natural disasters and climate change. When local government leads infrastructure development it takes into account the wider interest of the district. Elected decision-makers are democratically accountable.
- 10. Ideally the SPV would be working closely with the local authority on infrastructure planning, but the Bill does not provide a mechanism to ensure planning is done well (apart from the asset endorsement which focuses on whether the infrastructure is "compatible with any wider infrastructure"). Resource consent processes may provide some further ability to influence planning, but this is a long way from the direct control that Council normally has.
- 11. Loss of planning control can be costly for local government. For example, we consider some large community facilities planned in Christchurch without strong Council involvement are over-sized. These facilities will eventually be transferred into Council ownership. This leaves ratepayers funding unnecessarily high operation and maintenance costs.

#### Risk that the proposed development or proposed infrastructure is not a good strategic fit

12. Council appreciates that the Bill does not interfere with existing district plan, resource consent and building consent processes. However, we have considered the case where a proposal is made, and endorsements requested, relating to infrastructure that is clearly not aligned with Council's Urban Development Strategy. The Bill as it stands would make it difficult for Council to consider, when deciding whether to give asset and levy endorsements, whether the proposed development and proposed infrastructure are aligned with that strategy and are "good for the city". We suggest that a proposal should be able to be recommended to government only where the Council considers it is aligned with relevant Council strategies.

#### Unnecessary costs can arise from poorly designed or built infrastructure

13. In Christchurch's post-earthquake environment, we have acquired a lot of experience working with other agencies to build infrastructure. Often other agencies have taken the lead in constructing infrastructure which is then transferred to Council to own and manage. Our experience seems very applicable to the design of the SPV model.



- 14. Sometimes assets transferred to Council have had health and safety issues. Council is obliged to fix those problems at our own expense. Sometimes assets are simply not up to our specification, which can make operation and maintenance more expensive than it ought to be.
- 15. Some examples are:
  - An intersection was built that did not comply with NZTA standards. Council has to manage or redesign it.
  - Green surfacing on a street was laid too early (without following Council's best practice advice) causing a major defect in the carriageway surface.
  - Rain gardens (to manage stormwater runoff from hard surfaces) were not built to design. They were built with a step down, creating health and safety issues for the public.
  - Poorly designed parking signage meant that Council could not enforce parking restrictions. Signage had to be replaced.
  - A road was constructed and handed over, but no kerb core tests were performed as
    required by Council's Construction Standard Specifications (CSS). Council bears the risk of
    poor construction quality giving rise to higher maintenance costs over time.
  - Safety audits not signed off correctly.
  - Asset data not provided in a useful format.
- 16. Where multiple agencies are involved in the design and delivery of infrastructure, ratepayers and levy payers deserve to know that those agencies will be well co-ordinated. At present the Bill provides insufficient say for the Council in the design, quality assurance and handover of the assets. Over the long run, this will cost ratepayers and levy payers more.

#### The case where Council wants to build the infrastructure

17. The Bill has been developed in a context where it is assumed the Council would like the infrastructure to progress but cannot afford to borrowfunds to build it. If the Council *does* want to construct and fund the infrastructure in the usual way, we are concerned that the Bill could be used by a developer to force the SPV model on the Council.

#### Preferred solution: Council veto

- 18. The Council's preferred solution to address the issues described above is to introduce an unrestricted Council veto power. The SPV model should be an additional tool used in partnership with the council, rather than something forced on an unwilling council. This is consistent with the purpose of the Bill.
- 19. One way of incorporating an effective veto power into the Bill is to provide that a levy cannot be made without agreement from the responsible infrastructure authority and the responsible levy authority. Those agreements should not be limited in scope (as the endorsements are at present). We envisage a council would want to agree with the proposer about a range of matters such as (but not limited to) community consultation and engagement processes, asset planning, asset design (including technical specifications), quality assurance processes, handover processes and levy design. A council would typically want to ensure that SPV follows



the same strategies, plans, standards and processes that the council itself would follow if it were building the infrastructure. The agreement process allows for discussions and negotiations rather than being a "yes or no" response to a formal endorsement request.

#### Endorsements must be requested

20. Sub-clause 25(1)(a) of the Bill provides that a proposal cannot proceed unless the recommender has received "all endorsements requested". However, the Bill never seems to require the endorsements to be requested in the first place. This leaves open the theoretical possibility that a recommendation could proceed without Council endorsements. We think that could not have been intended. We submit that the Bill be amended to more clearly require that a proposal cannot proceed without all endorsements.

#### Interaction with development contributions

#### Consistency with the Council's overall cost allocation framework

- 21. In Christchurch, development contributions are currently calculated mostly on a district-wide catchment basis. This means that all development, no matter where it occurs, pays a share of the whole city's growth-related projects within the Council's capital programme. The Development Contributions Policy is currently being reviewed and smaller catchments for some services are being considered. However, practical considerations may often mean that there is some "pooling" of costs. The development contributions paid in respect of a particular property cover a share of the pooled costs. They may include a contribution to some projects from which the specific property does not benefit (although the property will benefit from the wider activity to which those projects relate).
- 22. In addition, a council's revenue and financing policy could provide that general rates are used to fund some growth infrastructure, which is also an example of "pooling".
- 23. In contrast, the design of the levy focuses on where the expected benefits lie (sub-clauses 27(4)(b) and (c)). This might not be consistent with a territorial authority's overall cost allocation framework (revenue and financing policy and development contributions policy). This could create some unfairness or inconsistency. For example, residents of a development to which the proposed funding model applies may pay a share of growth -related infrastructure in the rest of the district (or catchment), but the rest of the district (or catchment) might not be contributing similarly to the cost of the infrastructure required by the development (because the levy is being used to fund thosecosts).
- 24. The focus on expected benefits (sub-clauses 27(4)(b) and (c)) is broadly consistent with one of the development contributions principles set out in the Local Government Act 2002 (LG Act): that is, to section 197AB(c) of the LG Act which focuses on benefits (and causation). Ho wever, there are other principles considered in that section. Subsection 197AB(g)(i) recognises the "practical and administrative efficiencies" as well as "fairness and equity" are important.
- 25. The Council is concerned to ensure that the existing development contributions policy and other elements of cost allocation across ratepayers (e.g. revenue and financing policy) can be taken into account when the levy is designed. The levy design should not focus exclusively on the expected benefits. It should also take into account practical and administrative efficiencies, and fairness and equity, so the levy can be designed to fit well with the Council's existing cost allocation framework.



#### Infrastructure provided as a condition of consent

26. Sometimes a developer is obliged to provide infrastructure as a condition of their resource consent. It is not clear in the Bill how the funding model would apply in those circumstances. It appears a SPV can levy to recover the cost of infrastructure provided both within and outside the development footprint, even if the infrastructure is required as a condition of consent. It also appears as though a SPV can fund its development contributions through provision of infrastructure outside the development footprint in lieu of cash. If these situations are contemplated it would help if the Bill was clear on this.

#### Previous development contributions

27. Council allocates revenue from development contributions to particular growth -related infrastructure projects contained in its capital programme. It is possible that the capital programme may contain a project that is similar to *but not the same as* the infrastructure proposed by the recommender. We have some concern that clauses 91 to 95 of the Bill might not sufficiently recognise this potential issue. As an illustration, the Council's Long Term Plan may include a 600mm pipe, and some received development contribution amounts may relate to that asset. However, the SPV may be levying to recover the costs of a 200mm pipe. It is not clear how much of the development contributions already collected should be transferred to the SPV under clauses 91 to 95 of the Bill.

#### Eligible infrastructure

28. Eligible infrastructure includes newor upgraded community facilities (refer section 8(2)(c)). The definition of community facilities in section 8(3) refers to the definition in section 197(2) of the LG Act. We note that the Urban Development Bill has a different (wider?) definition of the same term in section 9 of that Bill. We are not sure whether there is a reason behind having two different definitions of the same term.

## Conclusion

- 29. Thank you for the opportunity to provide this submission.
- 30. For any clarification on points within this submission please contact Andrew Jefferies, Manager Funds and Financial Policy, at andrew.jefferies@ccc.govt.nz

Yours faithfully

Lianne Dalziel Mayor of Christchurch



# 14. Loan Application Canterbury Cricket Trust

Reference / Te Tohutoro: 20/210449

Report of / Te Pou John Filsell, Head of Community Support, Governance &

Matua: Partnerships, john.filsell@ccc.govt.nz

**General Manager** / Carol Bellette, General Manager Finance & Commercial,

**Pouwhakarae:** carol.bellette@ccc.govt.nz

# 1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to provide relevant information and a recommendation to the Finance and Performance Committee on a loan application from the Canterbury Cricket Trust. The loan is for the purpose of providing floodlights at the Hagley Oval in time to host a leading role in the Women's Cricket World Cup 2021. This report has been written following the receipt of a loan application from the Trust.
- 1.2 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering that:
  - 1.2.1 The granting of loans to community-based organisations is existing Council policy with a number of prior examples including but not limited to The Piano and The Isaac Theatre Royal.
  - 1.2.2 The provision of floodlights at Hagley Oval has had extensive public consultation from September to December 2019.
  - 1.2.3 Any loan would be secured against the built assets of the Canterbury Cricket Trust (Trust) and incur no additional cost to Council, all Council's costs of borrowing would be repaid.
  - 1.2.4 It is established Council policy to work collaboratively with a range of community and commercial partners to host major events in Christchurch.
- 1.3 Christchurch has been awarded a leading role in hosting the Women's Cricket World Cup in 2021 (World Cup) including the final. This is subject to the provision of floodlights at Hagley Oval. Council granted a ground lease for the floodlights on 19 December 2019. The Associate Minister for Greater Christchurch enabled requisite changes to the District Plan on 23 December 2019 to allow for floodlights. As a result, the Trust have activated a business plan to design, construct and operate floodlights. In order to host a leading role in the World Cup the Trust must confirm the provision of floodlights in time to host the event.
- 1.4 To meet deadlines the Trust have begun engineering, foundation and lighting design in order to prepare for building consent application. In order to confirm the provision of floodlights in time to host the event the Trust must secure the requisite finance to order the lights and award the build contract. The total project value is approximately \$4,250,000. As of 5 February 2020 the Trust have raised approximately \$1,250,000. There is a \$3,000,000 shortfall. To partially bridge the shortfall the Trust have applied for a loan from Council of \$1,500,000.
- 1.5 The Trust request an interest-free Council loan of \$1,500,000 over four years with repayment of the principle at the conclusion of the loan (or earlier is possible). This report will recommend the Finance and Performance Committee (Committee) grant a loan on behalf of Council under certain conditions, including interest being paid.



# 2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Grants a Council loan of up to \$1,500,000 for up to four years, to the Canterbury Cricket Trust, for the installation of floodlights at the Hagley Oval, in order to secure Christchurch a leading role in the 2021 Women's Cricket World Cup, including the following terms:
  - a. Loan repayments include the principle of the loan as well as interest at a rate of Council's cost of borrowing plus 20 basis points.
  - b. The interest will be repaid at regular intervals during the term of the loan.
  - c. The principle will be repaid at the end of the term of the loan, a maximum of four years, or earlier if possible.
- 2. Resolves that the loan is conditional upon:
  - a. The loan being secured or guaranteed, on terms and conditions acceptable to the Council, so that the loan will be repaid on, or before, the term of the loan expires.
  - b. The Canterbury Cricket Trust demonstrating that it has already secured a minimum of \$1,000,000 towards the cost of installing floodlights at the Hagley Oval.
  - c. Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup.
- 3. Delegates authority to the Head of Community Support, Governance & Partnerships to make the necessary arrangements to implement this resolution noting that all loan documentation will be reviewed by Council's Financial Management and Legal Services Units to ensure the terms and conditions are acceptable to Council.

# 3. Reason for Report Recommendations / Ngā Take mō te Whakatau

- 3.1 The recommendations will support a community and commercial partnership that will enable Christchurch to host a leading role in the World Cup at no overall additional cost to the Council.
- 3.2 The main disadvantages of the recommendation involve:
  - 3.2.1 Unplanned borrowing by the Council.
  - 3.2.2 The risk of adverse public reaction amongst the community who do not support Council working with others to secure major events and/or host international cricket on Hagley.
- 3.3 Decision-making criteria leading to the recommendation are summarised below:
  - 3.3.1 Timing the short timeframe available to commit to floodlighting in order to host the World Cup.
  - 3.3.2 The cost to Council a solution that requires no additional cost to Council.
  - 3.3.3 Partners playing to their strengths Council have the ability to access loans on favourable terms; the Trust is best placed to fundraise.
  - 3.3.4 The range of options available care is taken to select the appropriate financial vehicle, if any.
  - 3.3.5 Community support a solution that allows an international event to be hosted in Christchurch but at no additional cost to the ratepayer.
  - 3.3.6 Minimising risk a solution that protects the Council and does not set up a community partner to take unnecessary risk.



# 4. Alternative Options Considered / Etahi atu Kowhiringa

- 4.1 **Not to grant a loan.** The advantage being that Council could limit its assistance to supporting the World Cup to other areas. The disadvantage being that without a loan or similar instrument the Trust could not commit to the provision of floodlights in time to host the event.
- 4.2 **A capital grant.** The advantage being that the Council can borrow to fund the Grant, as it is providing a long-term fixed asset to the community. The disadvantages being;
  - 4.2.1 that Council will have to repay the loan funding the Grant, and
  - 4.2.2 that the Trust, being a community partner of Council's, are in a position to fundraise for the floodlights and are very willing to do this.
- 4.3 **A Council-Community Loan.** The advantage being that the council-community loan scheme is already established with \$1,804,904 available to drawdown. The disadvantages being;
  - 4.3.1 that the loan applied for is significantly larger than other loans considered from this pool;
  - 4.3.2 the council-community loan scheme incurs an interest rate of 4.5% per annum, Council's cost to borrow is considerably less, approximately 1.9% (fixed) and 2.25% (floating); and
  - 4.3.3 that it would reduce the pool to a maximum of \$300,000 potentially limiting the ability of other worthwhile causes to apply.
- 4.4 **A Council underwrite for the Trust to secure a commercial (or other) loan.** The advantage being that the Trust will make all its loan arrangements independent of Council except for an underwrite. The disadvantages being;
  - 4.4.1 The Council would assume risk through the underwrite,
  - 4.4.2 that the Trust may have difficulty offering security for a loan as its fixed assets are on Council land, and
  - 4.4.3 a commercial loan would incur interest rates well in excess of Council's cost of borrowing thus increasing the overall cost of the project to the community of Christchurch.
- 4.5 **An interest free Council loan.** The advantage being that this will be more affordable to the Trust and the community supporting the Trust. It also reflects the wider community good derived from the provision of lights. The disadvantage being that the ratepayer would be liable for the interest costs as unplanned expenditure.



# 5. Detail / Te Whakamahuki

- 5.1 Christchurch has been awarded a leading role in hosting the World Cup subject to the provision of floodlighting at Hagley Oval. Christchurch NZ advise that the tournament offers Christchurch significant economic, community and reputational benefits, namely an estimated:
  - 5.1.1 \$3,000,000 in visitor spend (\$5,000,000 event spend) in Christchurch.
  - 5.1.2 15,000 visitor nights in Christchurch.
  - 5.1.3 A global audience reach of at least 180,000,000 into 189 different markets, seven times larger than the 2019 men's Rugby World Cup.
  - 5.1.4 Eight matches, including the final.
- 5.2 Council granted a ground lease for the floodlights on 19 December 2019. The Associate Minister for Greater Christchurch Regeneration enabled requisite changes to the District Plan under the S71 of the Greater Christchurch Regeneration Act on 23 December 2019. As a result, the Trust have activated a business plan to construct and operate floodlights. In order to host a lead role in the World Cup the Trust must confirm the provision of floodlights in time to host the event.
- 5.3 To meet deadlines the Trust have begun engineering, foundation and lighting design in order to prepare for building consent application. The Trust must secure the requisite finance in order to order the lights and award the build contract. The total project value is approximately \$4,250,000. As of 5 February 2020 the Trust have raised approximately \$1,250,000. There is a \$3,000,000 shortfall. To bridge the shortfall the Trust have applied for grants totalling \$1,000,000, a loan of \$500,000 from a philanthropic foundation and a loan from Council for \$1,500,000.
- 5.4 The Trust are a charitable trust that formed in 2007 with a proven track record fundraising. In 2014, the Trust raised \$10,500,000 to establish a cricket pavilion in time for Men's Cricket World Cup 2015. Since that time, the Trust has raised a further \$1,650,000, which enabled it to purchase the Horticultural Hall, adjacent to the Pavilion in Hagley Oval in order to establish an indoor community cricket facility. The Trust have also contributed to numerous cricket initiatives at a grass-roots level. The repayment of both loans will be through fundraising and other initiatives.
- 5.5 The Trust request an interest-free Council loan of \$1,500,000 over four years with repayment of the principle at the conclusion of the loan or earlier is possible. Staff have scrutinised a cash-flow projection and other material submitted by the Trust. As a result, staff believe the Trust will be in a position to repay the loan if the Committee impose certain conditions. One of these conditions will be discussed in the public excluded session of the meeting, as it is commercially sensitive.
- 5.6 The decision affects the wider city of Christchurch and Banks Peninsula due to the international nature of the World Cup.



# 6. Policy Framework Implications / Ngā Hīraunga ā- Kaupapa here

## Strategic Alignment /Te Rautaki Tīaroaro

- 6.1 The recommendations of this report align with Council's Community Outcomes namely:
  - 6.1.1 Celebration of our identity through arts, culture, heritage, sport and recreation through the end goal of hosting the World Cup.
  - 6.1.2 Vibrant and thriving city centre through hosting a leading role in a World Cup.
- 6.2 The recommendations of this report align with Council's Strategic Priorities namely:
  - 6.2.1 Accelerating the momentum the city needs through hosting a programme of major international events in the city centre.
  - 6.2.2 Ensuring rates are affordable and sustainable there will be no additional cost to the Council as all Council's costs of borrowing will be covered by the loan repayments, secured by fixed assets.
- 6.3 This report supports the Council's Long Term Plan (2018 2028):
  - 6.3.1 Activity: Recreation, Sport, Community Arts & Events
    - Level of Service: 7.0.1.3 Provide citizens access to fit-for-purpose recreation and sporting facilities. 5 stadia are available for use 364 days p.a.

## Policy Consistency / Te Whai Kaupapa here

6.4 The granting of loans to community-based organisations is Council policy with a number of prior examples including but not limited to The Piano and Isaac Theatre Royal. It is also established Council policy to work collaboratively with a range of community and commercial partners to host major events in Christchurch.

## Impact on Mana Whenua / Ngā Whai Take Mana Whenua

6.5 The decision 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 Mana Whenua, their culture and traditions.

## Climate Change Impact Considerations / Ngā Whai Whakaaro mā te Āhuarangi

6.6 The lighting design provides for energy efficient, long-life LED lighting. This uses less energy, requires less supporting infrastructure (smaller transformers), less frequent servicing and significantly less damage to Hagley Park than traditional retractable lighting.

# Accessibility Considerations / Ngā Whai Whakaaro mā te Hunga Hauā

6.7 Installation of floodlighting will allow a greater range of community activities and events at all levels to be hosted locally in Christchurch in the evening, times of low ambient light and at night. This will result in greater accessibility for all as many community members have daytime commitments and limited capacity to travel to other metropolitan centres.

# 7. Resource Implications / Ngā Hīraunga Rauemi

#### Capex/Opex / Ngā Utu Whakahaere

7.1 Cost to Implement – The Council will incur approximately \$1,000 in processing and legal costs from the draw down from the New Zealand Local Government Funding Authority. The Council will then advance the funds to the Trust pursuant to a separate loan agreement; the implementation cost of this loan will be paid by the borrower.

# Finance and Performance Committee 05 March 2020



- 7.2 Maintenance/Ongoing costs The Council will incur ongoing borrowing costs but under the on-lending agreement, these will be covered by the borrower.
- 7.3 Funding Source Council will borrow from the New Zealand Local Government Funding Authority. Subject to the form of the borrowing instrument (fixed or floating), the borrower will be charged interest during the loan period with the addition of 20 basis points.

## Other / He mea anō

- 7.4 Council staff have been provided cash flows and associated commentary to support the loan application.
- 7.5 The Canterbury Cricket Trust has been actively fundraising during the application process and has pledges of \$1.25 million. This amount is not recognised in the financial statements of the Trust, as they are categorised as pledges.
  - 7.5.1 Accordingly staff recommend that the trust demonstrate that they have secured at least \$1,000,000 as a condition to offering a loan.
- 7.6 The Trust is actively seeking grants and loans from other philanthropic sources. The Trust has a proven track record of success in this area. The Trust has reported significant income over the past three years. This is somewhat over inflated through the recognition of the loan from the Canterbury Earthquake Appeal Trust being forgiven.
- 7.7 The Trust originally requested a loan of \$1.5 million from Council's Community Loans Fund to fund a third of the lights for Hagley Oval. This would have placed significant restraints on the fund going forward, limiting access to other community organisations. Staff have considered options where a reduced amount is funded by Community Loan Fund and the balance by way of a general loan from Council.
  - 7.7.1 Accordingly, staff recommend that the Council fund the Trust directly rather than through the Community Loans Fund, similar to the Piano and Isaac Theatre Royal.
- 7.8 The ability to repay the loan was assessed against the Trust's current and projected financial position. At face value, the robustness of the future financial projections and assumptions on donations would support the recommendation to provide the loan. However, whilst the Trust's financial position is reasonable, it is contingent upon its ability to fundraise through donations or other vehicles. Consequently, Councillors will need to consider the risk that should the Trust not meet its obligation per the loan agreement then part or all of the loan may need to be forgiven in the future. This could potentially result in a write down of the loan balance through a grant. Additional information covering resource implications is presented in Attachment A which remains confidential.
  - 7.8.1 Accordingly, to mitigate the risk identified above, staff recommend that the loan is secured or guaranteed, on terms and conditions acceptable to the Council, so that the loan will be repaid on, or before, the term of the loan expires.
- 7.9 The loan should take the form of a 4 year loan at an interest equal to Council cost of funds (for the draw down from LGFA) plus 20 basis points with interest instalments and the principal due end of the term. However, the Trust would be asked commit to repaying the loan earlier if possible.
- 7.10 The provision of a loan will come at no cost to rates.



# 8. Legal Implications / Ngā Hīraunga ā-Ture

# Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa

8.1 The statutory power to undertake the proposal derives from Council's Status and Powers in S12 (2) of the LGA 2002. More specifically Council's Treasury Risk Management Policy detailed in volume three, page forty-one of the 2018/2028 LTP under the section Loan Advances.

#### Other Legal Implications / Etahi atu Hīraunga-ā-Ture

- 8.1 Legal implications will arise when drafting and executing loan and other documentation. The Council's Legal Services and Financial Management Units will review all documentation prior to execution.
- 8.2 This report has been discussed with the Legal Services Unit.

# 9. Risk Management Implications / Ngā Hīraunga Tūraru

- 9.1 There is a risk that the Trust will not be able to provide confirmation that floodlights will be installed in time for the World Cup.
  - 9.1.1 This risk is mitigated by the Committee making a decision, one way or another, on 5 March 2020. Providing certainty to the Trust and other stakeholders.
- 9.2 There is a risk that the two elements of the decision making process that the Committee are being asked to consider in the public excluded session will represent a lack of transparency.
  - 9.2.1 This risk is mitigated by the fact that the Committee will consider the majority of the material in public and the grounds for keeping two elements in public excluded comply with LGOIMA requirements.
- 9.3 There is a risk that the community may not support the Council enabling the provision of floodlights in time to host a leading role in the world Cup.
  - 9.3.1 This risk is mitigated by:
    - Communications clearly demonstrating that the Trust are covering all loan costs and there is no additional nett cost to the Council.
    - The fact that there was extensive public consultation and feedback to grant the ground lease at Hagley Oval. The majority were in support of the provision of floodlights and the hosting of the World Cup as a driver for doing this.
- 9.4 There is a risk that in a "congested market" the Trust will not raise sufficient third party funding to repay the proposed loan.
  - 9.4.1 This risk is mitigated by the requirement on the Trust for a guarantee acceptable to the Council.

# Finance and Performance Committee 05 March 2020

# Attachments / Ngā Tāpirihanga

No.	Title	Page
Α	Loan Application Supporting Document (Under Separate Cover) - CONFIDENTIAL	

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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 / Ngā Kaiwaitohu

Author	John Filsell - Head of Community Support, Governance and Partnerships
Approved By	Michael Down - Finance Business Partner
	Carol Bellette - General Manager Finance and Commercial (CFO)



# 15. Dyer Pass Road and Evans Pass Road Guardrails and Safety Improvements, Scope and Funding Options

Reference / Te Tohutoro: 20/119938

**Report of:** Peter Bawden, Senior Project Manager, peter.bawden@ccc.govt.nz **General Manager:** David Adamson, GM City Services, david.adamson@ccc.govt.nz

# 1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 This report is staff generated following a change in the NZTA funding rate for two guardrail installation projects.
- 1.2 NZTA advised staff in January 2020 that they had accepted the Dyers Pass Road safety improvement project into the Safer Networks Programme at an increased funding rate from 51% to 75.5% and is evaluating Evans Pass Road safety improvements for acceptance on the basis that both programmes of work can be delivered by June 30 2021.
- 1.3 Works undertaken under the NZTA Safer Networks Programme are to be complete by 30 June 2021. Increasing the budget on both projects will allow maximising scope of these safety works while minimising cost to Council. Increasing the budget for both projects to \$20,550,000 and assuming a subsidy rate of 75.5%, will have an overall cost to Council of \$1,026,250 with a rates impact of 0.01% in 2021/22.
- 1.4 If Council approves the proposal, The NZ Transport Agency funding to Council will increase by approximately \$14,511,982.
- 1.5 For Dyers Pass Road the proposed budget would increase new guardrail installation scope from approximately 1km at two to three sites to 3km of new guardrail across thirteen sites.
- 1.6 At Evans Pass Road, the proposed budget would fund approximately 1km of continuous guardrail, rebuild of supporting retaining walls and road widening covering high-risk sites. Guardrail installation along this road is costly due to the number of retaining wall rebuilds required and road widening needed to achieve minimum widths. Currently budget allows for a few hundred metres of guardrail at one site, where the retaining walls are lower and less expensive to rebuild.
- 1.7 The decisions in this report are of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance reflects the high level of use and importance of the road to; commuters, commercial over dimension and dangerous good freight vehicles and recreational users.



