

Christchurch City Council AGENDA

Notice of Meeting:

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

Date: Thursday 23 April 2020

Time: 10am

Venue: Held by Audio/Video Link

The meeting is open to the public through access to the live broadcasting of the meeting, and a recording of the meeting will be available on the Council website:

<https://councillive.ccc.govt.nz/live-stream>

Membership

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	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 Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

20 April 2020

Principal Advisor

Dawn Baxendale
Chief Executive
Tel: 941 6996

Jo Daly
Council Secretary
941 8581
jo.daly@ccc.govt.nz
www.ccc.govt.nz

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

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Developing Resilience in the 21st Century

Strategic Framework

Whiria ngā whenu o ngā papa,
honoa ki te maurua tāuiki

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

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
and into the
future

Building on the
relationship with
Te Rūnanga o Ngāi Tahu
and the Te Hononga-Council
Papatipu Rūnanga partnership,
reflecting mutual understanding
and respect

Actively collaborating and
co-operating with other
local, regional
and national
organisations

Ensuring
the diversity
and interests of
our communities
across the city and the
district are reflected in
decision-making

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
facilities

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

TABLE OF CONTENTS

Karakia Timatanga	4
1. Apologies / Ngā Whakapāha	4
2. Declarations of Interest / Ngā Whakapuaki Aronga	4
3. Public Participation / Te Huinga Tūmatanui.....	4
3.1 Deputations by Appointment / Ngā Huinga Whakaritenga	4
4. Presentation of Petitions / Ngā Pākikitanga.....	4

COUNCIL

5. Council Minutes - 12 March 2020	5
6. Council Minutes - 24 March 2020	25
7. Council Minutes - 2 April 2020	31
8. Council Minutes - 9 April 2020	37

AUDIT AND RISK MANAGEMENT COMMITTEE

9. Audit and Risk Management Committee Minutes - 17 March 2020	43
10. Report on Critical Judgements, Estimates and Assumptions to be applied in the Council's Annual Report 2020	49
11. Audit Plan for the Council's 2020 Annual Report.....	53

STAFF REPORTS

12. Update by the COVID-19 Incident Management Team Lead	91
13. Short Term Financing Options for Growing Social Housing	93
14. Consultation for Proposed Lease and Licence of Cathedral Square Land to Christ Church Cathedral Reinstatement Limited.....	115
15. Regenerate Christchurch Transition Planning.....	123
16. Performance Exceptions Report March 2020.....	127
17. Draft submission on the draft Government Policy Statement on Land Transport 2021	149
18. Draft Submission on Accessible Streets Regulatory Package	165
19. Resolution to Exclude the Public.....	175

Karakia Whakamutunga

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. Public Participation / Te Huinga Tūmatanui

There will be no public forum at this meeting.

3.1 Deputations by Appointment / Ngā Huinga Whakaritenga

Deputations may be submitted in writing on a matter or matters covered by a report on this agenda. As the meeting will be held by audio/video link presentations will not be received at the meeting.

Deputations in writing should be submitted two days prior to the meeting.

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

4. Presentation of Petitions / Ngā Pākikitanga

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

5. Council Minutes - 12 March 2020

Reference / Te Tohutoro: 20/285281

Report of / Te Pou

Matua:

Jo Daly, Council Secretary – jo.daly@ccc.govt.nz

General Manager /

Pouwhakarae:

Dawn Baxendale, Chief Executive – dawn.baxendale@ccc.govt.nz

1. Purpose of Report / Te Pūtake Pūrongo

For the Council to confirm the minutes from the Council meeting held 12 March 2020.

2. Recommendation to Council

That the Council confirm the Minutes from the Council meeting held 12 March 2020.

Attachments

No.	Title	Page
A ↓	Minutes Council - 12 March 2020	6

Signatories / Ngā Kaiwaitohu

Author	Jo Daly - Council Secretary
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Christchurch City Council MINUTES

Date: Thursday 12 March 2020
Time: 9.33am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	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 Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

12 March 2020

Principal Advisor

Dawn Baxendale
Chief Executive
Tel: 941 6996

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Karakia Timatanga:

Delivered by Councillor Galloway.

The agenda was dealt with in the following order.

1. Apologies / Ngā Whakapāha

Council Resolved CNCL/2020/00013

That the apology for absence from Councillor Daniels and the apology for lateness from Councillor Keown be accepted.

Deputy Mayor/Councillor Mauger

Carried

2. Declarations of Interest / Ngā Whakapuaki Aronga

There were no declarations of interest recorded.

3. Public Participation / Te Huinga Tūmatanui

3.1 Public Forum / Te Huinga Whānui

3.1.1 Christchurch Youth Council

Dom Wilson, Co-Chairperson of the Christchurch Youth Council presented an update to the Council on the activities of the CYC.

3.1.2 Donna and Gary Brensell

Donna and Gary Brensell, supported by David Lynch, presented to the Council on consenting and compliance matters relating to a resource consent application for a LPG distribution depot.

Attachments

- A Public Forum Presentation - Donna and Gary Brensell

3.1.3 Momentus Public Relations

David Lynch from Momentus Public Relations presented to the Council in regard to the Canterbury Earthquakes Royal Commission (CERC) Final Report: Lessons Learnt

Attachments

- A Public Forum Presentation - David Lynch, Momentus Public Relations

3.1.4 Diane White

Diana White presented to the Council about Plan Change 54 and the operation of the waste processing facility.

3.1.5 Greater Hornby Residents Association

Ross Houliston of the Greater Hornby Residents Association presented to the Council on the Waste Management waste dump and plant on Marshes Road.

Attachments

- A Public Forum Presentation - Ross Houliston, Greater Hornby Resident's Association

3.2 Deputations by Appointment / Ngā Huinga Whakaritenga

There were no deputations by appointment.

4. Presentation of Petitions / Ngā Pākikitanga

There was no presentation of petitions.

31. Resolution to Include Supplementary Reports

Council Resolved CNCL/2020/00014

That the reports be received and considered at the Council meeting on Thursday, 12 March 2020.

Public Excluded Item

32. Proposed Loan

Mayor/Deputy Mayor

Carried

5. Council - Annual Plan Minutes - 11 February 2020

Council Resolved CNCL/2020/00015

That the Council confirm the Minutes from the Council - Annual Plan meeting held 11 February 2020.

Mayor/Councillor Davidson

Carried

6. Council Minutes - 13 February 2020

Council Resolved CNCL/2020/00016

That the Council confirm the Minutes from the Council meeting held 13 February 2020.

Mayor/Councillor Davidson

Carried

Council
12 March 2020

Christchurch
City Council 

David Cartwright, Chairperson and Jason Middlemiss, Board member joined the meeting for item 7.

7. Waimāero/Fendalton-Waimairi-Harewood Community Board Report to Council

Council Resolved CNCL/2020/00017

That the Council:

1. Receive the Waimāero/Fendalton-Waimairi-Harewood Community Board report for March 2020.

Councillor MacDonald/Councillor Gough

Carried

Councillor MacDonald left the meeting at 10.19am and returned at 10.21am during discussion on item 8.

Mike Mora, Chairperson and Andrei Moore, Deputy Chairperson joined the meeting for item 8.

8. Waipuna/Halswell-Hornby-Riccarton Community Board Report to Council

Council Resolved CNCL/2020/00018

That the Council:

1. Receive the Waipuna/Halswell-Hornby-Riccarton Community Board report for March 2020.

Councillor Chen/Councillor Chu

Carried

Councillor Gough left the meeting at 10.33am during discussion on item 9.

Sally Buck, Chairperson and Alexandra Davids, Deputy Chairperson joined the meeting for item 9.

9. Waikura/Linwood-Central-Heathcote Community Board Report to Council

Council Resolved CNCL/2020/00019

That the Council:

1. Receive the Waikura/Linwood-Central-Heathcote Community Board report for February 2020.

Councillor McLellan/Councillor Johanson

Carried

Simon Britten, Deputy Chairperson joined the meeting for item 10.

10. Waipapa/Papanui-Innes Community Board Report to Council

Council Resolved CNCL/2020/00020

That the Council:

1. Receive the Waipapa/Papanui-Innes Community Board report for February 2020.

Councillor Cotter/Councillor Davidson

Carried

Council
12 March 2020



Karolin Potter, Chairperson and Lee Sampson, Deputy Chairperson joined the meeting for item 11.

11. Waihoru/Spreydon-Cashmere Community Board Report to Council

Council Resolved CNCL/2020/00021

That the Council:

1. Receive the Spreydon-Cashmere Community Board report for February 2020.

Councillor Scandrett/Councillor Coker

Carried

Councillor Keown joined the meeting at 10.45am.

Councillor Gough returned to the meeting at 10.54am.

Tori Peden, Chairperson and Tyrone Fields, Deputy Chairperson joined the meeting for item 12.

12. Te Pātaka o Rākahautū/Banks Peninsula Community Board Report to Council

Council Resolved CNCL/2020/00022

That the Council:

1. Receive the Community Board report for February 2020.

Deputy Mayor/Councillor Cotter

Carried

Councillor Coker left the meeting at 10.57am and returned at 11am during discussion on item 12.

Kelly Barber, Chairperson joined the meeting for item 13.

13. Waitai/Coastal-Burwood Community Board Report to Council

Council Resolved CNCL/2020/00023

That the Council:

1. Receive the Waitai/Coastal-Burwood Community Board report for February 2020.

Councillor Mauger/Councillor Keown

Carried

Councillor Cotter left the meeting at 11.10am.

The meeting adjourned at 11.10am and reconvened at 11.26am.

Council
12 March 2020

Christchurch
City Council 

Report from Halswell-Hornby-Riccarton Community Board - 4 February 2020

14. 34R Owaka Road - Land to be Declared Road

Council Resolved CNCL/2020/00024

That the Council:

1. Consents to Section 1 RPS 2453 being declared road by the Minister of Land Information, and;
2. Authorises the Manager Property Consultancy to complete all necessary processes and obtain all necessary consents required to support resolution 1. above.

Councillor Chen/Councillor Galloway

Carried

Report from Halswell-Hornby-Riccarton Community Board - 4 February 2020

15. Main South Road/Racecourse Road - Proposed No Stopping Restrictions and Special Vehicle (Cycle) Lanes

Council Resolved CNCL/2020/00025

That the Council:

1. Approves that a Special Vehicle Lane (Cycle) Lane be installed on the west side of Racecourse Road for northwest bound cyclists only, as shown by a continuous white line in Plan TG135572 dated 12 November 2019 in Attachment A of the agenda staff report.
2. Approves that a Special Vehicle (Cycle) Lane be installed on the south side of Main South Road for south west bound cyclists only, as shown by a continuous white line in Plan TG135572 dated 12 November 2019 in Attachment A of the agenda staff report.

Councillor Chen/Councillor Galloway

Carried

Council
12 March 2020

Christchurch
City Council 

Report from Linwood-Central-Heathcote Community Board - 3 February 2020

16. Lease Assignment and New Lease Request - Fritchards Limited trading as Ocean Cafe and Bar to Haddenough Limited

Council Resolved CNCL/2020/00026

That the Council:

1. Approves a departure from the "Leasing Council Property" policy and grants a new lease to Haddenough Limited for a new lease period of nine (9) years subject to:
 - a. Staff carrying out the public advertising required under sections 119-120 of the Reserves Act 1977.
 - b. In the event that any objections are received on the proposed lease of the café at Scarborough Park that cannot be satisfied, staff to follow the procedure under the Reserves Act 1977 to convene a Reserves Act Hearings Panel to consider any such objections and make a recommendation to the Council for a decision.
 - c. In the event that there are no objections to the proposed lease, a lease of the café at Scarborough park to Haddenough Limited be granted for a term up to nine (9) years (including renewals), commencing 24 October 2024 at an annual rental to be determined by a market rental valuation undertaken prior to the commencement date of the new lease.
 - d. The Property Consultancy Manager is authorised to manage and conclude all issues, processes and documentation associated with the granting of the new lease.
 - e. The Chief Executive, using the Council's delegated authority from the Minister of Conservation, giving consent to grant the lease in accordance with 54(1) (d) of the Reserves Act 1977 as outlined in this report subject to the satisfaction of consultation underway with Tangata Whenua.

Councillor Johanson/Councillor Templeton

Carried

17. Regulatory Performance Committee Minutes - 14 February 2020

Council Resolved CNCL/2020/00027

That the Council receives the Minutes from the Regulatory Performance Committee meeting held 14 February 2020.

Councillor Scandrett/Councillor Templeton

Carried

18. Audit and Risk Management Committee Minutes - 3 February 2020

Council Resolved CNCL/2020/00028

That the Council receives the Minutes from the Audit and Risk Management Committee meeting held 3 February 2020.

Councillor MacDonald/Deputy Mayor

Carried

19. Hearings Panel report to the Council on the Proposed Permanent Alcohol Ban Area for Rugby League Sports Fields

Council Resolved CNCL/2020/00029

That the Council:

1. Approves the introduction of a permanent alcohol ban by way of an amendment to Schedule 1 to the Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2018 as set out in Attachment B.
2. Note that the ban will apply while the fields are in use for rugby league:
 - a. From 3pm to 8.30pm Monday to Friday and 9am to 6pm Saturdays and Sundays from April to August of each year, and to
 - b. Adjoining public areas such as car parks, changing areas, walkways and playgrounds.
3. Authorise staff to make any typographical changes to correct minor errors or omissions as the case may be before the Bylaw comes into force.
4. Give public notice as soon as practicable that Schedule 1 to the Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2018 has been amended, and that the amendments come into effect on 1 April 2020, and that copies of the Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2018 may be inspected and obtained at the Council's offices or on its website, without payment.

Councillor Scandrett/Councillor Chen

Carried

20. Policy Review - Road Stopping, Structures on Roads and Pedestrian Accessway Closure

Council Resolved CNCL/2020/00030

That the Council:

1. Revoke the following policies:
 - a. Pedestrian Accessway Policy (Attachment A) approved by Council on 12 December 2002
 - b. Road Stopping Policy 2009 (Attachment B) approved by Council on 9 April 2009
 - c. Policy on Structures on Roads 2010 (Attachment C) approved by Council on 26 August 2010, amended on 31 July 2014 and 10 March 2016 (CNCL/2016/00142).
2. Approve the following drafts to replace the revoked policies:
 - a. Road Stopping Policy 2020 (Attachment D)
 - b. Structures on Roads Policy 2020 (Attachment E as amended)
 - c. Pedestrian Accessway Closure Policy 2020 (Attachment F).
3. Revoke the delegations to council officers with respect to road stopping as shown in the Delegations Register Part B, Sub-Part 3, no.23 and delegate to the Head of Transport, the Team Leader Asset Planning Transport, and the Manager Property Consultancy (severally) the responsibilities and powers as set out in Attachment G, Draft delegations for road stopping.
4. Revoke the delegations to community boards with respect to road stopping as shown in the Delegations Register Part D, Sub-Part 1, "roads and traffic management controls" and delegate to the community boards the responsibilities and powers as set out in Attachment G, Draft delegations for road stopping.
5. Revoke the delegations to council officers with respect to the Structures on Roads Policy as shown in the Delegations Register Part C, Sub-Part 4, no. 8 and delegate to the Chief Executive the responsibilities and powers as set out in Attachment H, Draft delegations for Structures on Roads. The Chief Executive may sub-delegate any of these responsibilities and powers to council officers.
6. Notes that the Council retains decision-making authority under the Structures on Roads Policy with respect to clause 4.4 (pedestrian and/or vehicular bridges) the Council will be advised by the relevant Community Board before it makes any decision.

Councillor Coker/Councillor Scandrett

Carried

Council
12 March 2020

Christchurch
City Council 

**21. Draft Submission on the Proposed National Policy Statement for
Indigenous Biodiversity**

Council Resolved CNCL/2020/00031

That the Council:

1. Approve the draft submission to the Ministry for the Environment on the proposed National Policy Statement for Indigenous Biodiversity (Attachment A).
2. Delegates to staff the ability to provide the Ministry for the Environment with any additional technical comments that support the Council's submission.

Councillor Coker/Councillor Templeton

Carried

Councillor McDonald left the meeting at 12.20pm and returned to the meeting at 12.24pm during discussion on item 22.

Unconfirmed

22. R102 - Pages Road Bridge - Metropolitan Significance

Staff Recommendation

That the Council:

1. Classify the Pages Road Bridge Replacement project to be a project of Metropolitan Significance.
2. Delegate the ongoing decision making to the Urban Development and Transport Committee.

Council Resolved CNCL/2020/00032

That the Council:

1. Classify the Pages Road Bridge Replacement project to be a project of Metropolitan Significance.
2. Delegate the ongoing decision making to the Urban Development and Transport Committee.

Councillor Mauger/Mayor

Carried

Amendment

Councillor Yani Johanson moved by way of amendment that:

3. Request Council staff seek recommendation from the relevant Community Board to be reported to the Urban Development and Transport Committee for decision.

The amendment was seconded by Councillor Jake McLellan and on being put to the meeting was declared lost.

Councillor Johanson/Councillor McLellan

Lost

Deputy Mayor Turner abstained from voting on the above amendment.

Council Resolved CNCL/2020/00033

3. Request Council staff engage with the relevant Community Board prior to reporting to the Urban Development and Transport Committee.

Councillor Mauger/Mayor

Carried

Deputy Mayor Turner abstained from voting on the above resolution.

Council Resolved Substantive Motion CNCL/2020/00034

That the Council:

1. Classify the Pages Road Bridge Replacement project to be a project of Metropolitan Significance.
2. Delegate the ongoing decision making to the Urban Development and Transport Committee.
3. Request Council staff engage with the relevant Community Board prior to reporting to the Urban Development and Transport Committee.

Councillor Mauger/Mayor

Carried

23. Update on planning and activities in the Ōtākaro Avon River Corridor

Council Resolved CNCL/2020/00035

That the Council:

1. Notes the work that is underway to ensure that the Council is well prepared in anticipation of its future ownership of the Ōtākaro Avon River Corridor (OARC) and other former red zoned areas.
2. Note that parallel work is occurring across five workstreams:
 - a. Ownership, land configuration, and title amalgamation.
 - b. Transitional / transformative land use.
 - c. Long-term and permanent land use proposals.
 - d. Operational commissioning in readiness for Council provision of maintenance.
 - e. Planning and delivery of permanent Council capital projects within the OARC.
3. Note that a programme structure is in place and operating with a Programme Steering Group, Programme Control Group, and Programme Implementation team, with contribution from all relevant areas of Council.
4. Note that future Council decisions will be required on any changes to the policy settings for leasing arrangements in the Residential Red Zone (including the Ōtākaro Avon River Corridor) given the unique opportunities and proposals that do and will exist for use of this land.
5. Note that further updates will be provided to Council in advance of any key decisions and ongoing engagement with Community Boards will continue to occur.
6. Delegates to the Chief Executive, following consultation with the Mayor, authority to respond to any consultation request received from Land Information New Zealand or the Crown under s87 of the Greater Christchurch Regeneration Act in respect of road stoppings in the Residential Red Zone undertaken by Land Information New Zealand or the Crown as part of the land titles reconfiguration process.

Councillor Mauger/Councillor Davidson

Carried

24. Fees and Charges He Puna Taimoana

Council Resolved CNCL/2020/00036

That the Council:

1. Approve the fees and charges at He Puna Taimoana for the 2019/20 financial year as follows.

Entry Fees - Standard	Adult	Concession & Child	Family / Small Group	3 and under
Single Entry	18	13	49	Free
Same Day Return	22	15	59	
Two Day Pass	27	19	73	
Concession 10 visits	162	117	441	
Entry Fee - CCC Residents	Adult	Concession & Child	Family / Small Group	3 and under
Single Entry	14	10	39	Free
Same Day Return	17	12	47	
Two Day Pass	22	15	59	
Concession 10 visits	126	90	351	
Monthly Pass	77	54		
Annual Pass	594	416		

2. Delegate to the General Manager Citizen and Community discretion to modify pricing in response to developing market and community conditions.

Councillor Mauger/Councillor McLellan

Carried

25. Christchurch Red Zones Transformative Land Use Group / Te Tira Kāhikuhiku

Council Resolved CNCL/2020/00037

That the Council:

1. Endorse the establishment of Te Tira Kāhikuhiku / The Christchurch Red Zones Transformative Land Use Consultation Group.
2. Note the new name for the group Te Tira Kāhikuhiku to replace the current title Christchurch Red Zones Transformative Land Use Consultation Group.
3. Approve the Terms of Reference, excluding clause 5.2, Guiding Principles and Funding Terms of Reference for the Group.
4. Delegate to the General Manager Citizen and Community the approval of clause 5.2 of the Terms of Reference, once Te Tira Kāhikuhiku have provided an updated decision and recommendation process.
5. Note that the updated Terms of Reference will be published on the Council's website.

Councillor Templeton/Councillor Davidson

Carried

26. Mayor's Monthly Report - February 2020

Council Resolved CNCL/2020/00038

That the Council:

1. Receive the information in this report.
2. Note that in accordance with the Orana Wildlife Trust Deed Board, that at the end of his current term the Mayor has reappointed Mr Mike Wall to the Orana Wildlife Trust for a further three year term from 1 October 2020 until 30 September 2023.
3. Note that that in accordance with the Orana Wildlife Trust Deed Board, the Mayor has appointed Mr Ian Cumberpatch to the Orana Wildlife Trust to serve until 30 September 2023.

Councillor Chen/Councillor Mauger

Carried

Councillor Keown left the meeting at 12.59pm.

The meeting adjourned at 12.59pm and reconvened at 2.02pm.

32. Terms and Conditions of a Proposed Loan to The Canterbury Cricket Trust

The public excluded report with redactions was released from the public excluded agenda and considered in open meeting.

The Council commenced discussion on the released report.

27. Resolution to Exclude the Public

Council Decision

That the resolution to exclude the public set out on pages 5 to 6 of the supplementary agenda be adopted.

That Lee Robinson of the Canterbury Cricket Trust remain after the public have been excluded to provide advice to the Council on item 32. Terms and Conditions of a Proposed Loan to The Canterbury Cricket Trust as he has knowledge that is relevant to that item and will assist the Council.

Mayor/Councillor Templeton

Lost

A division was called and the motion was declared **a tie** the voting being as follows:

For: Mayor Dalziel, Deputy Mayor Turner, Councillor Chen, Councillor Davidson, Councillor Mauger and Councillor Templeton

Against: Councillor Chu, Councillor Coker, Councillor Gough, Councillor Johanson, Councillor MacDonald and Councillor McLellan

Councillors Galloway and Scandrett declared an interest in item 32. and took no part in the discussion or voting on this item.

Councillor Johanson left the meeting at 2.29pm.

The meeting adjourned at 2.29pm and reconvened at 2.45pm.

32. Terms and Conditions of a Proposed Loan to The Canterbury Cricket Trust

The Council continued consideration of this item in open meeting.

Lee Robinson, Trustee of the Canterbury Cricket Trust joined the table for discussion on this item.

Staff Recommendations

That the Council:

1. Notes the previous decision of the Finance and Performance Committee of the Council, on 5 March 2020, granting a conditional Council loan of up to \$1,500,000 to the Canterbury Cricket Trust.
2. Resolves that the granting of the Loan to the Canterbury Cricket Trust is conditional upon:
 - a. Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup through the provision of Floodlights at the Hagley Oval.
 - 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. The Canterbury Cricket Trust prepaying the equivalent of two years interest, \$40,000, upon the drawdown of the loan.
 - d. The Canterbury Cricket Trust agreeing to the repayment of subsequent year's interest, \$40,000, no later than 30 March 2023, from reserves, operating surplus.
 - e. The Canterbury Cricket Trust providing a charge by way of a General Security Agreement or a Specific Security Agreement over the pavilion and lights for \$1.5 million in favour of the Council, (or equivalent instrument).
 - f. The Trust providing Council details of their fundraising strategy and an annual report on progress.
 - g. The Trust providing a letter to Council explicitly stating that the Trust will not subsequently seek that any portion of the loan be converted to a grant or written off.
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.

Motion Moved

That the Council:

1. Receives the report.
2. Notes the decision of the Finance and Performance Committee, on 5 March 2020 was:
The granting of 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:
 - 1.a. *Loan repayments include the principal of the loan as well as interest at a rate of Council's cost of borrowing plus 20 basis points.*
 - 1.b. *The interest will be repaid at regular intervals during the term of the loan.*
 - 1.c. *The principal will be repaid at the end of the term of the loan, a maximum of four years, or earlier if possible.**Including that the loan is conditional upon:*
 - 2.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.*
 - 2.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.*
 - 2.c. *Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup.**Including the delegation of 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, except in respect of Clause 2a which was delegated to the Chair and Deputy Chair of the Finance and Performance Committee.*

Council
12 March 2020

3. Resolves that the granting of the loan to the Canterbury Cricket Trust is also conditional on:
 - a. The Canterbury Cricket Trust prepaying the equivalent of two years interest, \$40,000, upon the drawdown of the loan.
 - b. The Canterbury Cricket Trust agreeing to the repayment of subsequent year's interest, \$40,000, no later than 30 March 2023, from reserves, operating surplus.
 - c. The Canterbury Cricket Trust providing a charge by way of a *first ranking* General Security Agreement *and* a *first ranking* Specific Security Agreement over the pavilion and lights for \$1.5 million in favour of the Council, (or equivalent instrument).
 - d. Trust providing Council details of their fundraising strategy and an annual report on progress.
 - e. The Trust providing a letter to Council explicitly stating that the Trust will not subsequently seek that any portion of the loan be converted to a grant or written off.
4. Delegates authority to the Head of Community Support, Governance and 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.

Mayor/Councillor Templeton

Lost

*A division was called, and the motion was declared **lost** by 5 votes to 6 votes the voting being as follows:*

For: Mayor Dalziel, Deputy Mayor Turner, Councillor Davidson, Councillor Mauger and Councillor Templeton.

Against: Councillor Chen, Councillor Chu, Councillor Coker, Councillor Gough, Councillor MacDonald and Councillor McLellan.

Council Resolved CNCL/2020/00039

That the Council:

1. Notes the decision of the Finance and Performance Committee, on 5 March 2020 was:
The granting of 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:
 - 1.a. *Loan repayments include the principal of the loan as well as interest at a rate of Council's cost of borrowing plus 20 basis points.*
 - 1.b. *The interest will be repaid at regular intervals during the term of the loan.*
 - 1.c. *The principal will be repaid at the end of the term of the loan, a maximum of four years, or earlier if possible.**Including that the loan is conditional upon:*
 - 2.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.*
 - 2.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.*
 - 2.c. *Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup.**Including the delegation of 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, except in respect of Clause 2a which was delegated to the Chair and Deputy Chair of the Finance and Performance Committee.*
2. Amends the delegation in respect of 2.a. to include the Mayor and that the delegation is to the Chair and Deputy Chair of the Finance and Performance Committee and the Mayor.

Councillor Davidson/Councillor MacDonald

Carried

Councillors Galloway and Scandrett declared an interest and took no part in the discussion or voting on this item.

Council
12 March 2020

Christchurch
City Council 

27. Resolution to Exclude the Public (Cont'd)

Council Resolved CNCL/2020/00040

That at 3.45pm the resolution to exclude the public set out on pages 313 to 314 of the agenda be adopted.

Mayor/Deputy Mayor

Carried

The public were re-admitted to the meeting at 3.50pm.

Karakia Whakamutunga:
Delivered by Councillor Galloway.

Meeting concluded at 3.51pm.

CONFIRMED THIS 23rd DAY OF APRIL 2020

**MAYOR LIANNE DALZIEL
CHAIRPERSON**

Unconfirmed

6. Council Minutes - 24 March 2020

Reference / Te Tohutoro: 20/368841

Report of / Te Pou
Matua:

Jo Daly, Council Secretary – jo.daly@ccc.govt.nz

General Manager /
Pouwhakarae:

Dawn Baxendale, Chief Executive – dawn.baxendale@ccc.govt.nz

1. Purpose of Report / Te Pūtake Pūrongo

For the Council to confirm the minutes from the Council meeting held 24 March 2020.

2. Recommendation to Council

That the Council confirm the Minutes from the Council meeting held 24 March 2020.

Attachments

No.	Title	Page
A ↓	Minutes Council - 24 March 2020	26

Signatories / Ngā Kaiwaitohu

Author	Jo Daly - Council Secretary
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Christchurch City Council EXTRAORDINARY MINUTES

Date: Tuesday 24 March 2020
Time: 5.03pm
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Jimmy Chen
	Councillor Catherine Chu (via audio conference)
	Councillor Melanie Coker (via audio conference)
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough (via audio conference)
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald (via audio conference)
	Councillor Phil Mauger
	Councillor Jake McLellan (via audio conference)
	Councillor Tim Scandrett
	Councillor Sara Templeton

24 March 2020

Principal Advisor

Dawn Baxendale
Chief Executive
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Council Secretary
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Karakia Timatanga:

Delivered by Councillor Daniels

1. Apologies / Ngā Whakapāha

Council Resolved CNCL/2020/00025

That the apology for lateness from Councillor McLellan be accepted.