# 2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Approves the following changes are considered as part of the 2021 Annual Plan approval:
  - a. Increase project budget for (ID# 17208) Safety Improvements: Guardrails Dyers Pass Route to \$5,800,000 for FY20/21.
  - b. Increase project budget for (ID# 17211) Pedestrian/Cycle Safety Improvements Dyers Pass Route to \$1,450,000 for FY20/21.
  - c. Increase project budget for (ID# 55894) Evans Pass Road and Reserve Terrace Remedial Works to \$13,300,000 for FY20/21, subject to confirmation of 75.5% subsidy rate.
  - d. To increase the NZTA subsidy budget to reflect the increased subsidy rate.
  - e. To increase the Council proportion to this project by \$767,687 for Dyers Pass Road, with a rates impact of 0.008%, and \$258,000 for Evans Pass Road and Reserve Terrace, with a rates impact of 0.0027%.
- 2. Approves staff to continue working on the projects until the FY 20/21 Annual Plan is approved and approve staff to procure physical work within the amounts noted in resolution 1. Noting, that the physical works scope will be reduced should the increased budgets not be approved as part of the FY20/21 Annual Plan.

# 3. Reason for Report Recommendations

- 3.1 The purpose of this report is to provide Council with the opportunity to maximise NZTA subsidy benefits, while also achieving substantial road safety benefits to the road network.
- 3.2 The inclusion of the Dyers Pass Road and potentially Evans Pass Road Guardrail projects in the NZTA Safer Networks Programme will allow Council to deliver a significantly increased scope of works while incurring minimal impact on rates.
- 3.3 The current budgets and subsidy assumptions for the projects are listed below:

		Current Budget (Approx. 20% NZTA Funding)		
		Annual Plan NZTA	Current CCC Cost Share	Current Budget
		Funding %		
		NZTA Funding		
Project Name	Project #	Assumed in AP		
Safety Improvements: Guardrails - Dyers Pass route	17208	51%	\$767,068	\$ 1,565,445
Pedestrian/Cycle Safety Improvements - Dyers Pass route	17211	46%	\$241,495	\$ 446,386
Evans Pass Road and Reserve Terrace Remedial Works	55894	0%	\$3,000,000	\$ 3,000,000
	Totals		\$ 4,008,563	\$ 5,011,831



3.4 The proposed budgets to achieve the increased scope are listed below:

		Proposed Budget (75.5% NZTA Funding)		
		NZTA Approved Funding %	Proposed CCC Cost Share	Proposed Budget
Project Name	Project#	(Evans Pass Rd subject to approval)		
Safety Improvements: Guardrails - Dyers Pass route	17208	75.5%	\$1,421,000	5,800,000
Pedestrian/Cycle Safety Improvements - Dyers Pass route	17211	75.5%	\$355,250	1,450,000
Evans Pass Road and Reserve Terrace Remedial Works	55894	(75.5%)	\$3,258,500	13,300,000
	Totals		\$ 5,034,750	20,550,000

- 3.5 Given the current assumptions for NZTA subsidy, completion of the additional work would result in an additional cost to Council of:
  - 3.5.1 \$767,687 for Dyers Pass Road, with a rates impact of 0.008%, and
  - 3.5.2 \$258,000 for Evans Pass Road and Reserve Terrace, with a rates impact of 0.0027%.
- 3.6 All works completed under the NZTA Safer Networks Programme needs to be completed by 30 June 2021, and therefore any decisions on funding will need to be made as soon as possible to enable the deadline to be met.
- 3.7 There has been a strong public interest in the issue of safety rails on the port hills road and while these projects would not address all issues they will deal with a number of significant issues on the most heavily used routes.

## 4. Alternative Options Considered

- 4.1 The option of maintaining the current budgets and receiving and increased revenue has been considered. Future delivery of further sections of guardrail would effectively cost Council twice as much to install when the subsidy rate returns to the current rate.
- 4.2 The option of increasing the scope of the project to a maximum while maintaining a zero impact on rates has been considered. The increased funding rate from NZTA would allow additional scope to be delivered with a zero impact on rates. To allow this increase in scope (with zero rates impact due to increased NZTA funding) the project budgets would need to be increased to \$4,116,583 for the Dyers Pass Road projects and for the Evans Pass Road and Reserve Terrace Remedial Works project the budget would need to be increased to \$12,244,898. Hence the length of safety improvements that would be able to be achieved would be less.

#### 5. Detail

- 5.1 Funding was allocated to Dyers Pass Road projects #17208 and #17211 in the 2018-2028 LTP for the installation of guardrails and associated cycle safety improvements on Dyers Pass Road, the current budgets for these projects total \$2.012M.
- 5.2 As part of the Sumner Road works a project was set up for guardrails and associated works on Evans Pass Road and Reserve Terrace (above adjacent to the Sumner Rd intersection) with a budget of \$3M. This work requires the renewal of retaining walls that are close to failure and not expected to survive loads imposed by guardrails and the ongoing use of the road by heavy vehicles once Sumner Road opened.

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- 5.3 The funding rate from NZTA for Dyers Pass Road has been 51%, and for Evans Pass Road the subsidy rate has yet to be confirmed. Current assumptions are that Council will not receive any subsidy for this project.
- 5.4 NZTA advised staff in late January 2020 that they had accepted the Dyers Pass Road Safety Improvement project into the Safer Networks Programme at an increased funding rate from 51% to 75.5%, and that they are evaluating Evans Pass Road and Reserve Terrace Remedial Works (safety improvements) for acceptance on the basis that both programmes can be delivered by 30 June 2021.
- 5.5 NZTA have agreed to fund the Dyers Pass Guardrail project providing works are complete by 30 June 2021. The current scope of the project is to install approximately 3km of guardrail at thirteen locations, as shown on the plan in Attachment A, Figure 1:. Sites 1-9 plus four sections highlighted, Sections C, D, F and G. This would require the Dyers Pass Road project budgets to be increased to \$7,250,000. Due to the increased funding rate of 75.5%, this would in a rates impact of 0.008% and a cost to Council of \$767,687. This would deliver approximately 360% more scope than with the current budget allocation.
- 5.6 The current scope of the project for Evans Pass Road and Reserve Terrace Remedial Works is to install guardrails at sites as funding allows, and is likely to include significant work on some end-of-life retaining walls, see Attachment B.
- 5.7 To maximise NZTA subsidy on Evans Pass Road and Reserve Terrace Remedial Works and install a guardrail over approximately a 1.2km length of road plus approximately 100m at Reserve Terrace, the budget would need to be increased to \$13,300,000. This would have an impact on rates of 0.0027%, with a cost to Council of \$258,500. This would deliver approximately 440% more scope than with the current budget allocation.
- 5.8 Due to the tight timeframe set by NZTA, the decision on this is considered urgent if NZTA funding is to be maximised.

# 6. Policy Framework Implications

# **Strategic Alignment**

- 6.1 This report supports the Council's Long Term Plan (2018 2028):
  - 6.1.1 Activity: Traffic Safety and Efficiency
    - Level of Service: 10.0.6.1 Reduce the number of casualties on the road network. <=124 (reduce by 5 or more per year)

#### **Policy Consistency**

6.2 The decision is consistent with Council's Plans and Policies.

#### **Impact on Mana Whenua**

6.3 The decision 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 Mana Whenua, their culture and traditions.

#### **Climate Change Impact Considerations**

6.4 Works affect aged assets and contribute to updating infrastructure to current standards.

Stormwater related assets in particular, are designed in accordance with current best practice which take into account potential climate change impacts.

Christchurch City Council



#### **Accessibility Considerations**

The narrow roads in the area have no dedicated pedestrian or cycling facilities currently and steep slopes constrain space available at road level. Improvements for cyclists will be considered and incorporated into designs as physical constraints and budget allows.

# 7. Resource Implications

## Capex/Opex

7.1 Cost to Implement

7.1.1 Dyers Pass Road projects (ID# 17208 and ID# 17211)

 Current budget \$2,011,831 Proposed budget \$7,250,000 Cost to Council \$767,687

7.1.2 Evans Pass Road and Reserve Terrace (ID# 55894)

\$3,000,000 Current budget Proposed budget \$13,300,000 Cost to Council \$258,500

- 7.2 Maintenance/Ongoing costs – will be reduced from current levels as capital works are renewing near end of life assets. Costs associated with responding to vehicles leaving the road and recovery of vehicles from below the road should also be reduced as guardrails prevent vehicles leaving the road.
- 7.3 Current renewals budgets do not allow for the replacement of these end of life assets and the planning was underway to include this in the 2021-31 Long Term Plan, but for this opportunity.
- 7.4 Funding Source – The additional funding beyond current project budgets would need to be allocated in the Council's 2021 Annual Plan, however a decision on this is urgent if the NZTA deadlines are to be met and funding maximised.

#### Other

7.5 None.

# 8. Legal Implications

### Statutory power to undertake proposals in the report

Council has the statutory powers required to undertake the works proposed in this report. 8.1

#### **Other Legal Implications**

- 8.2 There is no legal context, issue or implication relevant to this decision.
- 8.3 This report has not been reviewed and approved by the Legal Services Unit.

# 9. Risk Management Implications

Current project funding will improve road safety on both Dyers Pass and Evans Pass Road, however there will still be a remaining risk to road users in areas where barriers are not provided.

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9.2 A decision on funding is required urgently if NZTA subsidy is to be maximised in line with their timeframes. Any work completed after 30 June 2021 could have a reduced subsidy rate of 51%.

# Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>↓</u>	Figure 1: Dyers Pass Rd Guardrail Status and Proposed Installation Locations	143
B <u>↓</u>	Figure 2: Evans Pass Rd Proposed Barrier Site Locations	144

In addition to the attached documents, the following background information is available:

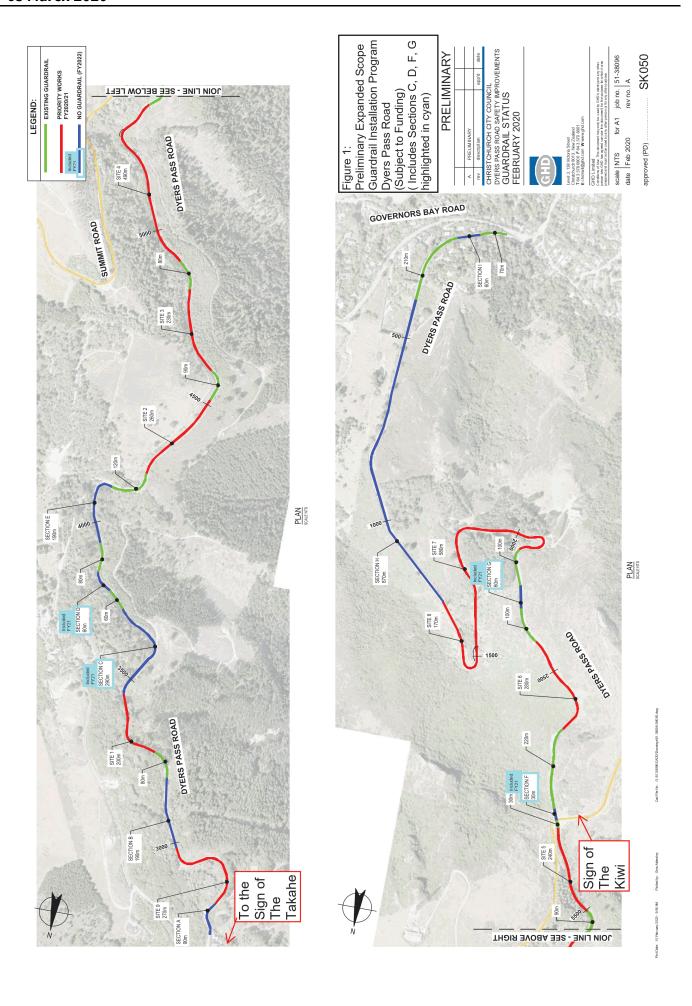
Document Name	Location / File Link
Not Applicable	Not Applicable

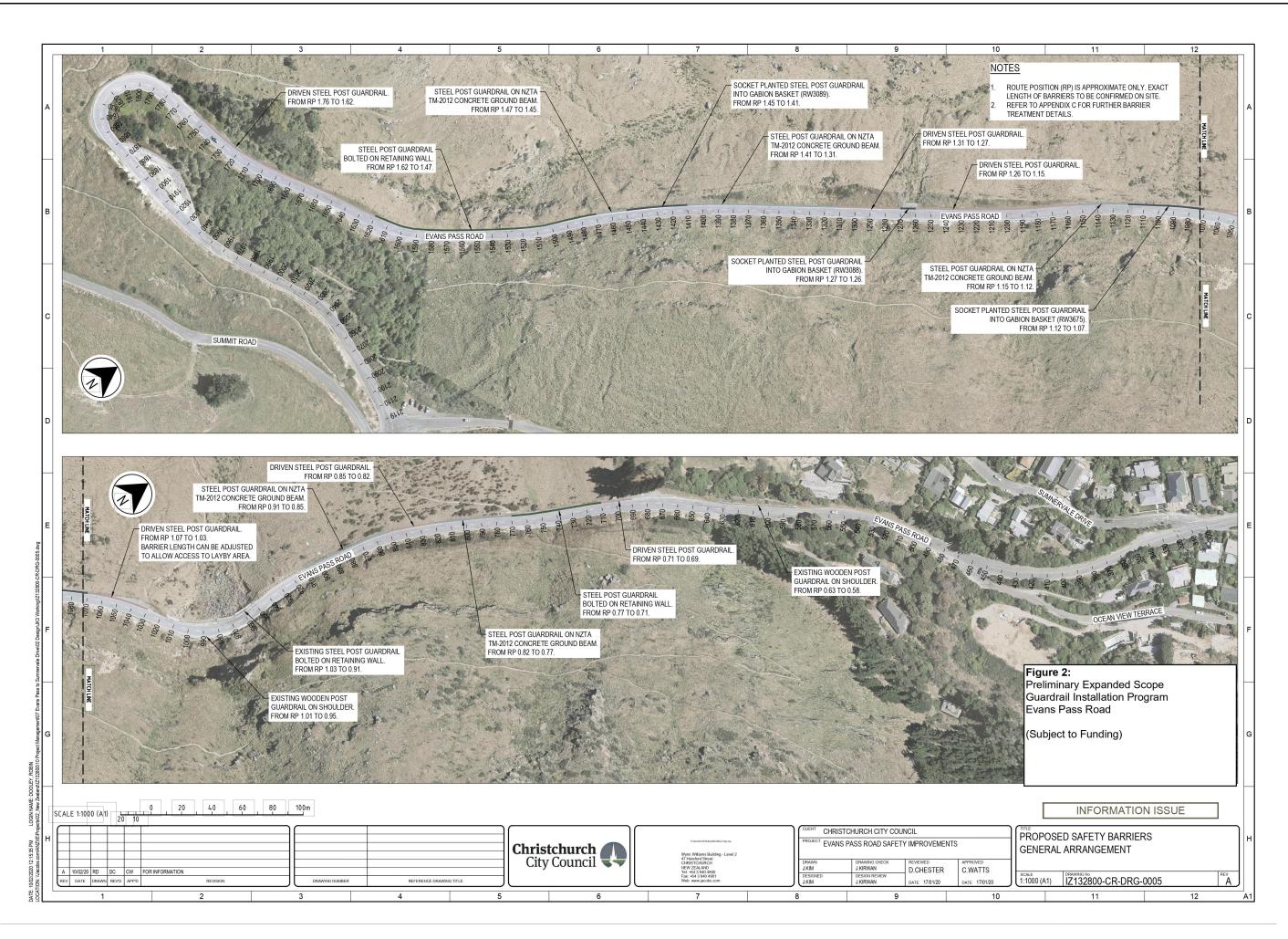
# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.









# 16. Harewood/Gardiners/Breens Funding Options

Reference / Te Tohutoro: 20/141579

Report of:

Brendan Bisley, Senior Project Manager,

brendan.bisley@ccc.govt.nz

**General Manager:** David Adamson, GM City Services,

david.adamson@ccc.govt.nz

# 1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to outline options to fund the signalisation of the Harewood/Gardiners/Breens intersection as resolved by Council in on 12 September 2019.
- 1.2 Council consulted with the community on two options to improve safety at the intersection in 2019. One was traffic signals and the other options was closing of the median and installation of traffic signals for pedestrians to cross. Following consultation with the community, Council resolved (CNCL/2019/00226):

That the Council:

- 1. Approve in principle Option 3 of the agenda report, Traffic Signals (Consultation Option 2)
- 2. Request that staff investigate funding options and report back to Council in time for inclusion in the 20/21 Annual Plan.
- 1.3 Staff have investigated options for funding the project and discussed these with NZTA. There are two options available to Council and the report outlines these options. The two options are for the traffic signals to be included as part of the Wheel to Wings MCR project when that project is constructed, or for Council to undertake the traffic signals as a standalone project.
- 1.4 The timing of this report has been impacted by the timing of discussions with NZTA. Given the minimal rates impact for the 2012 Annual Plan and the fact that budgets are included in the 2018-28 Long Term Plan, options can still be considered before the final Annual Plan is agreed.
- 1.5 The decisions in this report are of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 1.6 The level of significance was determined when the project was previously considered by Council in September 2019. Nothing has changed that would alter the significance between then and now.
- 1.7 Any substantiative changes that may be proposed to the Transport programme budgets will be able to be considered as part of the 2021-31 Long Term Plan engagement process.

# 2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Recommends the Wheels to Wings MCR incorporate the signalisation of the Harewood/Gardiners/Breens intersection and that Council consider the budget allocation for the Wheels to Wings MCR be increased by \$1.2million to cover the additional costs of the intersection signalisation as part of the FY20/21 annual plan process.
- 2. Recommends that the Council considers the timing for the Wheels to Wings MCR being brought forward if it considers the signalisation of the intersection is required prior to the FY26-28 financial years noting the sub-sequential rates increase.



# 3. Reason for Report Recommendations

- 3.1 Incorporating the signalisation into the Wheels to Wings MCR project and increasing the budget for that project
  - 3.1.1 **Option Description:** The Council has committed to constructing 13 MCRs across the city. One of these routes is the Wheels to Wings MCR which connects the Northern Line MCR and Norwest Arc MCR to the NZTA underpass on Harewood Road that passes under John Road to allow access to the airport for cyclists and pedestrians. The preferred route for this MCR is along Harewood Road. The Harewood/Gardiners/Breens intersection is one of the intersections along the route. Traffic signals could be included as part of the changes that the MCR would make to the corridor and this may allow the costs of the signalisation to attract NZTA subsidy.
  - 3.1.2 Indicative designs for the MCR project had not allowed for the signalisation of the intersection in its initial estimates so additional Council budget would be required to construct the signals at this intersection.
  - 3.1.3 The design of the traffic signals would need to be completed to ensure that the benefits to cyclists are maintained as well as maintaining the connectivity across the intersection. This would ensure the eligibility of the project to attract NZTA subsidy is maintained.
  - 3.1.4 The MCR is currently shown to be funded in the FY26-28 financial years, so the project would need to be brought forward in the annual plan if the traffic signals were to be constructed any earlier.
  - 3.1.5 If the project was brought forward as part of the 2021 Annual Plan, it would take 18 months for the Council to complete consultation on the cycleway, detailed design and tender the project. Construction at the intersection would then be completed as part of the construction of the cycleway in the following 12 months.
  - 3.1.6 Impact on the 2021 Annual Plan and 2021-31 Long Term Plan.

Financial Year	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
FY18-28 LTP				\$380,100	\$4,655,000	\$7.946.000	\$4.895,299	\$420,800
Budget Profile				\$380,100	\$4,655,000	\$1,846,900	54,895,299	\$420,800
Proposed	\$300,000	\$4,735,100	¢ο Ε4C 000	\$5,395,299	¢c20,000			
Budget Profile	\$300,000	\$4,735,100	\$9,546,900	\$5,395,299	\$620,800			
Rates Impact	0.0002%	0.0048%	0.0253%	0.0371%	0.0118%	-0.0227%	-0.0308%	-0.0171%

#### 3.1.7 **Option Advantages**

- This option may allow the costs of the traffic signals to attract NZTA subsidy as council currently receives a 51% subsidy on eligible works associated with the design and construction of MCR projects.
- If the MCR project is also bought forward, safety would be improved for existing cyclists using Harewood Road.

# 3.1.8 **Option Disadvantages**

 Council have not consulted with the community on the construction of a cycleway along Harewood Road. The community may object to the cycleway plan and therefore the traffic signals would need to be separated and delivered as a standalone project



- Council would need to add an additional \$1.2 million in funding to the MCR project to allow for the construction of the traffic signals, and transfer the remaining funding from the Harewood/Gardiners/Breens project back to the minor safety works programme where the initial funding was ring fenced from.
- The project would take approximately 2 ½ years before the construction of the signals could be completed.

# 4. Alternative Options Considered

- 4.1 Funding the intersection as an individual project in the Annual Plan/Long Term Plan
  - 4.1.1 **Option Description:** Deliver the project as a standalone project.
  - 4.1.2 The Harewood/Gardiners/Breens project was initially funded at \$300,000 via ring fencing \$300,000 of funding from the minor safety programme. The signalisation is expected to cost \$1.2 million to implement and therefore the additional \$1.2 million in funding would need to be added to the project to allow it to be constructed as the original funds should be returned to the minor safety programme to pay for other safety projects that arise.
  - 4.1.3 The additional funds could be via new funding or substitution of other projects in the annual plan.
  - 4.1.4 Impact on the 2021 Annual Plan and 2021-31 Long Term Plan.

Financial Year	FY21	FY22	FY23
FY18-28 LTP Budget from CPMS	\$235,674		
Proposed Budget	\$235,674	\$1,200,000	
Rates Impact	0.0002%	0.0027%	0.0095%

#### 4.1.5 **Option Advantages**

- This option is the quickest way to allow construction of the signalisation to get underway as no further consultation with the community is required. Construction could be underway in under 12 months of the additional funding being available.
- Having the project as a separate project avoids the risk of consultation on the Wheels to Wings MCR clouding or changing the intersection design. The traffic signals would proceed based on the design the community has already been consulted on.
- Depending on the projects being substituted, there may be no increase in cost to the Council

#### 4.1.6 Option Disadvantages

- As a standalone project, it does not qualify for NZTA funding. The indicative BCR is less than 0.1, and therefore is not able to be funded as a safety project and the cost is above the low cost low risk threshold of \$1 million, so it is unable to be included as part of that funding stream. Therefore Council will need to fund the full \$1.2million cost.
- Other projects may need to be deferred to release sufficient funds in the annual plan for this project.
- The intersection projects currently in the Long Term Plan are there as they are ranked the top 20 for safety risk. Substituting these would result in a project/s in



the top 20 safety risk/s being replaced by a project that is not in the top 100 most dangerous intersections.

- A project outside the intersection safety program may need to be deferred.
- The replacement projects may be in other parts of the city and the community in those areas may have an expectation of their project proceeding.
- 4.2 The following options were considered but ruled out
  - Funding the project in its priority order in the intersection safety program in the Long Term
    Plan The 2018-28 Long Term Plan has funding for the top 20 riskiest intersections to be
    upgraded in each 10 year period. This intersection is currently outside the top 100 riskiest
    intersections. Therefore, it could be 50 years before it could be considered via this
    mechanism.
  - Do Nothing The Council has resolved to support signalisation of the intersection and the community has indicated a strong preference for the signalisation to occur.

#### 5. Detail

## Issue or Opportunity / Ngā take, Ngā Whaihua rānei

- 5.1 The community have been advocating for traffic signals at the intersection of Harewood/Gardiners/Breens to improve safety at the intersection.
- 5.2 Council consulted on two schemes in 2019 (a median closure option with a signalised pedestrian crossing, and the traffic signal option) and the community had a strong preference for signalisation of the intersection which was supported by the Community Board.
- 5.3 Council resolved to support traffic signals at the intersection and asked staff to investigate funding options for the traffic signals and report this back to council for inclusion in the annual plan process.

#### Community Views and Preferences / Ngā mariu ā-Hāpori

- 5.4 The community expressed a strong preference for traffic signals when the two intersection options were consulted in 2019.
- 5.5 The community views on any changes to the 2021-31 Long Term Plan will be gathered at the time of consultation on that document.
- 5.6 The decision affects the following wards/Community Board areas:
  - 5.6.1 Harewood and Papanui

# 6. Policy Framework Implications

#### **Strategic Alignment**

- 6.1 This report supports the Council's Long Term Plan (2018 2028):
  - 6.1.1 Activity: Traffic Safety and Efficiency
    - Level of Service: 10.0.6.1 Reduce the number of casualties on the road network. <=124 (reduce by 5 or more per year)</li>

#### **Policy Consistency**

6.2 The decision is consistent with Council's Plans and Policies.



#### **Impact on Mana Whenua**

6.3 The decision 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 Mana Whenua, their culture and traditions.

#### **Climate Change Impact Considerations**

6.4 Installation of traffic signals will result in a small increase in CO2 emissions due to the delays experienced by vehicles on Harewood Road.

## **Accessibility Considerations**

6.5 The traffic signals will improve accessibility with the provision of signalised crossings for pedestrians using the intersection.

# 7. Resource Implications

## Capex/Opex

- 7.1 Cost to Implement The traffic signals require an additional \$1.2million to implement.
- 7.2 Maintenance/Ongoing costs The maintenance costs will be similar and the traffic signals will add an additional \$5,000 in additional maintenance costs per annum.
- 7.3 Funding Source The additional funds will need to be raised from rates. If the traffic signals are installed as part of the Wheels to Wings MCR, a NZTA subsidy would reduce the total cost to Council.

#### **Other**

7.4 The community has a strong desire for traffic signals to be installed. Additional funding is required to make this possible or other projects deferred.

# 8. Legal Implications

#### Statutory power to undertake proposals in the report

8.1 The Council has the statutory power to implement the traffic signals at the intersection.

#### **Other Legal Implications**

- 8.1 There is no legal context, issue or implication relevant to this decision.
- 8.2 This report has not been reviewed and approved by the Legal Services Unit

## 9. Risk Management Implications

9.1 The risks associated with the traffic signals are similar to typical transport projects and would be managed in accordance with our standard risk management process during design and implementation.



# Attachments / Ngā Tāpirihanga

There are no appendices to this report.

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.



# 17. South New Brighton Set Back Bund Funding

Reference / Te Tohutoro: 20/120078

**Report of:** Keith Davison, Land Drainage Manager, keith.davison@ccc.govt.nz

General Manager: David Adamson, City Services General Manager,

david.adamson@ccc.govt.nz

# 1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to seek approval to allocate additional budget to deliver the South New Brighton Earthquake Legacy Set Back Bund as resolved by Council on 29 August 2019 (CNCL/2019/000197). This report responds to the 29 August 2019 Council resolution, that requested staff report back on any budget shortfall (resolution 5), but does not provide any information regarding the actions to resolve the other resolutions.
- 1.2 The decision in this report is of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy. Although the financial implications of the decision to Council are low, the level of significance was determined by the fact that there was strong community interest in the original decision to progress the works. If the additional funding sought through this report is not granted then the works will not be able to proceed in a timely manner. This could give rise to concerns within the community as described in the original 29 August 2019 report.
- 1.3 The 29 August 2019 resolution was to:

South New Brighton - south of Bridge Street

- 3. Request staff to proceed with the following:
  - a. For the Estuary Edge, Bridge Street to Jetty area, acknowledge the current salt marsh and implement engineered set back bunds giving protection to the South New Brighton School and Seafield Place.
  - b. For the Estuary Edge, Yacht Club to the boardwalk, implement a restoration of the edge as per earthquake legacy edge repairs using reno matresses and gabion baskets as previously existed pre earthquake.
- 4. Requests staff to report separately on any flood protection measures that may be required for the area, in the context of this report.
- 5. Resolve works will be funded by \$750,000 of the regeneration initiatives capital funding in 2019/20, with any short fall to be reported back to Council as a matter of urgency.
- 1.4 In response to these resolutions staff have been progressing the design of the set back bund (Figure 1) and seeking necessary consents and approvals, with the intent of beginning construction this autumn. The budget required is \$1.625 million, which is \$925,000 in excess of the current budget of \$700,000 (noting that \$50,000 has been allocated to support design of the estuary edge restoration works). It is proposed to source the additional funding through offsets in Land Drainage Recovery Programme (LDRP) projects.
- 1.5 The budget estimate does not include any allowance for the estuary edge restoration works. A report on funding for the edge works will come at a later date.
- 1.6 The majority of the project works are within bird nesting and lizard habitat areas which impose tight programme constraints. Relocation of lizards needs to occur during warmer temperatures, which are expected to hold until early April. If construction is not started in



April 2020 it will need to be delayed until the end of the following bird nesting season in February 2021. Given these programme constraints the project team have sought to rapidly progress through design and consenting stages.

1.7 Subject to granting of resource consents and funding being in place, construction of the works could start within the current financial year. Alternatively, the majority of the works would have to be delayed until February 2021.

# 2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Approves an increase in budget of \$925,000 to fund the construction of a setback bund between Bridge Street and the Jetty with the additional funding being sourced from the Avon Floodplain Management Implementation Project. The budget increase shall be allocated across three financial years:
  - a. FY19/20: \$878,500
  - b. FY20/21: \$30,500
  - c. FY21/22: \$16,000
- 2. Approves staff to manage the project progress and finances within existing staff delegations.
- 3. Approves the return of any budget remaining after completion of the project to Land Drainage Recovery Programme projects.
- 4. Notes that further funding requests will be required to support the estuary edge improvements work between the Jetty and the Boardwalk.

## 3. Reason for Report Recommendations

- 3.1 The recommendations were foreshadowed in the earlier Council resolutions where Council requested staff report back, with urgency, on any budget shortfall. The earlier report identified that the available budget was insufficient to deliver either the set back bund or the estuary edge restoration the Council resolved that the budget be used to initiate both areas of work. As the set back bund project (Figure 1) nears the completion of detailed design, a budget shortfall of \$925,000 has been identified for that work alone.
- 3.2 An opportunity exists to construct the proposed works this year, which aligns with the original proposed project duration described in the community consultation material. A delay in a funding decision would set back the project by almost 12 months due to bird nesting and lizard relocation timing constraints. Without additional funding the complete physical works will not be able to be delivered.
- 3.3 The current budget estimate is based on a detailed design estimate using recently tendered construction rates. Once the works are priced by the contractor the budget required to complete the project will be confirmed. It is proposed to source the additional funding from the LDRP Avon Floodplain Management Implementation Project. Council could decide to reinstate equivalent funding to the Avon project through the upcoming LTP.





Figure 1 Set Back Bund Layout (black lines show works extent and dark red lines show construction corridor extent)

- 3.4 This option has the following advantages:
  - 3.4.1 It meets the objective of the original Council resolution
  - 3.4.2 It was favoured during public consultation and will meet current community expectations
  - 3.4.3 It will support delivery of the project this financial year and highlight to the community Council's commitment to addressing earthquake legacy issues
  - 3.4.4 Provide the most immediate reduction in tidal flood risk to Seafield Place and Estuary Road
- 3.5 This options has the following disadvantages:
  - 3.5.1 Will require funding to be sourced from deferrals of LDRP projects. The LDRP Avon Floodplain Management Implementation Project is proposed as the funding source. The Avon project will be central to delivery of the vision set out in the Ōtākaro Avon River Corridor (OARC) Regeneration Plan.
- 3.6 The other resolutions make clear the process for managing the project finances moving forward and highlight that this report does not seek any funding for the estuary edge improvements work. The funding provided within the 5<sup>th</sup> resolution of the 29 August 2019 referenced both the set back bund and the estuary edge improvement. An additional report(s)



will be required to progress the estuary edge work, as the entire budget set aside in the earlier resolution is being applied to the set back bund (less an allowance for initiating the design of the set back bund).

# 4. Alternative Options Considered

- 4.1 Three alternative options for the set-back bund were considered:
  - 4.1.1 Option 1 Stop the work.
  - 4.1.2 Option 2 Deliver part of the work.
  - 4.1.3 Option 3 Defer the works.
- 4.2 Realigning the bund to the existing path near to the estuary edge is not considered a viable option as it would:
  - 4.2.1 Not meet the earlier Council resolution of constructing a set back bund
  - 4.2.2 Require revised approvals (e.g. community board landscape and reserves management act approvals)
  - 4.2.3 Necessitate design rework
  - 4.2.4 Be contrary to the; community submissions that expressed a preference for a set-back bund (when combined with sloping beach), the South New Brighton Reserves

    Management Plan and the New Zealand Coastal Policy Statement
  - 4.2.5 Would tightly constrain future migration of the highly valued estuary edge habitat
  - 4.2.6 Likely be a higher cost due to:
    - The need for erosion mitigation
    - The bund earthworks volumes would increase as the land is lower
    - The existing path being unsuitable for use as a foundation material and would have to be cut to waste (whereas the topsoil along the set back alignment can be reused)
- 4.3 Alternative sources of funding outside of Council or Council's usual CAPEX mechanisms have not been considered.
- 4.4 Option 1 Stop the work
  - 4.4.1 Stopping the work would allow all remaining budget to be directed towards the estuary edge restoration.
  - 4.4.2 This option would not meet the community's expectations and could impede adaptation planning processes.
- 4.5 Option 2 Deliver Part of the Work
  - 4.5.1 It may be possible to deliver discrete lengths of the proposed bund between existing high ground. The section to the south is not constrained by wildlife act authorities or bird nesting constraints so could be delivered on a more flexible programme. It may be possible to construct the northern section within the existing budget, but this would need to be confirmed once priced. This would not address any budget shortfall required to address the estuary edge restoration works.
  - 4.5.2 Alternatively it would be possible to build a lower bund with less volume. This would be effective in reducing the cost of the works but give rise to a variable level of service along this length of the bund/stopbank network. Given the limited range of extreme tide level statistics (i.e. there is less than 200 mm between a 10 year and a 50 year return



- period event) any drop in stopbank crest level would dramatically reduce the level of service.
- 4.5.3 This option would partially meet community expectations and the previous Council resolution. Additional funding could be sought to complete the works through the upcoming LTP but this would delay the completion of the project by approximately 22 months.
- 4.6 Option 3 Defer the works
  - 4.6.1 Waiting until the design of the estuary improvements has progressed would enable decisions to be made on both work packages at the same time. Additional funding for either or both works could be sought through the LTP process. This would be unlikely to meet the community expectation set through the earlier decision making process.

#### 5. Detail

- 5.1 The set-back bund is now nearing completion of detailed design. The design includes a new bund and relies on existing high ground (Figure 1). Raising of the Jetty Access Road is required. Temporary pumping during extreme storm events will be required near to the southern end of the works to manage stormwater behind the bund and offset any adverse impacts of the bund on properties behind the park. This will generate an occasional operational expense.
- 5.2 A Wildlife Act Authority has been granted and, at the time of writing this report, resource consents had been applied for but not yet granted. The Community Board has approved the tree removals and landscaping plan.
- 5.3 The project team have engaged with the Principal of the South New Brighton School, the Ihutai Trust, a representative from local community planting groups, the Pleasant Point Yacht Club and a small number of residents who may benefit from the works.
- 5.4 With the completion of the detailed design much greater clarity on the extent and scale of the works is now available. The estimate for the works included in the 29 August 2019 report was lower than the current estimate as it was based upon coarse assumptions about materials, landscaping, and bund height.
- 5.5 The decision affects the following wards/Community Board areas:
  - 5.5.1 Waitai/Coastal-Burwood

# 6. Policy Framework Implications

#### **Strategic Alignment**

- 6.1 This decision will support Council's strategic priority for *Informed and proactive approaches to natural hazard risks* which calls for investment in disaster risk reduction for resilience.
- 6.2 This report does not support the <u>Council's Long Term Plan (2018 2028)</u>. This project is not supported by a level of service within the Flood Protection and Control Works or Stormwater Drainage service plans. This project was not identified within the 2018 2028 Long Term Plan, however, part funding was provided as part of the 2019 2020 Annual Plan (ID 56950).

#### **Policy Consistency**

6.3 The decision in this report relating to funding is consistent with Council's Plans and Policies relating to prudent financial management. Policy consistency regarding the decision to enact the works is not discussed here.



#### **Impact on Mana Whenua**

- 6.4 As the report relates only to funding and the implementation of an earlier Council decision, this report 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 Mana Whenua, their culture and traditions.
- 6.5 A cultural impact assessment was undertaken in 2018 to support the consent application for the proposed works. The assessment has been confirmed as still relevant, confirms the high significance of the area and the need for cultural monitoring during earthworks.

# **Climate Change Impact Considerations**

6.6 The staff recommendation would result in reallocation of some funding away from the initial years of the OARC regeneration plan implementation. This could delay the creation of some new and valued habitat within the corridor, however, part of the funding will be directed towards significant landscape planting adjoining the bund. On balance, the climate change impacts of this decision are negligible.

## **Accessibility Considerations**

6.7 There are no accessibility considerations as part of a funding decision. The design of the set back bund provides for accessibility with a track along its length (noting that this addresses in part the requirement from the earlier report to deliver an area wide walkway).

# 7. Resource Implications

#### Capex/Opex

7.1 Cost to Implement – An additional \$925,000 funding is being sought for the project through this project. The proposed project budget will span three years (Table 1):

#### **Table 1 Proposed Project Budget**

FY20 Budget	FY21 Budget	FY22 Budget	Total Budget
\$1,578,500	\$30,500	\$16,000	\$1,625,000

- 7.2 The minor budgets proposed for FY21 and FY22 are to fund activities in the defects notification period, such as, plant replacements or minor repairs outside of the contractor's responsibilities.
- 7.3 Maintenance/Ongoing costs This report does not seek to alter maintenance budgets for either the parks or land drainage teams.
- 7.4 Funding Source The funding would be provided from multiple sources within the LDRP:
  - 7.4.1 Remaining budget from LDRP 525 Southshore Emergency Bund of approximately \$175,000 is proposed to be transferred.
  - 7.4.2 Existing LDRP 521 Avon Floodplain Management Implementation (ID 41639) project budget in FY24.
  - 7.4.3 A series of small project deferrals is required to balance the budgets in the intervening years to ensure there is no rates impact. This is planned to include:
    - Offsetting a forecast carry forward on the LDRP 531 Charlesworth Drain Project (ID 29076) that will result in approximately \$730,000 being transferred to FY22. This will better match forecast project requirements

- Transferring approximately 1/3 (\$250,000) of the FY 22 LDRP 510 Wairarapa, Wai-iti and Tributaries project budget to FY24 (ID 33259)
- Transferring approximately half (\$500,000) of the FY 22 LDRP 511 Upper Avon project budget to FY24 (ID 41639)
- Retaining budget in FY22 for both LDRP510 and 511 will enable those two projects to start as programmed. It will notionally extend the duration of LDRP 511 Upper Avon into another financial year
- 7.5 It is recommended that any remaining budget available at completion of the works be returned to LDRP projects.
- 7.6 Overall, there will be no change to rates if the proposed changes are adopted.

# 8. Legal Implications

#### Statutory power to undertake proposals in the report

8.1 Council has powers and responsibilities for managing funding in a prudent manner to meet the current and future needs of the community under the Local Government Act 2002.

# **Other Legal Implications**

- 8.1 There is no legal context, issue or implication relevant to this decision regarding moving funding.
- 8.2 This report has not been reviewed and approved by the Legal Services Unit.

# 9. Risk Management Implications

- 9.1 A project contingency has been included within the budget request to help manage construction and project risk and reduce the likelihood of further budget changes being required.
- 9.2 As the project enters construction, cost risk associated with any delays while additional funding is sought increases dramatically. These costs may result from contractor standing time if works are put on hold. As such, it is recommended to manage the ongoing project programme and finances within existing staff delegations and approvals.

# Attachments / Ngā Tāpirihanga

There are no appendices to this report.

In addition to the attached documents, the following background information is available:

<b>Document Name</b>	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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

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- (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.



# 18. Council-controlled organisations - Half year performance reports for ChristchurchNZ Holdings Ltd, Civic Building Ltd, Riccarton Bush Trust, Christchurch Agency for Energy Trust and Local Government Funding Agency

Reference / Te Tohutoro: 20/120132

Report of: Linda Gibb, CCO Performance Advisor

linda.gibb@ccc.govt.nz

Carol Bellette, GM Finance and Commercial

General Manager: carol.bellette@ccc.govt.nz

# 1. Brief Summary

- 1.1 The purpose of this report is to present the following Council-controlled organisations (CCOs) half year performance reports for the period 1 July to 31 December 2019:
  - ChristchurchNZ Holdings Ltd (Attachment A),
  - Civic Building Ltd (Attachment B),
  - Riccarton Bush Trust (Attachment C),
  - Christchurch Agency for Energy Trust (Attachment D); and
  - Local Government Funding Agency (Attachment E).
- 1.2 Section 66 of the Local Government Act 2002 provides that the Board of a CCO must report on the organisation's operations to its shareholders within two months after the end of the first half of each financial year. The reports for the above CCOs were received early.
- 1.3 The half year reports for the other CCOs Christchurch City Holdings Ltd, Rod Donald Banks Peninsula Trust and Central Plains Water Trust have not been received at the time of writing.

#### 2. Officer Recommendations

That the Finance and Performance Committee:

1. Notes the half year performance for the period 1 July – 31 December 2019 for ChristchurchNZ Holdings Ltd, Civic Building Ltd, Riccarton Bush Trust, Christchurch Agency for Energy Trust and Local Government Funding Agency and that they are all compliant with the requirements of the Local Government Act 2002.

# 3. Analysis

#### **ChristchurchNZ Holdings Ltd - Attachment A**

3.1 The Council has committed to fund ChristchurchNZ Holdings Ltd (CNZHL) \$11.849 million in 2019/20 for the delivery of economic outcomes, including economic development, city promotion, implementation of the visitor strategy, Antarctic Office, business innovation and growth and major events.



	Actual	Target	Variance	Last year	Variance
	\$000	\$000	\$000	\$000	\$000
Net profit before tax	536	350	+186	739	-203

- 3.2 **Against target** the variance of +\$186,000 is made up of a reduction in third party revenue of \$308,000 offset by a larger reduction in operating and overhead costs of \$495,000. These are largely timing differences as activity will be delivered later in the financial year.
- 3.3 **Against last year** the variance of -\$203,000 reflects project revenue from the Ministry of Business, Innovation and Employment (MBIE) for which the funding for the contract was received in the prior financial year.
- 3.4 CNZHL notes that subsequent to the end of the quarter the outbreak of the CoronaVirus has created an economic risk for Christchurch with flights from China cancelled. CNZHL will keep the Council informed as the situation develops.
- 3.5 All non-financial performance targets are either on track to be completed by year-end, or have already been completed, with one exception. CNZHL advises that the reduction in the number of potential i-SITE customers is a long term and nationwide trend driven by multiple factors including digital disruption to the travel industry.

#### **Civic Building Ltd - Attachment B**

	Actual	Target	Variance	Last year	Variance
	\$000	\$000	\$000	\$000	\$000
Net profit before tax	77	33	+44	(175)	+252

- 3.6 The Council is both a 50 percent owner of the Civic building and is the major tenant of the building. Civic Building Ltd (CBL) is the Council's CCO that has the 50 percent ownership stake of the building. The other 50 percent owner is Ngāi Tahu Property Ltd.
- 3.7 **Against target**, the increased NPAT of \$44,000 is a combination of increased rent (set following the finalisation of the Statement of Intent targets) and higher recovery of expenses (reflecting the increased rent). Finance costs were lower reflecting a timing difference that will reverse in the second half of the year.
- 3.8 **Against last year**, Civic repaid \$2.5 million of its loan at the end of December 2018, and a further \$2.5 million was paid at the end of June 2019, which has reduced its costs of borrowing, while the depletion of cash and reduction in interest rates has reduced interest income. The rent increase, extra interest payment in the December half year and lower interest rates have all impacted the forecast between years.
- 3.9 The two non-financial performance targets have been met the building is managed in accordance with the management agreement; and it is operating in a manner consistent with a 6 Green Star rating facility (as advised by the Council's Facilities' Management Team).

#### **Riccarton Bush Trust - Attachment C**

	Actual	Target	Variance	Last year	Variance
	\$000	\$000	\$000	\$000	\$000
Net profit	(13)	(85)	+72	(61)	+48



- 3.10 The Trust administers 7.8 hectares of native bush and Riccarton (historic) House. The Trust was incorporated under an Act of Parliament in 1914. The Riccarton Bush Amendment Act 2012 underpins the Council's financing obligations to the Trust.
- 3.11 The key drivers of the Trust's financial performance are income from the on-site café (Local) the Saturday morning market and tours and the Council's annual operational grant. Grants and donations can also make a significant contribution when they occur. The upkeep costs for the house and bush and staff salaries are the Trust's highest costs.
- 3.12 For the six months to 31 December 2019, the Trust's financial forecast was as follows:

**Against target**, revenue was \$80,000 higher due to grants and a significant donation, together totalling \$83,000. Tours and door sale's revenue were lower than budget by \$3,300 but are expected to turn around in the traditionally busier January-March period. The Trust notes it has made more investment in marketing year-to-date than in previous years.

Expenditure was \$8,665 higher than target. This was made up of urgent repairs required to a broken sewer pipe, bathroom leak and hot water cylinder of \$6,800 and increased employee remuneration of \$10,000 was mostly due to a timing difference in the payment of employee benefits. An offsetting reduction in fence and tree maintenance of \$8,800 reduced the impact of the extra spend.

**Against last year**, the Trust has returned a notably smaller net deficit of \$13,473 compared with \$61,251 due to the additional revenue of \$69,000 less increased costs of \$22,000.

- 3.13 The additional revenue was from a grant and a significant donation received totalling \$83,000 less a one-off capital grant that was provided by the Council in the prior year of \$12,500. The expenditure mostly related to an increase in employee remuneration of \$12,000, higher depreciation cost by \$3,400 due to increases in antique furniture acquired for the House in 2019 and the completion of the downstairs bathroom. Trustee expenses and Board legal and other expenses have increased by a total of \$4,700, relating to employee relations assistance. Additional costs of \$6,500 were incurred for building maintenance (urgent repair as noted above) and increased security costs. Reductions in tree and bush maintenance of \$3,260 helped to offset the cost increases.
- 3.14 The performance targets for visitor numbers to the Bush and independent and group tours of the House, both to increase by 2% year on year are under target at the six month point. In particular, visitor numbers to the House are down by 30%. The reasons for this have not been provided, and the Manager of the Trust has been away. We will follow up once the Manager has returned.

#### **Christchurch Agency for Energy Trust - Attachment D**

3.15 Christchurch Agency for Energy Trust (CAfE) administers the Christchurch Energy Grants Scheme which is close to being fully allocated and paid. The Trust expects to be wound up as soon as it pays out its remaining funds of \$174,438.

	Actual	Target	Variance	Last year	Variance
	\$000	\$000	\$000	\$000	\$000
Net deficit	(75)	(110)	+35	(374)	+299

3.16 CaFE has returned a deficit of \$75,000 which is lower than the expected \$110,000 and against last year's deficit of \$374,000. The deficit mostly reflects the value of grants paid out to successful applicants to the Fund in large part, with around \$9,000 allocated to fund administration costs.



3.17 Eight energy grants totalling \$66,683 were paid out for the first half of 2019/20; \$35,317 lower than expected. The Fund stands at \$174,438 at 31 December 2019. Against this, grants of \$116,661 have been allocated and are expected to be paid later this year. The Trustees are looking for suitable purposes for the residual balance of the Fund of \$57,777.

#### **Local Government Funding Agency - Attachment E**

- 3.18 The LGFA is owned by the New Zealand Government (11.1%) and 30 councils (88.9%). Christchurch City Council, and eight other councils own 74.7% (all with equal shareholdings of 8.3% each) and the remaining 21 local authorities own between them, 14.2%.
- 3.19 Loans issued to local government as at 31 December 2019 total \$10.106 billion (2018: \$9.33 billion). This is an increase of \$369 million during Quarter 2 (Quarter 1: \$9.737 billion).
- 3.20 Net profit year-to-date is \$6.1 million (2018: \$6.04 million), achieved from net interest on its loans to local government, less debt issuance costs and its own operating expenses.
- 3.21 All performance targets (financial and non-financial) are either achieved or are in progress towards being achieved by year-end. Its financial performance targets and half-year outcomes are as follows:

Target	Outcome \$m	Half year to December 2018
Net interest income > \$9.38 million	9.81	9.77
Annual issuance and operating expenses (excluding approved issuer levy) < \$3.08 million	3.05	2.81
Total lending to participating councils >= \$9.79 billion	10,106	9.268

- 3.22 The variance in the annual issuance and operating expenses reflects an approved issuer levy (AIL) in 2019 of \$0.65 million against zero in 2018.
- 3.23 LGFA advises that it has fully complied with its Treasury Policy.



# Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>U</u>	ChristchurchNZ Holdings Ltd - Performance Report for Period 1 July - 31 December 2019	164
B <u>↓</u>	Civic Building Ltd - Performance Report for Period 1 July - 31 December 2019	178
C 📅	Riccarton Bush Trust Performance Report for Period 1 July - 31 December 2019	187
DΩ	Christchurch Agency for Energy Trust - Performance Report for Period 1 July - 31 December 2019	197
E <u>∏</u>	Local Government Funding Agency - Performance Report for Period 1 July - 31 December 2019	207

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.









#### **CONTENTS**

- 1. Executive Summary
- 2. Notable Activity in the Quarter
- 3. Coming up
- 4. Health and Safety Practices
- 5. Risks
- 6. Financial Report

#### **APPENDICES**

1. Performance Measures

#### 1. EXECUTIVE SUMMARY

The Spring quarter is a period of high activity focused on activating the city to ensure vibrancy coming out of the winter period, and on the ongoing need to focus on business attraction, visitor attraction and population growth.

Several core events have been delivered or launched in the period. The launch of Bloom (Explore Spring), the South Island Moon Festival, Explore Antarctica and Antarctic Season Opening and the judging for the New Zealand Aerospace Challenge all coincided in early October, marking the start of a full calendar of activity through the rest of the season and into Summer.

Also during the period, the Riverside Market opened in the CBD resulting in thousands of visitors in the first two weeks. Early foot traffic data indicates foot traffic in Cashel Mall was up 40% week on week in the first week of opening and up 60% year on year in the same week. CNZ utilised space at the market for the launch of the South Island Moon Festival and to promote the Bread & Circus World Buskers Festival; and actively leveraged the market opening and events across international and national marketing and media channels.

All activity has attracted positive coverage in local and international media and on social media, contributing positively to what appears to be a turning tide of sentiment as the city comes out of the winter period.

Overall retail spending in Christchurch in December, compared with the same month the previous year was up 2.3%. Spending in the central city core was up 16%. Spending in total Christchurch (excluding fuel) by international tourists is up 14% and, specifically in the central city, spending is up 11%.