Councillor Davidson/Councillor Cotter

Carried

2. Declarations of Interest / Ngā Whakapuaki Aronga

There were no declarations of interest.

Councillor McLellan joined the meeting at 5.07pm via audio conference.

3. COVID-19 Emergency Period

Council Resolved CNCL/2020/00026

That the Council:

1. Notes that the COVID-19 emergency period requires Councils to make appropriate arrangements to ensure decision-making can occur in an open and transparent manner, while meeting the obligations that have been put in place to limit the spread of COVID-19.
2. Notes that the central government and local government agencies are working on making the adjustments to the statutory obligations to enable decision-making to occur.
3. Agrees to make interim arrangements to enable a seamless transition from the present decision-making arrangements to the Council taking on the role of decision-maker for the COVID-19 Emergency Period.
4. Revokes all delegations previously granted to the Council's committees and subcommittees, except the Audit and Risk Management Committee, as follows:

Committees of the Whole and Subcommittees:

- a. Finance and Performance Committee
 - i. Insurance Subcommittee
- b. Sustainability and Community Resilience Committee
 - i. Funding Subcommittee
- c. Three Waters Infrastructure and Environment Committee
- d. Urban Development and Transport Committee
- e. Chief Executives Performance and Employment Committee
- f. Civic Awards Committee

Committees and Subcommittees

- g. Christchurch Momentum Committee
 - i. Central City Momentum Working Group
 - h. Regulatory Performance Committee
 - i. Multicultural Committee
 - j. Youth Advisory Committee
 - k. Health, Safety and Wellbeing Committee
 - l. Rockfall Protection Structures Committee
5. Revokes all delegations previously granted to Community Boards, noting there will need to be a transition period before the delegations are restored once the emergency period is over, and staff will provide on advice on that in due course
 6. Establishes an Emergency Committee for the duration of the COVID-19 emergency period to be chaired by the Mayor and with the Deputy Mayor as deputy chair and all Councillors as members.
 7. Delegates all its decision-making authority to the Emergency Committee except those matters the Council is unable to delegate under the Local Government Act, to be exercised only if the Council is unable to meet due to a lack of a quorum.
 8. Resolves that the Emergency Committee be chaired by the Mayor and with the Deputy Mayor as deputy chair and all Councillors as members, requires a quorum of two, and that for a meeting to proceed the Mayor or Deputy Mayor, or their delegates, must be available to Chair the meeting.
 9. If the Emergency Committee is unable to meet due to a lack of quorum, delegates all the Council's decision-making authority to the Chief Executive, except those matters it is unable to delegate under the Local Government Act. Noting that the notice period in Standing Orders for such a meeting is 24 hours.
 10. Requires the Chief Executive to consult the Mayor and Deputy Mayor, or their delegates, prior to exercising her decision-making authority, and the Mayor to consult Councillors by way of a conference call before the Chief Executive finalises her decision, unless she believes there are exceptional circumstances that mean such consultation cannot occur.
 11. Requires the Chief Executive to make details of the decision-making publicly available in a timely manner and in a way that is open and transparent.
 12. Amends the Terms of Reference for the Audit and Risk Management Committee by delegating decision-making within the Terms of Reference to the Chairperson, Deputy Chairperson, the Deputy Mayor and Michael Rondel (one of the external members on the Committee).
 13. Extends Michael Rondel's membership of the Audit and Risk Management Committee from the date his current term expires while the interim arrangements are in place.
 14. If livestream is not feasible due to availability of technical staff, agrees to suspend the policy of live-streaming the Council meetings and Committees of the Whole, with a commitment to making a recording of Council meetings available as soon as possible after the meeting is held.
 15. Suspend all meetings of the Te Hononga Council - Papatipu Rūnanga Committee until a meetings is called by the Co-Chairs.

Council
24 March 2020

Christchurch
City Council 

16. Agrees all resolutions take effect from 11.59pm 24 March 2020.
17. Agrees that the emergency delegations for decision-making will be reviewed when the alert status for Christchurch reverts back to level 2.
18. Requests staff to give notice of cancellation of all scheduled meetings of the Council, Committees (including Hearings Panels), Subcommittees and Community Boards.
19. Request information on ongoing governance arrangements from the Chief Executive at the end of four weeks, or sooner, if there are relevant legislative or procedural changes prior.
20. Notes that the Chief Executive and officer delegations that are currently in place are unaffected by these resolutions, and will remain with the Chief Executive and officers as appropriate.

Mayor/Deputy Mayor

Carried unanimously

Karakia Whakamutunga:

Delivered by Councillor Daniels

Meeting concluded at 6.46pm.

CONFIRMED THIS 23rd DAY OF APRIL 2020

**MAYOR LIANNE DALZIEL
CHAIRPERSON**

7. Council Minutes - 2 April 2020

Reference / Te Tohutoro: 20/368965

Report of / Te Pou

Matua:

Jo Daly, Council Secretary – jo.daly@ccc.govt.nz

General Manager /

Pouwhakarae:

Dawn Baxendale, Chief Executive – dawn.baxendale@ccc.govt.nz

1. Purpose of Report / Te Pūtake Pūrongo

For the Council to confirm the minutes from the Council meeting held 2 April 2020.

2. Recommendation to Council

That the Council confirm the Minutes from the Council meeting held 2 April 2020.

Attachments

No.	Title	Page
A ↓	Minutes Council - 2 April 2020	32

Signatories / Ngā Kaiwaitohu

Author	Jo Daly - Council Secretary
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Christchurch City Council EXTRAORDINARY MINUTES

Date: Thursday 2 April 2020
Time: 10.08am (Held by audio link)
Venue: Members and Officers attended the meeting by audio link.

Present by audio link:

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	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 Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

2 April 2020

Principal Advisor

Dawn Baxendale
Chief Executive
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www.ccc.govt.nz

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Council
02 April 2020

Christchurch
City Council 

The Mayor, Councillors and Council Officers attended the meeting by audio link.

Karakia Timatanga:

Delivered by Councillor Daniels

The agenda was dealt with in the following order.

1. Apologies / Ngā Whakapāha

Council Decision

Nil

2. Declarations of Interest / Ngā Whakapuaki Aronga

There were no declarations of interest advised.

3. Verbal update by the COVID-19 Incident Management Team Lead

The Council received a presentation from Mary Richardson, COVID-19 Incident Management Team Lead.

Council Resolved CNCL/2020/00027

That the Council:

1. Receive the verbal update from the COVID-19 Incident Management Team Lead.

Mayor/Councillor Templeton

Carried

Attachments

A Council 2 April 2020 - Item 3 - COVID-19 IMT Lead Presentation

4. Mayor's Report - COVID-19 March 2020

Council Resolved CNCL/2020/00028

That the Council:

1. Adopt the schedule of Council meetings for the months of April, May and June 2020 as follows:
 - Thursday 9 April (Extraordinary meeting)
 - Thursday 23 April
 - Thursday 14 May
 - Thursday 28 May
 - Thursday 11 June
 - Thursday 25 June
2. Receive the Mayor's Report.
3. Note the emergency management recovery plan and lessons learned from our earthquake experience, which mean recovery planning should commence immediately,

building on our existing strengths (relationships and strategic frameworks) and engaging fully with all our diverse communities.

4. Note that work has commenced on the Christchurch Economic Recovery Package in partnership with ChristchurchNZ, and that we will be submitting projects in response to the government's call for infrastructure projects to enable the country to get to work as soon as possible after the lockdown.
5. Note the impact that Council decisions made at this time will have on our medium to long-term recovery and that these need to be factored into our Annual and Long-Term Plan processes.
6. Agree in principle to review our Strategic Directions, together with the Letters of Expectations issued to the Chief Executive and the External Advisory Group, in order to ensure they are fit for purpose for the recovery as well as meeting our aspirational goals for the city.
7. Note the features of the Greater Christchurch Partnership: Longstanding broad partnership (local government, central government and iwi); a strong foundation strategy; partnership through adversity; leading in wellbeing thinking.
8. Agree in principle to discuss with the Greater Christchurch Partnership the work that has been done on the Greater Christchurch Strategic Framework (Greater Christchurch 2050), to ensure that it is also fit for purpose as our collective post COVID-19 recovery plan for Greater Christchurch.

Mayor/Councillor Galloway

Carried

Councillor Chen requested that his abstention from voting on resolutions 7. and 8 be recorded.

Councillor Johanson requested that his vote against resolutions 2., 7. and 8. be recorded

Councillor Keown requested that his vote against resolutions 1. and 4. be recorded.

5. Council Funding and Financial Relief Package

Council Resolved CNCL/2020/00029

That the Council:

1. Agrees it will have particular regard to the impact of the COVID-19 crisis on the ability of some ratepayers to pay instalment 4 of 2019-20 rates.
2. Will consider remitting late payment penalties in respect of instalment 4 under the Council's Rates Remission Policy (Remission category 8), on application by a ratepayer for relief on the grounds of financial hardship directly attributable to the COVID-19 crisis and where the full payment of instalment 4 is received within six months of the due date.
3. Will consider, under the Council's Rates Remission Policy (Remission category 8), remitting the 10% rates surcharge (penalty) imposed in 2020 on any rates outstanding as at 30 June 2019, which remain unpaid at 31 March 2020, on application by a ratepayer for relief on the grounds of financial hardship directly attributable to the COVID-19 crisis.
4. Agrees the financial hardship criteria are initially to be aligned where possible with Government criteria, which include:
 - a) Businesses that have suffered a 30% drop in income year on year as a result of the COVID-19 crisis; and

Council
02 April 2020

Christchurch
City Council 

- b) Residential properties, where as a result of the COVID-19 crisis the owner occupiers have lost their jobs or have had their normal income from all sources reduced by 20% or more for at least one month before the rates due date.
- 5. Requests staff to report back to the Council with any further information or adjustments in relation to the financial hardship criteria.
- 6. Agrees that the Council's trade debtors, who have been impacted by the shutdown, be dealt with on a case by case basis.
- 7. Agrees to provide the following Council tenants with a relief package as set out below in resolution 8.:
 - a) Hospitality - cafes, restaurants, stall sites, food trucks and outdoor dining / tables and chairs.
 - b) Childcare facilities (excluding those grant funded by Council).
 - c) Commercial/community, including but not limited to the following; the Tram and Gondola, mini golf, camping grounds, Vbase Town Hall ground hire, Adrenalin forest park, boat hire Groynes, and Naval Point marina.
 - d) Sports clubs (many of whom rely on commercial activities for fund raising).
 - e) Allow applications by other tenants that may be similarly affected to be considered and resolved on a case by case basis.
- 8. Adopt the following relief package:
 - a) Defer chasing current debt owing by commercial tenants until 1 May 2020, following which normal business practices shall be adopted.
 - b) Provide a rent holiday of up to three months effective 1 March 2020. For the sake of clarity, this is a waiver of rent for that period for which repayment will not be required at a future date. The period after that to be monitored, and a new strategy either introduced or managed on a case-by-case basis.
 - c) Suspend the lease where the business' operation is halted through compulsion by a government initiative. In this eventuality the suspended term will added to the end of the lease.
 - d) Provide flexibility around levels of service and opening hours to allow the tenants to adapt to the changing market and environment without a concern of being in breach of the lease.
- 9. Provides the Property Consultancy Manager with delegated authority to manage the resolutions included in resolution 8. above and make all decisions necessary to implement them.

Councillor MacDonald/Deputy Mayor

Carried

Item 7
Attachment A

Council
02 April 2020

Christchurch
City Council 

Karakia Whakamutunga:

Delivered by Councillor Daniels

Meeting concluded at 2.14pm.

CONFIRMED THIS 23rd DAY OF APRIL 2020

**MAYOR LIANNE DALZIEL
CHAIRPERSON**

Unconfirmed

8. Council Minutes - 9 April 2020

Reference / Te Tohutoro: 20/378040

Report of / Te Pou
Matua:

Jo Daly, Council Secretary - jo.daly@ccc.govt.nz

General Manager /
Pouwhakarae:

Dawn Baxendale, Chief Executive - dawn.baxendale@ccc.govt.nz

1. Purpose of Report / Te Pūtake Pūrongo

For the Council to confirm the minutes from the Council meeting held 9 April 2020.

2. Recommendation to Council

That the Council confirm the Minutes from the Council meeting held 9 April 2020.

Attachments

No.	Title	Page
A ↓	Minutes Council - 9 April 2020	38

Signatories / Ngā Kaiwaitohu

Author	Jo Daly - Council Secretary
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Christchurch City Council EXTRAORDINARY MINUTES

Date: Thursday 9 April 2020
Time: 10.03am
Venue: Held by Audio/Video Link

Present by video and audio link

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	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 Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

9 April 2020

Principal Advisor

Dawn Baxendale
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Karakia Timatanga:

Delivered by Councillor Melanie Coker

1. Apologies / Ngā Whakapāha

Council Resolved CNCL/2020/00030

That the apology from Deputy Mayor Turner for partial absence be accepted.

Mayor/Councillor Cotter

Carried

2. Declarations of Interest / Ngā Whakapuaki Aronga

- The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton declared an interest in item 6. Christchurch City Holdings Limited - On-Lending Process 2020/21.
- Councillor MacDonald declared an interest in public excluded item 8. Civic Financial Services - Nomination of new directors.

9. Resolution to Include Supplementary Reports

Council Resolved CNCL/2020/00031

That the reports be received and considered at the Council meeting on Thursday, 9 April 2020.

Public Excluded Items

10. Future Operational Management and Maintenance of the Residential Red Zone

Mayor/Councillor Chen

Carried

Councillor Johanson requested his vote against the resolution be recorded.

4. Economic Recovery Update

The Council received a presentation from Dawn Baxendale, Christchurch City Council Chief Executive, and Joanna Norris, Chief Executive of ChristchurchNZ.

Council Resolved CNCL/2020/00032

That the Council:

1. Receive the progress update on the economic recovery work underway.

Mayor/Councillor Cotter

Carried

Attachments

- A Christchurch NZ Economic Recovery - Presentation

The meeting adjourned at 11.27am and reconvened at 11.38am.

3. Verbal Update by the COVID-19 Incident Management Team Lead

The Council received a verbal update from Mary Richardson, COVID-19 Incident Management Team Lead.

Council Resolved CNCL/2020/00033

That the Council:

1. Receive the verbal update from the COVID-19 Incident Management Team Lead.

Councillor Templeton/Councillor Coker

Carried

5. Draft Outline for Amendments to the Christchurch Central Recovery Plan for the Multi Use Arena

Council Resolved CNCL/2020/00034

That the Council:

1. Approves the draft Outline (**Attachment A**), to be given to strategic partners, the Department of the Prime Minister and Cabinet, and Regenerate Christchurch, to seek their views under the Greater Christchurch Regeneration Act 2016.
2. Delegates authority to the General Manager Strategy and Transformation to make minor amendments to the draft Outline prior to it being given to strategic partners.
3. Requests that staff then prepare a final draft Outline (providing that strategic partners support the process and have provided advice), with a summary of feedback and any amendments to the final draft Outline, in order for the final draft Outline to be submitted to Regenerate Christchurch as soon as practicable.
4. Delegates authority to the General Manager Strategy and Transformation to approve this final draft Outline for submission to the Regenerate Christchurch, unless the amendments made as a consequence of feedback result in any content of substantially different effect, in which case the final draft Outline will be reported to the Council for approval.

Mayor/Councillor Galloway

Carried

Election of Chairperson

Council Resolved CNCL/2020/00035

That Councillor MacDonald assume the Chair.

Councillor Scandrett/Councillor Cotter

Carried

The Mayor left the meeting at 12.30pm. Councillor MacDonald assumed the Chair for consideration of items 6 and 7.

6. Christchurch City Holdings Limited - On-Lending Process 2020/21

Council Resolved CNCL/2020/00036

That the Council:

1. Agrees to provide debt funding to Christchurch City Holdings Ltd (CCHL) from time to time during the 2020-21 financial year, and to borrow from the Local Government Funding Agency (LGFA) for that purpose (back-to-back funding), provided that:
 - a. CCHL remains within its existing borrowing covenants.
 - b. The borrowing and on-lending is in accordance with the Council's Liability Management Policy.
 - c. Staff report all such arrangements in the quarterly corporate finance report to the Finance and Performance Committee.

Councillor MacDonald/Councillor Chen

Carried

The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton declared an interest and took no part in the consideration or voting on this item.

7. Resolution to Exclude the Public

Council Resolved CNCL/2020/00037

That at 12.40pm the resolution to exclude the public set out on pages 24 to 25 of the agenda and pages 5 to 6 of the supplementary agenda be adopted.

Councillor MacDonald/Councillor Scandrett

Carried

Councillor Johanson requested that his vote against the resolution be recorded.

The Mayor returned to the meeting at 12.40pm after item 7. and returned to the Chair.

The public were re-admitted to the meeting at 1.18pm.

Karakia Whakamutunga:

Delivered by Councillor Melanie Coker

Meeting concluded at 1.20pm.

CONFIRMED THIS 23rd DAY OF APRIL 2020

**MAYOR LIANNE DALZIEL
CHAIRPERSON**

9. Audit and Risk Management Committee Minutes - 17 March 2020

Reference / Te Tohutoro: 20/292686

Report of / Te Pou
Matua: Mark Saunders, Committee and Hearings Advisor,
mark.saunders@ccc.govt.nz

General Manager /
Pouwhakarae: Carol Bellette, General Manager Finance and Commercial,
carol.bellette@ccc.govt.nz

1. Purpose of Report / Te Pūtake Pūrongo

The Audit and Risk Management Committee held a meeting on 17 March 2020 and is circulating the Minutes recorded to the Council for its information.

2. Recommendation to Council

That the Council receives the Minutes from the Audit and Risk Management Committee meeting held 17 March 2020.

Attachments

No.	Title	Page
A1	Minutes Audit and Risk Management Committee - 17 March 2020	44

Signatories / Ngā Kaiwaitohu

Author	Mark Saunders - Committee and Hearings Advisor
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Audit and Risk Management Committee OPEN MINUTES

Date: Tuesday 17 March 2020
Time: 1:31pm
Venue: Council Chambers, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Ms Kim Wallace
Deputy Chairperson	Councillor Sam MacDonald
Members	Mr Mark Russell
	Mr Michael Rondel
	Councillor Pauline Cotter
	Deputy Mayor Andrew Turner

17 March 2020

Acting Principal Advisor

Leonie Rae
General Manager Corporate Services

Mark Saunders
Committee and Hearings Advisor
941 6436
mark.saunders@ccc.govt.nz
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Audit and Risk Management Committee
17 March 2020

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

Secretarial Note: *The meeting was signposted as shifted to the adjacent Council Chambers on the day of the meeting.*

The agenda was dealt with in the following order.

1. Apologies / Ngā Whakapāha

Part C

Committee Resolved ARCM/2020/00006

That the apology received from Mayor Dalziel be accepted.

Ms Wallace/Councillor MacDonald

Carried

2. Declarations of Interest / Ngā Whakapuaki Aronga

Part B

Councillor MacDonald declared an interest in public excluded item 12.

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

Part C

Committee Resolved ARCM/2020/00007

That the minutes of the Audit and Risk Management Committee meeting held on Monday, 3 February 2020 be confirmed.

Ms Wallace/Deputy Mayor

Carried

4. Public Forum / Te Huinga Whānui

Part B

There were no public forum presentations.

5. Deputations by Appointment / Ngā Huinga Whakaritenga

Part B

There were no deputations by appointment.

6. Presentation of Petitions / Ngā Pākikitanga

Part B

There was no presentation of petitions.

Audit and Risk Management Committee
17 March 2020

7. Report on Critical Judgements, Estimates and Assumptions to be applied in the Council's Annual Report 2020

Committee Resolved ARCM/2020/00008 (Original Staff Recommendations Accepted without Change)

Part C

That the Audit and Risk Management Committee:

1. Notes there are no critical judgements, estimates and assumptions in the preparation of the 2020 financial statements to be included in the Annual Report.
2. Notes the changes to accounting standards for adoption by the Council when considering the Annual Report.
3. Notes that should any material issues arise during the preparation of financial statements that results in the adoption of a critical judgement, estimate or assumption, this will be reported to the Committee at the September 2020 ARMC meeting.

Ms Wallace/Mr Rondel

Carried

Committee Decided ARCM/2020/00009 (Original Staff Recommendations Accepted without Change)

Part A

That the Audit and Risk Management Committee recommends that the Council:

1. Receives this report.

Ms Wallace/Mr Rondel

Carried

8. Audit Plan for the Council's 2020 Annual Report

Committee Comment

Andy Burns and Karina Page of Audit New Zealand joined the table for this item.

Committee Resolved ARCM/2020/00010 (Original Staff Recommendations Accepted without Change)

Part C

That the Audit and Risk Management Committee:

1. Notes the Audit Plan for Christchurch City Council and Consolidated Group from Audit New Zealand.

Ms Wallace/Councillor MacDonald

Carried

Audit and Risk Management Committee
17 March 2020

Committee Decided ARCM/2020/00011 (Original Staff Recommendations Accepted without Change)

Part A

That the Audit and Risk Management Committee recommends that the Council:

1. Receives this report and authorises the Mayor to sign the Audit Engagement Letter for 2020 audit on behalf of the Council.

Ms Wallace/Councillor MacDonald

Carried

9. Health, Safety and Wellbeing Dashboard

Committee Resolved ARCM/2020/00012 (Original Staff Recommendations Accepted without Change)

Part C

That the Audit and Risk Management Committee:

1. Notes the Christchurch City Council Health, Safety and Wellbeing Dashboard as received and considered by the Health, Safety and Wellbeing Committee (HSWC) on 4 March 2020.
2. Notes that the Council has tasked the HSWC with assisting it to discharge its due diligence responsibilities as a Person Conducting a Business or Undertaking (PCBU), and the Audit and Risk Management Committee does not replicate HSWC's task, but notes that there are risk management and assurance processes in place.

Councillor Cotter/Ms Wallace

Carried

10 Resolution to Exclude the Public

Committee Resolved ARCM/2020/00013

Part C

That the following persons remain after the public have been excluded for the following items of the public excluded agenda as they have knowledge that is relevant to these items and will assist the Council:

- David Seath of Deloitte, and Andy Burns and Karina Page of Audit New Zealand, for:
 - Item 12, Quarterly Procurement Report;
 - Item 13, Risk Management Status Report;
 - Item 14, Fraud Status Report;
 - Items 15, Internal Audit Status Report;

AND

Audit and Risk Management Committee
17 March 2020



That at 1:48pm the resolution to exclude the public set out on pages 56 to 59 of the agenda be adopted.

Ms Wallace/Deputy Mayor

Carried

The public were re-admitted to the meeting at 3:30pm.

The Committee at the conclusion of the meeting thanked Mr Michael Rondel and Mr Mark Russell for their concluding terms of service to the Committee.

Meeting concluded at 3:34pm.

CONFIRMED THIS 3rd DAY OF JUNE 2020

KIM WALLACE
CHAIRPERSON

UNCONFIRMED

Report from Audit and Risk Management Committee – 17 March 2020

Item 10

10. Report on Critical Judgements, Estimates and Assumptions to be applied in the Council's Annual Report 2020

Reference / Te Tohutoro: 20/292692

Report of / Te Pou Matua: Len van Hout; Manager, External Reporting and Governance;
len.vanhout@ccc.govt.nz

General Manager /
Pouwhakarae: Carol Bellette; General Manager Finance and Commercial;
carol.bellette@ccc.govt.nz

1. Audit and Risk Management Committee Decisions Under Delegation / Ngā Mana kua Tukuna

(Original Staff Recommendations Accepted without Change)

Part C

That the Audit and Risk Management Committee:

1. Notes there are no critical judgements, estimates and assumptions in the preparation of the 2020 financial statements to be included in the Annual Report.
2. Notes the changes to accounting standards for adoption by the Council when considering the Annual Report.
3. Notes that should any material issues arise during the preparation of financial statements that results in the adoption of a critical judgement, estimate or assumption, this will be reported to the Committee at the September 2020 ARMC meeting.

2. Audit and Risk Management Committee Recommendation to Council

Part A

That the Council:

1. Receives this report.

Attachments

No.	Report Title	Page
1	Report on Critical Judgements, Estimates and Assumptions to be applied in the Council's Annual Report 2020	50

Report on Critical Judgements, Estimates and Assumptions to be applied in the Council's Annual Report 2020

Reference / Te Tohutoro: 20/115030

Report of: Len van Hout; Manager, External Reporting and Governance;
len.vanhout@ccc.govt.nz

General Manager: Carol Bellette; General Manager, Finance and Commercial;
carol.bellette@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is to advise the Audit and Risk Management Committee (ARMC) of critical judgements, estimates and assumptions used in the preparation and new standards being adopted in the preparation of the 2020 Annual Report.

2. Officer Recommendations

That the Audit and Risk Management Committee:

1. Notes there are no critical judgements, estimates and assumptions in the preparation of the 2020 financial statements to be included in the Annual Report.
2. Notes the changes to accounting standards for adoption by the Council when considering the Annual Report.
3. Notes that should any material issues arise during the preparation of financial statements that results in the adoption of a critical judgement, estimate or assumption, this will be reported to the Committee at the September 2020 ARMC meeting.
4. Recommends to the Council that it receives this report.

3. Significant judgements, estimates and assumptions

- 3.1 This report is part of the standard reporting prior to the Annual Report being prepared. On this occasion there is nothing to bring to the Committee's attention as officers are not making any critical judgements, estimates and assumptions in the preparation of the 2020 financial statements to be included in the Annual Report.
- 3.2 Council is required to adopt revised Public Benefit Entity accounting standards in the preparation of financial statements. A list of standards with changes that will be adopted in 2020 are as follows.

PBE IPSAS 41 – Financial Instruments

- 3.3 Following on from the adoption of PBE IFRS 9 – Financial Instruments in 2018/19, the Council will be adopting PBE IPSAS 41 – Financial Instruments which supersedes PBE IFRS 9 - Financial Instruments and supersedes most of PBE IPSAS 29 - Financial Instruments: Recognition and Measurement.
- 3.4 Council staff do not consider there to be any material impacts on the presentation of the financial statements with the adoption of PBE IPSAS 41.

2018 Omnibus Amendments to Public Benefit Entity Standards

- 3.5 2018 Omnibus Amendments to Public Benefit Entity Standards, issued in November 2018, has led to changes in the rules determining which entities are required to be consolidated and the associated disclosures. The new standards that affect the preparation of the 2020 Annual Report are PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investments in Associates and Joint Ventures, PBE IPSAS 37 Joint Arrangements and PBE IPSAS 38 Disclosure of Interests in Other Entities.
- 3.6 Council staff have reviewed all organisations which may have been affected and have not identified any changes which need to be made to the consolidated financial statements of the Christchurch City Council Group.
- 3.7 This analysis will be tested with Audit New Zealand during their audit and any change will be reported at the September 2020 ARMC meeting.

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	

Confirmation of Statutory Compliance / Te Whakatūtutanga 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.

Report from Audit and Risk Management Committee – 17 March 2020

Item 11

11. Audit Plan for the Council's 2020 Annual Report

Reference / Te Tohutoro: 20/292694

Report of / Te Pou Matua: Len van Hout; Manager, External Reporting and Governance;
len.vanhout@ccc.govt.nz

General Manager /
Pouwhakarae: Carol Bellette; General Manager Finance and Commercial;
carol.bellette@ccc.govt.nz

1. Audit and Risk Management Committee Consideration / Te Whaiwhakaarotanga

Andy Burns and Karina Page of Audit New Zealand joined the table for this item.

2. Audit and Risk Management Committee Decisions Under Delegation / Ngā Mana kua Tukuna

(Original Staff Recommendations Accepted without Change)

Part C

That the Audit and Risk Management Committee:

1. Notes the Audit Plan for Christchurch City Council and Consolidated Group from Audit New Zealand.

3. Audit and Risk Management Committee Recommendation to Council

Part A

That the Council:

1. Receives this report and authorises the Mayor to sign the Audit Engagement Letter for 2020 audit on behalf of the Council.

Attachments

No.	Report Title	Page
1	Audit Plan for the Council's 2020 Annual Report	54

No.	Title	Page
A ↓	Audit New Zealand 2020 Audit Plan for Christchurch City Council and Group	56
B ↓	Audit New Zealand 2020 Audit Engagement Letter for Christchurch City Council	76

Audit Plan for the Council's 2020 Annual Report

Reference / Te Tohutoro: 20/176187

Report of: Len van Hout; Manager, External Reporting and Governance;
len.vanhout@ccc.govt.nz

General Manager: Carol Bellette; General Manager, Finance and Commercial;
carol.bellette@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is for the Audit and Risk Management Committee to recommend that the Council confirm with Audit New Zealand the audit arrangements for the audit of the financial statements for the year ending 30 June 2020 for the Council and Consolidated Group.