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Spending by Christchurch residents in total Christchurch (excluding fuel) increased by 0.4%, but in the central city increased by 10.1%.

Meanwhile an ongoing economic slowdown in line with the national trendline and overlaid with the local construction slowdown is becoming better understood. The release of the Q2 Economic Update attracted significant attention and coverage.

ChristchurchNZ has successfully stood up the Greater Christchurch 2050 project team on behalf of the Greater Christchurch Partnership, to ensure a focus on the long-term wellbeing of the city economically, socially and environmentally.

Partner engagement has been a heavy focus in the period covered by this report ensuring third-party partnerships are developed and sustained to amplify rate-payer funding through additional activity and revenue.

#### 2. NOTABLE ACTIVITY IN THE QUARTER

#### **Innovation and Business Growth**

**NZIST Headquarter RFP** (Strategic Priority: GDP Growth / Grow high value jobs / Perception shift) The request for proposal was released in December to pitch for the vocational headquarters to be based in Christchurch, with an impact of 50 FTE for impact from approx. April 2020. ChristchurchNZ have produced a strong cross-organisation response, with strong support from iwi, business, education and local government across the South Island. Christchurch has since been shortlisted for the headquarters and is engaged with NZIST in the next steps of the process.

**Business Attraction** (Strategic Priority: Deliver Economic value / Grow high value jobs / Perception shift) New Business Attraction Manager joined in November2019 and has focused on firming up the prospect pipeline (8 companies with approximately 203 FTEs are currently in the pipeline).

**Major Telecommunications Company MoU** (Strategic Priority: Deliver Economic value / Grow high value jobs / Perception Shift)

The MoU formalises our strategic partnership focusing on future opportunities to work together – including joint marketing to help shift Christchurch perceptions and support in developing activity around our Supernode focus. Impact to date has been around the relocation of their call centre presence.

#### **Economic Leadership**

#### **Innovation Advisory Group**

(Link to Strategic Priorities: Additional High Value Jobs)

Councillors asked ChristchurchNZ to (1) lead an assessment of the role of Innovation Precinct as established under the blue print and its connection to the innovation ecosystem which has emerged in the post-quake environment and (2) commission an independent assessment of "Lighthouse" – a proposal to use the old IRD building as an innovation hub.

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Initial research and stakeholder engagement, including two workshops have been completed. The independent assessment of Lighthouse was completed in November. The final report to Council will be presented in the next quarter.

#### **Destination and Attraction**

**South Island Moon Festival** (Strategic Priority: Perception Shift)

The RFP has been released for an event delivery partner for the South Island Moon Festival in October 2020.

**Ethos** (Strategic Priority: Perception Shift)

Ethos is planned to be a global change event in Christchurch, based around the concepts of imagining a better future and bringing together diverse communities. The long-term vision is for an annual Christchurch event to be grown that combines inspirational talks, community activations, first-class entertainment and provides an environment for aspirational global change. Management are entering contract negotiations for the inaugural event.

Cricket Women's World Cup 2021 (Strategic Priority: Increased Visitation and Spend; Perception Shift) Christchurch has been awarded Women's Cricket World Cup 2021 matches including the final, subject to lights being installed at Hagley Oval. The event is expected to attract an increase of over 15,000 visitor nights during the event, and nearly \$3 million in visitor spending. The 2017 ICC Women's Cricket World Cup final in England was the most watched women's sporting event ever in India and had a global audience of 180 million into 189 different markets.

**Convention Bureau** (Strategic Priority: Increased Visitation and Spend; Perception Shift)

The opening of Te Pae later this year and the fire at the New Zealand International Convention Centre has resulted in a significant influx of conference queries and bids required for events in Christchurch, through to 2023. The pipeline of confirmed events for 2021 is strong.

#### **Major Events Funding Round**

(Strategic Priorities: Increased Visitation and Spend; Perception Shift)

The Major Events funding round closed in November with 18 applications. Of this, 13 contracts for partnership will be entered for events being held between 1 July 2020 – 30 June 2022.

#### Cruise

(Strategic Priority: Increased Visitation and Spend)

Efforts by ChristchurchNZ and the Cruise Action Group to reduce the number of double cruise ship days in Akaroa have resulted in limited change to the planned number of ships booked. It is anticipated there will be some disappointment within the Akaroa community over the summer season.

#### **Marketing, Brand and Communications**

#### BLOOM

(Strategic Priority: Tell The Story – shift perceptions)

BLOOM was launched late September as an umbrella events brand and supporting campaign to establish Christchurch as the premium Spring visitation destination in New Zealand. Beginning with

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Antarctic Season Opening celebration in central city and actively promoting all events across the city until end November. The supporting "Spring Experts" activity was created for city stakeholder engagement and legacy support brand for the BLOOM activity. This activity has been inclusive of PR activations, Social Media competitions, cross-promotional collaborations and (most importantly) city alignment.

#### **Website Development**

(Strategic Priority: Tell The Story/Platform Support)

The redesigned and redeveloped <u>christchurchnz.com</u> is continuing. The new website is the conglomeration of thirteen different websites acquired following the agency merger. This new site will serve as one central repository for all ChristchurchNZ audiences. The web development process has been problematic with our agency delivery partner, with several coding issues arising in the final weeks. At this stage we are aiming for a soft-launch, go-live in market in mid-February.

#### **Explore Antarctica**

(Strategic Priorities: Shift perception of Christchurch, Grow High Value Jobs)

The Antarctic Season opening kicked off early October with several events aimed at extracting value from our Antarctic Gateway status.

Key CNZ-led events were:

- The Gala Dinner for the Diplomatic Core and key Antarcticans, this attracted a heavyweight international audience, including Climate Change Minister James Shaw and diplomatic representatives from 14 nations.
- The launch of the Canterbury Antarctic Network the Antarctic Office's subscription business
  directory designed to help businesses leverage the rebuild of Scott Base and McMurdo Base.
  More than 100 businesses attended the launch at Turanga.
- 3. Explore Antarctica Public Event this was held in the Square to bring live, our Antarctic connection for children and the wider public.
- 4. Diplomatic business tour Members of the diplomatic core undertook a familiarisation tour of the city with talks on the economy, Ngai Tahu and business in the city.

#### CCBA - ChristchurchNZ Marketing Cooperative

(Strategic Priority: Tell The Story/Platform Support)

This quarter ChristchurchNZ confirmed a strategic marketing alignment with the Central City Business Association in an effort to align resources and activities around central city promotional activity. CCC marketing team is also aligned with this group. This strategic alignment will result in aligned cross-city communications and an enhanced brand proposition for the central city. Most of the strategic focus of this group has been pinpointed at the winter period that sees traditionally slower activity and foot traffic.

#### Commercial

#### **Major sub-tenancies**

(Strategic Priority: Increase organisational effectiveness)

DCL moved in during October, joining Regenerate who moved in August. This best-for-city co-location reflects the increasing alignment in the work programmes of agencies across the city and seeks to amplify our shared ambitions to improve the prosperity of Ōtautahi Christchurch. Building work has been undertaken to secure the office reception area.

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Ōtautahi Visitation Partnership (Strategic Priority: Change perceptions of Christchurch. Grow the visitor economy. Increase organisational effectiveness.)

Novotel Airport joined ŌVP just prior to the second meeting of the 14 investment partners conducted in late October. The partners were heartened by the results of the co-investment with AirNZ into Explore Something New which resulted in a 15% uplift in seat bookings (vs corresponding period) and an 8.7% lift in non-residents under 40yr intending to visit Christchurch in the next 12 months. A straw poll of partners canvassing their satisfaction with current shoulder season business conditions garnered mostly positive responses.

**i-SITE Transformation** (Strategic Priority: Increase organisational effectiveness. Grow the tourism economy. Change perceptions of Christchurch)

In October, the operating model of i-SITE Christchurch was adapted through a restructure of staff and roles. The objective of the restructure was to stabilise its financial position through increased focus and accountability for sales in addition to cost savings.

July-Oct of this 19/20 financial year saw a continuation of the negative trends experienced in FY18/19, with revenue and operating profit for this business unit 21% and 22% off the pace respectively.

However, November and December were the first two months of the post-restructure operating model and the early results are very promising. Operating profit for the two months combined was 72% better than budget expectation and 82% better than last year. Remarkably, the December sales result of 8% ahead of last-year was attained with 27% less cost and 25% less foot-traffic. This sharp change in focus and fortunes has i-SITE positioned well to beat full year budget expectation.

#### 3. COMING UP

The third quarter of the financial year is the busiest of our annual calendar. Delivery projects are well advanced and the organisation is working on business planning for both the annual and long term plan. Major focus areas in the next quarter will be:

- Delivery of the new ChristchurchNZ website
- Finalise the Innovation Advisory Group report for presentation to Council (includes the independent assessment of "Lighthouse")
- Further develop the concept and partners for Ethos Global change event.
- Ongoing development of joint marketing campaigns with American Airlines, Air New Zealand, the Central City Business Association and the Christchurch hoteliers for the international, domestic and local markets.
- Continued development of activity around Supernode focus in core areas of Future Transport and Aerospace, Health Technology and Resilience and Future Food and Fibre.
- Continued focus on Business Attractions

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#### Events Supported by CNZ - 1 October - 30 December

Constellation Cup - Netball	13-Oct-19
BLACKCAPS v England T20	1-Nov-19
Great Britain Rugby League Lions Tour & GB Oceania Cup Rugby League	9-Nov-19
Yo-Yo Ma - Bach concert	12-Nov-19
NZ Trotting Cup - Addington	12-Nov-19
NZ Agricultural Show	13-15 Nov 19
NZ Cup	16-Nov-19
Vantage Criterium National Championship	17-Nov-19
Diwali Festival	27-Nov-19

#### 4. Health and Safety Practices

Capital works to secure the CNZ office level 3 reception area in the BNZ Centre was completed in December 2019. This work provides increased security for ChristchurchNZ staff and subtenants from unauthorised public access by installing physical barriers and swipe card access at reception.



#### 5. ORGANISATIONAL RISK FOCUS

	Risk	Impact	Mitigation
1.	Misalignment with Shareholder or other key funders. Change in policy of key funders. Loss of major or minor funding streams	Reduced financial support, duplication of activity, insufficient funding to enable CNZ to effectively meet delivery obligations	Letter of Expectation agreed. Maintaining close, open communication with funders, entering into longer term funding contracts when possible, increase diversity of funding streams. Reserve policy developed and implemented. Contingency costmanagement plan in place.
2.	Cyber Security/ Ransomware exposure resulting in system penetration	Reduced use of ICT systems and/or website, reputational impact, financial impact, loss of data.	Reminders to staff regarding resource use policies. Technology prevention measures in place, internal audit planned for Q3/4.
3.	i-SITE external market conditions (digital disruption to travel market resulting in declining foot traffic, inbound visitor trends, poor delivery of sales outcomes for business partners) creates budget shortfall.	Financial, Operational, Reputational	Allocation of responsibility to GM Commercial, greater commercial focus, reduced cost base, introduced incentives to increase sales revenue and benefits to paid-up business partners.
4.	Reducing interest rates	Financial	Working with banks to get best rates
5.	Health & Safety Incident	Harm to staff or visitors. Reputational risk/legal risk	As per detailed Mitigation Practice Schedule which includes policies, internal communications processes, performance review and personal development
6.	Ineffective Delivery against funding contracts	Reputational Risk - effect to future funding streams	Set up of robust, transparent Project and Contract Management Processes. Staff training for all project managers and budget holders.
7.	Key person dependency/ loss of key staff	Business critical information, information not easily accessible, risk to quality of service delivery	Full document of business-critical processes. Project and contract management office manages documentation and processes including handovers. Rollout of people and culture workplan (attraction and retention)
8.	Poor stakeholder and public understanding of activity	Reputational risk, reduced ability to attract funding, deliver effectively, retain staff	Active information sharing with stakeholders and strategically important media, commitment to actions within Stakeholder Engagement Strategy. CRM tool planned for Q3/Q4 implementation.

Note: Subsequent to the end of the period a significant risk has arisen in relation to the economic impact of the CoronaVirus. Monitoring and mitigations are ongoing.

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#### 6. FINANCIAL REPORT

The Group result for the six months ended 31<sup>st</sup> December reflects total comprehensive income of \$536k against budget of \$350k. This result is \$186k ahead of budget for the period with a shortfall in revenue more than offset by positive cost variances due to timing differences between delivery and budget phasing.

Cash balances of \$6.6m are in line with current Reserve Policy and reflect a high level of revenue in advance (\$1.9m) and monies reserved for future delivery (Seed & Business Events Fund \$1.6m combined)

CNZH Financial Summary \$000's	Actual Six Months to December 19	Budget Six Months to December 19	Actual Six Months to December 18
	Unaudited, per		Unaudited, per
	Management		Management
	Accounts		Accounts
CCC Funding	6,100	6,100	6,494
Other Operating Revenue (including	1,418	1,726	1,809
interest and other gains/losses)			
Operating Expenditure	(6,982)	(7,477)	(7,386)
Loss on Investments	-	-	(195)
Share of Associates (FISI)	-	-	17
Total Surplus/(Deficit) before tax	536	350	739
Total Assets	11,027	9,592	12,202
Shareholder Equity	7,562	7,376	8,816
Shareholder funds/total assets	66%	77%	72%

**Against Target:** The net result is \$186k ahead of target for the period with negative revenue variances matched by positive variances on project spend and ytd positive variances on overhead. These positive variances are expected to be timing differences.

**Against Prior Year:** The prior year period reflected revenue for the last stage of the Commercialisation Partnership Network (CPN) contract with MBIE which completed in June 2019.

		Actual	Budget	Prior Yr	% Sp	end
Project & Service Delivery YTD *	Project & Service Delivery YTD	\$000's			Actual	Budget
	Commerical Services/i-SITE	482	516		12.7%	12.6%
	Destination & Attraction	907 951		24.0%	23.2%	
	Marketing & Promotion	802 878		21.2%	21.4%	
	Business Innovation & Growth	906 872		23.9%	21.3%	
	Strategic Planning & Policy Research	688 881		18.2%	21.5%	
	Total Project & Service Delivery	3,785 4,098 0		100.0%	100.0%	
* Overhead costs eg.occupancy, dep	reciation, shared services and governance cos	sts, are excluded	from this bre	akdown		

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## **APPENDIX 1: PERFORMANCE MEASURES**

	Level of Service (Service Plan 2018-28)	Target 2019 – 2020	Status	YTD Actuals	Commentary
1.0	ChristchurchNZ provides leadership in inclusive and sustainable economic	Strategies are reviewed regularly - CEDS	On track		ChristchurchNZ is working with the Greater Christchurch Partnership to co-create Greater Christchurch 2050.  Greater Christchurch 2050 will incorporate the Christchurch
1.1	development for Christchurch	Convene 2 city leadership discussions to review progress and recommend actions towards the 10- year goals	On track	1	Greater Christchurch Partnership - CE Advisory Group (CEAG) has been meeting regularly to progress the Greater Christchurch 2050 project.
1.2		4 Quarterly Economic Reports produced and available on the ChristchurchNZ website	On track	2	July 2019 September 2019 https://www.christchurchnz.org.nz/public ations/
1.3		At least 6 Christchurch or Canterbury economic research reports completed	On track	5	Research work completed:  Explore the Economy Series  Explore our Industries  Explore Christchurch Growth Opportunities  Explore Canterbury  The Tourism Value of Freedom Campers  Government Funding and Industry Analysis – A regional innovation study
1.4		Deliver face to face economic updates to at least 600 people	On track	251	<ul> <li>Stakeholder update         Nov 19 – 75 attendees     </li> <li>Business Partner Event         10 Dec– 151 attendees     </li> <li>TEC presentation at PWC</li> <li>20 Nov – 25 attendees</li> </ul>

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	Level of Service (Service Plan 2018-28)	Target 2019 – 2020	Status	YTD Actuals	Commentary
1.5	ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch - continued	Lead or provide significant input into at least 4 cross-agency or cross -industry working groups designed to deliver actions towards the 10-year goals	On track	8	<ul> <li>Central City Steering         Group,</li> <li>Arts Strategy Steering         Group</li> <li>City Narrative Steering         Group,</li> <li>City China Forum,</li> <li>Greater Christchurch         Partnership (Strategic         Framework);</li> <li>Cruise Action Group;</li> <li>South Island Destination         Strategy Steering Group;</li> <li>Central City Business         Forum</li> </ul>
2.0	ChristchurchNZ facilitates the development of businesses with high growth	Businesses access business support or advice to at least 500 businesses	On track	329	Delivered through Regional Business Partners joint venture with CECC
2.1	potential	Net promotor score for business support services of +50 or more	On track	+60	
2.2		At least 3 Initiatives to support targeted business challenges	On track	2	NZ Aerospace Challenge finished on 18th Oct Callaghan C-Prize
3.0	ChristchurchNZ supports an environment that encourages innovation, entrepreneurshi p and investment	Facilitate at least 2 opportunities to secure significant innovative businesses or investment into the city aligned with 10-year goals and priority focus areas	On track	4	Four businesses (2 aerospace, 1 technology, 1 tech education) have been attracted and landed since 1 July 2019
3.1		Support at least 10 start-up/SME companies aligned with priority focus areas	On track	10	Delivery of the Hi-Growth 10- month programme for 10 businesses. Completion March 2020 Amplifier programme x 2 businesses

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	Level of Service	Target 2019 – 2020	Status	YTD Actuals	Commentary
	(Service Plan 2018-28)				,
4.0	ChristchurchNZ leads the promotion and marketing of Christchurch and Canterbury to visitors	Christchurch Visitor Industry Situation report produced annually and available on ChristchurchNZ website	On track		Christchurch Visitor Industry Situation report has moved to being updated monthly
4.1		At least 50 famils hosted and 10 trade events led or attended in priority markets	On track	95 famils hosted 7 trade events led/attende d	62 trade famils hosted 33 media famil hosted: 10 domestic 23 international
5.0	ChristchurchNZ promotes Christchurch and Canterbury	Prepare at least 30 city bids to attract business events to Christchurch	On track	16	Q1: 5 Q2: 11
5.1	as a great place to hold business events and conferences	At least 35% success rate for business event bid	On track	Currently tracking 22%. Several decisions pending.	
6.0	ChristchurchNZ attracts, manages and sponsors the delivery of major events.	Portfolio of events delivered in line with the Major Events Strategy	On track	9	Events delivered/supported: Christchurch Arts Festival Netball Constellation Cup Great Britain Lions Rugby League & Oceania Cup T20 BLACKCAPS Vs England Yo-Yo Ma Addington Christchurch Casino NZ Trotting Cup Day Riccarton NZ Cup Meeting Addington Show Day Races NZ Agricultural Show
6.1		Major Events Seed Funding round delivered per annum	Achieved		Funding round closed in November with 18 applications. 13 partnership contracts under development for events between 1 July 2020 – 30 June 2022.
7.0	ChristchurchNZ provides residents and visitors with	30% increase social engagement year on year	On track		
7.1	information about events, activities and attractions on in Christchurch	25% increase clicks to ChristchurchNZ website year on year	On track		

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Christchurch City Council
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	Level of Service	Target 2019 – 2020	Status	YTD Actuals	Commentary
	(Service Plan 2018-28)		310.00		,
8.0	ChristchurchNZ leads collaborative development and implementation of a city	Monitor month on month narrative toolkit traffic and activity to ensure consistently increasing engagement and usage	On track	Jul: 713 Aug: 638 Sept: 830 Oct: 760 Nov: 781 Dec: 819	
8.1	narrative.	Facilitate quarterly stakeholder engagement and business outreach initiative for nurturing city narrative through 4 initiatives	On track	2	Narrative workshop completed on 28 <sup>th</sup> August Engaged city stakeholders for BLOOM campaign.
9.0	Christchurch Visitor Information Centre provides services that visitors use	140,000 Christchurch i-SITE visitors	Requires Attention	51,612	Decline in i-SITE foot-traffic worse than expected due to: digital disruption to travel industry, acceleration of decline post March 15 terror attack (prior ave8% YoY, after ave23% YoY), Riverside Market opening in October. Additional marketing activity has been undertaken to mitigate. However, note improved YoY sales conversion and profitability.
9.1		9,100 Christchurch i- SITE visitor e-mail responses	On track	5,032	
9.2		i-SITE customer satisfaction level of at least 8.5 out of 10	On track		Survey will be undertaken February 2020
10.	Christchurch is recognised by Antarctic programme partners as being a quality Gateway city	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Ontrack		Delivered Season Opening Civic Events programme     Launched "Christchurch Antarctic Business Network"     Co-ordinated welcomes for US, French and Italian DV VIPs     Hosted welcomes for Italian Air Force/new Italian research vessel     First Antarctic Office sector newsletter produced     Rebranded to Christchurch Antarctic Office

ChristchurchNZ Holdings Ltd Quarterly Report to December 2019



Last Saved on:	5/02/2020
Author:	Laura Dawson
Approved by:	Joanna Norris
Status	FINAL





# **Civic Building Limited**

**Unaudited Half Year Financial Statements** 

For the six months to 31 December 2019



#### **Civic Building Limited**

#### **Background**

These are the unaudited interim financial statements of Civic Building Limited ("the Company").

The Company is a Council Controlled Trading Organisation as defined by Section 6 of the Local Government Act 2002. Accordingly, the Company has designated itself as a profit oriented entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) reporting as a Tier 2 for-profit entity.

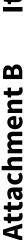
The Company is a party along with Ngai Tahu Property (CCC-JV) Limited to the Christchurch Civic Building Joint Venture (CCBJV), an unincorporated joint venture which has developed and now maintains the Christchurch City Council's Civic Building on Hereford Street.

The financial statements of the Company are for the six months ended 31 December 2019. The financial statements were authorised for issue by the Board of Directors on xx February 2019.

#### **Directors**

The persons holding office as Directors of the Company for the six months to date and at 31 December 2019 were:

James Gough (Chairperson)
David East (Deputy Chairperson) (resigned at 05/12/2019)
Mike Davidson (resigned at 05/12/2019)
Sam MacDonald (appointed at 05/12/2019)
Philip Mauger (appointed at 05/12/2019)





#### Civic Building Limited

#### Commentary

#### **Financial Performance**

Revenue decreased slightly for the six months to December 2019 compared to December 2018 due to lower interest rates leading to reductions in interest income. Also last year, there was one off income from insurance proceeds that did not occur this half year.

The decrease in finance costs between December 2019 and December 2018 mainly arises from a decrease in interest payments as more of the principal borrowings were repaid.

#### **Financial Position**

There was a slight increase in net assets, as we have hold cash on term deposit for the partial loan repayment that has been deferred to the year end anticipate a repayment of \$1 million.

The decrease in total liabilities between December 2019 and June 2019, mainly caused by transfer of sinking fund capital expenditure to a special reserve and a temporary decreased tax liability.

#### Statement of intent variance commentary:

Total actual income is slightly higher than plan due to an extra finance lease interest, its will be gradually meet the plan figure at end of the year. Also, recovered building expenses from the tenant was higher than planned.

Expenses are higher than plan mainly due to higher rates, building management expenses, partially offset by slightly lower insurance.

The variance in borrowings from Council is higher due to the repayments being scheduled at end of the finical year.

The finance lease asset has differences that are expected to gradually reduce to nil at end of the financial year.

The total asset balance at 31 December 2019 is \$56 million which is greater than plan. This is mainly due to cash and cash equivalents being higher than expected, as we expected to repay \$500k of the loan in December 2019 now deferred.

#### **Operational Performance Targets**

Objective and Strategy	Performance Measure 2019/20	Performance to date
Meet the financial targets contained within this SOI.	Budgeted key performance indicators are met or exceeded.	Financial targets are generally in line with the SOI targets.
Manage the investment in a commercially astute and prudent manner.	Ensure the Civic building is managed in accordance with the management agreement.	The building has been managed in accordance with the management agreement.



### **Environmental and Social Performance Targets**

Objective and Strategy	Performance Measure 2019/20	Performance to date
The Civic building was designed to achieve a high standard in terms of environmental and energy sustainability.	Ensure the Civic Building operates in a manner that preserves accreditation features equivalent to 6 Green Star rating.	The Facility Management Team considers that the building is operating in a manner consistent with 6 Green Star rating facility and refer to a desktop evaluation to be undertaken of current equivalence.

# Statement of comprehensive income for the six months ended 31 December 2019

	Six months end 2019 \$000	ed 31 December 2018 \$000
Revenue	2,273	2,364
Finance costs	1,848	2,192
Other expenses	348	347
	2,196	2,539
Profit / (Loss) before income tax	77	(175)
Income tax expense/(income)	(23)	(49)
Profit / (Loss) for the period	100	(126)
Total comprehensive profit / (loss) for the period	100	(126)

The accompanying notes form part of and are to be read in conjunction with these financial statements.



### Statement of changes in equity

for the six months ended 31 December 2019

	Share Capital \$000	Retained Earnings \$000	Other Reserves \$000	Total \$000
Balance at 1 July 2018	6,188	(14,766)	-	(8,578)
Profit/(loss) for the 6 months to 31 December 2018	-	(126)	-	(126)
Balance at 31 December 2018	6,188	(14,892)	-	(8,704)
Profit/(loss) for the 6 months to 30 June 2019	-	84	-	84
Balance at 30 June 2019	6,188	(14,808)	-	(8,620)
Profit/(loss) for the 6 months to 31 December 2019	-	100	-	100
Other comprehensive income	-	-	392	392
Balance at 31 December 2019	6,188	(14,708)	392	(8,128)

The accompanying notes form part of and are to be read in conjunction with these financial statements.



### Statement of financial position

#### as at 31 December 2019

	31 December 2019 \$000	30 June 2019 \$000
Current assets		
Cash and cash equivalents	1,470	1,025
Trade and other receivables	142	8
Finance lease receivable - current	4,538	4,505
Current tax assets	539	560
Total current assets	6,689	6,098
Non-current assets		
Other financial assets	250	-
Investment property	6,400	6,400
Finance lease receivable - non-current	43,187	43,836
Total non-current assets	49,837	50,236
Total assets	56,526	56,334
Current liabilities		
Trade and other payables	291	546
Borrowings - current	1,000	1,000
Total current liabilities	1,291	1,546
Non-current liabilities		
Deferred tax liability	10,475	10,520
Borrowings - non-current	52,888	52,888
Total non-current liabilities	63,363	63,408
Total liabilities	64,654	64,954
Net liabilities	(8,128)	(8,620)
Equity		
Share capital	6,188	6,188
Retained earnings	(14,708)	(14,808)
CCBJV Capex Reserve	392	
Total equity	(8,128)	(8,620)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

For and on behalf of the Board of Directors which authorised the issue of the financial statements:

Chair	Director
 Date	- Date



### Statement of cash flows

### for the 6 months ended 31 December 2019

	Six months endo 2019 \$000	ed 31 December 2018 \$000
Cashflows from operating activities		
Operating revenue	2,875	2,764
Payments to suppliers and employees	(507)	(438)
Net GST movement	144	71
Net cash flow from operating activities	2,512	2,397
Cashflows from investing activities		
Interest received	21	78
Term deposits matured	2,850	10,105
Term deposit investments	(3, 100)	(10, 105)
Net cash flow from investing activities	(229)	78
Cashflows from financing activities		
Interest paid	(1,838)	(2,210)
Loan repayment	-	(2,500)
Net cash flow from financing activities	(1,838)	(4,710)
Net increase/(decrease) in cash and cash equivalents	445	(2,235)
Cash and cash equivalents at beginning of period	1,025	5,195
Cash and cash equivalents at end of period	1,470	2,960

The accompanying notes form part of and are to be read in conjunction with these financial statements.



Notes to the interim financial statements for the six months ended 31 December 2019

### **Statement of Compliance**

These are the unaudited interim financial statements of the Company for the six months ended 31 December 2019.

The interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice as appropriate for Tier 2 for-profit entities. They comply with the Tier 2 for-profit accounting standards.

As the Company has elected to report under Tier 2 for-profit accounting standards, it has applied disclosure concessions, where available. The criteria under which the Company is eligible to report under Tier 2 for-profit accounting standards are as follows:

- (a) the Company is not publicly accountable; and
- (b) the Company's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Company's annual financial statements as at 30 June 2019.

#### **Accounting policies**

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 30 June 2019.

### Contingencies

The Company had no contingent liabilities on 31 December 2019 or 30 June 2019.

#### Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.



### **Statement of Service Performance**

The following lists the financial and operating performance targets set by the Company in its Statement of Intent for the year to 30 June 2020 and reports on progress to date against these targets.

	Six months en	Six months ended 31 December 2019		Full year
	Target	Actual	Variance	Target
	\$000	\$000	\$000	\$000
Financial Performance Targets:				
Income				
Interest - finance lease	1,697	1,707	10	3,393
Interest - other	5	21	16	10
Other income	493	545	52	986
Expenses				
Finance costs	1,881	1,848	33	3,762
Other expenses	281	348	(67)	562
(Loss)/profit before income tax	33	77	44	65
Income tax (income)	78	(23)	(101)	155
(Loss)/profit after income tax	(45)	100	145	(90)
Ratio of Shareholders Funds to Total Assets	-15.3%	-14.4%	0.9%	-15.3%
	Six months en	ded 31 Dece	ember 2019	Full year
	Target	Actual	Variance	Target
	\$000	\$000	\$000	\$000
Capital Structure				
Uncalled capital	10,000	10,000	-	10,000
RPS shares	6,188	6, 188	-	6,188
Borrowings from Council	51,788	52,888	1,100	51,788
Finance lease asset	42,900	43,187	287	42,900
Total assets	55,323	56,526	1,203	55,323





**Unaudited half year report to 31 December 2019** 





#### **Background**

These are the unaudited interim financial statements of the Riccarton Bush Trust ("the Trust"). The financial statements of the Trust are for the 6 months ended 31 December 2019. The financial statements were authorised for issue by the Trust Board on 26 February 2020.

The Trust was formed by an Act of Parliament and operates and manages Riccarton House and grounds together with Riccarton Bush. The key objectives of the Trust are to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history; and
- encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch.

#### **Trustees**

The persons holding office as Trustees for the year to date and at 31 December 2019 were:

Bob Shearing (Chairman)
Mike Mora (Deputy Chairman)
David Norton
Tim Deans
Jimmy Chen
Bob Lineham
Shirish Paranjape
Pippa Ensor

### State of Affairs

For the six months ended 31 December 2019 the Trust made a deficit of \$13,473 compared to a deficit of \$61,251 for the six months to 31 December 2018.

Total income (including interest revenue) was \$360,071 against budget of \$280,000 (\$80,071 or 29% above budget). Higher revenue was a result of receiving grant revenue of \$48,660 and a large donation of \$34,255. These grants and donations were not budgeted due to their unpredictability. Commission received from Local was \$1,526 higher than expected due to Local's increased focus on marketing. Tours and door sales were \$3,294 lower than expected but this will likely reverse over the next half year due to increased investment in marketing and more tours commencing.

Operating expenses were \$288,665 against budget of \$280,000 (\$8,665 or 3% over budget). The majority of expenses were incurred in line with budget. There was a slight over spend on building maintenance of \$6,847 due to urgent repairs which were discovered during the downstairs bathroom upgrade. These repairs included a broken sewer pipe, a urinal leak and the replacement of the hot water cylinder. This over spend has been offset by underspends in other areas such as tree maintenance which is \$7,386 under budget. Bush and Ground staff costs were also higher than budget due to increased staff hours and leave entitlements not budgeted.





### Operational highlights

- Lottery Grants Board paid a grant of \$20,000 which will be put towards the carpet upgrade.
- \$1,250 was received from CCC as a capital grant. This was a contribution towards new computers and technology.
- CCC Metropolitan Fund granted \$12,410 which will be put towards the boardwalk upgrade.
- Upgrade of toilets and addition of accessible toilet completed in October 2019 at a total cost of \$117,304.
- Drone Footage of House and Grounds completed
- Video of house interior and dimensions completed
- Collaboration with No Productions Theatre Company and the presentation of "Dear Jane' as part of Heritage Week
- Received the Heritage Ambassador Award as recognition for the Trust's contribution to Heritage Week since the mid 1990s
- Completion of the archiving and cataloguing of the Trust's Minute Books since its inception.
- Development of online booking system for guided tours.
- Signage upgrade continued





### Statement of comprehensive revenue and expense

For the six months ended 31 December 2019

	Six months ended	
	31 December 2019	31 December 2018
	\$	\$
Revenue from operations	70,506	69.635
Other revenue	289,565	221,433
	360,071	291,068
Employee benefits expense	166,479	153,883
Depreciation and impairment	81,246	77,791
Projects cost	3,633	224
Other expenses	122,186	119,653
Loss on disposal		768
	373,544	352,319
Net deficit for the period	(13,473)	(61,251)
Total comprehensive expense	(13,473)	(61,251)

The accompanying notes form part of and are to be read in conjunction with these financial statements.





### Statement of changes in equity

For the six months ended 31 December 2019

	Trust Funds	ACR&E*	Total equity
	\$	\$	\$
Balance as at 1 July 2018	15,124,415	1,152,089	16,276,504
Total comprehensive expense for the six months to 31 December 2018	-	(61,251)	(61,251)
Balance as at 31 December 2018	15,124,415	1,090,838	16,215,253
Total comprehensive expense for the six months to 30 June 2019	-	5,861	5,861
Balance as at 30 June 2019	15,124,415	1,096,699	16,221,114
Total comprehensive expense for the six months to 31 December 2019	-	(13,473)	(13,473)
Balance as at 31 December 2019	15,124,415	1,083,226	16,207,641

<sup>\*</sup>Accumulated comprehensive revenue and expense.

The accompanying notes form part of and are to be read in conjunction with these financial statements.





### Statement of financial position

As at 31 December 2019

	31 December 2019 \$	30 June 2019 \$
Current assets		
Cash and cash equivalents	199,715	249,366
Recoverables from exchange transactions	29,393	34,535
Inventories	1,557	2,030
GST receivable Total current assets	230,665	401 286,332
Total current assets	230,003	200,332
Non-current assets		
Property, plant and equipment	16,029,101	15,992,998
Total non-current assets	16,029,101	15,992,998
Total assets	16,259,766	16,279,330
Current liabilities		
Payables under exchange transactions	11,038	29,255
Provisions	28,364	20,443
Finance lease liability	1,613	1,461
GST payable	5,100	-
Income in advance		201
Total current liabilities	46,115	51,360
Non-current liabilities		
Finance lease liability	6,010	6,856
Total long term liabilities	6,010	6,856
Total liabilities	52,125	58,216
Net assets	16,207,641	16,221,114
Equity		
Trust funds	15,124,415	15,124,415
Accumulated comprehensive revenue and expense	1,083,226	1,096,699
Total equity	16,207,641	16,221,114

The accompanying notes form part of and are to be read in conjunction with these financial statements.

For and on behalf of the Board of Trustees, which authorised the issue of the financial report on:

Date	
Chairman (Bob Shearing)	
(	
Manager (Shona Willis)	





### **Statement of cashflows**

For the six months ended 31 December 2019

	Six months ended		
	31 December 2019 \$	31 December 2018 \$	
	Ψ	Ψ	
Cash flows from operating activities			
Receipts from customers and donations	184,924	93,903	
Contributions from Christchurch City Council	181,550	189,281	
Interest income	1,235	2,375	
Payments to employees and suppliers	(303,616)	(292,196)	
Net GST movement	4,297	(4,082)	
Net cash flow from operating activities	68,390	(10,719)	
Cash flows from investing activities			
Purchase of property, plant and equipment	(117,346)	(90,174)	
Disposal of property, plant and equipment	-	(768)	
Net cash flow from investing activities	(117,346)	(90,942)	
Cash flows from financing activities			
Establishment/(Payment) of finance lease	(694)	5,743	
Net cash flow from financing activities	(694)	5,743	
Net (decrease)/increase in cash and cash equivalents	(49,651)	(95,918)	
Opening cash and cash equivalents	249,366	340.394	
Sporting sacrification squared on the	210,000	010,001	
Represented by:			
Cash and cash equivalents	199,715	244,476	

The accompanying notes form part of and are to be read in conjunction with these financial statements.





### **Statement of Objectives and Performance**

For the six months ended 31 December 2019

The following lists the financial and operating performance targets set by the Trust in its Statement of Intent for the year to 30 June 2019 and summarises the Trust's performance against the objectives for the period to date.

### **Financial Performance Targets**

	Six mont	hs ended 31 [	December	
	2019	2019	2019	2019
	Actual	Target	Variance	FY Target
	\$	\$	\$	\$
Operating Revenue	360,071	280,000	80,071	560,000
Less Operating Expenses	288,665	280,000	(8,665)	560,000
Operating surplus (deficit) before depreciation	71,406	-	71,406	-
Capital structure - total equity	16,207,641 nil	15,967,000 nil	240,641 nil	15,967,000
Capital structure - total debt	mil	mil	mii	nil

The above targets relate to operating revenue and operating expenses and do not include depreciation and project costs of \$84,879.

### **Project Performance Targets**

Target	Performance Measure			
Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015.	<ul> <li>Report to each Board meeting.</li> <li>Target results for all Trust activities, of:         <ul> <li>Serious Harm incidents = 0</li> <li>Accident = 1</li> <li>Near Misses = 3</li> </ul> </li> </ul>	Health and Safety meetings each month and a report is submitted at each board meeting. Serious Harm incidents = 0 Accident = 0 Near Misses = 0		
Refit and upgrade the external public toilets	Completed by 30 June 2020	No progress		
Carpet in     hallway/drawing room     and fine dining room     replaced	Completed by 30     December 2019	All funding has been sourced. Carpet is being manufactured and will be laid in March 2020.		





4. Installation of sun-filters throughout house	<ul> <li>The wall paper and linings in the morning room are protected from sun damage by 2020</li> </ul>	Completed December 2020. Morning Room windows have been fitted with appropriate film to protect wall paper and linings.
5. Visitor numbers to the House, Bush and Grounds are increasing annually.	<ul> <li>Visitor Numbers to the Bush increase by 2%</li> <li>Independent and Group Tours of Riccarton House increase by 2%</li> </ul>	House visitors for 6 months are 1,597 (2019 visitors were 2,286) Bush visitors for 6 months are 38,220 (2019 bush visitors were 40,084)
6. There is no reduction in the % of ordinary income from sources other than CCC and Capital Grants.	<ul> <li>Ordinary income from sources other than CCC increases by 2% annually.</li> </ul>	Annual results are yet to be determined.

#### **Environmental and Social Performance Targets**

Target	t Performance Measure		
Monitoring and management of rodent activity in Riccarton Bush.	Effective management of bait stations resulting in observable decrease in activity.	Small increase in rodent activity during December but under control.	
2. Bush and Grounds Interpretation	The full upgrade has been completed by 30 June 2020	In progress.	
3. Bush Enhancements – Boardwalk	Develop a fund-raising strategy by 30 December 2019	Target not met but in progress.	

#### Notes to the interim financial statements for the six months ended 31 December 2019

### **Basis for preparation and Statement of Compliance**

These are the unaudited interim financial statements of the Trust. The Trust operates under the Riccarton Bush Act 1914 and is a Council Controlled Organisation under the Local Government Act 2002. The Trust manages property in Riccarton. The property consists of Riccarton historic house, cottage and grounds, a residential house and conservation bush.

The major source of income is from an operating levy and an additional grant received annually from the Council and from grants and donations and rents from use of the properties.

The primary purpose of the Trust is to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history; and





 encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The interim financial statements for the six months ended 31 December 2019 have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- (a) the Trust is not publicly accountable; and
- (b) the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements as at 30 June 2019.

#### **Significant Accounting policies**

#### **Changes in Accounting Policies and Disclosures**

There have been no significant changes in accounting policy since 30 June 2019.

#### Significant related party transactions

The Trust requires the Council to contribute a significant amount of funds towards its operating costs to deliver its objectives as specified in the Riccarton Bush Act.

During the six months to 31 December 2019, the Trust received \$180,300 (2018: \$176,781) in operational grants and levies from the Council. A further \$1,250 was received as a capital grant from the Council.

The Trust owes Council \$nil as at 31 December 2019 (2018: \$nil). The Council owes the Trust \$nil as at 31 December 2019 (2018: \$nil).

#### **Contingencies**

The Trust has no contingent assets or liabilities as at 31 December 2019.

#### Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.







# CHRISTCHURCH AGENCY FOR ENERGY TRUST

**Unaudited Half Year Report to 31 December 2019** 





### **Directory**

Address 53 Hereford Street

Christchurch 8013

Trustees P Cotter (Chairperson)

S Godfrey R Briggs

M Davidson (appointed 28/11/2019) G Livingstone (retired 28/11/2019)

Bankers Bank of New Zealand

Christchurch

Auditors Audit New Zealand on behalf of the Auditor-General

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Statement of Comprehensive Revenue and Expense for the six months ended 31 December 2019

	Six months ended 31 December 2019 31 December 2018			
	\$1 December 2019	31 December 2018		
	4.005	7.400		
Interest revenue	1,265	7,122		
	1,265	7,122		
Grants	66,683	370,947		
Other expenses	9,317	9,678		
	76,000	380,625		
Net deficit for the period	(74,735)	(373,503)		
Total comprehensive expense	(74,735)	(373,503)		

The accompanying notes form part of and are to be read in conjunction with these financial statements.



### **Statement of Financial Position** as at 31 December 2019

		31 December 2019 \$	30 June 2019 \$	
Current assets Cash and cash equivalents Recoverables from non-exchange transactions Prepayments Non-current assets classified as held for sale Total current assets		172,761 1,725 2,883 1,871 179,240	190,036 61,167 - 1,871 253,074	
Total assets		179,240	253,074	
Current liabilities Payables under exchange transactions Total current liabilities		4,802 4,802	3,901 3,901	
Total liabilities		4,802	3,901	
Net assets		174,438	249,173	
Equity Accumulated comprehensive revenue and exper Total equity	nse	174,438 174,438	249,173 249,173	
Trustee	Trustee			
Date	Date			

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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Statement of changes in net assets/equity for the six months ended 31 December 2019

	\$
Balance as at 1 July 2018	1,093,236
Total comprehensive expense for the six months to 31 December 2018	(373,503)
Balance as at 31 December 2018	719,733
Total comprehensive expense for the six months to 30 June 2019	(470,560)
Balance as at 30 June 2019	249,173
Total comprehensive expense for the six months to 31 December 2019	(74,735)
Balance as at 31 December 2019	174,438

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Statement of cashflows for the six months ended 31 December 2019

	Six month	s ended
	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Interest received	1,265	7,122
Grants paid	(66,684)	(370,947)
Payments to suppliers	(11,298)	(12,223)
Net GST movement	59,442	389
Net cash used by operating activities	(17,275)	(375,659)
Net decrease in cash and cash equivalents	(17,275)	(375,659)
Cash and cash equivalents at beginning of period	190,036	1,094,361
Cash and cash equivalents at end of period	172,761	718,702

The accompanying notes form part of and are to be read in conjunction with these financial statements.



**Christchurch Agency for Energy Trust** Statement of objectives and performance for the six months ended 31 December 2019 Financial performance targets

	31 December 2019 Target \$	Six months ended 31 December 2019 Actual \$	31 December 2019 Variance \$	2019 FY Target \$
Revenue				
Interest received	1,000	1,265	265	2,000
Total Revenue	1,000	1,265	265	2,000
Expenditure				
Christchurch Energy Grant Scheme payments	102,000	66,683	35,317	204,000
Grant administration and general expenses	9,000	9,317	(317)	18,000
Total Expenses	111,000	76,000	35,000	222,000
Deficit for the period	(110,000)	(74,735)	35,265	(220,000)
Retained Deficit				
Opening balance	225,000	249,173	24,173	225,000
Current period deficit	(110,000)	(74,735)	35,265	(220,000)
Closing balance	115,000	174,438	59,438	5,000.00
Awarded but and Unpaid Christchurch				
Energy Grant Scheme grants	-	116,661	(116,661)	-

#### **Variances**

Interest revenue is slightly higher than forecast due to a higher than planned cash balance as a result of the delay in paying Christchurch Energy Grant Scheme grants.

Eight Christchurch Energy Grant Scheme payments have been made during the six months to 31 December 2019. More electric vehicle grants were expected to be paid out by 31 December 2019, however delays have set back these payments. The remaining payments are expected to be made in the second half of the financial year.

General administration costs including accounting, legal and administration charges from the Council were slightly higher than forecast because services acquired from the Council were more than estimated.

#### Non-financial performance targets

In addition to the above financial performance measures, Christchurch Agency for Energy Trust uses the following measures as set out in its 2019 Statement of Intent to assess its performance for the financial year:

Performance Target	Performance Measure	Actual Half Year Results		
Christchurch Energy Grants Scheme	Allocation and payment of the remaining balance the fund for initiatives within the Central	Six grants totaling \$87,539 have been allocated during the period.		
	City through the Christchurch Energy Grants Scheme or other initiatives in line with the Trust Deed.	The Trustees are considering suitable projects for the remaining balance.		

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Christchurch Agency for Energy Trust Notes to the interim financial statements for the six months ended 31 December 2019

#### **Basis for preparation and Statement of Compliance**

These are the unaudited interim financial statements of the Christchurch Agency for Energy Trust (the Trust), a Charitable Trust created by the Christchurch City Council (the Council) on 13 July 2010. The primary purpose of the Trust is to promote energy efficiency initiatives and the use of renewable energy in Christchurch.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The unaudited interim financial statements of the Trust are for the six months ended 31 December 2019. The unaudited interim financial statements were approved for issue by the Board of Trustees on 29 January 2020.

The interim financial statements for the six months ended 31 December 2019 have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards for periods beginning on or after 1 July 2014.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- the Trust is not publicly accountable; and
- the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements for the year ended 30 June 2019.

### Significant Accounting policies

#### **Changes in Accounting Policies and Disclosures**

There have been no significant changes in accounting policies since 30 June 2019.

#### Significant related party transactions

The Council provided accounting and administration services to the Trust at a cost of \$4,426 (2018: \$4,885).

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### **Christchurch Agency for Energy**

#### Commitments

#### **Christchurch Energy Grants**

\$116,661 of Christchurch Energy Grants has been allocated as at 31 December 2019 (2018: \$551,345). These are expected to be paid through to the 2019/20 financial year upon meeting the requirements set out in the respective funding agreements.

#### Contingencies

The Trust has no contingent assets or liabilities as at 31 December 2019 (2018: nil).

#### Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.

#### Going concern

The Trust intends to wind up by 30 June 2020 with any remaining assets being transferred at the direction of the settlor of the Trust (Christchurch City Council), for a similar charitable purpose, in accordance with the Trust Deed. The interim financial statements for the six months ended 31 December 2019 are therefore prepared on a disestablishment basis consistent with the 30 June 2019 financial statements.



Quarter 2: 2019 - 2020

Period ended: 31 December 2019



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E.	Performance against SOI objectives	9
	<ol> <li>Providing savings in annual interest costs for all Participating Local Authorities ("PLAs") on a relative basis to other sources of financing</li> </ol>	9
	2. Offering short and long-term borrowings with flexible lending terms	11
	3. Enhancing the certainty of access to debt markets for PLAs, subject always to operating in accordance with sound business practice	12
	4. Being the debt funder of choice for New Zealand local government	14
	5. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each PLAs financial position and the general issues confronting the Local Government sector	14
	<ol> <li>LGFA will take a proactive role to enhance the financial strength and depth of local government debt market and work with key central government and local government stakeholders on sector and individual council issues</li> </ol>	15
	<ol> <li>Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy</li> </ol>	15
	8. Provide at least 75% of aggregate long-term debt funding for Participating Local Authorities	15
	9. Achieve the financial forecasts (excluding the impact of AIL) set out in Section 4	16
	<ol> <li>Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses</li> </ol>	16
	11. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015	16
	<ol> <li>Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency</li> </ol>	16
	<ol> <li>Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs to both the Shareholder Council and shareholders</li> </ol>	17
	14. Comply with its Treasury Policy as approved by the Board	17
F.	Investor relations / outlook	18
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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



### A. December quarter issuance and highlights summary

Quarter	Total	Bespoke	2020	2021	2022	2023	2024	2025	2027	2029	2033
		Maturity									
Bonds issued \$m	485	N/A	-	-	130		105	30	-	60	150
Term Loans to councils \$m	313.1	243.1	-	-	3.0	4.0	16.5	-	15.0	7.0	24.5
Term Loans to councils #.	37	26	-	-	1	1	3	-	2	2	2

Year to date	Total	Bespoke	2020	2021	2022	2023	2024	2025	2027	2029	2033
		Maturity									
Bonds issued \$m	1,105	N/A	-	-	190		165	30	-	510	210
Term Loans to councils \$m	732.1	478.1	-	-	10.5	16.0	73.0	-	46.0	84.0	24.5
Term Loans to councils #.	83	51	-	-	2	4	11	-	5	8	2

### Key points and highlights for the December quarter:

- The LGFA bond curve steepened and rose over the quarter with yields rising between 28 bps (2021s) and 55 bps (2033s). A softer fiscal outlook, unwinding of market expectations for further cuts in the OCR and equity markets remaining at historic highs were the key drivers for higher bond yields. However, over the past year the yield on the 2021 LGFA bond has declined 77 bps while the 2033 LGFA bond yield has declined 113 bps.
- LGFA issued \$485 million of bonds across five maturities during the quarter via three tenders. The average term of issuance during the quarter of 7.56 years was shorter than the previous quarter at 8.85 years (due to the 2029 syndication) but longer than the average term of 6.62 years for the 2018-19 year.
- LGFA received the KangaNews award for NZ Domestic Bond Deal of the Year for the April 2024 syndicated Bond issue.
- LGFA margins to swap narrowed between 2 bps (2029s) and 11 bps (2023s) over the quarter. The reduced amount of issuance, lack of kauri issuance and improved credit market sentiment were the major influences. LGFA spreads to NZGB were mixed and varied between 2 bps wider (2025s) and 9 bps tighter (2033s) over the quarter.
- Long dated lending to council borrowers during the quarter was \$313.1 million, including \$243.1 million of bespoke maturity loans (78% of total lending). The average term of lending during the quarter at 7.41 years was longer than the 2018-19 financial year average of 6 years.
- LGFA has estimated market share of 87.7% of total council borrowing for the rolling twelve-month period to December 2019 (compared to a historical average since 2012 of 73%). We provided 76% of council borrowing during the December 2019 quarter.
- Short-term lending remains strongly supported by councils with loans outstanding of \$525.1 million as at 31 December 2019. This was an increase of \$88.5 million over the quarter and the number of councils using this product increased by three to thirty-one.
- LGFA Net Operating Gain (unaudited) for the six-month period to 31 December 2019 was \$6.11 million or \$598k above budget with Net Interest Income \$435k above budget and expenses \$163k below budget.

2



Quarter 2: 2019 - 2020

Period ended: 31 December 2019



• One new council joined LGFA over the quarter (Kaikoura District Council), increasing the number of councils to sixty-six councils. There are fifty-three council guarantors as at 31 December 2019. We are expecting a further two councils to join over the next twelve months.

### B. LGFA bond tenders during quarter

LGFA held three bond tenders during the quarter.