2. Officer Recommendations

That the Audit and Risk Management Committee:

1. Consider the Audit Plan for Christchurch City Council and Consolidated Group from Audit New Zealand.
2. Recommends that the Council receives this report and authorises the Mayor to sign the Audit Engagement Letter for 2020 audit on behalf of the Council.

3. Key Points

- 3.1 The Audit Plan is issued each year outlining audit issues, audit timetable and audit process (**Attachment A**).
- 3.2 The main audit issues for 2020 include:
 - 3.2.1 **New in 2020, Provision for Holiday Pay.** Review the work being undertaken by Council in determining the potential provision, liability or contingent liability.
 - 3.2.2 **Valuation of property, plant and equipment.** Three waters and public art are due to be revalued this year on a triennial cycle.
 - 3.2.3 **Fair value assessment of non-revalued property, plant and equipment.** Asset categories that are outside of the revaluation cycle this year will be reviewed to determine whether there is a material difference with the carrying values of these asset categories.
 - 3.2.4 **Capital asset additions and work in progress.**
 - 3.2.5 **Adoption of accounting standards (the Council and group).** This year will see Council adopt PBE IPSAS 41 – Financial Instruments and PBE IPSAS 35 to 38 consolidation and disclosure statements, review of Council’s disclosures will form part of this year’s work plan.
 - 3.2.6 **Risk of management override of internal controls.** Audit New Zealand will perform targeted audit procedures to minimise this inherent risk.
- 3.3 Other ongoing accounting issues to be reviewed that are included in this plan are:
 - 3.3.1 **Procurement and contract management and project governance.**
 - 3.3.2 **Prudent expenditure decisions (the Council and group).**

- 3.3.3 **Group Issues**, including multi-use arena, Vbase restructure and Development Christchurch Limited.
- 3.4 The audit engagement letter sets out the terms of the audit engagement, the nature and limitations of the audit and the responsibilities of each party. **(Attachment B)** A letter setting out the fee to be charged for the current and following two years will be forwarded under separate cover before the meeting.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Audit New Zealand 2020 Audit Plan for Christchurch City Council and Group	
B	Audit New Zealand 2020 Audit Engagement Letter for Christchurch City Council	

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

Document Name	Location / File Link
Not applicable	

Confirmation of Statutory Compliance / Te Whakatūtutanga 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.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit plan

Christchurch City Council and group

For the year ending 30 June 2020

Audit plan

I am pleased to present our audit plan for the audit of Christchurch City Council (the Council) and group for the year ending 30 June 2020. The purpose of this audit plan is to discuss:

Audit risks and issues.....	2
Group audit.....	9
Our audit process	10
Reporting protocols.....	14
Audit logistics	15
Expectations.....	17

The contents of this plan reflect the discussions we have had to date with management and should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Andy Burns
Appointed Auditor
20 February 2020

Audit risks and issues

Specific focus areas for the audit of Christchurch City Council and group



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Valuation of property, plant and equipment	
<p>Council's property, plant and equipment assets are significant items on its statement of financial position. Many of these asset classes are subject to periodic revaluation in accordance with Council's accounting policies.</p> <p>The accounting standard PBE IPSAS 17 <i>Property, Plant and Equipment</i>, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value.</p> <p>From discussions with management to date, Council has identified that the water network asset class is due to be revalued in the 2019/20 year:</p> <p>Due to the significance of the balances involved and the judgemental nature of the revaluation process, this is a specific area of audit focus.</p> <p>Audit risk:</p> <p>Asset classes subject to revaluation are misstated in the financial statements.</p>	<p>For the asset class that will be subject to a revaluation, we will:</p> <ul style="list-style-type: none"> review the valuation performed to assess whether it complies with the relevant valuation and accounting standards; assess that the controls in place and assumptions applied to the valuation are reasonable and applied consistently; obtain an understanding of the underlying data; evaluate the qualifications, competence and expertise of the external valuer used; confirm that any fair value movements have been accounted for correctly; and verify that all the assets within the class have been revalued. <p>We will liaise with management to understand the timing of the valuation work. Ideally, as in previous years, we would like to complete our review of the valuation in June 2020, in advance of the final audit visit commencing.</p>
Fair value assessment of non-revalued property, plant and equipment	
<p>Council has other classes of infrastructure and operational assets that are outside of their revaluation cycle this year. Council will need to complete a fair value assessment to determine whether there is a significant difference between the carrying amount and the fair value. If this assessment identifies that there is a material difference between the carrying value and fair</p>	<p>We will review the Council's assessment of whether there is any significant difference between the carrying amount and fair value of those asset classes that are not being revalued in 2019/20.</p> <p>We encourage the Council to perform this assessment early so that if a revaluation is required, there is time to complete it without impacting on the annual report process.</p>

Audit risk/issue	Our audit response
<p>value of certain asset classes, these will need to be revalued.</p> <p>In performing this assessment, Council will need to identify and apply relevant independent information to support its position. This may include independent input from Council's valuers due to their knowledge of market and industry factors as well as Council's assets.</p> <p>Audit risk:</p> <p>The carrying value of property, plant and equipment disclosed in the financial statements is materially different from the fair value.</p>	
Provision for Holiday Pay liabilities	
<p>The Council has identified issues with its process for calculating staff leave liabilities.</p> <p>This issue has arisen in many entities across both the public and private sector and resulted, in some cases, of significant leave liabilities needing to be recognised. Issues have been identified with the calculations of annual, bereavement, sick and public holiday leave.</p> <p>Council is undertaking a review of its leave calculations in compliance with employment legislation. The costs of the review will be expensed as they are incurred. However, Council will need to assess at balance date whether there is sufficient certainty to recognise any provision, or liability, in respect to amounts owing to employees. If there is still uncertainty as to the amounts owing, a contingent liability disclosure should be included in the financial statements.</p> <p>Audit risk:</p> <p>Non-compliance with the requirements of the legislation and misstatement of the liability in the financial statements.</p>	<p>We will discuss with management the work being undertaken and review the status of this at balance date. We will review management's assessment of whether a provision, liability or contingent liability should be recognised in accordance with the relevant accounting standards and any associated disclosures of the issue.</p>
New accounting standards (the Council and group)	
<p>There are a range of new 'public benefit entity' accounting standards that are effective for the year ending 30 June 2020 and will need to be adopted by Council. There are also new 'for-profit' standards that apply to Council's group entities.</p>	<p>We will review the Council's assessment of the impact of the new suite of accounting standards and the conclusions reached regarding control of the related entities. We envisage that in making these assessments, Council will need to refer to</p>

Audit risk/issue	Our audit response
<p>The most relevant standards that could impact on Council, include:</p> <ul style="list-style-type: none"> new consolidation and interests in other entity standards – PBE IPSAS 35 to 38. The consolidation standard (PBE IPSAS 35) has changed how an entity assesses whether it has ‘control’ of another entity and therefore consolidates this into its group financial statements. There is potential that previously separate entities may now be assessed as being controlled by Council and need to be consolidated into Council’s group. Management has advised us that Council intends to early adopt PBE IPSAS 41 <i>Financial Instruments</i>. The assessment prepared to date has indicated that the impact of this standard will not be significant. <p>Where the situation arises that a ‘for-profit’ subsidiary has made adjustments in adopting an applicable ‘for-profit’ accounting standard, for example NZ IFRS 16 <i>Leases</i>, Council will need to make adjustments on consolidation due to the ‘Public Benefit’ nature of the Council group.</p> <p>Audit risk:</p> <p>Non-compliance with the requirements of the newly adopted accounting standards by the Council and/or group entities.</p>	<p>the supporting documentation of the entities being assessed e.g. the constitution or Trust Deed.</p> <p>Following discussions with management, these assessments are expected to be available for audit prior to our first interim visit in mid-March 2020.</p> <p>Depending on the outcome of the assessments performed, we will review the accounting treatment of any changes required to ensure that the standards have been appropriately applied in the 2020 financial statements.</p> <p>We will review any adjustments required to consolidate ‘for profit’ entities into the ‘public benefit entity’ group.</p>
Capital asset additions and work-in-progress	
<p>The Council continues to have a significant ongoing capital programme. Accounting for capital projects, that are either completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant effect on the financial statements, including:</p> <ul style="list-style-type: none"> assessing the nature of costs and either capitalising these as work in progress, or recognising these as expenses; 	<p>Our audit work on property, plant and equipment will review the accounting for costs incurred on capital projects, including:</p> <ul style="list-style-type: none"> the correct classification of costs as either capital or operating in nature; appropriate capitalisation point for completed assets, including transfers from work in progress; assessing the reasonableness of depreciation rates and useful lives applied to asset components; and

Audit risk/issue	Our audit response
<ul style="list-style-type: none"> identifying asset components and assigning appropriate useful lives to these components; and identifying the appropriate date of capitalising the asset, transferring costs from work in progress to asset additions and the commencement of depreciation of the asset. <p>Audit risk:</p> <p>Incorrect classification of costs between capital and operating expenditure.</p>	<ul style="list-style-type: none"> reviewing the disclosures within the financial statements. <p>We will obtain an update on the progress with the wellhead replacement programme, the costs incurred to date (and accounting treatment of those costs), the expected costs to complete the programme and timeframes for Council to obtaining its secure status</p>
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p> <p>Audit risk:</p> <p>Fraud arising from management override of internal controls.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> testing the appropriateness of selected journal entries; reviewing accounting estimates for indications of bias; evaluating any unusual or one-off transactions, including those with related parties; evaluating significant transactions that are outside the normal course of business or those that appear to be unusual given our understanding of Council and its environment; and review of any changes in Council's accounting policies.

Additional areas of focus

Audit risk/issue	Our audit response
Procurement, contract management and project governance	
<p>The areas of procurement, contract management and project governance continue to be areas of focus for Council. These broader areas of the audit are also a focus of ours and the Office of the Auditor-General (OAG) for its auditors in the public sector.</p> <p>Council has undertaken significant work within the procurement activity in recent years and we have previously reviewed and reported on these developments in prior audits.</p> <p>In 2019 we also performed a high level review of the Town Hall restoration project and commented on our observations.</p> <p>Our main focus will be to gain an understanding of any recent developments in the project governance and contract management areas, review Council's progress with the roll-out of recently implemented procurement changes and complement the work of Council's internal audit function.</p>	<p>In 2020, we will continue to have a focus on Council's developments in the areas of procurement, contract management and project governance.</p> <p>We intend to utilise a specialist from our Specialist Audit and Assurance Services team to perform this work, that will include:</p> <ul style="list-style-type: none"> reviewing the progress and outcome of Council's post implementation review of the Town Hall project; review of selected procurement and contract management practices, as appropriate. <p>We plan to complement the work of the Council's internal audit function, to understand and provide input, where appropriate, to the next steps in Council's development of its contract management process.</p>
Prudent expenditure decisions	
<p>We expect all public entities to apply a number of principles to expenditure decisions, including that the expenditure has a justifiable business purpose, preserves impartiality, is made with integrity, is moderate and conservative in respect of the circumstances and is made transparently.</p>	<p>We will remain alert to public sector concerns, including issues and risks about effectiveness and efficiency, waste, and a lack of probity or financial prudence. This means looking at some transactions or other arrangements in more detail to ensure expenditure is in line with the public sector principles.</p> <p>Aside from specific testing across a sample of sensitive transactions, this will also involve making certain enquiries of the Council, management, and staff, and maintaining awareness of public sector concerns throughout our audit work.</p>
Group issues	
<p>In our audit planning we consider potential audit risks within the Council group. The significant components of the Council group are the Christchurch City Holdings Limited group and Vbase Limited.</p>	<p>We will maintain a watching brief on any accounting and auditing issues that may arise within the wider Council group in planning and executing the respective audits of the group entities.</p>

Audit risk/issue	Our audit response
<p>We work with the group component auditors to ensure that any changes in group structure or group audit risks are communicated and appropriately addressed on consolidation into Council's group financial statements. We also review related party transactions throughout the group.</p> <p>Potential changes in the Council's group structure or its subsidiaries, include:</p> <ul style="list-style-type: none"> • formation by Council of a company to build the new multi-use arena; • proposed restructure of Vbase Limited separating the event management and facilities management activities into separate companies; and • formation of a group structure for Development Christchurch Limited (a subsidiary of CCHL), following their majority ownership interest in the Christchurch Adventure Park general and limited partners. 	<p>This also includes any decisions made by Council that may impact on the group up to the date of signing the 2020 annual report.</p>

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. We will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?

- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.govt.nz/reports/fraud-reports.

Group audit



Our auditor's report covers the group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the group. In designing our group audit approach, we considered the structure of the group and identified the entities which are included in the group financial statements.

Each entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component. The table below shows the work planned for each significant component.

Significant component	Work to be performed
Christchurch City Holdings Limited (CCHL)	<p>This will be audited by the same Appointed Auditor using Audit New Zealand audit resources.</p> <p>A separate CCHL group audit plan is issued to the Board of CCHL outlining the key audit and accounting issues.</p> <p>There are no specific audit risks at a Council group level to bring to your attention at this stage.</p> <p>The audit work on this component will be a full financial statement and performance information audit.</p>
Vbase Limited	<p>This will be audited by the same Appointed Auditor using Audit New Zealand audit resources.</p> <p>A separate Vbase group audit plan is issued to the Board of Vbase outlining the key audit and accounting issues. There are some proposed changes and new transactions between Council and Vbase that are included in the Vbase audit plan, including the advancement of loans from Council to Vbase and Vbase's decision to bring in-house formerly outsourced event staff.</p> <p>The audit work on this component will be a full financial statement and performance information audit.</p>

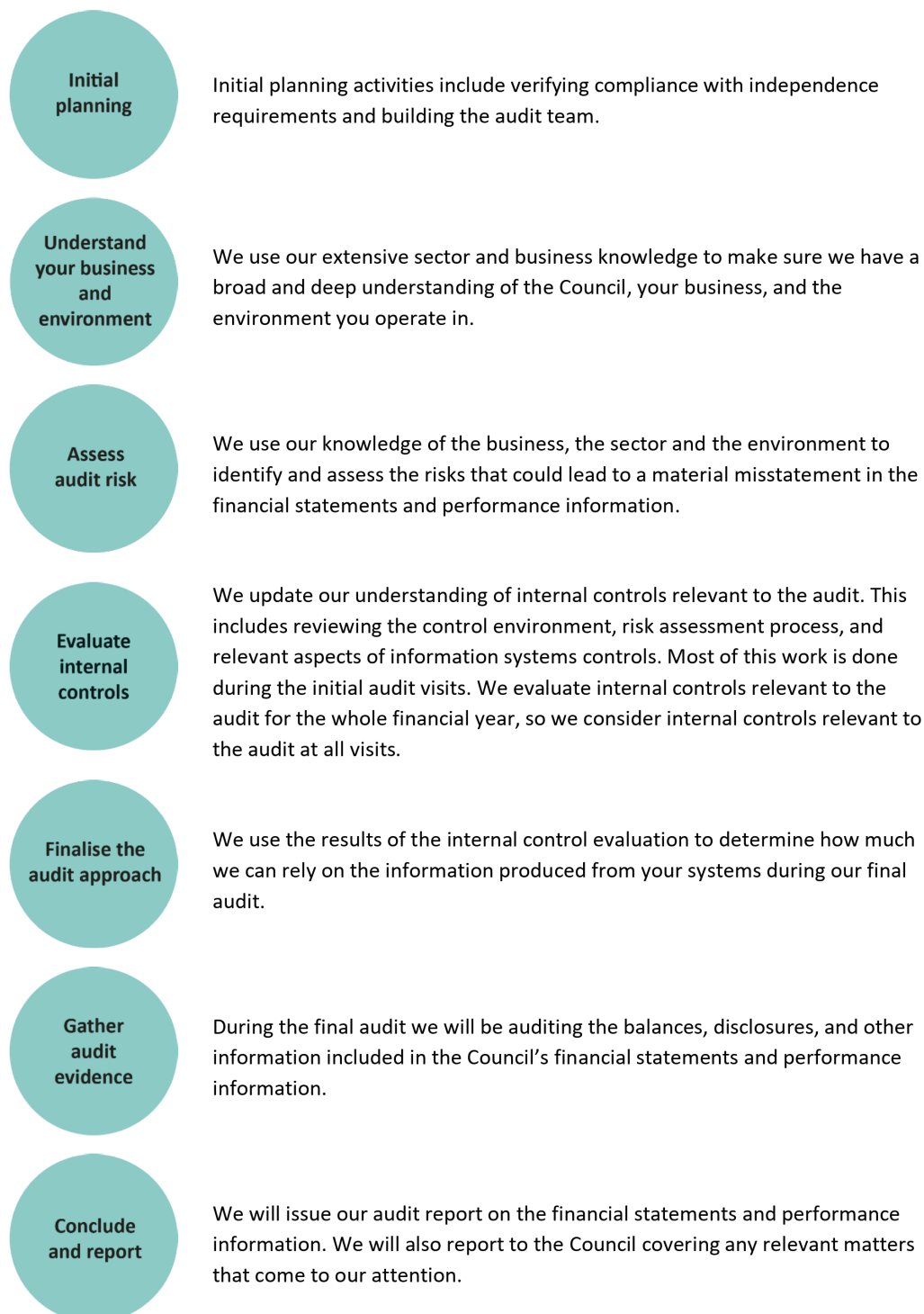
For non-significant components, we will perform analytical procedures at the group level to identify unexpected movements.

We will report any significant internal control deficiencies to the Council and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by the component auditor. We will communicate deficiencies related to:

- group-wide internal control; or
- Internal controls at each component.

We will also communicate any fraud identified by the group engagement team or brought to our attention by the component auditor.

Our audit process



Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. This diverts the attention of your staff away from the current financial year and focuses them on past events. We want the audit process to run smoothly and we will work with management to bring forward the timing of audit procedures where possible.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to perform certain audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue and expenditure, property, plant and equipment testing and review of asset valuations. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

This testing will be completed during the pre-final interim audit. If we can complete this work earlier in the year, we expect this to take some pressure off the final audit. This requires us to have the right information available during this visit to enable us to complete this work.

We will work with management to agree what can be achieved. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Materiality

In performing our audit, we apply the concept of materiality. In the public sector, materiality refers to something that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

Accounting standards also require the Council and management to consider materiality in preparing the financial statements. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities.

Whether information is material is a matter of judgement. We consider the nature and size of each item judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Materiality will be lower for some items due to their sensitivity.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and performance information. During the audit, we will provide details of any such misstatements we identify to an appropriate level of management.

We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from representatives of the Council that specify the reasons why the corrections will not be made.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- the Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by the Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by the Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by the Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the Council throughout the audit. During the final audit we hold weekly update meetings with management to maintain ongoing, proactive discussion of issues, as and when they arise, to ensure there are “no surprises”.

Reports to governors



We will provide a draft of all reports to management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide its comments on the draft within 10 working days. Once management comments are received, we will finalise the report and provide it to Council.

We will also follow up on your progress in responding to our previous recommendations.

As part of our final reporting to Council we set out non-trivial unadjusted misstatements, along with reasons why the adjustments have not been made. As part of our continued focus on improving the efficiency of the annual reporting and audit process, this year we will also report adjusted misstatements in the report to Council. The adjusted misstatements will be any made to the draft annual report received at the start of the audit.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Andy Burns	Appointed Auditor
Jo Smaill	Engagement Quality Review Director
Karina Page	Audit Manager
Alan Clifford/Sharon Bowler	Information Systems Audit Specialists

The Engagement Quality Review (EQR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. The EQR Director is an experienced Audit Director who has sufficient and appropriate experience to objectively evaluate the judgements made by the audit team. They are independent from the day to day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQR will work with your Appointed Auditor and the audit team, but will not have direct contact with you.

Timetable



Our proposed timetable for the audit is:

9 March 2020	First interim audit begins
17 March 2020	ARMC meeting to consider the audit plan and management's critical judgements, estimates and assumptions
15 April 2020	Draft interim report to the Council issued
3 June 2020	ARMC meeting to consider the draft interim report with staff comments
8 June 2020	Second interim audit begins, including review of asset valuations
3 August 2020	Draft parent financial statements available for audit (including notes to the financial statements) with actual year-end figures
3 August 2020	Final audit begins
5 August 2020	Draft Council activities and services sections available for audit
21 August 2020	Draft group financial statements and full annual report available for audit
21 August 2020	Draft summary annual report available for audit
28 August 2020	Final annual report available for audit including Mayor's and Chief Executive's overview or reports
28 August 2020	Final summary annual report available for audit
2 September 2020	ARMC meeting – to consider draft financial statements
23 September 2020	Final report on the audit to issued to management (in draft)
30 September 2020	ARMC meeting – to approve the 2020 annual report
30 September 2020	Verbal audit clearance given
8 October 2020	Council meeting to adopt annual report
8 October 2020	Audit opinion on the full and summary annual reports issued

Expectations



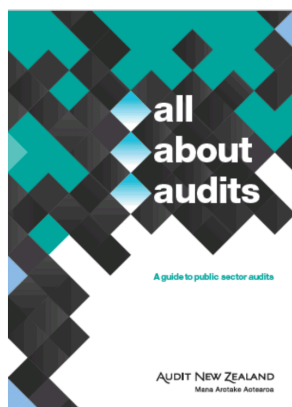
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter dated 20 February 2020.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to explain what to expect from your audit:



Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

www.auditnz.govt.nz

Level 3, 335 Lincoln Road, Addington
PO Box 2, Christchurch 8140





AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Level 3, 335 Lincoln Road
Addington
PO Box 2, Christchurch 8140

20 February 2020

Lianne Dalziel
Mayor
Christchurch City Council
PO Box 73015
Christchurch 8154

Dear Lianne

Audit Engagement Letter

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all “public entities”, including Christchurch City Council and its subsidiaries and controlled entities (the Group), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audit of the Christchurch City Council and Group’s consolidated financial statements and performance information. We will be carrying out these annual audits on the Auditor-General’s behalf, for the years ending 30 June 2020 to 30 June 2022.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Council and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Christchurch City Council and Group’s financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the Christchurch

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City Council and Group's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
 - all other information, in addition to the financial statements and performance information, to be included in the annual report;
 - additional information that we may request from the Christchurch City Council and Group for the purpose of the audit;
 - unrestricted access to Council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible:

- for the preparation of the summary financial statements and summary performance information;
- for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;

- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the Christchurch City Council and Group with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of the Christchurch City Council and Group:

- present fairly, in all material respects:
 - its financial position; and
 - its financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

We are also responsible for forming an independent opinion on whether the performance information of Christchurch City Council and Group:

- presents fairly, in all material respects, the performance for the financial year, including:
 - its performance achievements as compared with the intended levels of service for the financial year; and

- its actual revenue and expenses as compared with the forecasts included in the Long-Term Plan and Annual Plan for the financial year; and
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Christchurch City Council and Group's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Christchurch City Council and Group have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the Christchurch City Council and Group in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Christchurch City Council and Group have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of Christchurch City Council and Group; including being independent of management personnel and members of the Council). This involves being, and appearing to be, free of any interest

that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and me or Audit New Zealand.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a report to the Council. This report communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other reports to the Christchurch City Council and Group from time to time. We will inform the Council of any other reports we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely



Andy Burns
Appointed Auditor
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signed : _____ Date: _____

Lianne Dalziel
Mayor, Christchurch City Council

Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities for the financial statements and performance information	
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> • present fairly, in all material respects: <ul style="list-style-type: none"> ◦ the financial position; and ◦ the financial performance and cash flows for the financial year; • comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards. <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> • presents fairly, in all material respects, the performance for the financial year, including: <ul style="list-style-type: none"> ◦ the performance achievements as compared with forecasts included in the forecast performance report for the financial year; and ◦ the actual revenue and expenses as compared with the forecasts included in the forecast performance report for the financial year. • complies with generally accepted accounting practice in New Zealand. <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements made by those charged with governance; • the appropriateness of the content and measures in any performance information; • the adequacy of the disclosures in the financial statements and performance information; and • the overall presentation of the financial statements and performance information. <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> • the adoption of the going concern basis of accounting is appropriate; • all material transactions have been recorded and are reflected in the financial statements and performance information;

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<ul style="list-style-type: none"> all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>
Responsibilities for the accounting records	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> correctly record and explain the transactions of Christchurch City Council and Group; enable you to monitor the resources, activities, and entities under your control; enable the Christchurch City Council and Group's financial position to be determined with reasonable accuracy at any time; enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities for accounting and internal control systems	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of Christchurch City Council and Group), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>
Responsibilities for preventing and detecting fraud and error	
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of Christchurch City Council and Group) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the Christchurch City Council and Group with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>
Responsibilities for compliance with laws and regulations	
<p>You are responsible for ensuring that Christchurch City Council and Group has systems, policies, and procedures (appropriate to the size of Christchurch City Council and Group) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of Christchurch City Council and Group are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> the relevance of the law or regulation to the audit; our assessment of the risk of non-compliance; and the impact of non-compliance for the addressee of the audit report. <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a “Code of Conduct” and, where applicable, support the “Code of Conduct” with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted “Codes of Conduct” that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of Christchurch City Council and Group may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p> <p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
Responsibilities for conflicts of interest and related parties	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities for publishing the audited financial statements on a website	
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Appendix 2: Health and safety of audit staff

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

12. Update by the COVID-19 Incident Management Team Lead

Reference / Te Tohutoro: 20/386834

Report of / Te Pou Matua: Mary Richardson, COVID-19 Incident Management Team Lead,
mary.richardson@ccc.govt.nz

General Manager / Pouwhakarae: Dawn Baxendale, Chief Executive, dawn.baxendale@ccc.govt.nz

1. Update

- 1.1 Mary Richardson, COVID-19 Incident Management Team Lead will give an update on matters relating to COVID-19 and the Council response.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Receive the update from the COVID-19 Incident Management Team Lead.

Attachments / Ngā Tāpirihanga

There are no attachments for this report.

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

Document Name	Location / File Link
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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	Mary Richardson - General Manager Citizens & Community
Approved By	Mary Richardson - General Manager Citizens & Community

13. Short Term Financing Options for Growing Social Housing

Reference / Te Tohutoro: 20/130982

Report of:

Bruce Rendall, Head of Facilities Property and Planning,
bruce.rendall@ccc.govt.nz

General Manager:

Leonie Rae, Acting General Manager Corporate Services,
leonie.rae@ccc.govt.nz

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is seek approval to borrow up to \$25 million for financing new social housing. The borrowed funds will then be lent to the Ōtautahi Community Housing Trust (OCHT), who will construct, operate and own the houses. OCHT will repay the loans including interest and Council's costs over a 25 year period. The transaction will be rates neutral in line with Council's policy.
- 1.2 This report has been written in response to Government funding opportunities and requests from the former Housing Sub-committee.
- 1.3 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 based on the low number of people affected, limited financial impact, level of risk and wider community benefit.
- 1.4 The Council has a policy to grow social housing, but only if it can be done on a rates neutral basis.
- 1.5 Government supply contracts, provide an opportunity to increase the supply of social housing without affecting the affordability of existing tenant's rents or impacting on rates. The supply contracts are a low risk mechanism that generates sufficient revenue to cover all social housing costs, including operating, maintenance and financing costs, and return a small surplus over their term.
- 1.6 The Government's Public Housing Plans indicates that they have an interest in investing in more public housing in Christchurch, funded through the supply contracts, and delivered by community housing providers. There are up to 130 funded places available currently and more anticipated after the May budget.
- 1.7 The Council is not eligible for the supply contracts but community housing providers, such as OCHT are.
- 1.8 At present OCHT's commercial borrowing capacity is limited, despite having feasible projects and low risk revenue streams.
- 1.9 The Council, which has a policy that allows it achieve its housing outcomes through funding partnerships, does have the ability to borrow.
- 1.10 Staff recommend that the Council borrow a sum of up to \$25 million and on lend this to OCHT for the construction of at least 85 social housing units and planning for another development of 54 units. The loan to OCHT would be on the same terms and condition of the existing \$30 million loan, which is being used to finance four developments and 130 new units.
- 1.11 This approach allows for an affordable, policy compliant way to help achieve Council's housing objectives.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Notes that:
 - a. The Council has a policy to grow social housing;
 - b. It is Council policy that rates are not to be used to fund the operation, maintenance and development of Council's social housing;
 - c. The proposal presented in this report will not require any rates funding;
 - d. Council has previously resolved to lend \$30 million to the Ōtautahi Community Housing Trust for the purposes of developing at least 130 new social housing units on the basis that all borrowings and costs are to be repaid by the Trust within 25 years of the initial advancement of funds;
 - e. That the developments financed by these loans are either complete or in construction, and to date have been delivered within budget, on time and to appropriate quality standards;
 - f. The Government's Public Housing Plan indicates that there is potential funding for additional community housing in Christchurch.
2. Resolves:
 - a. To borrow up to \$25 million for the purposes of developing at least 85 new social housing units and developing plans for a further 54;
 - b. To lend up to \$25 million to the Ōtautahi Community Housing Trust for the purposes of developing at least 85 new social housing units and developing plans for a further 54 on the basis that all borrowings and costs are to be repaid by the Ōtautahi Community Housing Trust within 25 years of the initial advancement of funds;
 - c. That as a precondition to the loan, the Ōtautahi Community Housing Trust must hold long term social housing supply agreements acceptable to Council for the 85 new social housing units and that these agreements allows Ōtautahi Community Housing Trust to achieve sufficient guaranteed income to service the loan and repay all Council's costs without any ratepayer funding;
 - d. That up to \$2 million of the \$25 million is lent to the Ōtautahi Community Housing Trust for the purposes of developing plans and funding application for a minimum further 54 units;
 - e. To delegate to the Chief Executive Officer and the Chair of the Finance and Performance Committee authority to approve the acceptability of the long term social housing supply agreement to the Council and the loan documentation; and
 - f. That Council continues to advocate to Central Government for access to the income related rent subsidies for Council's social housing.