Tender 66: 2 October 2019 \$160 million

Tender 66- 2 October 2019	14-Apr-22	15-Apr-24	14-Apr-33
Total Amount Offered (\$million)	50	35	75
Total Amount Allocated (\$million)	50	35	75
Total Number of Bids Received	10	13	29
Total Amount of Bids Received (\$million)	115	82	175.05
Total Number of Successful Bids	3	2	6
Highest Yield Accepted (%)	1.085	1.235	2.060
Lowest Yield Accepted (%)	1.070	1.215	2.040
Highest Yield Rejected (%)	1.190	1.350	2.195
Lowest Yield Rejected (%)	1.085	1.235	2.060
Weighted Average Accepted Yield (%)	1.081	1.231	2.058
Weighted Average Rejected Yield (%)	1.113	1.283	2.100
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	60	80	81.8
Coverage Ratio	2.30	2.34	2.33
NZGB Spread at Issue (bps)	35.00	39.00	81.00
Swap Spread at Issue (bps)	23.75	36.50	71.30
Swap Spread: AA council (bps)	36	49	93
Swap Spread: AA- council (bps)	41	54	98
Swap Spread: A+ council (bps)	46	59	103
Swap Spread: Unrated council (bps)	56	69	113
Coverage Ratio	2.30	2.34	2.33

The tender result was a pleasing outcome with improved bid coverage ratios, all issuance completed at mid rates and tight successful bid ranges (1 to 2 bps). Spreads to both NZGB and swaps on the 2022s and 2024s were unchanged relative to the previous July tender but wider on the 2033s. The large recent decline in yields (note the 2022s were issued just above 1%) and a lack of strong offshore buying had dampened general sentiment, but this was offset by a trader market that was short our 2033 maturity.

3



Quarter 2: 2019 - 2020

Period ended: 31 December 2019



The tender size of \$160 million was in line with the average tender size (\$167 million). Council borrowing demand was strong at \$148.5 million with both new borrowing and the refinancing of April 2020 loans by councils (new financial year) increasing demand.

While we issued \$160 million of LGFA bonds we lent \$148.5 million to ten councils and the average term of lending at 9.08 years (109 months) was long by historical standards.

Tender 67: 6 November 2019 \$160 million

Tender 67- 6 November 2019	14-Apr-22	15-Apr-24	15-Apr-25	14-Apr-33
Total Amount Offered (\$million)	40	40	30	50
Total Amount Allocated (\$million)	40	40	30	50
Total Number of Bids Received	3	11	12	21
Total Amount of Bids Received (\$million)	50	59	69	74
Total Number of Successful Bids	1	6	6	18
Highest Yield Accepted (%)	1.300	1.540	1.640	2.440
Lowest Yield Accepted (%)	1.300	1.525	1.625	2.375
Highest Yield Rejected (%)	1.335	1.570	1.670	2.460
Lowest Yield Rejected (%)	1.315	1.540	1.640	2.440
Weighted Average Accepted Yield (%)	1.300	1.531	1.636	2.409
Weighted Average Rejected Yield (%)	1.325	1.553	1.646	2.450
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	100	40	60	20
Coverage Ratio	1.25	1.48	2.30	1.48
NZGB Spread at Issue (bps)	40.00	46.00	56.00	83.00
Swap Spread at Issue (bps)	23.30	38.20	43.50	76.80
Swap Spread: AA council (bps)	35.1	50	55.3	88.6
Swap Spread: AA- council (bps)	40.1	55	60.3	93.6
Swap Spread: A+ council (bps)	45.1	60	65.3	98.6
Swap Spread: Unrated council (bps)	55.1	70	75.3	108.6
Coverage Ratio	1.25	1.48	2.30	1.48

The tender result was mixed with an okay pricing outcome but very low bid volumes and a long tail (6 bps) to the 2033s. Spreads to NZGB on the 2022s, 2024s and 2033s were wider relative to the previous October tender but tighter on a spread to swap for the 2022s and 2033s. Offshore investor appetite has reduced while bank interest was subdued following Housing New Zealand issuing \$400 million of its 2026 bond the day before the tender.

Price support was strong for the three short dated maturities but weak for the 2033s. Bidding volume was poor with the overall bid coverage ratio of 1.58x being the equal lowest on record (compared to an average of 2.4x for the past twelve months).

4



Quarter 2: 2019 - 2020

Period ended: 31 December 2019



The average maturity of the LGFA bonds issued was 6.94 years compared to the average for the current 2019/20 financial year of 8.4 years, so the tender was average in terms of volume and shorter in terms of duration.

While we issued \$160 million of LGFA bonds we lent \$57.5 million to five councils with the average term of lending at 7.8 years (94 months). This was slightly longer by historical standards but not as long as the August and October tenders.

Tender 68: 11 December 2019 \$165 million

Tender 68- 11 December 2019	14-Apr-22	15-Apr-24	20-Apr-29	14-Apr-33
Total Amount Offered (\$million)	40	30	60	35
Total Amount Allocated (\$million)	40	30	60	35
Total Number of Bids Received	7	8	19	19
Total Amount of Bids Received (\$million)	54	63	109	76
Total Number of Successful Bids	1	1	8	11
Highest Yield Accepted (%)	1.470	1.680	2.260	2.555
Lowest Yield Accepted (%)	1.470	1.680	2.220	2.530
Highest Yield Rejected (%)	1.530	1.730	2.345	2.685
Lowest Yield Rejected (%)	1.490	1.680	2.260	2.555
Weighted Average Accepted Yield (%)	1.470	1.680	2.251	2.543
Weighted Average Rejected Yield (%)	1.512	1.701	2.296	2.611
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	100	75	88.5	23.1
Coverage Ratio	1.35	2.10	1.82	2.17
NZGB Spread at Issue (bps)	39.00	42.00	74.00	81.00
Swap Spread at Issue (bps)	23.25	35.75	60.75	69.00
Swap Spread: AA council (bps)	35.25	47.75	69.5	87.5
Swap Spread: AA- council (bps)	40.25	52.75	74.5	92.5
Swap Spread: A+ council (bps)	45.25	57.75	79.5	97.5
Swap Spread: Unrated council (bps)	55.25	67.75	89.5	107.5
Coverage Ratio	1.35	2.10	1.82	2.17

The tender result was a good result given the underlying market background (the HYEFU was at 1pm of the day of the tender) and was the first tender of \$60 million of 2029s (since the August syndication).

While bidding strength wasn't large in terms of volumes (with low bid coverage ratios) the weighted average yields were 1bps to 1.5 bps above prevailing mid rates. Spreads to NZGB on the 2022s, 2024s and 2033s were all slightly tighter by up to 2bps compared to the November tender and unchanged to 1 bps tighter on a spread to swap.

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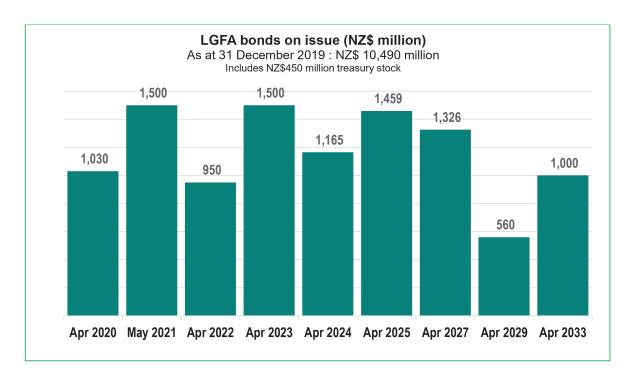
Quarter 2: 2019 - 2020

Period ended: 31 December 2019



The sharp rise in yields over the previous four months is highlighted by the successful tender yield of 2.25% on the April 2029 bond compared to the syndication yield of 1.69% in August 2019.

While we issued \$165 million of LGFA bonds we lent \$58 million to eight councils with an average term of lending at 7.2 years (86 months) which was slightly shorter by historical standards.



### C. Key performance indicators (Section 5 of SOI)

Section 5 of the SOI sets out the ten key performance targets

We have met (or on track to meet) all ten performance targets.

Measure		Prior full year to June 2019	Q1 30 Sept 2019	Q2 31 Dec 2019	Q3 31 Mar 2020	Q4 30 June 2020
LGFA net interest income for the period to June 2020 will be greater than \$17.88 million	Target (\$	5)	\$4.79 m (YTD as at Q1)	\$9.38 m (YTD as at Q2)	\$14.14 m (YTD as at Q3)	\$17.88 m (FULL YEAR)
	Actual (\$)	\$18.76 m	\$4.08 m	\$9.81 m		

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



			×	~			
Annual issuance and operating expenses (excluding AIL) will be	Target (\$	)	\$1.45 m (YTD as at Q1)	\$3.08 m (YTD as at Q2)	4.70 m (YTD as at Q3)	\$6.30 m (FULL YEAR)	
less than \$6.30 million	Actual (\$)	\$5.85 m	\$1.47 m	\$3.05			
Total lending (short and long term) to participating councils	Target (\$	)	\$9.63 b (YTD as at Q1)	\$9.90 b (YTD as at Q2)	\$10.04 b (YTD as at Q3)	\$9.79 b (FULL YEAR)	
to be at least \$9.79 billion	Actual (\$)	\$9.26 b	\$9.737 b	\$10.106 b			
Conduct an annual	Target (\$	)		Annual Survey	in July each year		
survey of councils and achieve 80% satisfaction score as to the value added by LGFA to council borrowing activities	Actual (%) 80%		Actual (%) 80% July 2019 survey outcome of 100%				
Meet all lending requests from PLAs	Target (%	5)	100%	100%	100%	100%	
requests from EAS	Actual (%)	100%	100%	100%			
Achieve 75% market share of all council borrowing in New	Target (%) Rolling annual average		>75%	>75%	>75%	>75%	
Zealand	Actual (%)	87.3%	87.1%	87.7%			
Review each PLA financial position, its headroom under LGFA policies and arrange to	Target (num	ber)			otal 65 over one y iew Undertaken in	ear n December Quarter	
meet each PLA at least annually	Actual		2 council visits but on track to achieve annual target In progress	29 council visits year to date and on track to achieve annual target In progress			
No breaches of	Target (zero bro	eaches)	nil	nil	nil	nil	
Treasury Policy, any regulatory or legislative requirements including H&S	Actual	One	Nil	Nil			
	Target (%	5)	100%	100%	100%	100%	

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due	Actual (%)	100%	100%	100%	
Maintain a credit	Target (equivalence)		AA+/AA+		
rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	Actual	AA+/AA+	AA+/AA+	AA+/AA+	

### D. Summary financial information (provisional and unaudited)

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
Comprehensive income	30-Sep-19	31-Dec-19	31-Mar-20	30-June-20
Interest income	90.86	185.07		
Interest expense	86.78	175.26		
Net interest revenue	4.08	9.81		
Issuance and On-lending costs	0.61	1.20		
Approved issuer levy	Nil	0.65		
Operating expenses	0.86	1.86		
Issuance and operating expenses	1.47	3.70		
Net Profit	2.61	6.11		

Financial position (\$m)	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Retained earnings + comprehensive income	50.61	54.10		
Total assets (nominal)	10,310.80	10,705.14		
Total LG loans (nominal)	9,737.23	10,110.90		
Total LGFA bills (nominal)	463.00	403.5		
Total LGFA bonds (nominal)	9,555.00	10,040.0		
Total borrower notes (nominal)	148.81	153.31		
Total equity	75.61	79.10		



Quarter 2: 2019 - 2020

Period ended: 31 December 2019



### E. Performance against SOI objectives and performance targets

### Primary objectives (Section 3 of SOI)

 Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing

LGFA lending base margins are 10 bps for all borrowing terms between April 2020 and April 2033 following our change to a flat margin structure in June 2018. The base margin charge covers our operating costs and provides for our capital to grow in line with the growth in our balance sheet to maintain a capital buffer. There is an additional credit margin added to the base margin depending upon whether a council has a credit rating or is a guarantor or no guarantor.

Our estimated annual savings to councils that are based upon the secondary market levels at 31 December 2019 of LGFA bonds compared to bonds issued by Auckland and Dunedin councils are between 2 bps and 7 bps depending upon the term of borrowing. The amount of savings is relatively unchanged over the quarter. The LGFA borrowing margins to swap have moved slightly tighter over the past six months while both Auckland Council and Dunedin City Treasury have issued relatively small amounts of bonds in their own name and their spreads have also tightened. LGFA bonds are priced over New Zealand Government Bonds (NZGB) and it has been unhelpful that the spread between swap and NZGB has narrowed. LGFA borrowing spreads have narrowed to NZGB over the past six months by between 7 bps to 19 bps and we have passed these benefits onto our council borrowers.

	Savings to AA rated councils (bps)							
31-Dec-19	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025				
AA rated councils' margin to swap (bps)	24	29	36	52				
Less LGFA margin to swap (bps)	-7	-15	-23	-40				
LGFA gross funding advantage (bps)	17	14	13	12				
Less LGFA base margin (bps)	-10	-10	-10	-10				
Total savings (bps) *	7	4	3	2				

Note that from 30 June 2017 we removed the implied "LGFA effect" of 10 bps of additional savings in borrowing costs from the above analysis. The LGFA effect was the assessment of immediate savings to councils when LGFA first commenced lending to councils in February 2012.

LGFA continues to borrow at very competitive spreads compared to the AAA rated SSA issuers who borrow in the New Zealand debt capital markets and to the domestic trading banks.

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



As at 31 December 2019		Compa	rison to of	her borro	wers - Sec	ondary M	arket Spre	ead to Swa	ap (bps)	
As at 31 December 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
LGFA (AA+)	7	15	23	27	34	40		46		59
Asian Development Bank (AAA)	9	17		28	32		39			
Inter American Development Bank										
(AAA)		17		29	35				55	
International Finance Corp (AAA)	12	17		32	34			44		
KBN (AAA)		21		34	39	44				
Rentenbank (AAA)	17	21	27	30	35					
World Bank (AAA)	8	16	24	27	31					
Nordic Investment Bank (AAA)	10	17		28		39				
ANZ (AA-)	27	40		70	76					
BNZ (AA-)	19			64						
Westpac Bank (AA-)			60	67	76					

During the quarter, outright yields rose by between 28 bps (2021s) and 55 bps (2027s) as risk on sentiment prevailed across most asset classes and the bond yield declines of the previous quarter were reversed. The interest rate curve steepened on expectations for additional borrowing by Central Government to fund infrastructure investment while expectations are for the RBNZ to maintain monetary policy settings at the current accommodative levels throughout 2020. Despite the quarterly rise in bond yields, they remain significantly lower than a year with the 2021 LGFA bond yield 77 bps lower and the 2033 bond yield 113 bps lower than December 2018.

We closely monitor the Kauri market for ongoing supply and price action as this other high-grade issuance by "AAA" rated Supranational issuers such as the International Finance Corporation (IFC), Inter-American Development Bank (IADB) and the Asian Development Bank (ADB) influences LGFA demand and pricing. These borrowers are our peer issuers in the NZD market and have the most influence on our pricing. The December quarter was a quiet period for Kauri bond issuance with no issuance and the \$3.3 billion of issuance over the 2019 calendar year was down 46% on the 2018 calendar year issuance of \$6.1 billion. Reduced offshore investor demand for NZD product as well as more attractive borrowing spreads for issuers in the US and European markets has led to the fall in issuance activity. This has assisted LGFA to issue a greater volume but has not led to significant margin improvement.

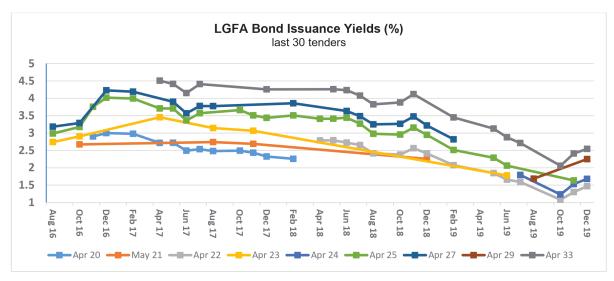
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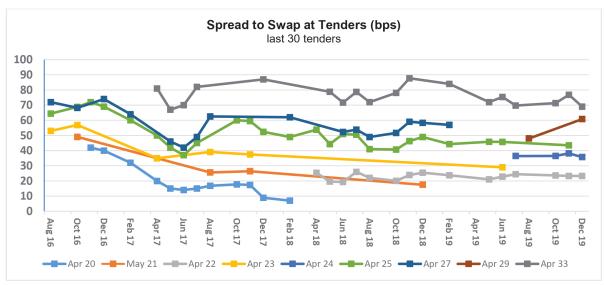


Quarter 2: 2019 - 2020

Period ended: 31 December 2019







#### 2. Offering short and long-term borrowings with flexible lending terms

The average borrowing term (excluding short dated borrowing) for the December 2019 quarter by council members was 7.41 years and this was longer than the 6.0 years average term for 2018-19 year. The lengthening in average borrowing term is explained by councils borrowing into the bespoke 2030 and conventional 2033 maturities.

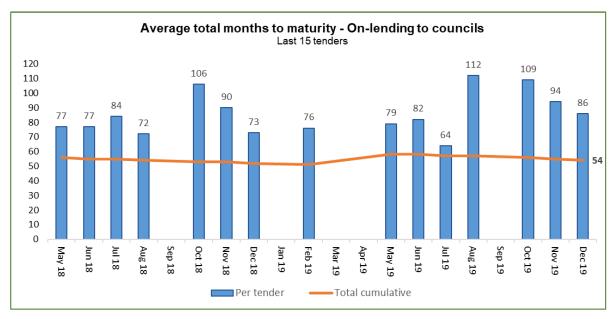
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Quarter 2: 2019 - 2020

Period ended: 31 December 2019





Bespoke lending continues to be a popular borrowing option for council members. During the quarter we lent \$243.1 million into bespoke maturity dates (non LGFA bond dates). Bespoke lending comprised 77.6% of total term lending by LGFA to its members during the December quarter and 65.3% for the 6-month period to 31 December 2019.

Short term borrowing by councils has been well received with loan terms to date of between one month and 12 months on \$525.1 million of loans outstanding as at 31 December 2019 to thirty-one councils. This is a large increase compared to June 2019 where we had lent \$362 million to thirty councils.

3. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice

LGFA bonds were listed on the NZX Debt Market in November 2015 and average turnover on the NZX Debt market has been \$10.6 million per month or 7.9% of the total turnover of the NZX Debt Market. Turnover on the NZX remains light as retail investors are more attracted to high term deposit rates and higher yielding bond issues by lower credit quality borrowers.

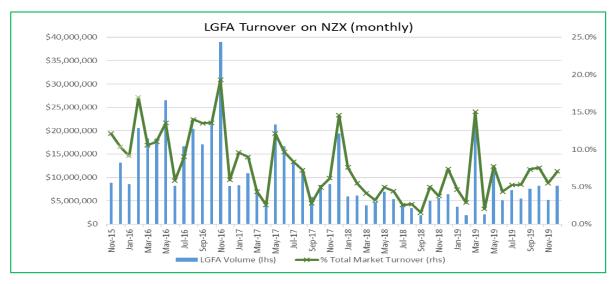
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Quarter 2: 2019 - 2020

Period ended: 31 December 2019

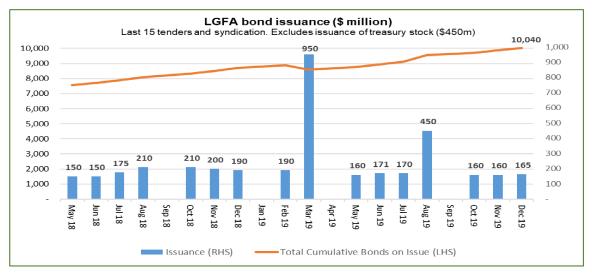




LGFA started issuing LGFA Bills and short dated (less than 1 year) lending to councils in late 2015. As at 30 December 2019 there were LGFA Bills of \$403.5 million on issue and short-term loans of \$525.1 million.

LGFA documented an Australian Medium-Term Notes Programme in November 2017 to provide the ability to issue in currencies other than NZD. We have no immediate intention to use this programme, but it provides flexibility in case of the unlikely scenario of a significant market disrupting event in the future.

We held three LGFA bond tenders during the quarter and market support was more subdued with lower bid coverage ratios and wider bid ranges than in previous quarters. This reflects the expensiveness of NZ bond yields relative to offshore markets and low outright yields.



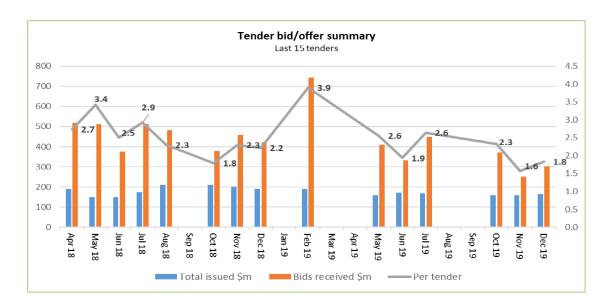
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Quarter 2: 2019 - 2020

Period ended: 31 December 2019





#### 4. Being the debt funder of choice for New Zealand local government

We use the Local Government Debt Report compiled by PwC as our source of market share. Our estimated market share of council borrowing for the December quarter was 75.8% and for the rolling twelve-month period to 31 December 2019 was 87.7%. This compares to a historical average since 2012 of 73%.

We survey our council members each year and the latest stakeholder survey result in July 2019 was a 100% result to the question "How would you rate LGFA in adding value to your borrowing requirements?". We also received a 99% result to the question "How satisfied are you with the pricing that LGFA has provided to your Council?"

- 5. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes
  - (i) LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis
  - (ii) Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to CCOs. Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown and
  - (iii) LGFA will analyse finances at the Council group level where appropriate and report to the Shareholder Council and shareholders as to which Participating Local Authorities are measured on a group basis.

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



LGFA had meetings with twenty-seven councils during the December quarter (and sixty-seven visits to sixty different councils for the twelve-month period to December 2019) to discuss their financial performance and any developments with the underlying council operations. LGFA reviews council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list.

We have received the annual compliance certificates from council members and all councils are compliant with the financial covenants as at June 2019. A list of covenant outcomes for all councils is attached to this quarterly report to shareholders.

LGFA has completed work on credit default assessment analysis of its member councils in preparation for adopting IFRS9 for accounting purposes.

At the November 2019 AGM, shareholders approved the changes to the Shareholder Agreement, Notes Subscription Agreement, Multi Issuer Deed and Guarantee and Indemnity Deed and Foundation Policies to allow for lending to CCOs and to offer standby facilities. LGFA expects to offer these products in early 2020.

No council has yet to request to LGFA that they be measured on a group basis.

6. LGFA will take a proactive role to enhance the financial strength and depth of local government debt market and work with key central government and local government stakeholders on sector and individual council issues

During the quarter, LGFA management met representatives from Treasury, investment banks and advisers to discuss both the local government sector in general and how LGFA can play a role in providing solutions to off balance sheet financing.

#### Additional objectives (Section 3 of SOI)

7. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy

LGFA's Net Operating Gain on an unaudited management account basis of \$6.11 million for the first six months of the financial year implies that we will be close to achieving the full year SOI financial forecast of \$10.016 million. The average cost of funds for the first six months of the current 2019-20 financial year is 1.78%. This is lower than the 2.78% for the prior 2018-19 financial year due to the lower outright level of interest rates. The LGFA Board has the sole discretion to set the dividend.

8. Provide at least 75% of aggregate long-term debt funding for Participating Local Authorities

As noted above, we use the Local Government Debt Report compiled by PwC as our source of market share. Our estimated market share of council borrowing for the rolling twelve-month period to 30 December 2019 was 87.7%. This compares to a historical average since 2012 of 73% and our market share remains strong compared to our global peers.

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



As at 31 December 2019, there are sixty-six participating local authority members of LGFA. This was an increase of one over the quarter (Kaikoura District Council) and we estimate a further two councils could become members in the next twelve months.

#### 9. Achieve the financial forecasts (excluding the impact of AIL) set out in Section 4

As at the end of the second quarter, Net Interest Income was estimated by management on an unaudited basis to be \$435k above budget while expenses are \$162k below budget. Net Operating Gain of \$6.11 million was \$598k above budget. The positive variance is due to a larger amount of assets (council loans and liquid assets) than forecast. The negative valuations on the unrealised mark to market movement in fixed rate swaps that are not designated effective for hedge accounting purposes in the September quarter were unwound in the December quarter as interest rates rose.

# 10. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses

Expenses for the six-month period on an unaudited, management basis were \$3.703 million which is \$163k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1.196 million were \$13k above budget. Lower fees than budgeted relating to the NZDMO facility were offset by higher NZX costs and legal costs. A larger amount of bond issuance and short-term lending increased these costs relative to budget.
- Operating costs at \$1.858 million were \$41k below budget due to lower IT and general overhead costs offset by slightly higher personnel and legal costs relative to budget.
- Approved Issuer Levy (AIL) payments of \$650k and were \$134k below SOI forecast. We pay AIL on behalf of offshore investors at the time of semi-annual coupon payment. During the six-month period, offshore investor holdings of LGFA bonds were less than forecast.

#### 11. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015

LGFA has a Health and Safety staff committee and reporting on Health and Safety issues are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

# 12. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency

LGFA has an annual review process regarding our credit ratings from Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") and meets with both agencies at least annually. Meetings were last held in November 2019 with S&P and in September 2019 with Fitch.

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019



On 4 February 2019, S&P placed our long-term credit rating on positive outlook, following their decision to place the long-term credit rating of the New Zealand Government on positive outlook the previous week.

On 18 November 2019, Fitch reaffirmed our long-term credit rating as AA+ and classified LGFA as a corporate mission, government related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government.

# 13. Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs to both the Shareholder Council and shareholders

We now expect to commence lending to CCOs in the first half of the 2020 calendar year. The delay has been due to requiring shareholder approval at the November 2019 AGM.

#### 14. Comply with its Treasury Policy as approved by the Board

There were no compliance breaches at any time during the three-month period ending 31 December 2019.

Policy	Limit	Policy page ref	Continuous Compliance
One-month Liquidity Monitor	>120%	S1-1.1	Yes
Three Month Liquidity Monitor	>110%	S1-1.2	Yes
Twelve Month Liquidity Monitor	>110%	S1-1.3	Yes
Council Exposure (any 12-month period)	<10% of Balance Sheet	S1-1.5	Yes
Liquidity Buffer	>110%	S1-1.4	Yes
Partial Differential Hedge (PDH Interest Rate Gap Report	\$40,000	S3-4.1	Yes
Value at Risk (VaR)	\$250,000	S3-4.2	Yes
Council Maturity (any 12-month period)	\$100m or 33% of LGFA borrowing	S1-1.6	Yes
Funding Largest Council Exposure	>100%	S1-1.7	Yes
Foreign Exchange Exposure	Nil	S7-3.1	Yes
NZDMO Facility Utilisation	Report monthly	S8-8.5	Yes
Counterparty Credit Limits	80% of Portfolio \$125m Counterparty (category 3)	S4	Yes
Auckland Council Exposure (proportion of total Council exposure)	<40%	S1-1.8	Yes
Balance Sheet Maturity Mismatch	<15% of Balance Sheet	S2-2.1	Yes
Financial Covenants	Various (as set out on p13)	S9	Yes
Authorising Treasury transactions	Two approvers, one signature	S8-8.4	Yes

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Quarter 2: 2019 - 2020

Period ended: 31 December 2019

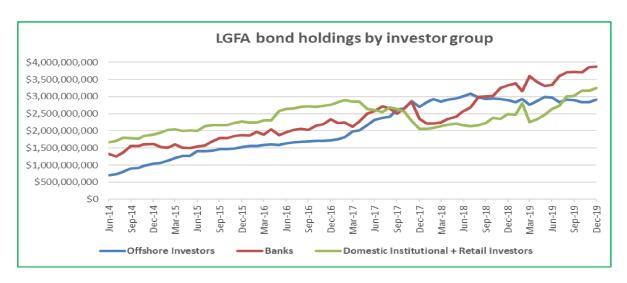


#### F. Investor relations / outlook

Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our tender issuance. Our focus is on growing and diversifying the offshore investor group as these investors have the most growth potential given that we already receive strong support from the domestic banks and institutional investors.

Domestic banks and domestic institutional investors increased their holdings over the quarter as LGFA bonds remain attractive on a spread to underlying NZGBs and investors chasing yield in the current low interest rate environment. By our estimates

- Offshore investors increased their holdings of LGFA bonds by \$19 million over the quarter (and increased by \$17 million over the past twelve months). NZ bond yields remain unattractive relative to other global markets and there has been a subsequent decline in the holdings of NZ Government Bonds (NZGB), Kauri bonds over the same periods. The decline in NZGB and Kauri holdings has been significant. While low interest rates are a positive for our council borrowers, it is more difficult to encourage offshore investors to buy LGFA bonds. They are estimated to hold \$2.91 billion (29% of outstandings) compared to \$2.90 billion (33.2% of outstandings) a year ago.
- Domestic institutional and retail investors increased their holdings by \$227 million over the quarter and were estimated to hold \$3.25 billion (32.3% of outstandings) compared to \$2.49 billion (28.6% of outstandings) a year ago.
- Domestic banks holdings have increased by \$160 million over the quarter. Bank holdings of \$3.88 billion (38.7% of outstandings) are at record highs and compare favourably to \$3.32 billion (38.1% of outstandings) a year ago.



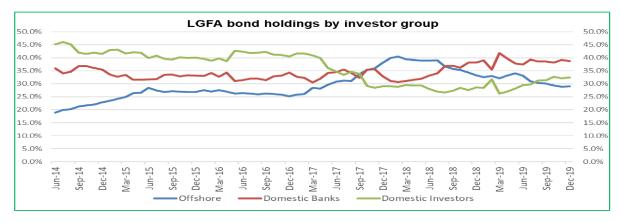
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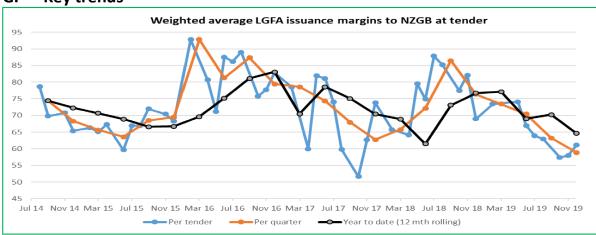
Quarter 2: 2019 - 2020

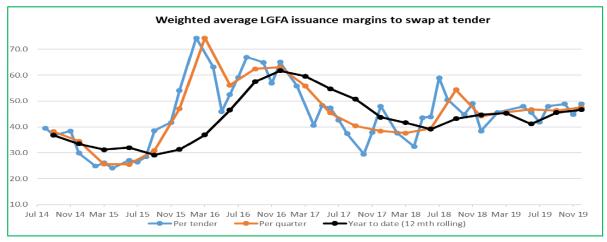
Period ended: 31 December 2019





#### G. Key trends





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# 19. Christchurch City Holdings Ltd - Proposal to increase directors' fee pool

Reference / Te Tohutoro: 20/136324

Paul Munro, Chief Executive, Christchurch City Holdings Ltd,

**Report of:** paul.munro@cchl.co.nz

Linda Gibb, Performance Advisor, linda.gibb@ccc.govt.nz

Carol Bellette, General Manager Financial and Commercial,

General Manager: carol.bellette@ccc.govt.nz

Secretarial Note: This report was originally deferred from the 30 January 2020 Committee meeting.

#### 1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to seek the Finance and Performance Committee's authorisation of an increase in the fee pool from which the directors of the Board of Christchurch City Holdings Ltd are remunerated.
- 1.2 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering the impact the decision could have on the community.
- 1.3 In accordance with Part 4 of the Policy for the Appointment and Remuneration of Directors (the Policy), Christchurch City Holdings Ltd (CCHL) has undertaken a review of remuneration levels of appointees to its Board. Clause 9.2 of Part 4 of the Policy requires the review to be undertaken as soon as practicable after each local body triennial election (or more frequently if CCHL considers it necessary).
- 1.4 CCHL commissioned an independent consultant to benchmark the level of fees paid, as Clause 9.4 requires. This work was carried out by EQI Global, and took into account the policy requirements regarding:
  - the need to attract and retain appropriately qualified people;
  - the size and scale of the organisation, its complexity and scope, the level of accountability, and the type of expertise and specialisation needed;
  - recognising an element of public service; and
  - benchmarking with other similar companies, and the New Zealand Institute of Directors' annual fees' survey.



#### 2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Notes that Christchurch City Holdings Ltd's Constitution requires the majority shareholder, the Council to authorise its directors' fee pool by ordinary resolution.
- 2. Notes that the proposal for the increase in Christchurch City Holdings Ltd's directors' fee pool meets the requirements of the Council's Policy for the Appointment and Remuneration of Directors, including reflecting the public service element of the directorships by recommending a fee pool that is around 22% lower than market rates; and that the fee pool is reviewed every third year following the local body triennial election with the last review being 2016 and the next expected in 2022.
- 3. Authorises the increase of \$82,575 for the Christchurch City Holdings Ltd directors' fee pool to \$445,500 based on an independent review that has benchmarked the fees with other similar companies and utilised information from the Institute of Directors' Fees' Survey.
- 4. Notes that this proposal does not impact rates as the costs are funded by Christchurch City Holdings Ltd.

#### 3. Reason for Report Recommendations

- 3.1 The work undertaken to support CCHL's request for shareholder authorisation of the increase in the directors' fee pool meets the requirements of the Policy, and is consistent with CCHL's Constitution, and the legal requirements of the Companies Act 1993.
- 3.2 Over the past three years CCHL's asset base has grown in value by 25%, and annual returns to the Council by 14%.
- 3.3 The increase in the directors' fee pool of \$82,575 (until next reviewed after the triennial local body election in 2022) will be funded from CCHL's profits. While it will reduce the amount of the dividends available for payment to the Council, it will not impact rates.
- 3.4 Staff consider the case for increasing directors' fees for CCHL's directors, Chair of the Board and Chair of the Audit and Risk Committee is sound, being appropriately underpinned by benchmarking and research.

#### 4. Alternative Options Considered

4.1 Retain status quo. This would mean the current directors would be remunerated at 2016 levels less public service discount which is out of step with the market as reported by EQI Global. This could give rise to risks associated with the recruitment of new directors in future.

#### 5. Detail

5.1 In accordance with Part 4 of the Policy for the Appointment and Remuneration of Directors (the Policy), Christchurch City Holdings Ltd (CCHL) has undertaken a review of remuneration levels of appointees to its Board. Clause 9.2 of Part 4 of the Policy requires the review to be undertaken as soon as practicable after each local body triennial election (or more frequently if CCHL considers it necessary).

# Finance and Performance Committee 05 March 2020



- 5.2 CCHL commissioned an independent consultant to benchmark the level of fees paid, as Clause 9.4 requires. This work was carried out by EQI Global, and took into account the policy requirements regarding:
  - the need to attract and retain appropriately qualified people;
  - the size and scale of the organisation, its complexity and scope, the level of accountability, and the type of expertise and specialisation needed;
  - recognising an element of public service; and
  - benchmarking with other similar companies, and the New Zealand Institute of Directors' annual fees' survey.
- 5.3 The Policy provides that CCHL is responsible for approving remuneration levels for directors appointed to Council-controlled organisations (CCOs) and Council-controlled trading organisations (CCTOs).
- 5.4 CCHL's Constitution requires that the Council, as majority shareholder authorises the directors' fee pool.
- 5.5 CCHL advises that in accordance with section 161 of the Companies Act 1993 each member of the CCHL Board has certified that the remuneration proposed is fair to the company.

#### Proposed increase in CCHL Board fee pool

- 5.6 CCHL's report proposing the director fee increase is at **Attachment A**. Advice from EQI Global, an independent executive recruitment and governance advisory firm underpins CCHL's advice and is at **Attachment B**.
- 5.7 There are eight directors on the CCHL Board including the Chair. Ten Board meetings are held each year as well as four Audit and Risk sub-committee meetings and seven Governance and Appointments sub-committee meetings. All directors are members of one or the other sub-committees, and in some cases both.
- 5.8 Four of the eight directors are Councillors. In accordance with 9.10 and 9.11 of the Policy, Councillor-directors do not receive directors' fees. Instead CCHL is directed to donate an equivalent amount to charitable organisations or funds administered by the Council for the benefit of ratepayers, as nominated by the Council from time to time. In 2018/19, the fees donated were around \$167,000.
- 5.9 The CCHL Board is directly accountable for the guardianship of the CCHL Group's assets, the value of which is around \$4 billion. Its investment in the subsidiary companies is \$2 billion (largely asset value net of debt). The quality of governance exercised by the CCHL Board is critical to protecting and growing that value.
- 5.10 In addition, since the fees were set in 2016, CCHL has raised debt in the financial markets which has created increased disclosure and reporting obligations under the Financial Markets Conduct Act 2012 and the NZX Listing Rules.

#### **Independent Review Report**

- 5.11 The EQI Global review took into account the time commitment required of a CCHL director, the nature and special features of the role, trends in duties, the complexity and risk associated with the role, and attributes required to fulfil the directorships.
- 5.12 The review's findings were for a level of fees that took into account CCHL's size, ownership and structure, the complexity of its business and the attributes required of directors.

  Benchmarking against organisations with similar features for comparative purposes was



- undertaken, in part informed by the Directors' Fees Report 2019/20 produced by the New Zealand Institute of Directors and Ernst Young.
- 5.13 EQI Global notes that "the Directors' Fees Report 2019/20 comments that over recent years, directors have seen an increasingly challenging operating environment. Regulators continue to target directors with more accountabilities. As a result, director roles and responsibilities are increasing. This is reflected in this year's survey which shows time commitments of non-executive directors and chairs continues to increase"<sup>2</sup>.
- 5.14 EQI Global's recommendation is for directors' fees to increase to the average of the median fees paid across a number of categories of organisations, based on the Directors' Fees' Report. The benchmark categories includes all directors, New Zealand-owned organisations, Council-controlled organisations, organisations in the Government administration and safety industry, companies with annual revenue greater than \$1 billion, companies with assets valued at greater than \$1 billion.
- 5.15 The table below compares the CCHL Board's recommended increase of \$82,575 in the CCHL director fee pool, to a total pool value of \$445,500 against the market rate (advised by EQI) of \$564,705 and EQI's recommended rate of \$446,158 after applying a public service discount.
- 5.16 The largest proportionate increase is for the Chair of the Audit and Risk Committee who would receive the directors' fee of \$48,350 as well as an additional fee of \$10,000 reflecting the additional workload. EQI noted that many Audit and Risk Committee chairs and members are paid a fee over and above their directors' fees, but also that many are not. The CCHL Board's recommendation to pay a \$10,000 fee reflects the increasingly complex work required of this role due to, among other things ongoing regulatory compliance requirements relating to the NZX listed bond issues.

CCHL Board positions	Current fee per annum	Market rate	EQI- recommended rate	CCHL Board recommended fee	Change – current : proposed
	\$	\$	\$	\$	%
Directors (6)	40,325	63,878	49,573	48,400	+20.0%
Chair	80,650	107,559	99,147	96,700	+19.9%
Chair of Audit & Risk sub-committee	40,325	63,878	49,573	58,400	+44.8%
Total Fee Pool	362,925	554,705	446,158	445,500	+22.8%
Councillor-directors fees donated	167,000	-	-	193,600	+15.8%

- 5.17 In addition to the EQI Global report, we note that the Crown's Fees' Framework recommends that chairs appointed to bodies in which the Crown has an interest be remunerated at 2.0 times an ordinary director's fee.
- 5.18 The lower level of fees recommended by the CCHL Board reflects its assessment of the level of discount that is appropriate to reflect the public service element of the position. The discount is around 22% of EQI Global's recommended fees.

<sup>&</sup>lt;sup>2</sup> EQI Global Directors' Fees Review 2019, page 6



#### Other Council-controlled organisations board fees

- 5.19 The fees for CCHL subsidiary boards, as well as for the Vbase Ltd and ChristchurchNZ Holdings Ltd boards were reviewed in 2018 and further review is not required until 2021.
- 5.20 Civic Building Ltd does not pay fees to directors as they are all Councillors. Trustees of the charitable trusts Riccarton Bush, Rod Donald Banks Peninsula and Christchurch Agency for Energy do not receive fees.

#### 6. Policy Framework Implications

#### **Strategic Alignment**

6.1 Not applicable.

#### **Policy Consistency**

6.2 The decision is consistent with Council's Plans and Policies. In particular, Part 4 of the Policy for the Appointment and Remuneration of Directors (the Policy) that provides for CCHL to undertake a review of remuneration levels of appointees to its Board. Clause 9.2 of Part 4 of the Policy requires the review to be undertaken as soon as practicable after each local body triennial election (or more frequently if CCHL considers it necessary).

#### **Impact on Mana Whenua**

6.3 The decision 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 Mana Whenua, their culture and traditions.

#### **Climate Change Impact Considerations**

6.4 Not applicable.

#### **Accessibility Considerations**

6.5 Not applicable.

#### 7. Resource Implications

#### Capex/Opex

7.1 The proposal gives rise to an annual incremental operating cost of \$82,575 per annum that will be funded by CCHL's commercial returns.

#### 8. Legal Implications

#### Statutory power to undertake proposals in the report

- 8.1 Section 57 of the Local Government Act 2002 requires local authorities to adopt a policy for the appointment and remuneration of directors in CCOs.
- 8.2 A local authority may appoint a person to be a director of a council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to guide the organisation, given the nature and scope of its activities; and contribute to the achievement of the objectives of the organisation.

#### **Other Legal Implications**

- 8.3 CCHL's Constitution requires that the Council, as majority shareholder authorises the directors' fee pool.
- 8.4 This report has been reviewed and approved by the Legal Services Unit.



### 9. Risk Management Implications

9.1 Not applicable.

#### Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>I</u>	Report from Christchurch City Holdings Ltd - Authorisation of increase in directors' fee pool for 2019-2022	233
B <u>↓</u>	CCHL Directors fees review EQI report	237

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not Applicable	Not Applicable

### Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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.





Christchurch City Holdings Limited

#### **Council Report**

Date: 16 December 2019

**To:** Dawn Baxendale, CEO, Christchurch City Council

From: Paul Munro, CEO, Christchurch City Holdings

Subject: CCHL Directors Fees Review - Council Approval Request

#### **Background**

The CCHL Directors fees were last reviewed in 2015 with the current fees having been put in place as from 1 July 2016. The review and approval of CCHL Directors fees is addressed through:

- the Council Policy on the Appointment & Remuneration of Directors to Council Organisations ("the Policy"); and
- the CCHL Constitution.

#### **Policy Summary**

In relation to Director Remuneration, the Policy provides (in Part 4) that:

Para 9.1 – "<u>CCHL is responsible for approving remuneration levels for the directors</u> appointed to the Council-controlled Organisations and Council-controlled Trading Organisations"

Para 9.2 – "For that purpose CCHL will undertake a review of remuneration levels for appointees as soon as practical after each triennial election (i.e. every three years), or more frequently if CCHL considers it necessary. The review will cover all members of each board (elected members and independents), including CCHL."

Para 9.4 – "CCHL shall commission an independent consultant to benchmark the level of fees paid."

Para 9.5 – "The review will take into account the need to attract and retain appropriately qualified people"

Para 9.6 – "Also to be considered will be the size and scale of (the) organisation, its complexity and scope, the level of accountability, and the type of expertise and specialisation needed."

Para 9.7 – "An important principle for the Council is that the remuneration ... will reflect that there is an <u>element of public service involved</u>. The Council will therefore expect fees to be set <u>at or below the average</u> for comparable private sector entities."

In relation to para 9.7 of the Policy, historically (i.e. prior to the adoption of the current Council Policy in 2017), CCHL Directors' fees were set at 80% of the market rate to take into consideration the public service element.



#### **Constitution Summary**

The CCHL constitution (clause 16.1) requires the Majority Shareholder (i.e. Council) to authorise the CCHL Directors fee pool by Ordinary Resolution.

#### Purpose of this paper

The purpose of this paper is to seek Council approval of an increase to the recommended CCHL Directors fee pool pursuant to the CCHL Constitution.

#### **CCHL Approach and Approval**

Consistent with the Policy, CCHL has reviewed the CCHL Directors fees and in doing so, has commissioned an independent report from EQI Global. The EQI Global report sets out their independent assessment of an appropriate Directors fee level, and in preparing this assessment they have explicitly considered the provisions in the Policy (including the requirement that the fees reflect that there is an element of public service involved).

The CCHL Board has considered the EQI Global report and the CCHL management analysis and recommendations and CCHL resolved on 13 December 2019, that "the Board certify (pursuant to Section 161 of the Companies Act) that the recommended CCHL Directors fee pool is "fair to the company" based on the rationale set out in the CCHL management paper, and the supporting EQI Global report"

As context, Section 161 of the Companies Act provides a framework for Boards of Directors to approve remuneration to directors. The Act states that a board may authorise payments to directors if that remuneration is "fair to the company" (subject to a company's constitution). Directors voting in favour of the proposal must certify that such remuneration is "fair" and give the reasons for their opinion. This is similar to the certification Directors provide in approving D&O insurance cover (for their benefit).

As noted, the CCHL constitution (clause 16.1) also requires the Majority Shareholder (i.e. Council) to authorise the CCHL Directors fee pool by Ordinary Resolution.

#### **Analysis and Recommendation**

The analysis and conclusions set out in the independent EQI Global report are summarised as follows:

- EQI has developed their recommendations based on understanding and then benchmarking CCHL against comparable organisations, including making reference to the 2019 EY/IoD Directors fees survey.
- EQI has been provided with and briefed on the Policy, and they have explicitly noted that they have factored a 'public service element' into their recommendations (analysed further below).
- EQI has benchmarked the CCHL Directors hours p.a. against over 1,000 Director roles included in the EY/IoD survey with the CCHL Director annual hours being over 50% higher than the survey average.
- EQI has initially focused on a recommended fee based on taking an unweighted average of the median fees payable to organisations that would be categorised as similar or comparable to CCHL. This establishes a market rate for the CCHL Director role. This implied the following recommended fee level (refer Table 1):

2



#### Table 1

Role	Current fee	Recommended	% increase
Director	\$40,235	\$63,878	59%

However as noted by EQI, these market based fee levels don't explicitly factor in an adjustment to reflect the 'public service element' of the CCHL role. To address this, EQI has adjusted their recommendation to be based on market benchmark fee increases for comparable Councilcontrolled organisations (which inherently reflect a 'public service element' in their fees) over the last three years. This analysis implies the following recommended fees (refer Table 2), which as noted is an implied discount from the market rate of 22% on account of the 'public service' aspects of the role:

#### Table 2

Role	Current fee	Recommended	% increase
Director – market rate	\$40,235	\$63,878	59%
Director – benchmark CCOs only	\$40,235	\$49,573	23%
Implied discount to reflect 'public servi	ce' element	22%	

The implied 'public service' discount in Table 2 (above) is closely aligned with the historical approach taken in setting CCHL Directors fees, which was to set CCHL fees at 80% of the market rate.

- Finally, EQI compared the recommended fees to those paid to the four largest CCHL subsidiaries. This comparison to the subsidiaries indicated:
  - o The recommended CCHL Chair fee would be approximately 10% higher than the current subsidiary Chair fees
  - There is a very close alignment between the Director fees of the subsidiaries and the recommended CCHL Director fees
- In the context of this comparison, we note the subsidiary Chair and Director fees are due to be reviewed in 2020 whereas the CCHL fees will not be reviewed again until 2022.
- It is also important to note that the subsidiaries do not allocate a full 2.0x premium to the Chair fee, however they generally do provide an additional fee to Board Committee Chairs (and in some cases to Board committee members).
- Based on the EQI report, the CCHL Board approved the recommendation for a fee pool determined as set out in Table 3 below:

#### Table 3

14516 5			
Role	Recommended fee	Fee Pool (x9)	% increase
Director fee (rounded)	\$49,500	\$445,500	23%
Allocation to Audit Committee Chair		\$10,000	
Sub-total		\$435,500	
Implied Base Directors fee (rounded)		\$48,350	20%
Implied Audit Committee Chair fee (ro	unded)	\$58,350	
Implied Chair fee (2x base fee - rounde (current Chair fee \$80,650)	d)	\$96,700	20%

#### **Assessment of Recommendation**

In considering the reasonableness of the recommendation (which as noted is based largely on the independent EQI recommendation) CCHL has noted:

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- The recommended fees are supported by robust market benchmarking (as set out in the EQI report) and they need to represent a fair increase to appropriately remunerate Directors for the next three years (i.e. they are not intended to be reviewed again until 2022 on the current cycle).
- As pointed out in the EQI report, Directors' roles are increasingly challenging with increased regulatory accountability and increased potential for governance related litigation.
- Consistent with this, the CCHL Board role has become a lot more complex over the last 2-3 years (e.g. particularly in the context of the two CCHL DCM (Debt Capital Markets) NZX listed bond issues, and the resulting ongoing regulatory compliance requirements (NZX listing rules (including 'constructive knowledge' disclosure requirements) and FMCA (Financial Markets Conduct Act) obligations etc.) and increased financial pressure on the CCHL balance sheet.
- Recognising that the current fees are based on an independent fees review completed by EQI in 2015 and further that the next CCHL Directors fees review will not be until 2022 (under the Policy), the fee increase, when spread over this period (i.e. 2015 to 2022), is c.3% p.a.
- The aggregate <u>increase</u> in the CCHL Directors fee pool is \$82,500 (from \$363,000 to \$445,500), of which approximately half will be paid to charitable organisations pursuant to the current Council Policy.

#### Summary

Based on the EQI Global independent recommendations and the analysis summarised above, with some appropriate rounding, the CCHL Board has certified that a recommended Directors fee pool of \$445,500 (for the 2020 and subsequent financial years) is fair to the company pursuant to section 161 of the Companies Act. CCHL now seek Council approval of this fee pool pursuant to the CCHL constitution (clause 16.1).

Approximately \$200,000 of this <u>total</u> fee pool (attributable to Councillor Directors) would be paid to charitable organisations or community funds under the Policy.

#### Recommendation

#### That Council:

- 1. Note this paper and the certification provided by the CCHL Board pursuant to section 161 of the Companies Act.
- 2. Resolve by way of ordinary shareholder resolution pursuant to clause 16.1 of the CCHL constitution to approve the recommended CCHL Directors fee pool of \$445,500 p.a.
- 3. Note that the level of fees set at this point for CCHL Directors are not likely to be reviewed again until 2022.

Paul Munro

CEO

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Private & Confidential

# **Christchurch City Holdings Limited**

# Directors' Fees Review 2019

Produced by:

EQI Global

2 September 2019

EQI Global <u>www.eqiglobal.com</u> <u>search@eqiglobal.com</u> +64 3 377 7793 Page 1





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#### 1. Introduction

Christchurch City Holdings Limited (CCHL) is the wholly owned commercial and investment arm of Christchurch City Council (CCC), holding shares in eight fully or partly owned trading companies:

- Orion NZ Ltd (10.725% owned by Selwyn District Council)
- Christchurch International Airport Ltd (CIAL) (25% owned by the Crown)
- Lyttelton Port Company Ltd
- Enable Services Ltd
- City Care Ltd
- Red Bus Ltd
- EcoCentral Ltd
- Development Christchurch Ltd.

CCHL also has 100% ownership of four non-trading shelf companies with no assets or liabilities.

The Council's investment in CCHL and its subsidiary companies was independently valued at over \$2 billion in June 2019. Whilst each subsidiary has its own Board, CCHL's Directors are accountable for the proper direction and control of the organisation's activities, including actively monitoring the strategy and performance of the subsidiaries on behalf of the Council and making appointments of Directors to each of the Boards.

EQI Global has been engaged by the Chief Executive of CCHL to undertake a review of CCHL's Directors' fees. The report provided by EQI Global is to reflect the time commitment required of Directors', and the nature and complexity of the role. The previous review was completed in September 2015 with the recommended increase in fees being implemented from 1 July 2016.