3. Reason for Report Recommendations

- 3.1 Council has a policy of growing its social housing portfolio, but only if this is at no cost to rate payers. The report recommendations present a proposal for the development of new social housing at no cost and very low risk to the rate payer.
- 3.2 The proposal effectively extends an existing approved model that is already helping achieve Council's objectives. In 2018 Council approved a loan of \$30 million to OCHT for the construction of 130 new units. This loan is in place, with some units complete and tenanted, and the rest under construction. OCHT has started servicing this loan, using income from rents and the Government supply contracts.
- 3.3 The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs. It meets Council's policy desire to grow social housing in partnership with others and at no cost to Council or ratepayers.
- 3.4 If OCHT secures long term supply contracts from the Government – and the report recommends that this is precondition – then the loan is backed with a low risk revenue stream. OCHT has secured contracts for the existing loan, and staff understand that the Government has funding available for community housing providers with viable proposals to build in Christchurch.
- 3.5 The risks associated with this proposal are low and tolerable, particularly with the existing control measures that are in place.
- 3.6 One further consideration is that the additional borrowing will impact the Council's prudential ratios.
 - 3.6.1 With the development of the stadium in 2024, Council is forecasting an increase in the Net Debt as a Percentage of Total Revenue ratio from 2021 levels of 170.92% to 227.39% in 2024 against a limit of 250%. In dollar terms, this equates to headroom capacity in borrowing of \$208 million in 2024 down from \$663 million in 2021.
 - 3.6.2 As with the Net Debt to Total Revenue ratio, the Liquidity ratio is directly impacted by the stadium in 2024. Council is already forecasting a decrease in the Liquidity ratio from 2021 levels of 117.08% to 110.54% in 2025 against a limit of 110%. In dollar terms, this equates to headroom capacity in liquidity of less than \$20 million in 2025 down from \$153 million in 2021.
 - 3.6.3 Any additional borrowing will reduce the headroom capacity, however, it will not breach the limits.
 - 3.6.4 The Council needs to balance the benefits of the proposal (housing for vulnerable members of the community; economic activity) against a reduced flexibility to respond to changed circumstances.
- 3.7 Overall the proposal presents a low risk, rates neutral and policy compliant way to help achieve Council's housing objectives, without materially altering Council's ability to achieve other goals.

4. Alternative Options Considered

- 4.1 Council is currently reviewing its Social Housing Strategy, including discussing a target for social housing unit numbers. Once the target is known an action plan addressing ongoing funding and financing of social housing growth will be developed and incorporated in the Long Term Plan 2021-2031.
- 4.2 In the short term, Council faces the circumstances of:

- 4.2.1 A policy of growing social housing as long as this is at no cost to rate payers;
- 4.2.2 910 persons listed on the Housing Register as being eligible and waiting for social housing in Christchurch as at 31 December 2019;
- 4.2.3 Government policy that provides for low risk funding for the construction of new social housing. This funding is not available to Council but is to community housing providers like OCHT. There are already 130 guaranteed funded places in Christchurch, and a likelihood of more in the May budget ;
- 4.2.4 OCHT has developed proposals that are highly likely to meet the Government's requirements;
- 4.2.5 Council understands that OCHT has limited ability to finance the developments, even with guaranteed funding;
- 4.2.6 A forthcoming election, with the risk of policy change and the loss of Christchurch specific funding.
- 4.3 Given these circumstances, for the purposes of this report the options considered are limited to:
 - 4.3.1 Council - build to lease;
 - 4.3.2 OCHT Delivered – Council Finance.
- 4.4 The relative advantages and disadvantages of the two feasible options are:

Option	Advantages	Disadvantages
<p>Council - build to lease.</p> <p>Council builds and owns the units. It then leases these to OCHT. OCHT operates the units.</p>	<ul style="list-style-type: none"> Council has control over the construction and operational phases The value of Council's social housing assets grows Over the long term (18 to 25 years) Council may generate a financial return that could be reinvested in the portfolio 	<ul style="list-style-type: none"> Council carries the development and operational risk. Should these risks require additional funding to mitigate, it is possible that rates funding will be required. Council has disbanded its housing specific development team, so would need to recruit these skills. The supply contracts for this scenario are shorter than those offered to community providers who develop and own the housing. Council would be considered as a developer and we understand that the contracts would have a 10 + 5 year or 15 + 5 year period, compared to the 25 year offered to community housing providers who develop and own. It will cost Council more to deliver than OCHT. OCHT is eligible for development contribution rebates that Council does not qualify for.

Option	Advantages	Disadvantages
OCHT Delivered – Council Finance	<ul style="list-style-type: none"> Low risk to Council as OCHT carries the development and operational risk (i.e. if construction costs more or goes over time, OCHT has to meet the costs. It is most likely that it would meet these from the additional rent generated from the rest of their portfolio). OCHT has an existing development team and is currently constructing new social housing. The Government is prepared to offer a longer contract period to a community housing provider who builds (cf Council acting as a developer). Loan documentation and monitoring procedures are already in place, reducing implementation time and costs. Proven model that is already working. OCHT can use the long term financial returns to enhance other stock they own or increase equity (and their ability to borrow commercially). 	<ul style="list-style-type: none"> Council has no direct control over the developments. It can indirectly influence through loan conditions and the statutory approval processes.

- 4.5 Both options require Council borrowing. They share the disadvantage that the additional borrowing will impact the Council's net debt to revenue ratio, taking it outside of Council's target of 180%. While it is outside the target level, the ratio is still sufficiently within the prudential borrowing limits for this proposal to be considered.

5. Detail

Reason for Report

- 5.1 As a result of the 2010-2011 Canterbury earthquake sequence, Council lost a net 366 units. Since the earthquake sequence Council has also closed 91 units where it is uneconomic to upgrade them.
- 5.2 In August 2019 the Housing Subcommittee requested a report on options to grow social housing using the Supply Contracts offered by the Government and on a rates neutral basis.
- 5.3 In its current Social Housing Strategy, the Council has a long term objective to “maintain, upgrade and where appropriate increase its supply of social housing”. The ability to increase

supply has generally been restricted by two other objectives – “Rents are set at affordable levels for tenants” and “the Council’s social housing operation is rates neutral.”

- 5.4 Through the report of the Social Housing Working Group (Council 19 December 2019), the Council has signalled that “consideration of a target of reinstating social housing to pre-earthquake levels by the end of this triennium be included as part of the Social Housing Strategy.” Work on the Social Housing Strategy is underway, and final decisions are anticipated later in 2020.
- 5.5 In its 2018-2028 Long Term Plan, Council made provision for a “\$30 million financing facility ... (repayable on a ‘rates neutral’ basis) to support the building of additional social housing in the city.” Following community consultation, Council subsequently resolved to use this facility to finance the OCHT’s construction of 130 new units. These units would be funded by a combination of rent and government subsidies, with the loan being paid back over 25 years.
- 5.6 Council has no other approved plans for the development of new social housing, however, it is in the process of reviewing its social Housing Strategy and developing its next long term plan. It is likely that the issue of new social housing will be raised through both processes.
- 5.7 Others agencies and individuals also have an interest in growing social housing in Christchurch. Some of the initiatives that the Council is aware of include:
 - 5.7.1 The OCHT is currently developing one hundred and thirty (130) new units on four sites. They are currently investigating the possibility of funding for up to further one hundred and forty units. Council is part of these investigations because of its existing strategic relationship and because it has the existing and potential roles as a financier and a potential development partner.
 - 5.7.2 Christchurch City Holdings Ltd is investigating potential involvement in social housing from both a commercial and social investment perspective.
 - 5.7.3 Several private individuals or organisations have contacted the Council regarding potential investment opportunities. The funding model in this report creates the possibility of commercial and social returns that are attractive to some investors.
- 5.8 Given the context above, it is timely to consider immediate and longer term options for growing social housing.

Quality Matters / Redevelopment Sites

- 5.9 When Council has considered other social housing matters, Councillors have raised questions about means to address quality concerns in the existing portfolio.
- 5.10 Even if Council was eligible for them, the funding sources addressed in this report cannot be used for maintaining or renewing existing buildings.
- 5.11 Council could consider using its borrowing capacity for maintenance, however, there is no guarantee that the portfolio would generate sufficient future revenue to cover financing costs and future maintenance needs so this approach is inadvisable.
- 5.12 Rates funding is also an option, however, consideration of this matter is beyond the scope of this paper.
- 5.13 Over time, and subject to Government policy and the uptake of IRR subsidised tenancies, OCHT will generate surpluses that can be reinvested back into the quality of the portfolio.

This impact is not clear at present, due to the effects of legislated upgrades, however, modelling shows that the portfolio is on the path towards financial sustainability.

- 5.14 Other ideas to help improve quality, such as capital recycling, are being explored but are beyond the scope of this report.
- 5.15 Given this background it is recommended that Council continue to examine ways of improving the quality of its portfolio in parallel to exploring the options to grow social housing.
- 5.16 Councillors have also raises questions about the future of redevelopment sites in the absence of funding and an approved “growth” action plan. The specific sites mentioned include the closed Carey Street, Cecil Courts and Sandilands complexes.
- 5.17 Carey Street and Sandilands are being investigated for redevelopment as part of the work described in this report, albeit not in the first tranche of work.
- 5.18 The Cecil Courts is not considered suitable for redevelopment, and a separate report will be prepared on the future of this site.

Funding and Financing Matters

- 5.19 The Government has a policy of increasing the supply of public housing in New Zealand. It implements its policy through its Public Housing Plan and Strategic Partnering model.
- 5.20 One of the key mechanisms in the Strategic Partnering Model is the use of various types of service agreement to fund the supply of public housing (supply contracts). These agreements basically commit the Government to fund services for a period in return for the approved partner providing suitable housing.
- 5.21 Council is not eligible for the supply contracts but some community housing providers, such as OCHT can access this funding.
- 5.22 The supply contracts allow for a guaranteed level of revenue for an agreed period. They contain clauses that guarantee the revenue even in the event of Government policy change.
- 5.23 The level of revenue is sufficient to cover all costs, including financing costs, and return a small surplus over the life of the contracts.
- 5.24 The Ministry of Housing and Urban Development (MHUD) have indicated an interest in investing in more public housing in Christchurch, funded through the supply contracts.
- 5.25 The Council understands that OCHT is not in a position to borrow further to take up this opportunity at this time. Key restrictions include the general security agreement with Council that protects the \$45 million of assets loaned to OCHT for capitalisation purposes and the \$30 million finance loan for new builds.

- 5.26 Council cannot fund new or replacement social housing from its own Social Housing Development Fund. The immediate priorities for the Fund is the Warm and Dry Programme, which is being used to meet new quality standards and to continue maintenance of existing units. The Fund will not start to move to an accumulation phase until 2028 (see the graph below). Accumulated monies will be used to fund the replacement of units once they reach the end of their serviceable lives or major renewals.



- 5.27 Council is in position to borrow to meet the upfront costs.
- 5.28 Working in partnership, both parties could borrow to fund the development and generate sufficient revenue to meet all development and ongoing costs, while still being consistent with legislation and Council's "rates neutral" policy.
- 5.29 Any Council borrowing will impact on the Council's net debt to revenue ratio. It is likely that the borrowing will increase the ratio outside of Council's target of 180%. While it is outside the target level, the ratio is still sufficiently within Council's maximum of <250% net debt to revenue to allow adequate borrowing in the event of a further disaster.

Proposal

- 5.30 OCHT is currently investigating opportunities to supply 85 new social housing units on land it owns. Should these investigations be successful, the OCHT will have access to revenue streams sufficient to meet the costs of meeting all financing costs, and operating and maintaining these units for 25 years.
- 5.31 The developments see the replacement of studio units with one bedroom units built to modern standards.
- 5.32 Additionally Council and OCHT are undertaking preliminary investigations into the redevelopment of another site which would result in 54 new units. These investigations are at an earlier stage and budget is required to develop design and planning to a level suitable for applying to MHUD for funding. An allowance has been included in the overall loan for this. Should this development not proceed to the funding stage, then the loan will be paid back from the Housing Development Fund.
- 5.33 At this time it is inappropriate to identify specific sites as until funding and financing are resolved there is no certainty that the redevelopments will proceed. OCHT does not wish to cause their tenants concern while this uncertainty exists. Staff support this position.

- 5.34 This proposal would involve Council borrowing up to \$25 million for 25 years to help meet the upfront development costs for 85 new social housing units.
- 5.35 OCHT would pay back the principal, interest and any administrative costs from the revenue generated from the units, including any Government income rent related subsidies. Modelling shows that revenue is sufficient to meet all costs over a 25 year term.
- 5.36 The proposal is rates neutral, as all revenue required to meet Council's borrowing and administrative costs would be sourced from OCHT.
- 5.37 The OCHT loan will be secured through existing security arrangements between Council and OCHT.

Community Views and Preferences

- 5.38 Council is obligated to consider community views and preferences when making decisions.
- 5.39 In 2018 Council undertook consultation on an earlier proposal to lend OCHT \$30 million for the same purpose as the current proposal. We are aware of views and preferences of interested and affected parties because of this consultation.
- 5.40 It is unlikely that the views expressed in the earlier consultation have significantly changed. While it is ultimately up to the decision makers to assess whether or not this information adequately describes community views and preferences, officers believe that this information is sufficient and there is no need to repeat this consultation.
- 5.41 The previous consultation attracted submissions from 59 individuals or groups. One submission was from OCHT. As they had a more significant interest in the matter than others, their submission was not included in the analysis.
- 5.42 The majority of the 58 submissions analysed supported the proposal.

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

- 5.43 Analysis of the comments of those who indicated that they had concerns showed that eight of these were generally in support but had concerns about details, one did not support the proposal and two were unable to be categorised.
- 5.44 The analysis showed two distinct categories within the submissions of those who did not support the proposal.
 - 5.44.1 First, there are those who do not believe that Council should be involved in the provision of social housing. Comments indicate opposition to rates spending on social housing and indicate a preference for Government provision. Twelve submitters (21% of the total) fell into this category.
 - 5.44.2 Second, there are those who support Council's involvement in social housing and want to see Council do more and deliver in different ways. Three of those who do not support the proposal fall into this account (5% of the total). Additionally, four of those who have concerns clearly fell into this category (the position of the remaining seven is unclear).

5.45 Submitters' arguments in support of the proposal included:

- It will help meet the needs of older people, particularly as there is a decline in home ownership and aging population.
- Council has a responsibility to provide social housing.
- The loan should be interest free.
- This type of arrangement should be made available to other groups.

5.46 Submitters' arguments against the proposal included:

- Provision of social housing is the Government's responsibility / not council's responsibility.
- No rates funding should go to social housing / Council has too many other priorities.
- Commercial interest rates should apply.
- Council should be building itself / Council should be doing more to provide social housing.
- Rates should be used to fund the building of new social housing rather than this proposal.
- Council should prioritise spending on social housing over the stadium.
- Loans should not be used for renewals.

5.47 Concerns raised included:

- The location of the new builds.
- The risk of policy change relating to the IRRS.
- Checks and balances on the performance of the Trust.
- A desire for some new units to be targeted at youth accommodation.
- New builds should be of a high standard particularly around warmth, dryness and accessibility.
- Doubts that the proposal will be rates neutral.

5.48 In response to these comments / themes, officers advised:

5.48.1 Council's Responsibility?

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

- Advocating to government, charitable trusts, non-profit organisations and private sector for the provision of social housing.
- Enter into funding partnerships with other providers, including central government, NGOs, and the private sector, to maintain and where possible expand the supply of social housing.
- The Council's social housing operation is rates neutral.
- Taken together it is clear that Council's intent is to be involved in and grow social housing provision, on a rates neutral basis, and in partnership with other providers. The current proposal is consistent with Council's policy position.

5.48.2 Council delivery

- Some of those who supported Council providing social housing opposed the loan proposal because they believed Council should deliver new social housing itself. While Council could develop these units, there are several factors that may influence decision making on this:
 - Council is ineligible for Government subsidies: Government funding is important because social level rents do not cover the costs of developing, operating and replacing these units. The Government meets some of these costs through subsidies. These subsidies are not available to local government, however, they are available to community housing providers like OCHT. This proposal relies on, and can only go ahead, if OCHT secures long term contracts agreeing to subsidise the provision of social housing.
 - It will cost Council more to develop: Council has a policy to offer rebates on social housing (<https://ccc.govt.nz/consents-and-licences/development-contributions/development-contributions-rebate-schemes/>). OCHT qualifies for this rebate, however, Council does not. For the new social houses we estimate that this could add over a \$1 million to the cost of development. Council could consider a departure from the development contributions policy and allowing a rebate application, however, this would be at odds with its rates neutrality policy for social housing.
 - Cost overrun risk: If Council developed then it would carry the cost overrun risk. This would need to be covered from the Housing Fund, delaying short term works and putting at risk medium to long term works. If OCHT develop, they carry this risk and Council is not exposed to additional costs.
 - On time delivery risk: OCHT's Government contract will include on time delivery clauses. If Council was to develop, it is reasonably foreseeable that OCHT acting prudently would require similar (or tighter) clauses on Council, including penalties for late delivery (given that OCHT could be exposed to additional costs and could lose rental revenues).

5.48.3 Some submitters made reference to low interest Government loans as a potential means of financing new social housing. While this mechanism has been used in the past, it is not available today. The Government has also signalled, through its Public Housing Plan 2018-2022, that capital grants are also unlikely except in very limited circumstances and are not available to local government.

5.48.4 Rates Funding

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

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

- Council current policy is for social housing operations to be rates neutral. This proposal is consistent with Council's policy with all costs associated with the loan to be repaid by the OCHT. Ultimately the revenue for paying back the loan comes from tenant's rents and Government subsidies.

5.48.5 Interest Rates

- Some submitters have argued that commercial interest rates should apply. Others argued that the loan should be interest free.
- The proposal envisions OCHT paying back both principle and interest, and meeting any other Council costs associated with administering the loan. To ensure that repayments are rates neutral Council charges the actual cost of borrowing plus 20 basis points to cover any costs.

5.48.6 OCHT Performance and Role

- Several submitters focused on aspects of OCHT's management of existing tenancies.
- These concerns primarily related to tenancy management rather than development and are not relevant to the decision. Notwithstanding this, OCHT already works within an oversight framework that includes the Community Housing Regulatory Authority, Minister of Social Development, Tenancy Tribunal and Council (for lease compliance). Should there be major performance issues, then the oversight agencies are likely to take action. Council is unaware of any current matters that require significant action.

5.48.7 Other matters

- A number of submissions focused on the form and location of, and target tenant group for, the new builds. If there are similar concerns with current development proposals, then these are matters for OCHT to consider in their planning.
- Others were concerned that the proposal relied on the current Government policy, which could change. The supply contracts contain terms that protect both OCHT and Council's interests, so will then concern is justified, it is contractually mitigated.
- Several submitters suggested that Council should prioritise expenditure on social housing rather than a stadium according to some submitters. The current proposal allows for the growth of social housing at the same time as Council is investing in other community infrastructure.
- One submitter argued that the loan should not be used for renewals. The current proposal involves replacing some existing units, as well as the construction of additional housing. All of the additional housing will be of a higher standard than the existing (one-bedroom vs studio; Homestar 6; designed for accessibility), and borrowing for these upgrades is appropriate.
- Some submitters felt that the original proposal did not deliver sufficient new social housing to meet current and emerging needs. Both the original and current proposals are only small steps towards growing social housing. Other responses will also need to be developed over time. The current proposal is a policy compliant response by Council to an emerging opportunity – it is not a comprehensive plan to grow social housing. In the absence of guaranteed funding sources, such a comprehensive plan is unlikely to succeed.

Discussion

- 5.49 This proposal allows Council to facilitate the delivery of Council's social wellbeing and housing outcomes at no cost and little residual risk to Council.
- 5.50 The proposal allows for more disadvantaged residents to be housed helping meet foreseeable community needs. It meets Council's policy desire to grow social housing in partnership with others.
- 5.51 The main risk is that the OCHT will not be able meet all Council's costs caused by their costs being greater than expected, their revenue being less than expected or Council's costs being greater than expected.
- 5.52 Factors contributing to this risk are:
- 5.52.1 OCHT has a limited development track record, which may impact on the total cost of and financial feasibility of the development;
 - 5.52.2 Construction prices, inclusive of any variations could be greater than planned;
 - 5.52.3 Council's interest rates being higher than expected;
 - 5.52.4 Council applies insufficient margin on the loan to cover all its costs.
- 5.53 The risk, and the underlying factors, are mitigated in the current financing agreement with OCHT. These same mitigations would be applied should Council support this proposal. Based on standard commercial risk mitigation measures, to date, these terms have been working well for the current \$30 million loan.

5.54 Specific details of mitigation measures are:

5.54.1 At the time of writing OCHT has completed two developments and has three under construction. Council has been or is monitoring four of these developments, including the largest – a 90 unit development on the former Brougham Village site.

- To date performance has been to our standards with developments being on time, within budget, exhibiting minimal variations and being to acceptable quality standards.
- OCHT already has a number of mechanisms to mitigate this risk including experienced personnel assisting governance, experienced property development staff and the use of qualified teams of consultants.
- Based on current and past experience staff believe that this risk is acceptable and can be managed with ongoing monitoring and the application of the conditions contained in the current financing agreement.

5.54.2 The contract price and construction budget (inclusive of contingencies) is known before the loan is entered into. Should the contract price show that the project is unfeasible, Council would not enter into the loan. During the project, finances including variations are monitored by an independent QS, who provides advice to Council. This allows early warning of any issues. Should there be any significant issues, Council has the right to step in and take over the development.

5.54.3 The interest rates used in feasibility studies and ongoing financial have been conservative. The interest rates actually being obtained by Council are lower than those modelled. Under current circumstances, officers consider the interest rate risk acceptable, however, this is constantly monitored.

5.54.4 The interest rate charged to OCHT is 20 basis points above the Council's borrowing rate. This generates sufficient margin to cover Council's costs.

5.55 With the described controls in place, and recognising the likely benefits of the proposal, officers believe that Council can tolerate the identified risks.

5.56 The issue of procurement processes has been considered through the preparation of this report. Traditional procurement process do not apply in this case as Council is not procuring a good or a service. The proposed financing facility is similar to a loan under Council's Community Organisation Loan Scheme. Under that scheme, groups can apply to Council for a loan to help them develop new or improve existing facilities where these facilities provide social and other opportunities to the community generally of specific communities of interest. Groups wishing to access this scheme apply for financing on a case by case basis and are assessed on their merits. There is no formal procurement process associated with this scheme.

6. Policy Framework Implications

Strategic Alignment

6.1 Under the strategic theme of "Liveable City", Council has a Community Outcome of "Sufficient supply of, and access to, a range of housing".

6.2 The approaches discussed in this report focus on several aspects of this community outcome including:

6.2.1 Increased access to housing for low income residents

6.2.2 Increased access to a range of alternative housing choices (size, quality, location)

6.2.3 Renews or improves the Council's physical infrastructure

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

6.3.1 Activity: Assisted Housing

- Level of Service: 18.0.6 Generate housing options for vulnerable sectors of community through partnerships. - Successful implementation of approved initiatives. Success is defined on a case by case basis in the specific project plan.

Policy Consistency

6.4 The decision is inconsistent with Council's Plans and Policies.

6.5 While Council has a policy of growing its social housing, it has not made any specific plans to do this because of a lack of free funds to do so.

Impact on Mana Whenua

6.6 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.

6.7 While there is not a specific impact on Mana Whenua, more Māori than other New Zealanders are affected by overcrowding or live in substandard housing. Statistics show Māori have lower levels of home ownership, limited housing choices and the need for government assistance with their housing (*He Whare Āhuru He Oranga Tāngata – The Māori Housing Strategy, 2014*).

Climate Change Impact Considerations

6.8 Climate change is not a specific matter for consideration in this report.

Accessibility Considerations

6.9 Accessibility is not a specific matter for consideration in this report

7. Resource Implications

Capex/Opex

7.1 Cost to Implement – There are no significant additional costs to implement this decision as the loan documentation is already in place. Any costs will be absorbed in existing operating budgets.

7.2 Maintenance/Ongoing costs – There are no ongoing costs for Council apart from the administrative and monitoring costs. These are insignificant and absorbed in operating budgets. The interest rate charged to OCHT provides revenue to cover these costs.

7.3 Funding Source – not applicable.

7.4 Additional financial information is attached.

8. Legal Implications

Statutory power to undertake proposals in the report

8.1 Council has the statutory power to make this decision.

Other Legal Implications

8.2 There are no extraordinary legal considerations contained in this report.

8.3 This report has been discussed with Council's lawyers.

Significance Details

- 8.4 The recommendations in this report have been assessed against the requirements of the Council's Significance and Engagement Policy. Based on this assessment the recommendations are considered to be of low significance.
- 8.5 The primary reasons for the low assessment are:
- 8.5.1 The low number of people affected by the proposal and the low level of impact. Ratepayers are not affected as no rates funding is required. Current tenants of the specific complexes being redeveloped will be affected, however, OCHT would work with them directly to ensure that they remain appropriately housed. Tenants more generally are not affected as this proposal has no impact on existing rents. Future tenants are positively affected but cannot be practically identified;
 - 8.5.2 There are known interest groups who support the provision of social housing as evidenced by their advocacy to Council to find ways to build new social housing. This proposal will have a low positive impact on these groups, given that it will increase the number of social houses;
 - 8.5.3 The limited financial impact and low financial risk of the proposal. The proposed level of borrowing is not significant in the context of Council's overall operations. There is no rates expenditure required. Any financial risk can be mitigated by independent review of the project finances, oversight of project delivery and a condition that the proposal would only proceed if the Trust had long term contracts guaranteeing revenue;
 - 8.5.4 There is a wider community benefit from the OCHT proposal i.e. additional social housing however this does not lift the issue to a higher category of significance; and
 - 8.5.5 While social housing is a strategic asset the proposal will not lead to a change of ownership or control.

9. Risk Management Implications

- 9.1 Risk considerations have been discussed throughout the report.
- 9.2 With controls in place, the proposal is rated "low risk" and is tolerable.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Appendix 1 - Finance Commentary on Prudential Ratios	110

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.

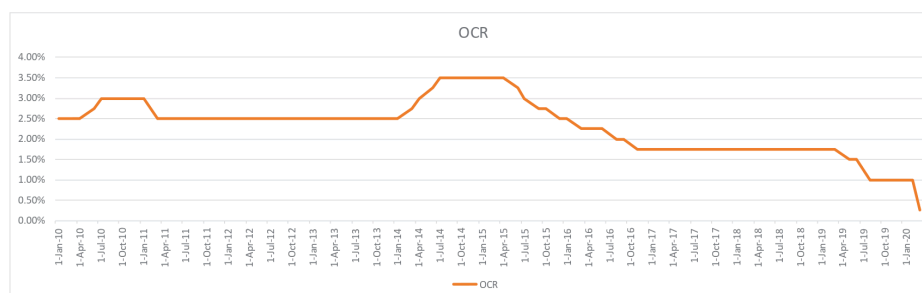
Financing Options for Growing Social Housing

Funding Requirements

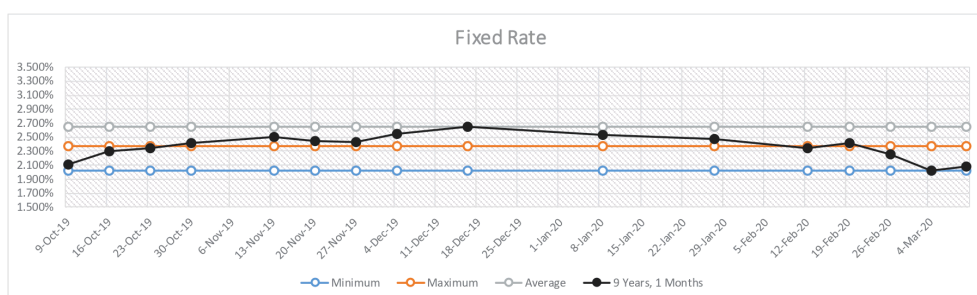
The Council or CCO will need to borrow to invest in the growth of social housing. Subject to market conditions, funding should be available as long as the cost of funds and prudential ratios remain at reasonable level or in the case of the later, Council remains within thresholds.