Discussions were held with CCHL's Chair and two of the other seven Directors. We discussed the hours that Directors would generally commit in undertaking their regular governance duties. We also ascertained the time commitment involved in undertaking additional duties associated with CCHL. Directors also discussed the nature and special features of their role, trends in duties, the complexity and risk associated with the role, and attributes required in order to fulfil the Directorship.

A number of factors were considered during the review to arrive at an appropriate level of fees. We took into account CCHL's size, ownership and structure. We also considered the complexity of CCHL's business and the attributes required in order to successfully fulfil the role of Director. During our analysis we attempted to identify organisations with similar features for purposes of comparison. In addition, we consulted the *Institute of Directors, Directors' Fees Report 2019/20*, a joint publication between the New Zealand Institute of Directors and EY. The report covers a range of organisations including listed companies, unlisted private companies, not-for-profits, statutory boards and cooperatives. Respondents come from various industries including healthcare, agriculture, banking and finance, media, construction, retail and government administration. The 2019/20 report includes data from 803 member respondents representing directorships with 1392 organisations.

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Our analysis has taken into consideration the commercial nature of CCHL, whilst balancing this with its public ownership via the Christchurch City Council. It is not the intention of CCHL to be market leaders in the level of fees for Directors. CCHL's Directors acknowledge the public service element inherent in their role and the potential for public scrutiny of their decision making. These factors have been considered and factored into our decision making when determining an appropriate level of fees.

#### 2. CCHL Board and Fees

As in 2015, CCHL's Board is comprised of eight Directors; four CCC Councillors, a Non-Executive Chair and three Non-Executive Directors. Excepting the Chair, all Directors are remunerated on an identical basis.

CCHL's Directors are accountable for the oversight of the eight subsidiary companies, all of which are commercial entities, and are also required to make appropriate Director appointments to the Boards of each of the subsidiaries. CCHL's Board effectively guides and monitors CCHL's business and affairs on behalf of Christchurch City Council. CCHL's Directors require commercial acumen and skills that are appropriate given the nature of CCHL's structure and subsidiaries. Directors with the necessary skills, which are likely to include substantial infrastructure and contracting expertise, and understanding of the public service element of the role will not be motivated solely by the level of the fees; however, it is appropriate for Directors' fees to adequately reflect the balance between risk and reward, so as to attract and retain appropriately skilled Directors in the future. In order to factor in the public service element of the role, CCHL's policy has been to set Directors' fees at approximately 80% of the market rate.

#### We note the following:

- At present, the Chair's fee is twice that of an ordinary Director. This differential acknowledges the Chair's increased workload relative to that of other Directors. Those we spoke to agreed that this is a fair and reasonable payment for the workload of the Chair.
- Directors do not receive additional fees for attending Committee meetings or undertaking other governance commitments; the total fees reflect participation across the range of duties that Directors currently undertake.
- There are two standing committees: Audit & Risk Management and Governance & Appointments.
- In 2017 a Funding sub-Committee was established for a specific rollout programme but is no longer active.
- The total Directors' fees pool is currently set at \$363,000.
- Of this, the Chair's fee is \$80,650 per annum and each Director receives \$40,325 per annum.
- These fees were set in 2015 as the result of a formal review and have remained unchanged since then.
- In line with the Statement of Intent for the Year Ending 30 June 2019, the equivalent value of the four Councillor Directors' fees is donated to the Mayor's Welfare Fund.<sup>1</sup>
- We note that CCHL's Statement of Intent for the Year Ending 30 June 2019 also states that Directors are
  able to be remunerated, at commercial rates, for professional services over and above the usual role
  of a Director providing the conditions of the Board's Conflict of Interest Policy are met.<sup>2</sup>

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<sup>&</sup>lt;sup>1</sup> Christchurch City Holdings Limited: Statement of Intent for the Year Ending 30 June 2019, pg9

<sup>&</sup>lt;sup>2</sup> Christchurch City Holdings Limited: Statement of Intent for the Year Ending 30 June 2019, pg9





#### 3. Directors' Duties & Time Commitment

It is challenging to quantify the exact number of hours committed by Directors to their role. Various factors mean that the nature of the role and time commitment required can fluctuate, and the number and range of ad-hoc commitments can be difficult to quantify exactly. We also note that the CCHL Directors are relied upon heavily to provide strategic commercial advice. In our experience, this expectation and onus on CCHL Directors is similar to other Boards that have a mix of Non-Executive and Executive/Shareholder/Councillor Directors. This can result in greater expectations on those Directors with more diverse commercial governance experience.

The information gathered through our discussions and information gathering processes includes:

- CCHL have ten Board meetings per annum (excluding January and July) with each lasting between five and six hours generally.
- There is one CCHL Annual General Meeting (AGM) per annum.
- There are two standing Board Committees: Audit & Risk, and Governance & Appointments.
- The Audit & Risk Committee meets approximately four times per annum for approximately two to three
  hours per meeting.
- The Governance & Appointments Committee meetings are variable but are generally 3-4 times per annum for approximately two hours per meeting. It is noted that members of this Committee form the interview panel for new governance appointments and spend additional time during periods of such recruitment. Their remit is to review applications, short-list and interview potential Directors for each of CCHL's subsidiary companies. The Committee also assists Christchurch City Council with the appointment of directors to other non-CCHL entities. It was agreed by the directors we spoke to that the Committee is regularly involved in the review of approximately ten governance appointments per annum.
- Directors are required to spend time preparing for each meeting, with the amount of preparation time varying according to the role of individual Directors. In the case of regular Board meetings, preparation time for ordinary Directors was estimated to be two hours of preparation for each hour that the meeting would last. This is in line with current trends.
- The Board Chair and committee Chairs generally have greater preparation times due to the nature of their respective roles.
- The Chair generally attends the AGM's of each of CCHL's eight subsidiary companies. If he is unavailable to attend he will send a nominee.
- The Chair of the Audit & Risk Committee also attends these AGM's, as do some of the other Directors from time to time.
- The Chair meets with CCC's Councillors and attends some of the Council meetings each year. Extensive preparation is also required of the Chair prior to attendance at these meetings.
- The Chair attends ad-hoc meetings relating to matters of strategic relevance to CCHL and its subsidiaries. He has meetings throughout the year with the management of CCHL and attends various relevant seminars and meetings.

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- The Chair of the Audit & Risk Committee spends time reviewing financial information and in discussion
  with other parties as appropriate (e.g. CCHL executives). He indicated that the Integrated Thinking
  Project that is underway will add some additional workload.
- Directors attend functions to which they are invited given their role on CCHL's Board. There is an appreciation that they are representing CCHL and attending assists in remaining connected to various sectors of the community.
- One of the non-Council CCHL Directors focuses on managing the Intern Director Programme and spends time on this function throughout the year.

CCHL's Chair, a professional Director, has estimated his time commitment on CCHL business to be in the vicinity of 42 days per annum (336 hours pa). The hours that individual Directors spend on CCHL duties vary considerably. In speaking with Directors, our estimation of hours required to attend to regular governance duties, such as Board meetings, the CCHL AGM and other ancillary duties including preparation for meetings, are approximately 270 hours per annum per Director. This is similar to the hours estimated by Directors at the last review (2015).

The *Directors' Fees Report 2019/20* comments that over recent years, directors have seen an increasingly challenging operating environment. Regulators continue to target directors with more accountabilities. As a result, director roles and responsibilities are increasing. This is reflected in this year's survey which shows time commitments of Non-Executive Directors and Chairs continues to increase.<sup>3</sup>

Whilst the total annual hours for CCHL Directors appears to have remained reasonably static since the last review in 2015, we suspect that at the last review the increase in hours was predominantly owing to the impact of the Canterbury earthquakes and this is now replaced with similar levels of workload due to increased regulatory requirements.

The *Directors' Fees Report 2019/20* provides comparative data in relation to other organisations with similar features to CCHL. The median hourly commitment for Directors in other organisation is summarised in the table below, and includes all meetings, preparation time and other commitments:

Table 1: Directors' Fees Report 2019/20 Directors' Hours, Organisations with Similar Features			
Category:	Non-Executive Chair Median hours pa⁴	Non-Executive Director Median hours pa⁵	
All Directors	172	140	
Organisation: NZ Owned	172	143	
Organisation: Council-controlled	173	166	
Industry: Government Admin and Safety	185	144	
Revenue: >\$1,000m	253	229	
Assets: >\$1,000m	211	209	
Shareholder Funds: >\$1,000m	189	144	
Average from figures above	193.6	167.9	
CCHL Directors (average hours)	336	270	

<sup>&</sup>lt;sup>3</sup> IOD Directors' Fees Report 2019/20, page 4

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<sup>&</sup>lt;sup>4</sup> IOD Directors' Fees Report 2019/20, pages 41-46

<sup>&</sup>lt;sup>5</sup> IOD Directors' Fees Report 2019/20, pages 51-56





As can be seen from the summary in Table 1, CCHL directors are spending well above the median hours of directors in comparable roles.

#### 4. Business Trends

With the exception of Vicky Buck, all the current CCHL Directors are new appointees since our last review was conducted in 2015. The Board retains a mix of Councillor Directors (4) and Independent Directors (4).

Since the last review, CCHL has entered the debt capital market with the release of two \$150m fixed rate bonds. The funds raised through this process enable CCHL to diversify its funding programme; however, it has created increased disclosure and reporting obligations under the Financial Markets Conduct Act 2012 and the NZX Listing Rules. There is increasing requirement on Boards to ensure a robust compliance assurance programme is in place to challenge and test the effectiveness of controls, and the adequacy of governance and management information.<sup>6</sup>

#### 5. Market Comparisons of Director Fees

As in 2015, it is challenging to identify New Zealand organisations with similar features that allow for comparison with CCHL. We have assessed a variety of organisations with some similar features to CCHL, such as ownership structure, financials, complexity and organisational structure.

Comparable organisations are limited in number and are not wholly comparable with CCHL. As an example:

- Dunedin City Holdings is Dunedin City Council's wholly owned investment company. It manages a portfolio of wholly and partially owned subsidiaries including Aurora Energy Ltd, City Forest Ltd, Dunedin City Treasury Ltd, Delta Utility Services Ltd, Dunedin Railways Ltd, Dunedin Stadium Property Ltd, Dunedin Venues Management Ltd and Dunedin International Airport Ltd. Directors fees figures for the year ending 30 June 2018 are shown as \$101,000 for the (then) Chair, with Directors being paid between \$28,000 and \$57,000 pa, from a total governance fees pool of \$329,000.<sup>7</sup>
- Invercargill City Holdings oversees the operation of Electricity Invercargill Ltd, Invercargill City Property, Invercargill City Forests Ltd, Invercargill Airport Ltd, Pylon Ltd, HWCP management Ltd and Forest Growth Holdings Ltd. Director's fees for the 2018 year<sup>8</sup> were \$57,500 for the Chair and \$30,300 for Directors.
- Hawkes Bay Regional Investment Company Ltd (HBRIC) is the Council controlled organisation set up
  to manage some of the Regional Council's larger infrastructure investments including the
  Ruataniwha Water Storage Scheme and Napier Port. Chair Fees (10 month term only) were \$39,167
  with Non-Executive directors receiving a full year fee equivalent of \$22,500.9

In the examples outlined above, we have discovered material differences between CCHL and other entities that share some of CCHL's features. These differences render any comparison of limited value.

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<sup>&</sup>lt;sup>6</sup> A guide to the FMA's view of conduct, February 2017

<sup>&</sup>lt;sup>7</sup> Dunedin City Holdings 2018 Annual Report

<sup>&</sup>lt;sup>8</sup> Invercargill City Holdings Ltd, Annual Report 2018, page 10

<sup>&</sup>lt;sup>9</sup> Hawke's Bay Regional Investment Company Ltd, 2017-18 Annual Report





We have analysed the fee data provided in the *Directors' Fees Report 2019/20*. This survey provides independent data that allows for CCHL's Directors' fees to be compared to organisations in similar sectors, with similar ownership features or with similar asset values, revenues and shareholders' equity. Due to sample size, CCHL's Board having Independent Non-Executive Directors, and Directors' being remunerated equally regardless as to whether they are Councillors or independent, we have selected data from the *Fees Report* relating to Non-Executive as opposed to Executive Directors.

In assessing market comparisons of CCHL's Directors' fees we have not differentiated between Councillor and Independent Directors. CCHL policy is to remunerate both groups of Directors equally, as Councillor Directors are expected to fulfil the usual and complete governance duties of company directors in the same vein as Independent Directors.

#### 5.1 CCHL Current Fees

The current fees were last reviewed in 2015 and took effect from 1 July 2016. The Chair's fee is twice that of ordinary Directors as per current trends and in reflection of the additional time commitment of the Chair.

Table 2: CCHL Director Fees as at 30 June 2019		
	Annual total fee per Director	Total
Chair (1)	\$80,650	\$80,650
Directors (7)	\$40,325	\$282,275
Total allocated:		\$362,925
Total pool:		\$363,000

#### 5.2 Fee Movements

Across all organisations that provided data to the *Directors' Fees Report 2019/20*, Non-Executive Chair and Non-Executive Director Fee movements showed a year-on-year increase for the last two years of 2.5% for the Chair and 3.0% for Directors.

It should be noted that within the *Directors' Fees Report 2019/20*, the organisation type "Council-controlled organisation" had the highest increase in fees payable, of 14.1% for the 2019 year (compared to 4.2% in 2018  $^{10}$  and 3.4% in 2017. $^{11}$  We feel this is the most relevant comparable category.

The report also outlines median fee movements by industry sector, as follows:

Table 3: Median Fee Movements by Industry Sector	% Change <sup>12</sup>
Government Administration & Safety	6.5%
Administrative and Support Services	4.2%
Electricity, Gas, Water and Waste Services	7.1%
Information, Media and Telecommunications	10.8%

<sup>&</sup>lt;sup>10</sup> IOD Directors Fees Report 2019/20, page 20

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<sup>&</sup>lt;sup>11</sup> IOD Directors Fees Report 2017, page 16

<sup>&</sup>lt;sup>12</sup> IOD Directors Fees Report 2019/20, page 19





The information in Table 3 provides a guide to the market movement in fees. Please note that this data relates to the broad range of organisations that responded to the survey and includes those who do not review their Directors' fees annually.

#### 5.3 Non-Executive Chair

In making comparison to other organisations with similar categorisations to CCHL, we note the following Non-Executive Chair benchmarks from the *Directors Fees Report 2019/20*.

Table 4: Directors' Fees Report 2019/20 Non-Executive Chair Fees and Hours			
Category:	Median Fee <sup>13</sup>	Median hours <sup>14</sup>	
All Non-Executive Chairs	\$57,915	172	
Organisation: NZ Owned	\$56,000	172	
Organisation: Council-controlled	\$55,000	173	
Industry: Government Admin and Safety	\$39,000	185	
Revenue: >\$1,000m	\$190,000	253	
Assets: >\$1,000m	\$165,000	211	
Shareholder Funds: >\$1,000m	\$190,000	189	
Unweighted average (of medians)	\$107,559	193.6	
CCHL Chair's Fee and Hours (estimate)	\$80,650	336	

#### 5.4 Non-Executive Directors

In line with our analysis of the market fee data for Non-Executive Chairs, Table 5 below summarises the data that relates to Non-Executive Directors:

Table 5: Directors' Fees Report 2019/20 Non-Executive Director Fees and Hours			
Category:	Median Fee <sup>15</sup>	Median hours <sup>16</sup>	
All Directors	\$46,350	140	
Organisation: NZ Owned	\$46,700	143	
Organisation: Council-controlled	\$37,000	166	
Industry: Government Admin and Safety	\$23,448	144	
Revenue: >\$1,000m	\$98,000	229	
Assets: >\$1,000m	\$95,000	209	
Shareholder Funds: >\$1,000m	\$100,650	144	
Unweighted average (of medians)	\$63,878	167.9	
CCHL Director's Fee and Hours (estimate)	\$40,235	270	

<sup>&</sup>lt;sup>13</sup> IOD Directors Fees Report 2019/20, pages 41-46

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<sup>&</sup>lt;sup>14</sup> IOD Directors Fees Report 2019/20, pages 41-46

<sup>&</sup>lt;sup>15</sup> IOD Directors Fees Report 2019/20, pages 51-56

<sup>&</sup>lt;sup>16</sup> IOD Directors Fees Report 2019/20, pages 51-56





#### 5.5 Ranges

Based on data included (unweighted average of medians) in tables 4 and 5 of this report, the 2019/20 average market ranges for governance roles equivalent to that of CCHL are as follows:

Table 6: Market Range Data Applied to CCHL Board Composition		
Chair (1) - Average of medians from Table 4	\$107,559	
Directors (7) - Average of medians from Table 5 x no. of Directors (excl Chair)	\$63,878	
Fees Pool Calculation based on the above	\$554,705	

#### 5.6 Chair Premium

The Chair of CCHL is currently remunerated at twice the level of the ordinary Directors. This is an increase from the 1.8 times rate prior to 2016. The Cabinet Office Revised Fees Framework for members appointed to bodies in which the Crown has an interest<sup>17</sup> recommends that Chairs be remunerated at 2.0 times an ordinary Director's fee. This allows for the additional workload (approximately fifty days per year) and responsibility of the Chair.

Whilst the time commitment estimations provided to us don't show the Chair spending twice as much time as directors on CCHL work, the Board members we spoke to agreed that the 2.0 chair premium is fair. We suspect that the Chair may have underestimated the time he spends on CCHL business or alternatively the Directors estimated annual time commitment (34 full days pa) is over-estimated.

#### 6. CCHL Director Fee Recommendation

#### 6.1 CCHL Committee Attendances

Committee participation increases CCHL's Directors' time commitment, in particular for Committee Chairs.

The Directors Fees Report<sup>18</sup> data shows that members of nominations committees and the Chairs of health & safety committees tend to receive higher additional fees than those in other committees. The median fee payment for Audit, Risk & Finance Committee members is \$10,000 for the Chair and \$7,500 per member. For Nomination Committee members it is \$10,000 for the Chair and \$8,000 per member.

Whilst it is recognised that Committee Chairs, in particular, contribute additional hours as a result of their role, there still appears to be a mix of organisations who provide Committee fee payments and those who work on an all-inclusive fee basis. We recommend that the current status of not paying specific Committee fees remains appropriate.

#### 6.2 CCHL Chair Premium

As indicated in this report, we recommend the Chair continues to be paid at 2.0 times an ordinary Director.

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<sup>&</sup>lt;sup>17</sup> Cabinet Office Revised Fees Framework for members appointed to bodies in which the Crown has an interest, Revised version 17 June 2019, page 13, section 38. <a href="https://dpmc.govt.nz/publications/co19-1-fees-framework-members-appointed-bodies-which-crown-has-interest">https://dpmc.govt.nz/publications/co19-1-fees-framework-members-appointed-bodies-which-crown-has-interest</a>

<sup>&</sup>lt;sup>18</sup> IOD Directors Fees Report 2019/20, page 28





#### 6.3 Summary & Recommendation

Historically, the CCHL Directors' Fees have been set at 80% of the market rate to take into consideration the public service element. However, we note that the Christchurch City Council's Appointment and remuneration of Directors Policy dated 28 September 2017<sup>19</sup> notes the following:

- The Council will appoint a person to be a director of a Council Organisation only if the person has, in the opinion of the Council, the required skills, knowledge, and experience to guide the organisation and contribute to the achievement of its objectives (s.57(2) Local Government Act 2002). (section 1.1)
  - An important principle for the Council is that the remuneration of members of the governing body of a Council-controlled Organisation will reflect the fact there is an element of public service involved. The Council will therefore expect fees to be set at or below the average for comparable private sector entities (section 9.7).

We note that CCHL Director Fees were increased effective 1 July 2016, following a review in 2015.

Governance fees are a factor in attracting high-quality Independent Directors; the spirit of public good and stimulating challenges alone cannot be relied upon to attract the quality of governance required in the future. Directors with the skills and attributes required by CCHL are likely to expect reasonable and fair fees. It will be important to maintain regular reviews of the fees to ensure they don't fall below the acceptable level. By maintaining an appropriate level of fees, CCHL will enhance the ability to attract and retain appropriately experienced Directors.

During our discussions with the Chair and (two) Directors all indicated that the fees payment is of secondary importance to the opportunity to give back to the community. However, they commented that Directors need to be fairly compensated for their time commitment and significant increase in risk profile and responsibility over recent years. It was also noted that in fees must be fair in order to continue to attract those with diversity of thinking and experience to join the Board.

Directors serve in an increasingly demanding and complex operating environment influenced by factors such as globalisation, geopolitics, technology, climate change, and shifting demographics and societal expectations. Good governance and leadership are more important than ever to face the challenges of today and grasp the opportunities of tomorrow. Trust and accountability underpin long-term success and sustainability; and directors of all organisations need integrity, courage, judgment, emotional agility, energy and curiosity.<sup>20</sup>

The figures shown in Table 6 of this report exclude an adjustment for the public good component and, hence, are high. The fee movement increase for the 'Council-controlled organisations', which is arguably the most applicable category, is 14.1% for this year, following increases of 4.2% (2018) and 3.4% (2017). Taking these yearly percentage increases, compounded during the period, the overall percentage increase is circa 22.9%, which relates to Director's fees of \$49,573 and Chair fees of \$99,147.

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<sup>&</sup>lt;sup>19</sup> https://www.ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/policies/council-organisational-policies/appointment-and-remuneration-policy/

<sup>&</sup>lt;sup>20</sup> IOD Directors Fees Report 2019/20, page 30





Based on the above calculation, retaining the 2:1 ratio for the Chair, payments would be as follows:

Table 7: CCHL Director Fees Recommendation 2019				
	Recommended fee (pp)	Current fee (pp)	Recommended Total	Current Total
Chair (1)	\$99,147	\$80,650	\$99,147	\$80,650
Directors (7)	\$49,573	\$40,325	\$347,011	\$282,275
Total Pool:			\$446,158	\$362,925

For your information we note below our fee recommendations benchmarked against fees and other benefits payable<sup>21</sup> to the directors of the four larger CCHL entities being Orion NZ Ltd, Christchurch International Airport Ltd, Lyttelton Port Company Ltd and Enable Services Ltd. Please note these fees were reviewed in 2017 and, in line with the policy adopted by CCHL, they are due to be next reviewed in 2020.

Table 8: CCHL Fee Recommendation benchmarked to CCHL Subsidiaries					
	CCHL Recommend.	Orion	CIAL	LPC	Enable
Chair	\$99,147	\$70,000^	\$75,397	\$89,232	\$88,200
Director <sup>22</sup>	\$49,573	\$49,000	\$53,018	\$49,850	\$49,192

Our Directors' fee calculations have been assessed solely in relation to governance duties, and do not consider additional time committed by Directors that can be attributed to the provision of professional services. We understand that Directors are entitled to charge for these services at commercial rates as long as they are deemed additional to the Directors governance duties and that the CCHL Board's Conflict of Interest Policy is adhered to.

When making our fee recommendations we have based our assumptions on historic data, with no inflationary increase applied our findings to account for payments in future years. As in 2015, we have considered the current economic and social context in Canterbury, the heightened public scrutiny of Council operations and finances, Directors' time commitment, workload and responsibilities, and the ongoing discussion around appropriate fee levels in respect of Directors' responsibilities.

We trust the above is of value to the Council when considering the fees for CCHL's Directors.

Ngā mihi

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<sup>&</sup>lt;sup>21</sup> CCHL Annual Report 2018, page 93

<sup>&</sup>lt;sup>22</sup> Median rates shown for directors in place for the full year ending 30 June 2018

<sup>^</sup> Incomplete year

# Finance and Performance Committee 05 March 2020



### 20. 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:

# Finance and Performance Committee 05 March 2020



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
14	LOAN APPLICATION CANTERBURY CRICKET TRUST				
	ATTACHMENT 1 - LOAN APPLICATION SUPPORTING DOCUMENT	S7(2)(B)(II), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, CONDUCT NEGOTIATIONS	DISCLOSING THE NAME AND NATURE OF THE THIRD PARTY POTENTIALLY OFFERING A GUARANTEE WILL PREJUDICE THEIR ABILITY TO NEGOTIATE WITH OTHERS.	15 MARCH 2024 ON REPAYMENT OF THE COUNCIL LOAN OR THE EXPIRY OF THE LOAN TERM ON 5 MARCH 2024 WHICHEVER DATE FALLS FIRST. IF THE LOAN IS NOT GRANTED THE INFORMATION WILL NOT BE RELEASED.
21	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 30 JANUARY 2020			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
22	VBASE LTD - RECOMMENDED DIRECTOR APPOINTMENT TO TRANSITION BOARD	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	TO PROTECT THE REPUTATION OF THE DIRECTOR-CANDIDATE IN THE EVENT THE APPOINTMENT IS NOT APPROVED.	5 MARCH 2020
23	MAJOR CYCLEWAY ROUTES, INCREASE PROFESSIONAL	S7(2)(H), S7(2)(I)	COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	MAINTAIN THE ABILITY OF COUNCIL TO UNDERTAKE NEGOTIATIONS FOR REMAINING WORKS REQUIRED UNDER THE EXISTING CONTRACTS.	COMPLETION OF THE LAST OF THE MCR

# tem 20

# Finance and Performance Committee 05 March 2020



MAINTAIN COMMERCIAL SENSITIVITY	ROUTES UNDER THE
REGARDING THE TWO CONTRACTS	LTP.
FOR PELOTON AND VELOS TO	
COMPLETE THE LTP DELIVERY OF	
THE MAJOR CYCLEWAY ROUTES	
(MCR).	
	REGARDING THE TWO CONTRACTS FOR PELOTON AND VELOS TO COMPLETE THE LTP DELIVERY OF THE MAJOR CYCLEWAY ROUTES