Historically Low Interest Rates

The reduction in the Official Cash Rate (OCR) from a high of 3.5% in early 2015 to the current low of 0.25% has opened opportunities to home buyers and investors alike. Whether the housing fund or a CCO borrows funds to invest in the growth of social housing, the investment decision is assisted by lower borrowing costs.



Since October 2019, the nine year lending rate with the LGFA has been around on average 2.368%, with a high of 2.650% and low of 2.030%. Shorter rates are 50-60 basis points lower than the nine year rate while longer dated borrowing is 30-40 basis points higher.



Impact on Prudential Ratios

There are three significant ratios that Councillors will need to consider when looking to fund the growth in social housing, Net Debt as a Percentage of Total Revenue, Net Interest as a Percentage of Total Revenue and Liquidity.

Net Debt as a Percentage of Total Revenue

With the development of the stadium in 2024, Council is already forecasting an increase in the Net Debt as a Percentage of Total Revenue ratio from 2021 levels of 170.92% to 227.39% in 2024 against a limit of 250%.

In dollar terms, this equates to headroom capacity in borrowing of \$208 million in 2024 down from \$663 million in 2021.

Net Interest as a Percentage of Total Revenue

Over the next eight years, the Net Interest as a Percentage of Total Revenue ratio is expected to be between 6.68% and 7.96% against a limit of 20%. Therefore the average headroom over this period is about 12.65% or \$123 million.

Liquidity

As with the Net Debt to Total Revenue ratio, the Liquidity ratio is directly impacted by the stadium in 2024. Council is already forecasting a decrease in the Liquidity ratio from 2021 levels of 117.08% to 110.54% in 2025 against a limit of 110%.

In dollar terms, this equates to headroom capacity in liquidity of less than \$20 million in 2025 down from \$153 million in 2021.

Other Ratios

Other prudential ratios are also likely to be impacted, but to a lesser degree.

Calculation of key ratios

The revised Total Revenue amount will include additional interest revenue from third parties and additional net lease revenue

The revised Net Debt amount is based on the following information. On-lending to solvent CCTO and CCO is excluded from the net debt and only new lending for the growth in social housing is included. OCHT is not a CCO or CCTO therefore any on-lending to the trust is included in the net debt.

The revised Net Interest amount is based on the following information. Any on-lending to OCHT or a CCO will be a cost of funds plus 20 basis points. This means that the net interest calculation will be positive as cost of borrowing will be less than the interest revenue from on-lending.

Reduction in the headroom for key ratios

The erosion of headroom will remove the ability of the Council to respond to other fiscal pressures. Where the growth of social housing is deemed a priority, there is a benefit to permitting the Council to run up to the prudential limits.

Table 1 - Before and After Impact on Net Debt to Total Revenue Ratio

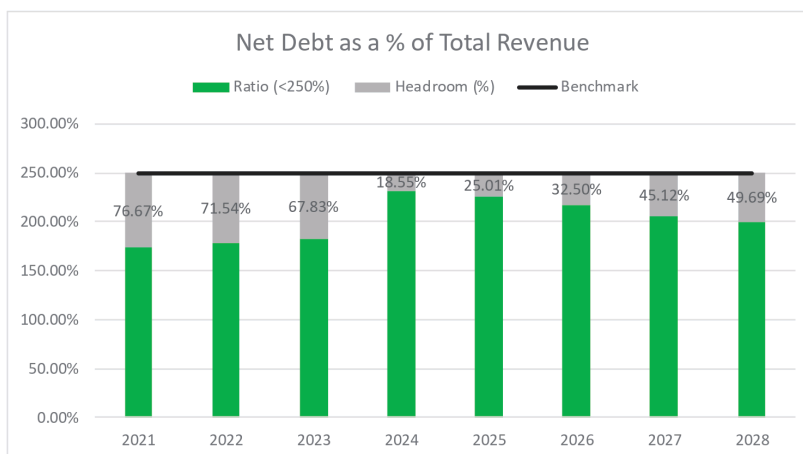
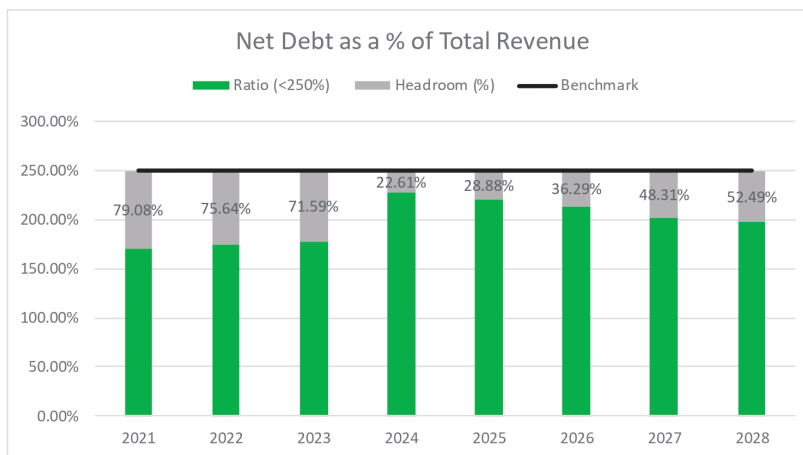


Table 2 - Before and After Liquidity Ratio

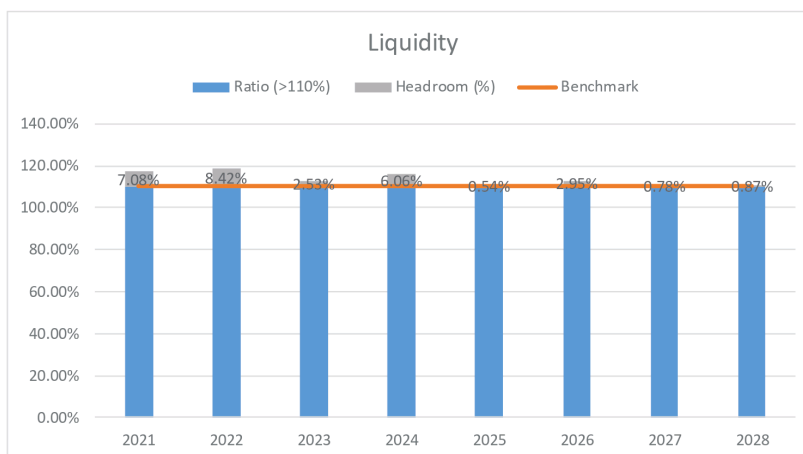
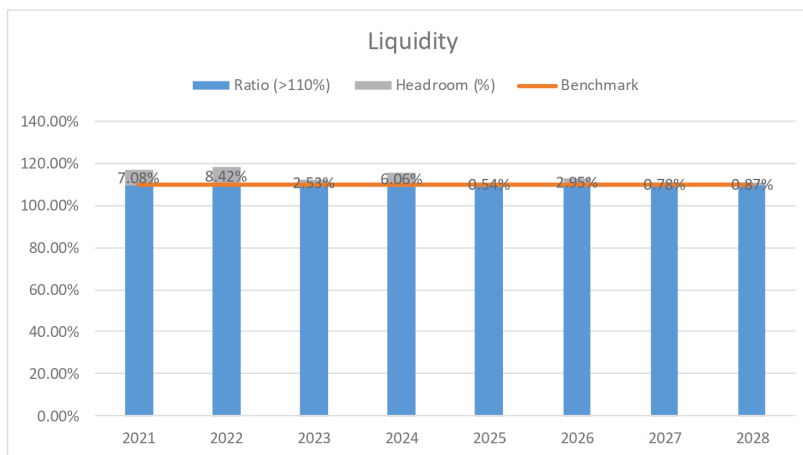
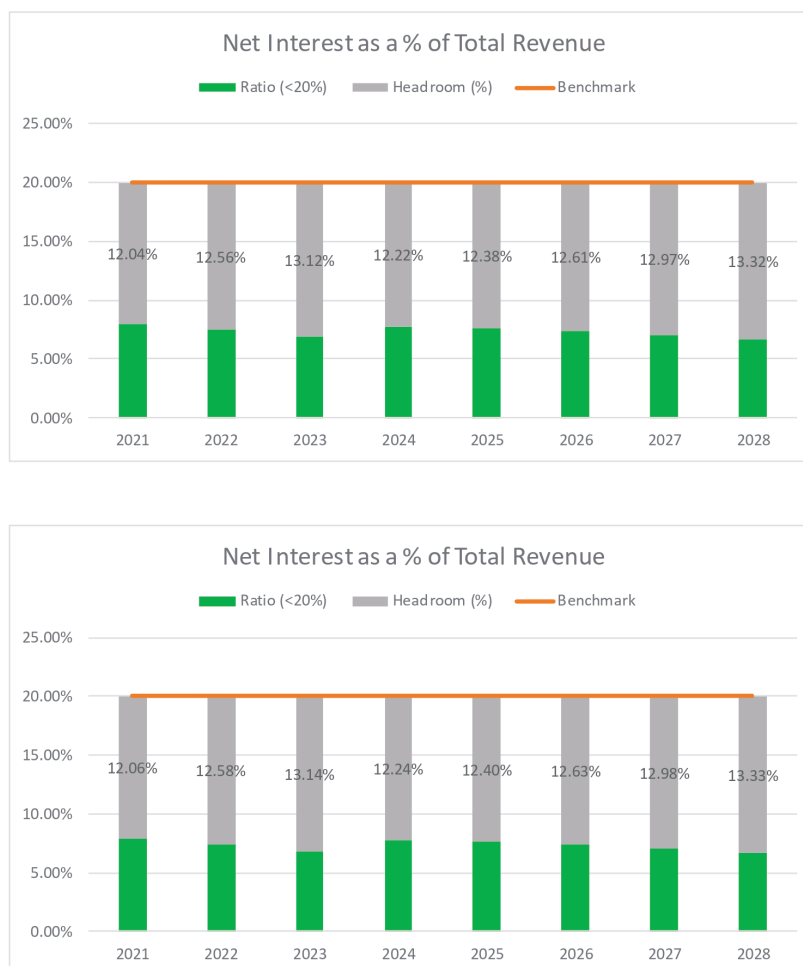


Table 3 - Before and After Impact on Net Interest to Total Revenue



Potential for a limit (in the short term) on Council's access to LGFA funding

Council's key source of funding is the Local Government Funding Agency (LGFA). LGFA's funding is subject to normal market conditions and therefore the success or otherwise of its bond tenders.

Any reduction in the funding available through the bond tender will reduce the amount Councils can borrow from the LGFA.

LGFA may introduce rationing of funds across its members, Council will then need to assess the priority of each project that needs funding.

14. Consultation for Proposed Lease and Licence of Cathedral Square Land to Christ Church Cathedral Reinstatement Limited

Reference / Te Tohutoro: 20/162969

Report of: Kathy Jarden, Team Leader Leasing Consultancy
kathy.jarden@ccc.govt.nz

General Manager: David Adamson, GM City Services; David.Adamson@ccc.govt.nz
Mary Richardson, GM Citizens & Community;
Mary.Richardson@ccc.govt.nz

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is for Council to consider a proposal to grant a lease and licence to Christ Church Cathedral Reinstatement Limited (CCRL) to utilise an area of Cathedral Square for construction purposes during the reinstatement of the Christ Church Cathedral. The proposed annual rent is \$1.
- 1.2 This report seeks the Council's support for the proposal and, if supported, to initiate a process to seek the views of the community through a public consultation process to be heard by a Hearings Panel that will report to the Council for a final decision.
- 1.3 This report is staff generated in response to the request from CCRL to use a strip of land bordering between 99 and 100 Cathedral Square for use as laydown, storage and temporary site accommodation in support of the construction works associated with the reinstatement of Christ Church Cathedral following the devastating consequences of the earthquake events of 2010/2011.
- 1.4 CCRL have requested the option to use the Kiosk as a visitor centre open to members of the public during the project duration. The Kiosk is currently vacant with the previous tenants NZ Police vacating the premises in 2017.
- 1.5 A lease over those parts of the land at 99 Cathedral Square, the Kiosk, and a licence to occupy areas of legal road is sought by CCRL to enable them an area for access and reinstatement.
- 1.6 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 the number of people affected and/or with an interest, the level of community interest already apparent for the issue, possible environment, social and cultural impacts, possible costs/risks to Council, ratepayers and the wider community of carrying out the decision and whether the impact of the decision can be reversed.
- 1.7 The views of the public are required prior to the Council considering the granting of such lease and licence.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Authorise staff to commence a public consultation process in accordance with the obligations under the Local Government Act 2002, in respect of:
 - a. The proposed lease of a portion of land contained within 99 Cathedral Square as shown on the plan in clause 5.4 below;

- b. The proposed licence to occupy legal road over those areas shown i on the plan in clause 5.4 below;
 - c. The proposed lease of the Kiosk building in Cathedral Square as a visitor centre for Christ Church Cathedral Reinstatement Limited during the construction phase.
2. Approve the proposed consultation process as outlined in paragraph 5.1 of this report, such process to be commenced as soon as practicable.
3. Agree that a Hearings Panel be convened at the completion of the consultation period to receive and hear submissions on the proposed lease and licence to Christ Church Cathedral Reinstatement Limited, deliberate on those submissions, and to report back recommendations to the Council.

3. Reason for Report Recommendations

- 3.1 Proceed with public consultation as required under the Local Government Act.
 - 3.1.1 Advantages:
 - The Council will meet their consultation obligations under the Local Government Act with regard to disposal of land through a lease.
 - A Hearings Panel will be appointed allowing the public's views to be heard in an appropriate forum.
 - The Council will be supportive of the reinstatement of the Christ Church Cathedral.
 - 3.1.2 Disadvantages:
 - None identified.
- 3.2 Support of the recommendation indicates that the Council is supportive of the repair works to the Christ Church Cathedral.

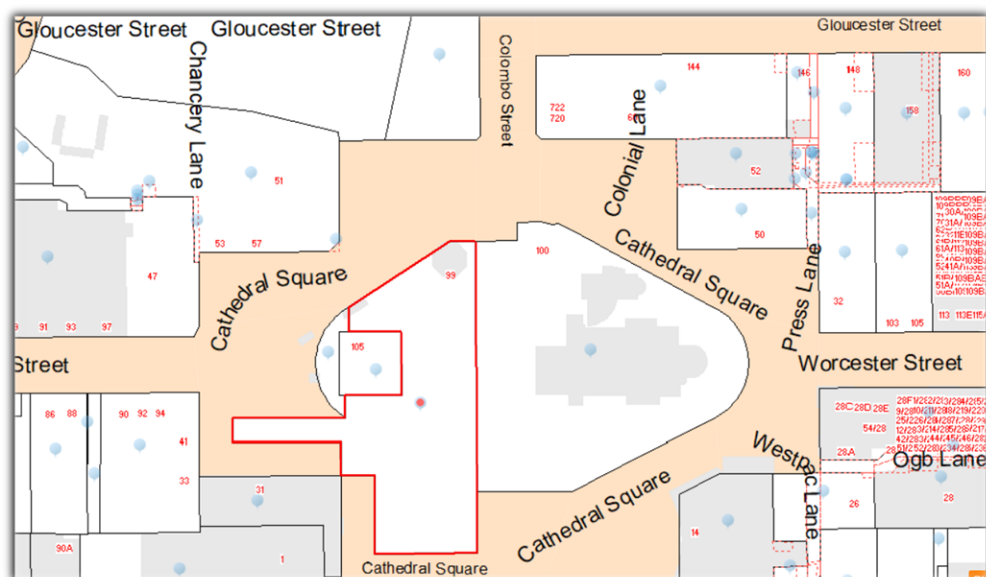
4. Alternative Options Considered

- 4.1 The Council elects not to recommend a public consultation process as required under the Local Government Act 2002.
 - 4.1.1 Advantages and Disadvantages
 - There are no advantages as the Council would be in breach of the Local Government Act and will be vulnerable to legal action.

5. Detail

- 5.1 Based on the level of significance and the level of community interest already apparent, the consultation process will consist of:
 - Public notification through a notice placed in The Press.
 - Wider stakeholder notification through the Council's "Have Your Say" page.
 - Key stakeholders including heritage interest groups, business associations and adjacent residents.
 - Consultation documents will be available citywide in Council service centres and libraries.

- Notification placed at the site.
- 5.2 The decision affects the following wards/Community Board areas:
 - 5.2.1 All of Christchurch
 - 5.2.2 Stakeholders citywide may have an interest in activities in Cathedral Square; the site is in the Central Ward of the Waikura/Linwood-Central-Heathcote Community Board area.
- 5.3 Consultation Requirements Local Government Act Sections 78 and 138
 - 5.3.1 Section 138 of the Local Government Act 2002 requires the Council to consult on any proposal to dispose of a park. The definition of park means “land acquired or used principally for community, recreational, environment, cultural, or spiritual purposes” but does not include land held under the Reserves Act 1977.
 - 5.3.2 The land making up Cathedral Square consists of:
 - 99 Cathedral Square - Park in accordance with the above description; legal description Lot 2 DP 39475 Canterbury, Title Identifier CB18K/1393
 - 105 Cathedral Square – Godley Statute Reserve – described as Section 1193 Town of Christchurch, Title Identifier CB12K/392 – defined as Reserve under the Reserves Act 1977 (not subject to the proposed lease/licence).
 - Legal Road as shown in the coloured areas of the plan below.



- 5.3.3 Section 138 creates an obligation to consult and does not provide any further guidance on the form of the consultation. Therefore, in the absence of any guidance, it is appropriate for the Council to determine and design a consultation process that is appropriate to the particular circumstances of the case.
- 5.3.4 The consultation process that is designed must:
 - Comply with the principles of consultation set out in t Section 82 of the Local Government Act 2002; and
 - Enable the Council to comply with its obligations in Section 78 of the Local Government Act 2002 to consider the views and preferences of persons likely to be affected by, or have an interest in, the decision whether or not to lease the subject land to CCCRL for the prescribed purposes.

5.3.5 In determining the consultation process, the Council should be guided by its Significance Engagement Policy (SEP). Under the SEP, the level of consultation/engagement required will depend on the level of significance of the matter. The significance assessment for this matter is discussed in paragraph 1.6 of this report. The relevant forms of engagement from the SEP in this case will be to “inform” and “consult”.

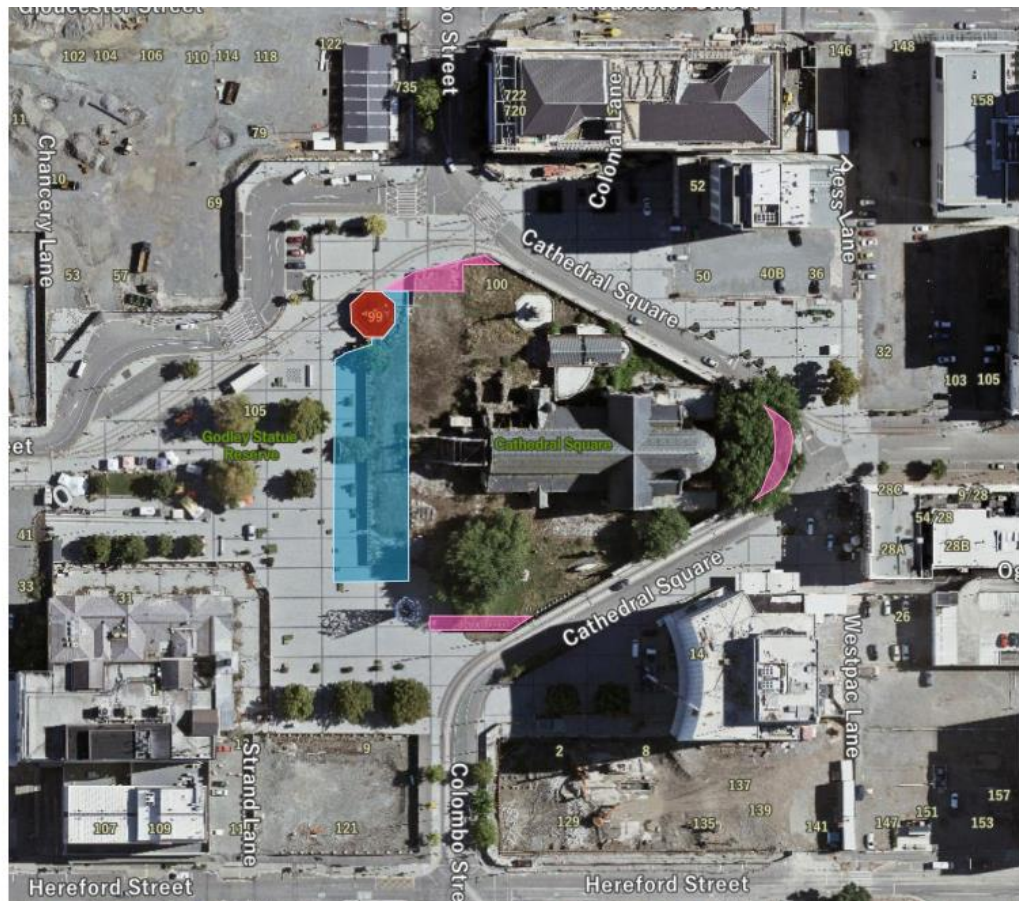
5.3.6 In addition to the Section 138 consultation requirements, the Council must comply with its decision-making obligations in Part 6 of the Local Government Act 2002. Section 79 provides that each Council is to determine how it will achieve compliance with sections 77 and 78, although as a general rule compliance should be largely proportional to the significance of the matter. The more significant the matter, the higher the standard of compliance is expected from the identification and assessment of options, the consideration of the views of those affected, and the extent of the written record kept showing compliance.

5.4 Proposed Lease and Licence Detail

5.4.1 The area of land requested by CCRL is shown below:

Proposed Licence and Lease Areas for Cathedral Reinstatement Project

- Legal Road
- Kiosk
- #99 Cathedral Square (Fee Simple land)



5.4.2 The land is required for a period of up to 10 years for construction purposes:

- To undertake works, including site establishment and stabilisation works to the Christ Church Cathedral and its setting which includes but is not limited to access for equipment and heavy vehicles and equipment, laydown areas, establishment of site office, provision for use of the Kiosk to provide a localised point of interaction with the public to provide information about the project during the construction phase.

- 5.4.3 The area of land subject to the lease is approximately 1527m² plus the Kiosk and a total of 270m² of legal road.
- 5.4.4 The proposed annual rent is a peppercorn rental (\$1) as part of the Council's "in-kind" commitment to the project.
- 5.4.5 The land is held internally by the Transport Unit and the Kiosk is an asset held by the Citizens & Community group.
- 5.4.6 Regulatory Consents – a separate regulatory process is underway to ensure compliance with the Christchurch District Plan. The proposed lease will have provisions to ensure that all regulatory matters are in accordance with the appropriate legislation and District Plan rules.
- 5.5 The advantages of granting a lease and licence to CCRL are:
 - 5.5.1 Ensuring safety of the public and efficiency of works on the construction site;
 - 5.5.2 Locating temporary construction offices in the leased area, outside of the Cathedral collapse zone, minimises the risk or harm from a collapse event and provides an on-site safe egress zone.
 - 5.5.3 The extension of the current site to the west end generates the least external effect on the transport corridor and pedestrians in the Cathedral Square area.
 - 5.5.4 It also allows the site to operate within the Cathedral property boundary to the north, south and east sides that means the site boundary effects are minimised and there is no interruption to users of the road, tram or pedestrian footpaths. It also minimises effects on the significant trees and Wigram Wall.
 - 5.5.5 Provides an area for on-site storage of materials, recovered stone and tools, and reduces heavy traffic movements to and from the site that provides savings on project transport costs and minimises effects on the transport corridor, neighbours and pedestrians.
 - 5.5.6 Use of the laydown area also provides an opportunity for stonemasons to work on site with the potential for public engagement and education as part of this arrangement.

6. Policy Framework Implications

Strategic Alignment

- 6.1 This report supports the [Council's Long Term Plan \(2018 - 2028\)](#):
 - 6.1.1 Activity: Public Information and Participation
 - Level of Service: 4.1.11.1 Provide advice and leadership in engagement and consultation planning and delivery - Community consultation occurs for all projects / issues of high significance or as directed by Council

Policy Consistency

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

Impact on Mana Whenua

- 6.3 As the lease and licence is for a period up to 10 years, 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 The carrying out of a consultation process and possible granting of a lease and licence does not provide an opportunity to determine the climate change effects arising from the activity of the proposed Lessee.
- 6.5 The reinstatement activities to be carried out by CCRL are subject to a resource consent. This includes an assessment of environmental affects.

Accessibility Considerations

- 6.6 The granting of a lease and licence may have a potential impact on those individuals with a physical disability, wheelchair users and visually impaired. Use of the legal road (areas identified by the colour pink in paragraph 5.4.1) will be subject to approved Traffic Management Plans which will take into account the safety of the public.
- 6.7 Secure hoarding will be erected and a site control plan will be followed to ensure the safety of public.

7. Resource Implications

Capex/Opex

- 7.1 Cost to Implement – consultation costs have not yet been calculated however it is estimated by be less than \$2,000 for preparation of leaflets and a notice board. Staff time is not being allocated against this project.
- 7.2 Maintenance/Ongoing costs – Not applicable.
- 7.3 Funding Source – the consultation costs are unbudgeted and funds will need to be provided through existing operational budgets.

8. Legal Implications

Statutory power to undertake proposals in the report

- 8.1 Local Government Act 2002.

Other Legal Implications

- 8.1 The legal consideration is compliance with relevant legislation.
- 8.2 If the decision is made by the Hearings Panel to grant a lease and licence, those documents will be prepared by the Council's Legal Services Unit.
- 8.3 This report has not been reviewed and approved by the Legal Services Unit, however advice was given as to the consultation requirement.

9. Risk Management Implications

- 9.1 There is a high risk that in not carrying out consultation as detailed in this report could place the Council in breach of the Local Government Act and become vulnerable to legal challenge.
- 9.2 There may be some negative publicity to the Council and CCRL by those members of the public who are not supportive of the project. This will be managed by the appropriate consultation and engagement teams for both parties.

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	

Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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

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(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.

15. Regenerate Christchurch Transition Planning

Reference / Te Tohutoro: 20/215256

Report of / Te Pou Matua:	Leonie Rae, Acting General Manager Corporate Services, leonie.rae@ccc.govt.nz
General Manager / Pouwhakarae:	Dawn Baxendale, Chief Executive, dawn.baxendale@ccc.govt.nz

1. Purpose of Report / Te Pūtake Pūrongo

- 1.1 For Council to agree that ChristchurchNZ will be the “host agency” for the purpose of hosting a small number of key Regenerate Christchurch staff beyond the disestablishment date in order to decommission the organisation.
- 1.2 For Council to agree that Christchurch City Council will hold the official records for Regenerate Christchurch.
- 1.3 To provide an update on transition planning.

2. Executive Summary / Te Whakarāpopoto Matua

- 2.1 Regenerate Christchurch was established in April 2016 by the Greater Christchurch Regeneration Act 2016 (the Act) to lead regeneration in the city by engaging communities and working collaboratively with others. It was established as a temporary organisation, jointly governed and funded by Christchurch City Council and the Crown. Currently Regenerate Christchurch will be disestablished under the Act at the close of 30 June 2021.
- 2.2 The 2019 Annual Review of the GCR Act concluded that given the considerable progress on key regeneration milestones, there is no longer a need for the legislation in its current form to support the progressive move towards local leadership in greater Christchurch. This was further supported in November 2019, when Cabinet agreed to consider a Bill to amend the GCR Act to accelerate the transition to local leadership.
- 2.3 The Bill was introduced to the House on 19 February 2020 and had its first reading on 5 March 2020. It proposes to bring forward the disestablishment of Regenerate Christchurch from 30 June 2021 to 30 June 2020.
- 2.4 Christchurch City Council and the Crown have agreed that the transition of Regenerate Christchurch can be brought forward. Permanent locally based agencies will therefore continue to deliver on regeneration priorities and outcomes.
- 2.5 A Transition Planning Working Group which includes representatives from Regenerate Christchurch, Department of the Prime Minister and Cabinet and Christchurch City Council (the working group) have been meeting collaboratively in recent months to prepare for the proposed disestablishment of Regenerate Christchurch on 30 June 2020.
- 2.6 A draft Transition Plan has been developed that sets out insights, the approach to knowledge transfer and the transition of Regenerate Christchurch’s regeneration leadership responsibilities.

3. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Agree that ChristchurchNZ will be the “host agency” for the purpose of hosting a small number of key Regenerate Christchurch staff beyond the disestablishment date in order to decommission the organisation.
2. Agree that Christchurch City Council will hold the official records for Regenerate Christchurch.
3. Note the progress of transition planning.

4. Detail / Te Whakamahuki

- 4.1 The following arrangements are being proposed by the working group. These agreements are aligned to the expectations set out in the Global Settlement Agreement and Regenerate Christchurch’s Statement of Performance 1 July 2019 – 30 June 2020.
 - 4.1.1 Christchurch City Council will assume the lead in regeneration activities.
 - 4.1.2 ChristchurchNZ will be the “host agency” for the purpose of hosting a small number of key Regenerate Christchurch staff beyond the disestablishment date in order to decommission the organisation.
 - 4.1.3 It is proposed that ChristchurchNZ in its role as “host agency” will prepare the final accounts, annual report and audit and any other outstanding statutory documents post the formal disestablishment of Regenerate Christchurch.
 - 4.1.4 Regenerate Christchurch’s official records and working documents will be stored within the document management system(s) at Christchurch City Council.
- 4.2 Drafting of the Transition Plan is underway, with it specified as an output class in Regenerate Christchurch 2019/20 Statement of Performance Expectations. Officials from the Crown and Council have been working with Regenerate Christchurch on the Plan, with an informal draft version provided by Regenerate Christchurch to DPMC and Council officials for feedback on 12 February 2020.

Consultation with Strategic Partners

- 4.3 The Board of Regenerate Christchurch have considered the informal draft of the Transition Plan at its meeting on Thursday 27 February 2020.
- 4.4 The Board directed the draft document be separated into three documents. This approach is supported by the Crown and Council.
 - 4.4.1 Transition Plan outlining insights and the plan for ongoing regeneration. This will be a public document that provides the reader with clarity and confidence in the arrangements and agreements for ongoing leadership responsibilities and strategic functions.
 - 4.4.2 A formal Transfer Agreement; and
 - 4.4.3 The front end of the final Annual Report outlining the organisation’s achievements.
- 4.5 The Board of ChristchurchNZ Ltd on 9 March agreed in principle to ChristchurchNZ acting as the Host Agency for the residual disestablishment functions of Regenerate Christchurch.

Ministerial, Mayor and Councillor Meeting

- 4.6 The Board of Regenerate Christchurch met with the Associate Minister for Greater Christchurch Regeneration (Mayor and Deputy Mayor on 6 December 2019 and 6 March 2020 to discuss the approach to the development of Regenerate Christchurch’s Transition Plan).

5. Policy Framework Implications

Strategic Alignment

- 5.1 This report is aligned to the expectations of Section 18 of the [Global Settlement Agreement 23 September 2019](#)

Policy Consistency

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

6. Resource Implications

- 6.1 Upon agreement of the Crown and Christchurch City Council, it is anticipated that Assets and Liabilities (to be determined and agreed via Agreement to Transfer Assets and Liabilities) of Regenerate Christchurch will be transferred to Christchurch City Council post the formal disestablishment of Regenerate Christchurch. Assets will include any remaining Regenerate Christchurch funds that are expected to outweigh the transferring liabilities.
- 6.2 Residual funding from Regenerate Christchurch will fund decommissioning activities by the host agency, ChristchurchNZ.

7. Legal Implications

- 7.1 Disestablishment of Regenerate Christchurch is dependent on the passing of the proposed amendment to the Greater Christchurch Regeneration Act 2016.
- 7.2 Council staff are in the process of preparing a submission to the Greater Christchurch Regeneration Amendment Bill.

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
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<enter document name>	<enter location/hyperlink>

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

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(a) This report contains:

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(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	Leonie Rae - Acting General Manager Corporate Services
Approved By	Dawn Baxendale - Chief Executive

16. Performance Exceptions Report March 2020

Reference / Te Tohutoro: 20/378178

Report of / Te Pou Matua: Peter Ryan, Head of Performance Management,
peter.ryan@ccc.govt.nz

General Manager / Pouwhakarae: Carol Bellette, GM Finance and Commercial,
carol.bellette@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is for the Council to note performance exceptions for March 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 March 2020 for LTP levels of service and Watchlist Capital Project deliveries, **Attachment A**.
 - 1.4.2 Future reports will include a new table to show the history of baseline date changes for all capital watchlist projects still in progress.
 - 1.4.3 Graph of forecast levels of service (LOS) delivery by Activity, **Attachment B**.
 - 1.4.4 Level of Service Performance Exception Commentaries. This is a compilation of commentaries and remedial actions from level of service owners, **Attachment C**.
 - 1.4.5 **Attachment D** comprises Performance by Activities,
 - (a) Scatter graph of top ten activities by forecast net cost. The graph shows relationship between forecast LOS delivery and forecast net cost (operational expenditure) variance to budget.
 - (b) For top ten activities by forecast net cost, this graph shows movement from last month to this month.
 - (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 / Ngā Tūtohu

That the Council:

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

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Performance Exceptions Summary March 2020	129
B ↓	Forecast FY 2019/20 year-end LOS Delivery by GOA March 2020	131
C ↓	LOS Delivery Exception Commentaries March 2020	132
D ↓	Performance by Activity - Scatter Graphs and Table March 2020	146

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

Document Name	Location / File Link
Not Applicable	Not Applicable

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

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

Level of service (LOS) delivery exceptions

As at 31 March 2020, LTP levels of service were forecast to achieve 71.2% delivery, compared to 83.8% for February forecast and 85.8% at last year-end June 2019. Many LOS forecasts included the impact of COVID-19 response as status reports were submitted after Alert Level 4 for COVID-19 started. Note that information for LOS for March is based on a very high level of compliance (almost 100% complete despite the lockdown).

Results from the Point of Contact Surveys have been included the LOS delivery results for March. However, results from the General Satisfaction Survey is not available to LOS managers yet.

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

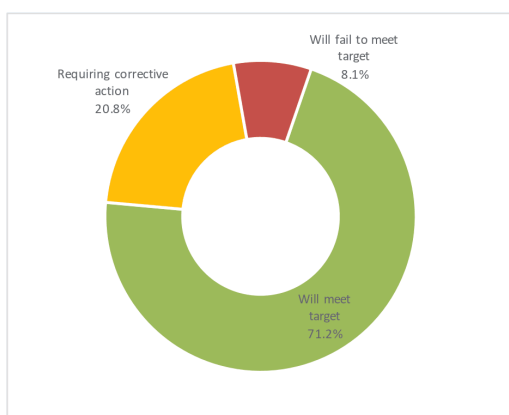
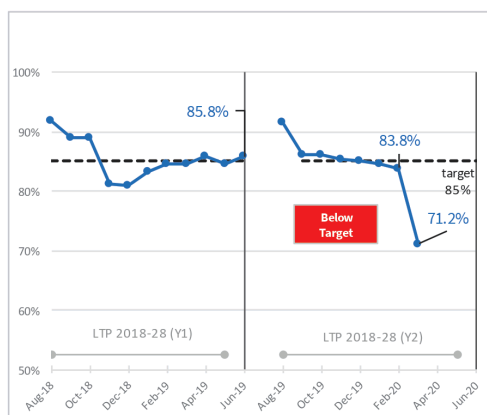


Figure 2 - Historical Trend of Forecast Year-end Level of Service Delivery (LTP only)



Analysis of comments and remedial action from accountable LOS managers showed that 34 LOS were newly forecast as exceptions this month due to the impact of COVID-19 response. Last month, these 34 LOS were forecast as on target to achieve delivery targets.

Levels of service exceptions due to impact of COVID-19 response for March 2020

Number of levels of service (LOS)	Exceptions due to COVID-19 impact	Total LOS
Economic Development	24	24
Building Services	1	8
Regulatory Compliance & Licencing	3	14
Community Development and Facilities	1	2
Libraries	1	10
Christchurch Art Gallery	2	7
Canterbury & Akaroa Museums	4	6
Recreation, Sports, Comm Arts & Events	2	16
Total	38	87

For now, activities which provide essential services such as three waters, waste, parks and transport are still indicating the same level of service delivery as prior to COVID-19 response. The April Performance Report will have more detail as managers will have more information.

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 by Activities - Scatter Graphs and Table

- Top Ten Activities by Forecast Net Cost – Performance of Level of Service delivery vs Net Cost Variance.
- Top Ten Activities by Forecast Net Cost – Performance movement from last month to this month.
- Table of Performance by Activity – Level of service delivery and controllable net cost.

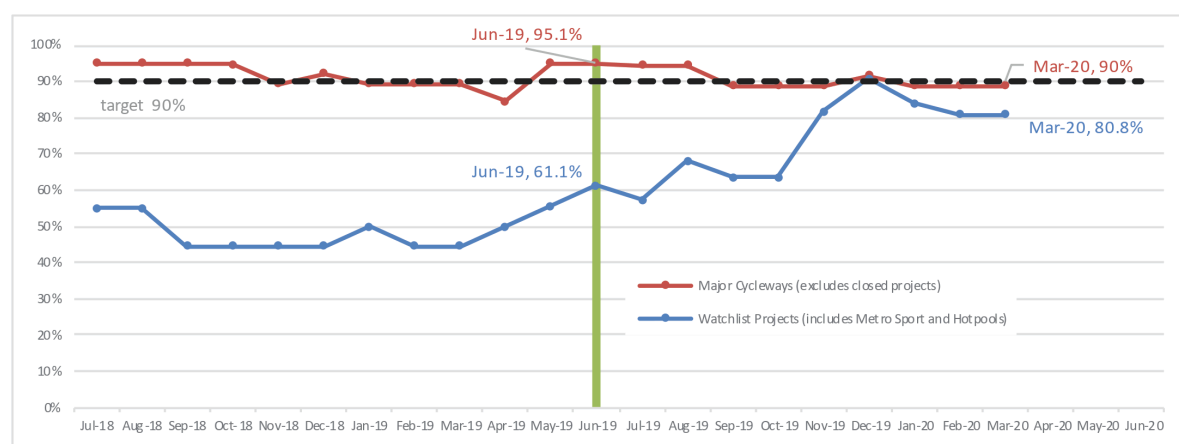
Watchlist capital project delivery exceptions

COVID-19 Impacts on March reporting on Capital Project Delivery Exceptions

The results in this report are for the March 2020 reporting period, which was updated up to 20 March 2020 in CPMS. **This was prior to the Alert Level 4 COVID-19 shut down.** Adjustments due to COVID-19 impacts will be reflected in CPMS April 2020 reporting.

For Watchlist capital projects across whole of life, forecast delivery was tracking at 80.8% in February and March while Major Cycleways projects forecast delivery was 88.9%. During Alert Level 4 COVID-19 shut down, capital projects have ceased, unless deemed essential.

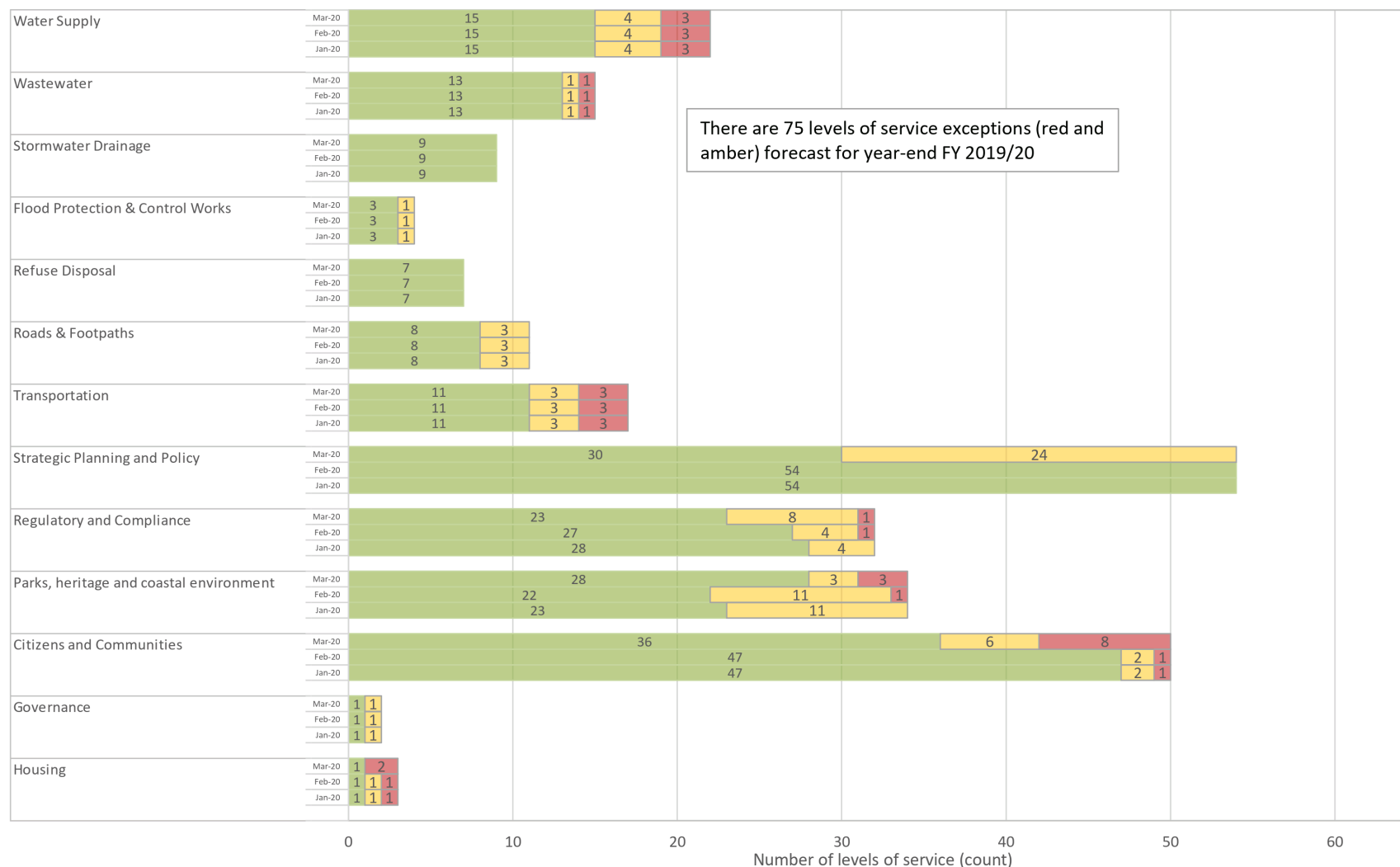
Figure 3 - Watchlist Capital Projects Delivery - Percentage projects forecast to meet target baseline delivery date (whole of life)



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

Watchlist Capital Projects – total projects 26, Major Cycleways total projects 46 (36 in this graph excluding completed projects)

Forecast FY 2019/20 year-end Level of Service Delivery (LTP only) by Group of Activities - as at 31 Mar 2020




Level of Service Exceptions Forecast Period Ending: 31 Mar 2020

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

LTP: Deliver at least 85% of LTP Levels of Service to 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: $\geq 99.8\%$.
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:	0.39
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: $\leq 15.0\%$
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: $\geq 85\%$.
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.
Target:	Proportion of residents satisfied with Council response to water supply faults: $\geq 85\%$.
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: 0.22

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 received well.

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 safety plan.


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

Target: Proportion of residents satisfied with the quality of Council water supplies: $\geq 70\%$

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


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

Target: Percentage of wastewater gravity network pipework identified as condition grade 5 through physical inspection rather than theoretical modelling: $\geq 95\%$.

Actual: 93.9

Comments: CCTV budget insufficient to support goal

Remedial Action: make further submission to AP process. Without the appropriate funding for this goal modeling indicates value will deteriorate further next year. Shortfall this year was \$600k

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

Target: Proportion of residents satisfied with the reliability and responsiveness of wastewater services: $\geq 79\%$.

Comments: 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.
Target:	Annual reduction in the modelled number of properties predicted to be at risk of habitable 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 programme and implementation of FIP. 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)
Remedial Action:	Continue to monitor programme and advance FIP where 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:	The database has not yet been updated to 31 March. Final accurate information will be available for the next reporting round.
Measure:	✗ LTP/AP19: 10.5.1 Reduce the number of reported cycling and pedestrian crashes on the network.
Target:	Less than 43
Comments:	The database has not yet been updated to 31 March. Final accurate information will be available for the next reporting round.
Measure:	✗ LTP/AP19: 10.4.1 More people are choosing to travel by bus.
Target:	>=+0% (13,467,570 pax)
Comments:	The latest data available from ECan shows a 3.47% decline in patronage (number of boardings) when compared to the same period last financial year. This decline is expected to get worse with services disrupted by the response to the coronavirus and the target is not expected to be achieved.
Remedial Action:	This financial year CCC has continued to improve the public transport network through the new bus lanes 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 financial year.
Measure:	ⓘ LTP/AP19: 10.3.3 Improve customer perception of the ease of use of Council on- street parking facilities.
Target:	>=52%
Comments:	The target of 50% last year was not met (49%), however it was an improvement on the previous year. A trial has started that will allow customers to pay for their parking on street through the use of a parking application. Customers can pay for parking either onsite or remotely and it is hoped that this will improve results in the coming year's.
Remedial Action:	This Goal is determined by the Council's annual residents survey and results will not be known until April of this year.
Measure:	ⓘ LTP/AP19: 10.4.3 Improve the reliability of passenger transport journey time.

Target:	85%
Comments:	Monthly average 62%. Noticable decrease in February due to school being back in session. Schools have a double impact through general vehicle delay increases with drop-offs & school route driving, and school pupils make up a large proportion of bus users on many routes increasing the bus stop dwell and travel times and reducing stop reliability.
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:	>=39%
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, approx 42km per year. The industry average is 8% , approx 170km for our network (including fully reconstructing roads also), so a shortfall of 130km per year had arisen. FY1920 was to deliver 4% (90km +). There is a backlog of half the network, circa 1000km, being significantly over their expected life, which is relative short at approx 12yr on average. Note that 2% replacement requires a surfacing to last 50yrs - the average life expectancy of surfacing is approx 12yrs. SCIRT deliver 1,380,000m2 of sealing over its 5 yrs - approx 27.6km per yr - that is less than was being under taken as Street Renewals (ie full recon prior to the quakes
Measure:	🚧 LTP/AP19: 16.0.10 Improve the perception that Christchurch is a walking friendly city.
Target:	>=84%
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 need to change to measure a truer reflection of what Council can deliver for the customer expectation, ie act upon their request and in turn inspect and assess its repair. Council won't, at all times, immediately carry out physical works, or even be able to confirm a definite timescale. Many repairs are routinely re-prioritised month to month to make best use of the available funds each month, the solution may require testing or design, or suitable weather, for example. Hybris,in working with our B2B, can currently can only determine when job the is physically completed. Work is the Hybris Continuous Improvement team to work 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 priority.
Remedial Action:	Work underway within the Hybris Continuous Improvement Programme to rectify this issue, and ensure the appropriate customer notification that results.

Measure:	❗ LTP/AP19: 16.0.9 Maintain resident satisfaction with footpath condition
Target:	>=53%
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:	Staff focus road maintenance activities, both Opex and Capex funded, on highest value to all users. Sections of 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 to approx 2.5% per year (a 40 year replacement cycle).

Strategic Planning and Policy

Measure:	❗ LTP/AP19: 5.0.16.6 Christchurch is recognised by Antarctic programme partners as being a quality Gateway city.
Target:	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan.
Comments:	impacted by Covid-19
Measure:	❗ LTP/AP19: 5.1.2.1 ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch
Target:	Convene two city leadership discussions to review progress and recommend actions towards the 10-year goals.
Comments:	impacted by Covid-19
Measure:	❗ LTP/AP19: 5.1.2.3 ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch
Target:	At least 6 Christchurch or Canterbury economic research reports completed.
Comments:	impacted by Covid-19
Measure:	❗ LTP/AP19: 5.1.2.4 ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch
Target:	Deliver face to face economic update to at least 600 people.
Comments:	impacted by Covid-19
Measure:	❗ LTP/AP19: 5.1.20.3 Christchurch Visitor Information Centre provides services that visitors use
Target:	i-SITE customer satisfaction level is at least 8.5 out of 10.
Comments:	impacted by Covid-19
Measure:	❗ LTP/AP19: 5.1.5.1 ChristchurchNZ supports an environment that encourages innovation, entrepreneurship and investment
Target:	Facilitate at least 2 opportunities to secure significant innovative businesses or investment into the city aligned with 10-year goals and priority focus areas.
Comments:	impacted by Covid-19
Measure:	❗ LTP/AP19: 5.1.6.3 ChristchurchNZ facilitates the development of businesses with high growth potential.
Target:	At least 3 initiatives to support targeted business challenges.
Comments:	impacted by Covid-19

Measure:	⚠ LTP/AP19: 5.3.1.1 ChristchurchNZ provides residents and visitors with information about events, activities and attractions on in Christchurch
Target:	Increase social engagement by 30% year on year.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.3.1.2 ChristchurchNZ provides residents and visitors with information about events, activities and attractions on in Christchurch
Target:	Increase clicks to ChristchurchNZ website by 25% year on year.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.2.2 ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch
Target:	Quarterly Economic Report is produced and available on the ChristchurchNZ website.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.5.2 ChristchurchNZ supports an environment that encourages innovation, entrepreneurship and investment
Target:	Support at least 10 start-up/SME companies aligned with priority focus areas.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.6.2 ChristchurchNZ facilitates the development of businesses with high growth potential.
Target:	Net promotor score for business support services is +50 or greater.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.7.1 ChristchurchNZ leads the promotion and marketing of Christchurch and Canterbury to visitors.
Target:	Christchurch Visitor Industry Situation report produced annually and available on ChristchurchNZ website.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 2.8.1.1 ChristchurchNZ attracts, manages and sponsors the delivery of major events.
Target:	At least one Major Events Seed Funding round delivered per annum
Comments:	Impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.2.5 ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch
Target:	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.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.20.1 Christchurch Visitor Information Centre provides services that visitors use
Target:	Christchurch i-SITE visitor number is at least : Set target using baseline
Comments:	impacted by Covid-19

Measure:	⚠ LTP/AP19: 5.1.8.1 ChristchurchNZ promotes Christchurch and Canterbury as a great place to hold business events and conferences.
Target:	Prepare at least 30 city bids to attract business events to Christchurch ~ .
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.3.5.2 ChristchurchNZ leads collaborative development and implementation of a city narrative.
Target:	Facilitate quarterly stakeholder engagement and business outreach initiative for nurturing city narrative.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 2.8.1.3 ChristchurchNZ attracts, manages and sponsors the delivery of major events.
Target:	Portfolio of events delivered in line with the Major Events Strategy
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.20.2 Christchurch Visitor Information Centre provides services that visitors use
Target:	Christchurch i-SITE visitor e-mail response number is at least: Set target using baseline
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.6.1 ChristchurchNZ facilitates the development of businesses with high growth potential.
Target:	At least 500 businesses access business support or advice.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.7.3 ChristchurchNZ leads the promotion and marketing of Christchurch and Canterbury to visitors.
Target:	At least 50 famils hosted and 10 trade events led or attended in priority markets.
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.1.8.2 ChristchurchNZ promotes Christchurch and Canterbury as a great place to hold business events and conferences.
Target:	At least *35% success rate for business event bids. ~ *Still waiting confirmation of this increase in target from Convention Bureau
Comments:	impacted by Covid-19
Measure:	⚠ LTP/AP19: 5.3.5.1 ChristchurchNZ leads collaborative development and implementation of a city narrative.
Target:	Monitor month on month narrative toolkit traffic and activity to ensure consistently increasing engagement and usage.
Comments:	impacted by Covid-19

Parks and Foreshore

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 %
Actual:	70
Comments:	0.7
Remedial Action:	Renewal and maintenance plans to continue
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:	End of year not yet known, last year 75%
Remedial Action:	Inspection, renewals and maintenance to continue
Measure:	✗ LTP/AP19: 6.0.3 Overall customer satisfaction with the presentation of the City's Parks.
Target:	Community Parks presentation: resident satisfaction >=75 %
Actual:	57
Comments:	Actual this year reported at 57%, despite targeted additional work delivered to areas that scored poorly in previous survey
Remedial Action:	Continue to target delivery of extra maintenance where possible to key areas. Work with survey team to improve survey framework e.g spreading surveys throughout the year as parks experiences and delivers to seasonal demand, refinement of questions to drive more tangible outcomes.
Measure:	✗ LTP/AP19: 6.4.4 Overall customer satisfaction with the presentation of the City's Parks.
Target:	Cemeteries presentation: resident satisfaction >=85 %.
Actual:	65
Comments:	65 % result against a target of 85%. 15% dissatisfied 6% very dissatisfied 71 % happy with appearance 60 % with condition 85% happy with ease of use
Remedial Action:	the primary concern seems to be with the frequency of maintenance activity. A review of resource allocation , particularly to the difficult to manage cemeteries such as Lyttleton is underway Discuss new levels of service targets for the next LTP that are a truer reflection of year on year performance. To be discussed and agreed with Council. This t
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%.
Comments:	Individual Customer survey results have arrived. Average 75%. Summary report not yet received Regional Parks 89%, Community Parks 66% Sports Parks 70%
Remedial Action:	Work is underway to modify this measure as it is not regarded as an objective measure

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: >= 90%
Comments:	both clock towers by the sea have just been repaired, this should make a difference
Remedial Action:	Nicky will keep this area of work and develop a two person team to deliver an improved work programme

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:	103
Comments:	ASA March: 62 secondsASA YTD: 103 secondsAverage speed to answer for March finished on 62 seconds, exceeding our benchmark by 28 seconds. This was a 36 second improvement on February's result and has pushed our YTD average down to 103, a further 4 second improvement since last month.The first half of March saw a focus on upskilling our staff with training delivered across a range of skillsets in preparation for the impact of seasonal workloads e.g. Rates payments and enquiries.As we moved into the second half of the month our focus shifted to transitioning staff to work from home in response to the COVID-19 situation. Initially a pilot group tested a number of WFH configurations for us on Wednesday 18th of March, with full deployment successfully completed across the Contact Centre on Wednesday the 25th of March, with no interruption service delivery. A fantastic effort by all involved.
Remedial Action:	We have noted a substantial reduction in call volume since Alert level 4 lockdown restrictions were introduced, with call volume tracking 67% below our original forecast. In response to this we have temporarily reduced the amount of hours our staff are rostered, with the expectation that they are "on call" should the need arise, while maintaining our 24/7 service. We have been focusing heavily on staff engagement as we adjust to a new way of working, allowing additional time for Skype meetings, one-on-ones e.t.c to ensure our people feel supported. Overall feedback from staff has been resoundingly positive.The COVID-19 Welfare Hotline was built and implemented on the 31st of March, a 0800 number for the public to use when they have a welfare need. This has been set up to enable calls to be handled by Canterbury District Councils. It is uncertain at this early stage what kind of volume CCC can expect to receive on this channel, this will be monitored closely throughout the coming weeks.

Community Support, Governance And Partnerships

Measure:	🔴 LTP/AP19: 2.0.1.1 Provide a range of well utilised community facilities, including voluntary libraries.
Target:	Council-managed facilities have average occupancy rates of 35%-40% or higher.
Comments:	Current usage 35%Due to the facility shut down this target will not be met
Remedial Action:	Assess the impact of facility closure, develop and implement a recovery plan.

Measure:	⚠ LTP/AP19: 4.1.18 Participation in and contribution to Council decision-making
Target:	Percentage of respondents who understand how Council makes decisions: At least 41%
Comments:	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 2020. 42% of people who had interacted with Council governance (attended hearings or made deputations) agree they understand how the Council makes decisions, were satisfied with accuracy of information about decisions and with the promptness/timeliness of information. This is 5% above the survey result in 2019.
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.

Libraries And Information

Measure:	✖ LTP/AP19: 3.1.2.4 Residents have access to a physical and digital library relevant to local community need or profile. Provide a mobile library service to extend the library reach in order to increase community participation and reduce isolation.
Target:	Maintain a mobile library service of up to 40 hrs
Comments:	Due to the current Covid lock down situation our Mobile service has now ceased for the immediate time period. All library staff are now working from home. We are unable to support the any community face to face services at this point including Shirley's as indicated last month.
Remedial Action:	No other plan in place but will be preparing what this would look like if we go back to Alert Level 3.

Measure:	⚠ LTP/AP19: 3.1.4 Provide programmes and events to meet customers' diverse lifelong learning needs.
Target:	Maintain participation of 280-350 per 1000 of population
Comments:	At the end of March 296 Participations per 1000 population but with closures the annual target is projected to not be achieved as the participation rates will be closer to 222. Actual Total Attendance 86,146 Short of target by 22,634
Remedial Action:	We will continue monitoring and include the online programme activities for the month of April.

Recreation, Sports And Community Events

Measure:	✖ LTP/AP19: 7.0.2.1 Provide well utilised facility based recreational and sporting programmes and activities.
Target:	At least 100,000 Swimsafe lessons delivered.
Actual:	86321
Comments:	While the Recreation & Sport Centres are closed due to Covid19 we are unable to deliver School Swimming lessons.
Remedial Action:	Reschedule School Swimming lessons once the Recreation & Sport Centres are able to reopen.

Measure:	✗ LTP/AP19: 7.0.2.2 Provide well utilised facility based recreational and sporting programmes and activities.
Target:	The number of participants using multipurpose recreation and sport centres, outdoor pools and stadia at least 4.32 million.
Actual:	2737820
Comments:	The Recreation & Sport Centres are closed due to Covid19. Online fitness classes have been made available to the community.
Remedial Action:	Manage the re-opening of Recreation & Sport Centres. Provide activities that can be completed at home that ensure social distancing and support Covid19 messaging.

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
Actual:	81.17
Comments:	The satisfaction survey results with the content and delivery at our three chosen events were: 66.5% at the Kidsfest closing event (Peppa Pig), 87% at Kite Day, and 90% at Sparks 2020. This is an average scores of 81%. This is below the target of 90% and means that this LOS will not be achieved this year.
Remedial Action:	The Events team will review the content and delivery for events to be delivered in 2021 to achieve a satisfaction of 90%.

Art Gallery

Measure:	✗ LTP/AP19: 3.3.6.2 Collections developed and maintained with access provided
Target:	All collection items stored safely and securely with access maintained.
Comments:	With the Museum closed from 21/03/20 this target will not be met. Although the collections continue to be safely stored, access can not be maintained.

Measure:	✗ LTP/AP19: 3.0.6 Hours of opening
Target:	Hours of opening: No fewer than 2,749 hours pa
Comments:	Due to lockdown closure the Gallery will not meet this target.
Remedial Action:	Upon reopening the Gallery will still not be able to meet this year's target due to its nature therefore no plans are able to be put in place.

Measure:	✗ LTP/AP19: 3.3.3 Hours of opening at Akaroa Museum
Target:	Minimum of 2,093 opening hours per annum.
Comments:	Because of the closure due to Covid-19 the Museum will not meet its target for hours open.

Art Gallery

Measure:	⚠ LTP/AP19: 3.0.1 Visitors per annum
Target:	Increase visitors by 5% per annum . In 2019/20=345,474 visitors.
Comments:	Due to lockdown closure the Gallery it is unlikely to meet this target.
Remedial Action:	Planning for reopening may result in an increase of visitor numbers.

Measure:	! LTP/AP19: 3.0.9.2 Public and school-specific programmes delivered
Target:	Average of at least 21,000 people attend advertised public programmes per annum
Actual:	14596
Measure:	! LTP/AP19: 3.3.4 Exhibitions presented
Target:	No fewer than 2 exhibitions presented.
Comments:	If the Museum is able to reopen before 30 June, exhibition target will be met. If not, it won't.
Measure:	! LTP/AP19: 3.3.6.1 Collections developed and maintained with access provided
Target:	Collection grows in line with policy, with least 98% accessioned within 3 months.
Comments:	With the closure of the Museum on 21/03/2020 due to the Covid-19 pandemic, we will not meet this target (collection growth, and documentation within 3 months).

Building Consenting

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:	89.8
Comments:	Result for March was under the 19 day internal target at 89.8%, however year to date remains above the target at 95.4%. The 20 day statutory time frames were also under for both commercial and residential processing. There are a number of contributing factors: some time lost with the transition to working from home under alert 4 (Covid-19). workloads have been higher than expected since Christmas staff errors reduction in staff towards the end of 2019 senior staff members spent time supervising and training new staff
Remedial Action:	The processing teams are now set up and processing consents from home however connectivity issues, working from home issues, and most going from a 2-3 screen mainframe computer in the office down to a single or in some cases laptop screens only slows the ability to process a building consent application. Note, staff have been asked to consider customer charging time

Business Solutions

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:	91% of the 448 property file requests were processed within the 2 working day KPI.
Remedial Action:	The manual process for entering applications into worksmart and customers not being able to pay for their property file request at time of submitting their application. This again is out of the LIMs team control.


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:	91% of the 56 property file requests were processed in the 5 working day KPI
Remedial Action:	The manual process for entering applications into worksmart and customers not being able to pay for their property file request at time of submitting their application. This again is out of the LIMs team control.

Resource Consents

Measure:	✖ LTP/AP19: 9.2.7 % satisfaction of applicant with resource consenting process.
Target:	70% satisfaction achieved.
Comments:	Annual survey results have been received, 69% of residents were satisfied with the Resource Consents processing service. This is 1% below the target. The unit also carries out a pulse survey to assist in providing more regular feedback. In March 100% of respondents were satisfied with their service, YTD is tracking at 87% satisfaction
Remedial Action:	Feedback from the pulse surveys and annual residents survey are being reviewed in line with our process improvement work to see what can be improved


Regulatory Compliance

Measure:	⚠ LTP/AP19: 9.0.15.1 Animal management services encourage responsible dog ownership through education, registration and enforcement.
Target:	50 Bite prevention programmes delivered to schools annually.
Comments:	1 programme delivered for the month, YTD 24. This programme has been cancelled due COVID lockdown.
Measure:	⚠ LTP/AP19: 9.0.15.2 Animal management services encourage responsible dog ownership through education, registration and enforcement.
Target:	20 Dog wise programmes delivered per annum
Comments:	2 programmes delivered for the month, YTD 9. This target will not be reached. The education programme has been cancelled due to COVID lockdown.
Remedial Action:	Plans to address this situation were programmed, however, Covid19 will put this project back further.
Measure:	⚠ LTP/AP19: 9.0.17 Protect the health and safety of the community by ensuring Resource Management Act activities comply with legislative requirements.
Target:	95% of high risk Resource Management Act consents and clean fill sites monitored at least once every 3 months
Comments:	All high risk sites and clean fill sites are programmed for inspection to achieve this rolling target of monitoring every three months. There is currently one high risk site, which was not due for inspection during March. There are currently 22 licensed cleanfill sites. 7 site inspections were carried out in March. 8 planned inspections were postponed due to the Covid 19 pandemic and will be rescheduled once the sites are reopened and CCC site inspections are possible. This means 8 sites have not been visited within the scheduled 3 month period.

Measure:  LTP/AP19: 9.0.1 Animal Management Services prioritise activities that promote and protect community safety.

Target: 98% of investigations of priority 1 complaints (aggressive dog behaviour and wandering stock) initiated within 10 minutes

Comments: 34 priority 1 complaints (dog attacks on people, stock, poultry, domestic animals or protected wildlife and wandering stock), 6 based on attacks on people, 16 attacks on domestic animals and 1 attack on stock. 11 complaints of wandering stock on roads. All 34 tickets initiated within 10 minutes.


Measure:  LTP/AP19: 9.0.5 Food premises are safe and healthy for the public.

Target: 98% of scheduled Food Control Plan verification visits are conducted.

Comments: 936 Verifications have been completed Year to date. Premises are scheduled for verification as per their individual schedules based on the results of the last check.


Remedial Action: Effect of COVID19 shutdown on Food premises unclear at this time. Team planning to schedule and complete visits as soon as able to do so

Assisted Housing

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

Target: 2,052 units.

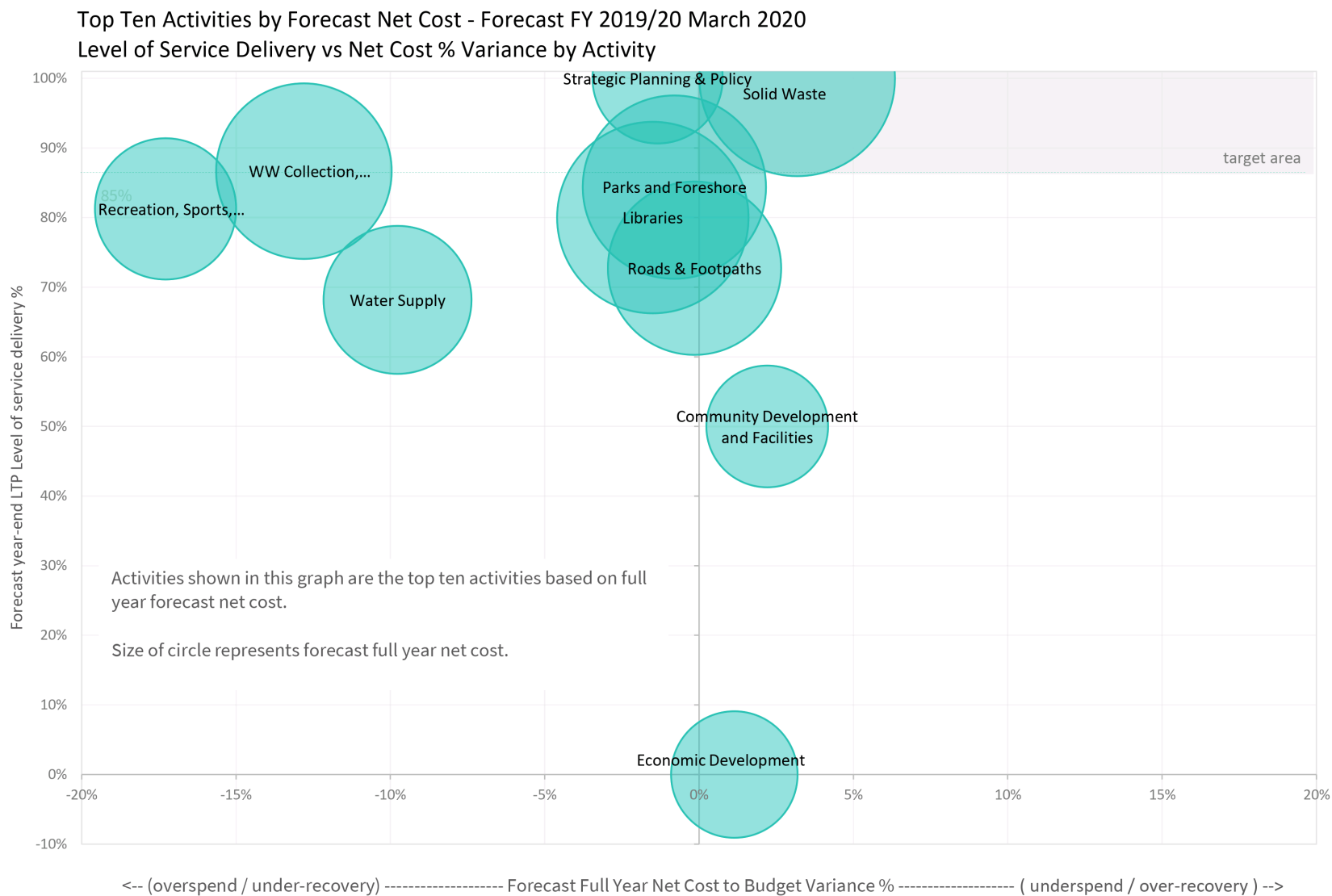
Actual: 1990

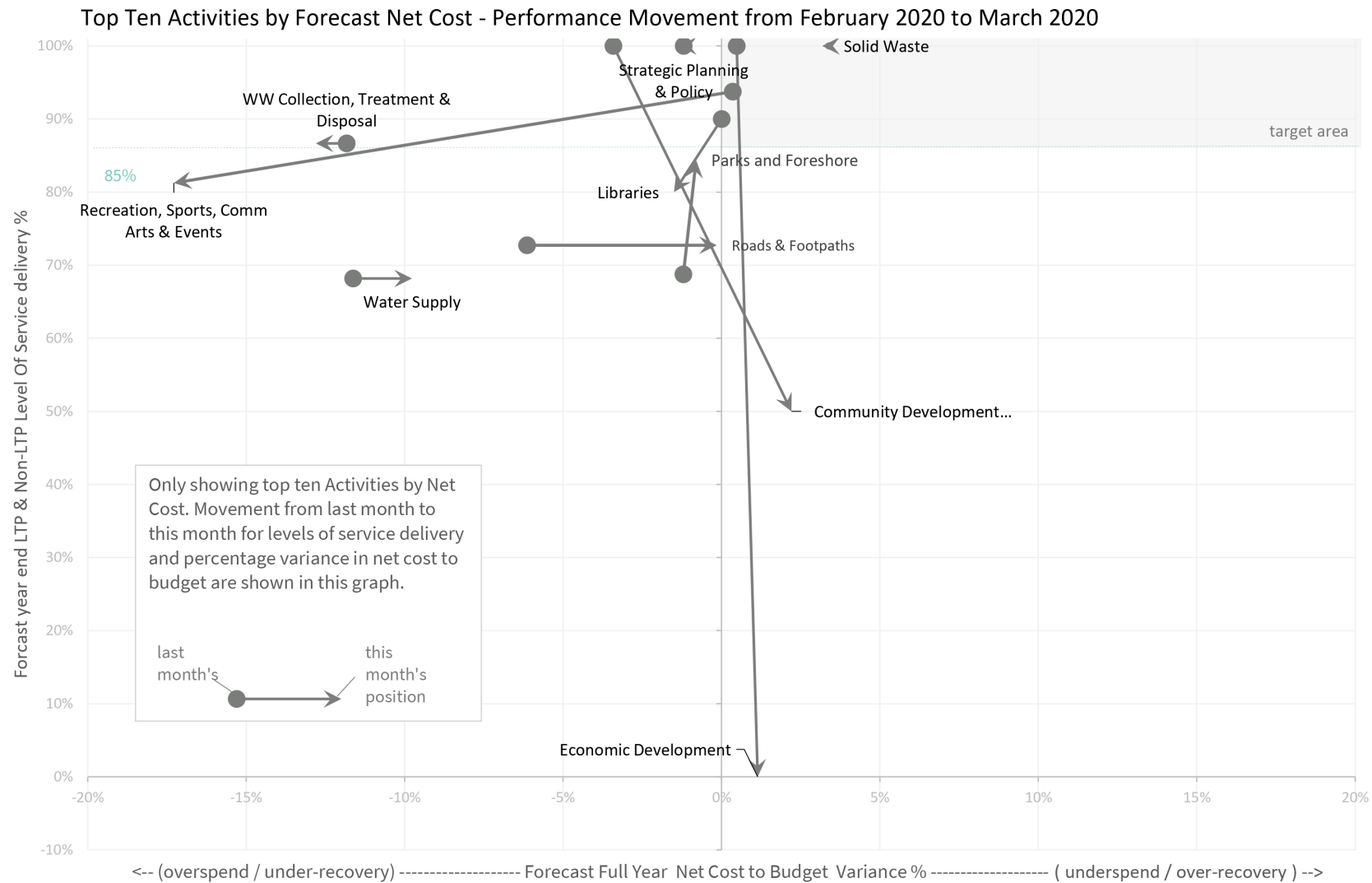
Measure:  LTP/AP19: 18.0.4 Council makes a contribution to the social housing supply in Christchurch.

Target: 1,972 units.

Actual: 1871

Comments: FYI below for the month. Of the 26 units offline (this excludes 91 redevelopment) 17 are WIP with POs in the system, 4 are awaiting quotes from Citycare and the remaining 5 are Gloucester Courts units requiring extensive work to bring them back online. The aim was to have only the 5 Gloucester Courts units offline by the end of the FY but this number may be 9 units now given the current situation and impact of COVID-19 on trades ability to complete the work.





Performance by Activity Table - Forecast FY 2019/20 March 2020

Activities	Net Cost *				Levels of Service (LOS)	
	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
6 Water Supply	20,136	18,344	-1,792	-10%	68%	22
4 WW Collection, Treatment & Disposal	28,241	25,036	-3,205	-13%	87%	15
8 Strategic Planning & Policy	15,650	15,442	-207	-1%	100%	23
17 Public Information & Participation	4,765	5,149	384	7%	100%	7
9 Economic Development	14,777	14,947	171	1%	0%	24
12 Stormwater Drainage	11,658	13,096	1,438	11%	100%	9
16 Flood Protection & Control Works	5,803	8,437	2,634	31%	75%	4
22 Traffic Safety & Efficiency	2,508	3,279	772	24%	75%	4
28 Parking	-4,638	-6,198	-1,561	25%	67%	3
25 Public Transport Infrastructure	1,122	1,438	317	22%	50%	4
26 Active Travel	87	129	42	32%	67%	6
5 Roads & Footpaths	27,532	27,492	-41	0%	73%	11
1 Solid Waste	34,987	36,135	1,149	3%	100%	7
19 Building Services	2,676	1,321	-1,356	-103%	88%	8
21 Resource Consenting	2,541	2,045	-496	-24%	83%	6
27 Land & Property Information Services	-1,429	-1,858	-428	23%	50%	4
18 Regulatory Compliance & Licencing	3,120	2,996	-124	-4%	64%	14
3 Parks and Foreshore	30,752	30,508	-244	-1%	84%	32
20 Heritage	2,550	2,968	419	14%	50%	2
23 Assisted Housing	1,808	1,816	8	0%	33%	3
11 Governance & Decision Making	13,453	13,897	444	3%	50%	2
13 Citizen and Customer Services	8,750	8,923	174	2%	86%	7
24 Civil Defence Emergency Management	1,598	1,648	51	3%	100%	2
10 Community Development and Facilities	13,695	14,004	309	2%	50%	2
15 Christchurch Art Gallery	7,204	7,134	-70	-1%	57%	7
14 Canterbury & Akaroa Museums	8,462	8,462	0	0%	33%	6
2 Libraries	33,535	33,040	-495	-1%	80%	10
7 Recreation, Sports, Comm Arts & Events	18,367	15,660	-2,707	-17%	81%	16
Net Cost	309,705	305,290	-4,414	-1%	0.0%	260

*Net Cost - excludes depreciation, corporate overheads and interest.

17. Draft submission on the draft Government Policy Statement on Land Transport 2021

Reference / Te Tohutoro: 20/302159

Report of / Te Pou Matua:	Lorraine Johns, Senior Policy Advisor, lorraine.johns@ccc.govt.nz Karishma Kumar, Policy Planner, karishma.kumar@ccc.govt.nz
General Manager / Pouwhakarae:	Brendan Anstiss, General Manager Strategy and Transformation, Brendan.anstiss@ccc.govt.nz

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to seek your agreement to the attached draft submission on the draft Government Policy Statement on Land Transport (GPS) 2021.¹
- 1.2 The decision sought is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. This is consistent with the approach taken to Council's submissions on other government policy documents.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Approve the attached draft submission on the draft Government Policy Statement on Land Transport 2021 prior to the Ministry of Transport submission deadline of 5pm 11 May 2020.

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

- 3.1 The proposed draft submission advocates for greater alignment between central government transport funding policy and Christchurch City's transport needs over the next three years.

4. Detail / Te Whakamahuki

- 4.1 The GPS sets out the Government's strategy for guiding land transport investment over a period of ten years. A new GPS is issued every three years and the Minister for Transport must issue the next GPS by 30 June 2021.
- 4.2 GPS 2018 represented a significant change in central government strategy, with priorities of Safety, Access, Environment and Value For Money. Draft GPS 2021 was released on 18 March 2020. Draft GPS 2021 maintains the priorities in GPS 2018, but has:
 - Updated them to reflect policy work that has taken place since GPS 2018 was published, in particular the development of national emissions targets, the new national road safety strategy (*Road to Zero*) and the Draft New Zealand Rail Plan.
 - Separated Access into Better Travel Options and Improving Freight Connections.
 - Expressed value for money as a principle that applies to all investments, rather than a strategic priority.

¹ Draft GPS 2021 is available here: <https://www.transport.govt.nz/assets/Import/Uploads/Our-Work/Documents/draft-government-policy-statement-land-transport-2021.pdf>.

- 4.3 Draft GPS 2021 provides guidance on how around \$4.5 billion should be spent through the National Land Transport Fund (NLTF)² each year. It also provides signals for a further \$1.5 billion each year on land transport through local government investment. The Draft GPS was released prior to New Zealand entering a state of emergency. Staff note that while the Covid-19 global pandemic is likely to impact on the GPS and NLTF, no information has yet been released by the Government about known or potential impacts, including on funding levels.
- 4.1 Staff have developed a draft submission on the GPS for Council to consider on 23 April 2020. Submissions are due by 5pm Monday 11 May (this was extended from the original deadline of 5pm Monday 27 April).
- 4.2 Staff consider that the overarching direction in the GPS is consistent with Council's strategic priorities, and will likely enable the Council to apply for funding for its priority transport activities. Staff have proposed some specific changes in the submission to the wording of the GPS objectives, to better support the outcomes Council is seeking.
- 4.3 However, the GPS activity classes have been set to deliver on the following commitments: Auckland Transport Alignment Plan, Let's Get Wellington Moving, and the new national road safety strategy. NLTF funding (including funding in the public transport infrastructure activity class) will also be used to deliver on the New Zealand Rail Plan, which is focused on projects in the North Island. Despite the ambitious step change signalled by the GPS, the extent to which funding will be available through GPS 2021 to support the significant change sought by the Greater Christchurch public transport futures work, is unclear. The submission seeks a greater commitment by the Government to working in partnership with local government to develop and implement this work.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A A	CCC draft submission on Draft Government Policy Statement on Land Transport 2021	152

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

Document Name	Location / File Link
Draft GPS 2021	https://www.transport.govt.nz/assets/Import/Uploads/Our-Work/Documents/draft-government-policy-statement-land-transport-2021.pdf

Confirmation of Statutory Compliance / Te Whakatūtutanga 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

² The NLTF is a fully hypothecated (ring-fenced) transport fund made up of fuel excise duty, road user charges, a portion of the annual vehicle licensing fee, and income from the sale and lease of state highway property. This means that all the revenue collected from transport users is dedicated to investment in land transport (namely, roads and footpaths). Legislation is currently before Parliament to include rail in the NLTF.

- | |
|---|
| (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

Authors	Lorraine Johns - Senior Policy Analyst Karishma Kumar - Policy Planner - Transport
Approved By	Rae-Anne Kurucz - Team Leader Transport David Griffiths - Head of Planning & Strategic Transport Brendan Anstiss - General Manager Strategy and Transformation

23 April 2020

Ministry of Transport
gps@transport.govt.nz

Christchurch City Council submission on the Draft Government Policy Statement on Land Transport 2021

1. Christchurch City Council ("Council") welcome the opportunity to make a submission on the Draft Government Policy Statement on Land Transport (Draft GPS) 2021.

Summary of key points

2. Council is broadly supportive of the overarching direction in Draft GPS 2021, with its focus on access, environment and safety. In particular, Council has set a target of zero emissions by 2045, and welcomes the focus in Draft GPS 2021 on emissions reductions and mitigating the impact of climate change.
3. Council also considers there are a number of key components of Draft GPS 2021 which require amendment, if the Government and its primary funding partners are to successfully implement the ambitious programme of change signalled. The need to clearly focus priorities and transparently target funding has become even greater as New Zealand looks to recover from the impact of the Covid-19 global emergency.
4. The key points in this submission are:
 - A. GPS 2021 needs to provide a greater sense of how funding will be targeted.
 - B. Government and Greater Christchurch councils should collaborate to include the public transport futures investment programme as a core government commitment in the final GPS 2021.
 - C. Sustainable Urban Form should have a dedicated focus.
 - D. The strategic priority "Better Travel Options" should be amended to "Sustainable Transport Options".
 - E. "Improving Freight Connections" should not be a stand-alone strategic priority.
 - F. Police road safety activities should be a separate activity class and the "Safety" strategic priority should have stronger links to other co-benefits.
 - G. GPS 2021 should expressly reference travel demand management initiatives in one or more activity classes.
 - H. Metro rail should form a separate activity class in GPS 2021.
 - I. The GPS should ensure that cost-benefit assessments do not permit disproportionate weight to be given to monetised benefits.

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TRIM:

- J. The GPS should ensure that any provision to increase capacity for additional single occupant vehicles is fully balanced against climate change targets and the extent to which transport contributes to national emissions.
- 5. Recommendations are provided below for each of these key points.
- 6. A table of additional recommendations, targeted to particular paragraphs of the GPS, is appended.

Key recommendations

A. GPS 2021 needs to provide a greater sense of how funding will be targeted

- 7. Draft GPS 2021 sets an ambitious agenda. Council supports the approach of drawing multiple linkages between the strategic priorities, outcomes and co-benefits sought, and enabling major investment projects to receive funding from more than one activity class.
- 8. Council are concerned, however, that Draft GPS 2021 has lost the clearly articulated focus of GPS 2018 on the vital components of a sustainable transport network. These include sustainable transport choices, mode shift, integrated transport and land use planning, and travel demand management.
- 9. The objectives in GPS 2018 have been in force for less than two years, and have not yet been properly implemented. Some of the new strategic priorities in Draft GPS 2021 do not appear to build on the objectives of GPS 2018. This risks creating uncertainty in the transport sector, particularly with respect to investment that has long lead times and high costs.
- 10. Council considers that GPS 2021 needs to identify the highest priority activity types, to avoid the risk of oversubscription of activity classes – a risk that is evidenced by the withdrawal of the Targeted Enhanced Funding Assistance Rate in 2019 due to insufficient targeting. The need for clearly targeted expenditure has become even more vital in light of the anticipated impact of Covid-19. Without a highly disciplined approach, it will be difficult for Waka Kotahi to target the Government's highest priority initiatives.
- 11. Clarity is also required regarding the relevance of government documents other than GPS 2021 to the investment decision making process. In particular, Draft GPS 2021 refers to the Mode Shift Plan underway for Greater Christchurch, and indicates it will be implemented, but does not clearly outline the relevance of such plans to investment decisions. At paragraph 140, Draft GPS 2021 refers to increased investment in "Public transport services and infrastructure, to help to make towns and cities more liveable through achieving the Government's ambitions for mode shift." There is a need for greater transparency regarding the Government's targets and intentions to use mode shift plans as an investment tool.
- 12. Similarly, the extent to which *Arakati* and Waka Kotahi's *Sustainability Strategy and Action Plan* will inform the investment decision making process is unclear. The Statement of Ministerial Expectations also indicates that Waka Kotahi will have a greater role in long-term, integrated planning but does not provide any detail on what this may look like and how it will impact on council planning processes.
- 13. Clarity should be provided on these matters because they will have a fundamental impact on local government planning and investment.
- 14. Finally, GPS 2021 needs to acknowledge the importance of making sure robust data and analytics are in place to support the ambitious programme of change signalled. A number of significant gaps currently exist – for example, accidents that do not get reported, and journeys that do not occur, enabling social and economic exchange, due to lack of access. Implementation

of the Ministry of Transport's Domain Plan should therefore be a specific focus in GPS 2021. As a starting point, data relating to GPS 2021 progress indicators should be made available at both a district and regional level.

Recommendations

15. Council recommends that the strategic direction in GPS 2021 is refined to provide greater guidance on how funding should be targeted.
16. Council recommends that GPS 2021 explicitly outline the highest priority interventions.
17. Council recommends that the highest priority interventions include safer speeds and public transport improvements.
18. Council recommends that GPS 2021 clarify the role and status of national and regional mode shift plans and *Arataki* in the investment decision making process, as well as how Waka Kotahi will have a greater role in long-term, integrated planning for the sector.
19. Council recommends GPS 2021 recognise the importance of robust data and analytics to support the ambitious programme of change signalled, and take steps to ensure that the data which investment decisions are based on is complete (for example, through implementation of the Ministry of Transport's Domain Plan).

B. Government and Greater Christchurch councils should collaborate to include the public transport futures investment programme as a core government commitment in the final GPS 2021.

20. Greater Christchurch currently has a population nearing half a million residents, with the population expected to grow to about 640,000 by 2048. Just under 80% of the Canterbury regional population and about 40% of the South Island population live in Greater Christchurch, emphasising its importance as a strategic regional centre and the primary economic hub of the South Island. Canterbury is the fastest growing region in New Zealand outside Auckland and more population growth is projected in Greater Christchurch over the next 30 years than other high growth cities, such as Hamilton, Tauranga, Wellington and Queenstown.
21. Significant work is being undertaken by local and central government to determine what type of public transport system evolves in Greater Christchurch over the next 30 years, including options for the provision of mass rapid transit. This work highly aligns with the Better Transport Options strategic priority, and Draft GPS 2021 references the work on this transformation change at page 19, as follows:

Waka Kotahi will take a more proactive role in accelerating mode shift by partnering with local government and other agencies to shape urban form, make shared and active modes more attractive, and influence travel demand and transport choice. This includes progressing work that is already well underway on developing a public transport system in Christchurch.

22. A programme of investment for the 2021 long-term planning cycle is currently being prepared by Greater Christchurch partner councils and Waka Kotahi. Council considers this work will significantly contribute to the implementation of GPS 2021 in Greater Christchurch.
23. There is, however, a serious affordability issue that needs to be addressed if the desired transformation is to be achieved. This affordability issue will be exacerbated by the economic impact of COVID-19, though at the same time communities will have more need than ever of access to sustainable active and public transport options and land use planning which supports efficient network planning and liveability. Without assistance from the Government through the GPS and National Land Transport Fund (NLTF), it will be difficult to address the major barriers to

increasing uptake of public transport – for example, the current frequency and competitiveness of services.

24. If the Government wishes to pursue mode shift, sustainable transport modes need a greater level of funding – whether this is through a higher Funding Assistance Rate, a contestable fund like the Urban Cycleways Fund, or another mechanism. A preliminary indicative assessment of the likely costs is around \$60 million in years 1-3 and an additional \$50 million in years 4-10. Section 3.1 (Funding land transport) suggests that the Government will look at new ways of making optimal funding and financing decisions, but Council is concerned that the focus of this section is on local government needing to find alternative funding sources for significant projects, particularly as there is no guidance on what those funding sources might be.
25. Council also notes that there are only modest increases in walking and cycling funding in Draft GPS 2021, despite the stated commitment to mode shift and the significant changes that are occurring in urban development and the way people move on footpaths and road margins.
26. Council would welcome the opportunity to collaborate with the Government and partner councils to include the public transport futures investment programme as a government commitment in the final GPS 2021.

Recommendations

27. Council recommends that the Government and Greater Christchurch councils collaborate to include the public transport futures investment programme as a core government commitment in the final GPS 2021.
28. Council recommends a greater increase in walking and cycling funding.

C. Sustainable Urban Form should have a dedicated focus

29. Integrated transport and land use planning was a key theme in GPS 2018. Council is concerned that this strong focus in GPS 2018 has not been carried over with sufficient emphasis to Draft GPS 2021.
30. To ensure land use planning supports sustainable and efficient transport network planning, the GPS should set clear signals for investment decision making as well as for the GPS on Housing and Urban Development. To achieve this, GPS 2021 should signal clearly that urban intensification is needed to support the effective operation of metro public transport systems. At present, transport investment decisions can be heavily influenced by privately made choices about where to live which impose significant external costs and lead to inefficiencies. Draft GPS 2021 states that transport investment will be in line with the Urban Growth Agenda. The Urban Growth Agenda, through the National Policy Statement on Urban Development, identifies urban intensification as a key driver for promoting sustainable urban development.
31. In addition to the importance of intensification in metro areas along public transport corridors, GPS 2021 should expressly articulate the importance of the following factors:
 - Land use planning and consenting to promote local availability of primary needs, rather than just facilitating access to them.
 - Well-planned location of supermarkets, pharmacies, doctors, and educational facilities, so that all neighbourhoods have easy/close access to these essential businesses, rather than relying on high mobility for all people.

Recommendations

32. Council recommends that sustainable urban form is dedicated focus to ensure GPS 2021 sets a clear expectation that decision makers must fully integrated transport and land use planning and investment decisions.
33. Council recommends ensuring GPS 2021 establishes clear signals for the proposed Government Policy Statement on Housing and Urban Development regarding sustainable urban form.

D. The strategic priority “Better Travel Options” should be amended to “Sustainable Transport Options”

34. Council supports the focus on access in Draft GPS 2021. Council is concerned that “Better Travel Options” places too much emphasis on mode choice as a means to an end, and would include single occupant vehicle travel. Council considers the focus should be on transport choice as a means to other desirable outcomes, such as emissions reduction, safety and amenity. Council considers that “Better Travel Options” should explicitly include sustainability. If the Government’s ambitious emissions targets are to be achieved, the link between transport choice and environmental sustainability needs to be articulated in all government policy, from strategy to delivery.
35. Council suggests terming this strategic priority, “Sustainable Transport Choices”, noting that the word “sustainable” also incorporates the idea of maintaining or improving social, cultural and economic wellbeing.
36. Council considers a number of other revisions would strengthen this strategic objective as follows:
 - The co-benefit of improving health and wellbeing through active transport should receive greater recognition in the discussion on this strategic priority.
 - Safer routes to schools and safer speeds around schools should be a priority focus to encourage active travel, as per the announcement by Hon Julie Anne Genter on 28 November 2019.

Recommendations

37. Council recommends “Better Travel Options” be amended to “Sustainable Transport Options”.
38. Council recommends the statement, “Provide people with better transport options to access places for earning, learning, and participating in society” be amended to “Provide people with sustainable transport options to access places for earning, learning and participating in society”.
39. Council recommends that safer routes to schools and safer speeds around schools be a priority focus, to encourage active travel.

E. “Improving Freight Connections” should not be a stand-alone strategic priority

40. Council supports the modal optimisation of freight. In 2019, a major transport study commissioned by the South Island Regional Transport Committee Chairs Group found that rail freight is an economic way to take pressure off South Island roads. It found potential for a \$20-\$30 million investment in rail projects to save up to \$12-\$18 million annually, when wider economic impacts are considered. A copy of the study is available [here](#). The Government has been invited to take up the recommendations in this report and work with KiwiRail and local government to enable the transformation the report outlines.
41. Including rail freight and coastal shipping with the GPS is a new approach. At present, most activity classes do not have a strong connection to mode shift or freight connections. The two

dedicated activity classes which do – “rail network” and “coastal shipping” – are aimed primarily at KiwiRail and the coastal shipping sector, rather than councils.

42. Nonetheless, when councils seek funding from the NLTF they will need to demonstrate the highest alignment possible with GPS strategic priorities. Council is concerned that a priority of “Improving Freight Connections” may lead to or favour investment proposals that increase capacity and encourage Single Occupancy Vehicle travel, such as the Roads of National Significance programme has done. These programmes have resulted in significant investment being required to mitigate the negative social, environment, economic and safety downstream impacts of significant increases in the number of vehicles on our roads.
43. Council supports the role of GPS 2021 in promoting freight mode shift and improved freight connections, but considers freight mode shift and improved freight connections should be important components of a broader resilience strategic priority, rather than a standalone strategic priority. Resilience is a serious concern for councils, in terms of lifelines as well as freight routes. This approach would:
 - Allow Councils and Waka Kotahi to demonstrate high alignment to GPS strategic priorities for safety, and active and public transport initiatives, by also demonstrating resilience benefits without needing to specifically demonstrate how activities will enhance freight mode shift/connections.
 - Allow KiwiRail and the Coastal Shipping sector to apply under the rail network and coastal shipping activity classes to progress activities relating to mode shift and freight connections.
44. Council also recommends that further explanation is provided regarding sources of funding for the rail network and coastal shipping activity classes.
45. Finally, Council supports the delivery objective, “Improve the safe and efficient movement of freight and logistics planning and network optimisation.” However, given the strong emphasis in Draft GPS 2021 on co-benefits, Council considers that GPS 2021 should provide more direction as to how road controlling authorities can direct freight to use certain corridors and avoid others, particularly those routes that go past schools. This would strongly support implementation of the Safety strategic priority.

Recommendations

46. Council recommends replacing the strategic priority of “Improving Freight Connections” with “Resilient Connections” with freight mode shift and freight connections forming important components of this priority.
47. Council recommends GPS 2021 clarify the sources of funding for the “rail network” and “coastal shipping” activity classes.
48. Council recommends GPS 2021 provide more guidance as to how road controlling authorities can direct freight to use certain corridors and avoid others, particularly those routes that go past schools.

F. Police road safety activities should be a separate activity class and the “Safety” strategic priority should have stronger links to other co-benefits

49. Council supports the focus on investment to implement *Road to Zero*. Council also supports the commitment by the Government to ‘Increase access to safer modes (e.g. public transport), with initial priority in Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown’ (page 17). Council considers enhanced public transport investment and safer and slower urban roads are both critical safety interventions. Council also considers there is an opportunity for

road safety activities to form an important part of the proposed economic stimulus package, including interventions such as mass roll-out of speed humps and raised platforms.

50. Council supports collaboration by Police and partner organisations to implement *Road to Zero*. Council notes that Draft GPS 2021 has included road policing, automated enforcement, and road safety promotion all in the same activity class as safety infrastructure. While it can be helpful to take a holistic approach, this creates unnecessary inter-agency competition for funding, where competing agencies have quite different roles. This is particularly so when activities such as safety and red-light cameras are clearly needed/committed and should be quantified and separated out. In this respect, it is not clear what proportion of funding will be available for council safety-related programmes, once funding has been allocated to police activities, nor what is needed for activities that are already committed.
51. Council therefore recommends that, while police road safety activities should be carried out in collaboration with partners, police activities should form a separate activity class.
52. Council also considers there is a need to provide clearer links between the Safety strategic priority and other co-benefits as follows:
 - There is a missed opportunity to think about health and safety. Deaths relating to sedentary lifestyles have a high order of magnitude and active transport has an important role to play in supporting public health.
 - Land use is mentioned in road safety, but the need for land use planning to support a reduction in car dependency is not. There are significant external costs associated with increases in the use of cars, of which safety is one.
 - Crashes involving vulnerable road users (ie cyclists and pedestrians) should be a measure given that inclusive access is identified as a co-benefit.

Recommendations

53. Council recommends a particular focus on safer and slower urban roads, and that road safety interventions should form part of the proposed economic stimulus package.
54. Council recommends that police activities are included in a separate activity class.
55. Council recommends providing clearer links between the Safety strategic priority and other co-benefits, in particular the links with health and land use planning.
56. Council recommends that crashes involving vulnerable road users are also an identified measure.

G. GPS 2021 should expressly reference travel demand management initiatives in one or more activity classes

57. Draft GPS 2021 states at paragraph 98 that “demand management initiatives (including promotional activities) will be developed as part of transport planning and business case processes, and then funded from the most appropriate activity class”. Council supports this approach as it will enable councils and Waka Kotahi to incorporate travel demand management activities into infrastructure and service projects from the outset and to form a part of projects relating to new assets. Council also supports the signalled focus on making the most of our land transport system.
58. At the same time, it has historically been difficult to obtain funding for travel demand management. As such, Council considers that express reference to travel demand management initiatives should be made in one or more activity classes. This would send a strong and visible signal about the importance of such initiatives, which might not be as compelling if no activity classes were to expressly reference travel demand management. It would mitigate the risk that

the move from a single travel demand management activity class to incorporating travel demand management in all activity classes, could lower investment and compromise outcomes. GPS 2021 needs to clearly demonstrate that travel demand management is a core strategy for achieving the strategic priorities.

59. Council also considers it would be helpful for the GPS to clarify whether demand management refers only to behavioural change or whether it encompasses all aspects of mode shift and travel demand management (both “soft” and “hard” measures).

Recommendation

60. Council recommends that GPS 2021 expressly reference travel demand management initiatives in one or more activity classes.
61. Council recommends that GPS 2021 clarifies whether demand management refers only to behaviour change or whether it encompasses all aspects of mode shift and travel demand management.

H. Metro rail should form a separate activity class in GPS 2021

62. Council agrees in principle with a mode neutral approach to funding transport investment. However, Council considers metro rail should form a separate activity class in GPS 2021 for the reasons outlined below. This approach could be reviewed for GPS 2024.
63. GPS 2018 included a separate transitional rail class focused on specific projects in Auckland and Wellington. Draft GPS 2021 establishes an activity class of “public transport infrastructure” which includes rapid transit funding (for busways and light rail infrastructure) and metro rail. Rail is not as prevalent in the South Island as it is in the North Island, and both Draft GPS 2021 and the Draft New Zealand Rail Plan make it clear that the focus of government investment in rail over the three-year term of GPS 2021 is on rail in Auckland and Wellington. Paragraph 123 of the Draft GPS also states that:

Projects approved under the transitional rail activity class for the Auckland and Wellington metropolitan rail networks and certain approved inter-regional rail projects will now be funded through the public transport infrastructure activity class.

64. The GPS forecasts expenditure of \$16.3 billion for the Auckland Transport Alignment Project (ATAP) from 2018 to 2028 and \$3.8 billion for Let’s Get Welly Moving (LGWM) from 2021 to 2041. However, it does not outline the immediate impact on the NLTF over the next three years, how much of this expenditure will come from new Crown funding, and how much of this expenditure pertains to rail. It also does not clarify whether this funding includes or is in addition to the multi-billion upgrade programme announced in December 2019.
65. Council is concerned a significant amount of NLTF funding from the public transport infrastructure activity class could be required to upgrade network infrastructure in the North Island over the next three years, but this has not been made transparent. It is particularly important to be transparent about funding allocations given the potential for operational expenditure for any new rail to be high over the three-year term of this GPS, until commercially viable patronage levels are reached.
66. Ultimately, Council is concerned that this approach could impact on the ability of Greater Christchurch councils to access funding needed to both maintain public transport infrastructure and achieve the significant transformation the Government is seeking in Greater Christchurch.

Recommendations

67. Council recommends that metro rail be included as its own activity class in GPS 2021 so relevant funding allocations are transparent.

68. Council recommends Table 4 (“Investment expectations for Government Commitments to be met in NLTPs”) in section 3.5, outline the funding that will be required in the three years of GPS 2021, and the extent to which funding (both over this three year period and over the term of the investment) will come from sources other than the NLTF.

I. The GPS should ensure that cost-benefit assessments do not permit disproportionate weight to be given to monetised benefits

69. Draft GPS 2021 indicates that “the principle of efficiency within value-for-money does not necessarily mean selecting the lowest price, but rather the best possible outcome for the total cost of ownership...” (Para 92). Draft GPS 2021 also makes it clear that this includes considering monetised and non-monetised costs and benefits. Council supports this approach and notes that it is important that non-monetised benefits are included in the judgement of value for money, particularly as these can reflect broader benefits of transport investment not captured in monetised benefits, such as improved amenity and improved accessibility.

70. However, Draft GPS 2021 also suggests that cost benefit analysis will likely be used to assess total cost. Council is concerned that using the established technique of cost benefit analysis will give too much weight to monetised benefits when value is considered. There are acknowledged limitations of monetised benefits and cost benefit analysis, particularly when wellbeings and broader outcomes achieved by transport projects are considered, such as amenity and improved accessibility rather than travel time savings. Taking this into consideration, Council is concerned that an overemphasis on cost benefit analysis could lead to perverse outcomes in the same way that selecting the lowest price can.

Recommendation

71. Council recommends that paragraph 92 be amended as follows (proposed new text added in **bold**):

*The principle of efficiency within value for money when procuring goods or services does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership [or whole-of-life cost]. This includes considering the appropriate funding source and the whole life costs and benefits [both short and long-term and monetised and non-monetised]. An established technique supporting this is cost benefit analysis. **Noting that traditional cost-benefit analysis has tended to focus on monetised benefits and costs, the NZ Transport Agency will need to ensure the framework used to assess value for money includes appropriate consideration of non-monetised benefits and costs.***

J. The GPS should ensure that any provision to increase capacity for additional single occupant vehicles is fully balanced against climate change targets and the extent to which transport contributes to national emissions

72. Draft GPS 2021 indicates that there is still funding available for capacity increases (for example paragraph 97 notes that demand management should be considered as supplementary to any increase in road capacity) and local road and state highway improvements activity classes refer to improving capacity.

73. It is reasonable to assume that capacity increases enable and induce additional private vehicle movements and therefore Vehicle Kilometres Travelled, irrespective of the supporting measures to encourage mode shift (the overall generalised cost of travel is simply reduced making both single occupant vehicle and alternate modal travel more attractive and therefore more likely to occur).

74. Unless the uptake of zero emission vehicles (such as electric vehicles) occurs at a rate greater than the traffic induced as part of capacity increases, emissions will rise, in conflict with central and local government emission targets.
75. Any increase in capacity will inevitably lead to increases in traffic, either carbon emitting or otherwise, which will also adversely impact congestion downstream of the capacity increase and associated worsening of road safety outcomes.
76. Investment in alternative modes can provide more available capacity for single occupant vehicles by transferring single occupant vehicle trips onto more sustainable modes. In order to mitigate the likely of induced demand to fill this available capacity, either reducing this capacity, or appropriately pricing this capacity should be considered.
77. Paragraph 13 of Draft GPS 2021 states that:
- As announced in December 2019, the Crown will invest \$6.8 billion in land transport infrastructure. This will fund specific projects to speed up travel times, ease congestion and make our roads safer by taking trucks off them and moving more freight to rail. They will help further the strategic priorities of GPS 2021. This funding supplements the activity classes, which display investment from the Fund only”.*
78. Council disagrees that investment in land transport infrastructure will ease congestion in the long term without some form of pricing to manage demand. It will also make it more difficult to implement the priorities in GPS 2021. Council considers the focus of investment should be about access and providing sustainable transport choices.

Recommendation

79. Council recommends that the focus of investment should be about access and providing sustainable transport choices which improve social, environmental and economic outcomes for society and minimise such costs. This does not include additional capacity for single occupant vehicles.

Additional recommendations

80. The table appended outlines our recommendations targeted at particular paragraphs in Draft GPS 2021.

Regards

Mayor Lianne Dalziel
Christchurch City Council



Appendix: Summary of targeted recommendations

The following table outlines Council recommendations regarding amendments to specific paragraphs in Draft GPS 2021.

Paragraph, page, section	Comment	Council recommendations
Paragraph 44, page 13, section 2.1 (The Strategic Priorities for GPS 2021)	Under “Better Travel Options”, economic considerations are separated out from social, environmental and cultural wellbeing – ie “...healthy environments that improve wellbeing and economic prosperity”. This kind of messaging will risk continuing to elevate financial considerations above all other wellbeings in investment decision making.	Key messaging in GPS 2021 should refer to the four well-beings in the Local Government Act 2002 and should not separate out economic considerations from all other wellbeings.
Paragraph 45, page 13, section 2.1 (The Strategic Priorities for GPS 2021)	Under “Improving Freight Connections” there is no mention of sustainability.	Improving Freight Connections should not be a stand-alone priority. Where it is discussed, the need for sustainable freight movements should be emphasised.
Paragraph 58, page 16, section 2.2 (Strategic Priority: Safety)	Paragraph 58 states that “Safer travel includes security measures to prevent deaths and injuries from malicious acts.” It is not clear what is meant by “malicious acts”.	Council seeks that “malicious acts” are explained.
Page 17, section 2.2 (Strategic Priority: Safety)	Page 17 outlines the following delivery focus, “Shape land use, urban form and street design in a way that reduces car dependency, makes walking, wheeling, cycling and micro-mobility safe and attractive travel choices, and reduces emissions from transport.” It is unclear how the land will be shaped to improve the urban form and street design. For example, Council considers urban intensification should be a priority and greater investment is needed in footpaths and cycleways.	GPS 2021 should define how the “urban form” and “street design” will be shaped to deliver outcomes. This will provide clearer direction for Waka Kotahi to implement through the Investment Assessment Framework.

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TRIM:

Pages 16-17, section 2.2 (Strategic Priority: Safety)	There is a need to expressly consider the safety needs of children who need to travel, including gaining independence to access education, play, and socialising.	Include consideration of safety for young children.
Paragraph 61, page 18, section 2.3 (Strategic Priority: Better Travel Options)	Paragraph 61 states, “The primary focus of this priority is to improve people’s ability to get to places where they live, work and play and to make sure our major cities have transport networks that are fit-for-purpose.” Greater recognition should be provided to the need to access crucial retail, healthcare and educational services. This, for example, should encourage the Ministry of Education to consider access when relocating schools.	Amend paragraph 61 to, “The primary focus of this priority is to improve people’s ability to access essential businesses; places where they live, work, educate and play; and to make sure our major cities have transport networks that are fit for the future.”
Paragraph 62, page 18, section 2.3 (Strategic Priority: Better Travel Options)	Cultural well-being is missing from the discussion of co-benefits.	Include cultural wellbeing in the discussion of co-benefits.
Tables 1 and 2, pages 24-25, section 2.6 (Indicators for how progress will be measured)	There is no indication as to whether or how the five transport outcomes will be weighted.	Clarify whether transport outcomes will be weighted, and if so, how.
Paragraph 143, page 39, section 3.7 (Statement of Ministerial Expectations)	Bullet 5 of paragraph 143 states that the Minister expects that Waka Kotahi will “... encourage future-focused planning, such as through designating and authorising land use for transport, to provide certainty to the sector and communities”. Designating land use for transport, is not a concept that is used in other strategic documents, so it is not clear what is meant. Designations are a specific tool in the Resource Management Act 1990 for network utilities, and not necessarily land use.	Replace bullet 5 of paragraph 143 with the following text, “encourage future-focused planning, such as providing for higher density land use along public transport corridors, to provide certainty to the sector and communities”.
Page 46, Appendix 3 (Summary of key policy direction documents)	ATAP is included in the list of key policy direction documents. ATAP is a regional plan. Only nationally issued documents should be included in the list of key policy direction documents.	Remove ATAP from the summary of key policy documents in Appendix 3.

18. Draft Submission on Accessible Streets Regulatory Package

Reference / Te Tohutoro: 20/357692

Report of / Te Pou
Matua:

Nick Lovett, Senior Policy Planner, Nick.Lovett@ccc.govt.nz

General Manager /
Pouwhakarae:

David Adamson, General Manager City Services,
David.Adamson@ccc.govt.nz

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to seek Council endorsement of the attached draft submission on the Accessible Streets Regulatory Package to Waka Kotahi, the New Zealand Transport Agency.
- 1.2 The submission deadline was originally 22 April 2020, although Christchurch City Council has been granted a one week extension until 29 April 2020.
- 1.3 The decision sought is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. This is consistent with the approach taken to Council's submissions on other government policy documents.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Approve the attached draft submission to be sent to the New Zealand Transport Agency on the Accessible Streets Regulatory Package.
2. Provide direction to staff regarding section 2B of the attached submission, considering the workshop with staff on 16 April 2020 and the text outlined in sections 3.3 and 3.4 of the report.

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

- 3.1 The draft submission was first prepared by staff and made available to all councillors the week beginning 13 April. A meeting to discuss the draft was held on Thursday 16 April with the following Councillors attending: Cotter, Daniels, Davidson, Galloway, Mauger, Turner and Templeton. Councillors broadly agreed with the drafted submission points and suggested a number of amendments to the draft—which have been incorporated in the attachment as track changes.
- 3.2 There was lengthy discussion on the proposed rule to allow footpath cycling. A number of concerns were raised that it would pose safety issues and send mixed signals to the public. A summary of the discussion is captured in paragraphs 3.3-3.4.
- 3.3 Cycling on footpaths has long been a prohibited activity because it has been deemed unsafe both for cyclists and other users of the footpath. However, Council recognises that there are at times, real world practicalities that often mean the footpath provides the safest option for the user (e.g. for children, novice riders or in certain traffic contexts). Council supports the need to change the status quo, as 80% of children who participate in the Cycle Safe Skills programme require more practice with an adult before going on-road alone. Relying on adults for accompaniment can limit independence, and provide a barrier for more children to take up cycling as a means of transport. However, the proposed changes signal that all cyclists will be

able to legally to use the footpath at a limited speed of 15km/h. This could result in a number of unintended consequences, such as:

- 3.3.1 Increased conflicts between pedestrians and vulnerable users
- 3.3.2 Developing perceptions and norms that bicycles belong on the footpath
- 3.3.3 Persistent risk of vehicles and driveways given the bidirectional flows on footpaths
- 3.4 Council wishes to be clear that, footpaths are not appropriate places for adults on bicycles. We do not want to see, allow or encourage increased numbers of bikes on footpaths and have concerns that the proposed rule change and would permit this. Council believes that implementing guidance or restrictions around age limits and footpath cycling is more appropriate.
- 3.5 Staff recognise these concerns around footpath cycling valid, although believe that they would be effectively mitigated though widespread education and behaviour change campaigns, such as the ones proposed by the New Zealand Transport Agency.
- 3.6 The success of the rule changes hinges on an effective and coherent messaging campaign that recognises the hierarchy of vulnerabilities on our streets and paths. Any exceptions to the proposed framework may provide inconsistencies, which could be difficult for the public to understand and accept.

4. Detail / Te Whakamahuki

- 4.1 The Accessible Streets Regulatory Package is a draft of proposed changes to:
 - Land Transport Rule: Road User
 - Land Transport Rule: Traffic Control Devices
 - Land Transport Rule: Setting of Speed Limits, and
 - proposed new Land Transport Rule: Paths and Road Margins 2020.
- 4.2 The proposed changes contained within Accessible Streets will create a national framework clarifying the types of vehicles and devices that are allowed on footpaths, shared paths, cycle paths and cycle lanes, and how they can use these spaces. It includes a proposed 15km/h speed limit on the footpath and a requirement for all other footpath users to give way to pedestrians.
- 4.3 The proposed rules also clarify how road controlling authorities may regulate pedestrians, devices and spaces like the footpath; and propose changes to the priority given to a range of road users to remove barriers to walking, device use and cycling and public transport.
- 4.4 On the 11th of March the Urban Development and Transport Committee (UDATC/2020/00010) requested that officers work with Councillors: Cotter, Daniels, Davidson, Galloway and Templeton on the development of the accessible streets submission. However, this was cancelled in light of the Level 4 lockdown for Covid-19. A meeting was rescheduled for 16 April for Councillors to provide input to the submission.
- 4.5 Staff have incorporated feedback and a draft submission on the Accessible Streets Regulatory Package is attached.
- 4.6 Staff consider that the overarching direction in the Accessible Streets Regulatory Package is consistent with Council's strategic priorities and supports the overall package. Staff note that although the packages is a step change in the current status quo, we cannot rely solely on these changes to solve our problems.

- 4.7 Staff highlight that public education and messaging are critical tools in changing behaviour and building a collective understanding about safe and acceptable behaviours on our paths and streets. Staff encourage NZTA to assist and work closely with local authorities in delivering the required messaging around these regulatory changes.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Draft Submission on Accessible Streets Regulatory Package	169

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

Document Name	Location / File Link
Accessible Streets consultation - Overview	https://www.nzta.govt.nz/assets/consultation/accessible-streets/accessible-streets-overview-to-the-rules.pdf
Accessible Streets consultation – Overview Summary	https://www.nzta.govt.nz/assets/consultation/accessible-streets/accessible-streets-overview-summary.pdf
Draft Land Transport Rule: Paths and Road Margins 2020	https://www.nzta.govt.nz/assets/consultation/accessible-streets/Yellow-Draft-LTR-Paths-and-Road-Margins-2020.pdf
Draft Land Transport Rule: Road User Rule Amendment 2020	https://www.nzta.govt.nz/assets/consultation/accessible-streets/Yellow-Draft-LTR-Road-User-Rule-Amendment-2020.pdf
Draft Land Transport Rule: Traffic Control Devices Amendment 2020	https://www.nzta.govt.nz/assets/consultation/accessible-streets/Yellow-Draft-LTR-TCD-Amendment-2020.pdf
Draft Land Transport Rule: Setting of Speed Limits Amendment 2020	https://www.nzta.govt.nz/assets/consultation/accessible-streets/Yellow-Draft-LTR-Setting-of-Speed-Limits-Amendment-2020.pdf
Accessible Streets Package Preliminary Regulatory Impact Statement (RIS)	https://www.nzta.govt.nz/assets/consultation/accessible-streets/accessible-streets-ris.pdf

Confirmation of Statutory Compliance / Te Whakatūtutanga 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	Nicholas Lovett - Senior Policy Planner Transport
Approved By	Richard Osborne - Head of Transport David Adamson - General Manager City Services

Council Submission on the Accessible Streets Regulatory Package

Date: 23-04-2020
From: Christchurch City Council
To: New Zealand Transport Agency

Introduction

The Accessible Streets Regulatory Package is a draft of proposed changes to:

- Land Transport Rule: Road User
- Land Transport Rule: Traffic Control Devices
- Land Transport Rule: Setting of Speed Limits, and
- Proposed new Land Transport Rule: Paths and Road Margins 2020.

The proposed changes will create a national framework clarifying the types of vehicles and devices that are allowed on footpaths, shared paths, cycle paths and cycle lanes, and how they can use these spaces. It includes a proposed 15km/h speed limit on the footpath and a requirement for all other footpath users to give way to pedestrians (a term which also includes wheelchairs and powered wheel chairs).

The rules also clarify how road controlling authorities may regulate pedestrians, devices and spaces like the footpath; and propose changes to the priority given to a range of road users to remove barriers to walking, device use, cycling and public transport.

Overview of Submission Points

The status quo is not fit for purpose in this rapidly changing world

Christchurch City Council welcomes the government's proposed range of changes outlined in the consultation documents. Ōtautahi Christchurch is a city of opportunity for all, open to new ideas, new people and new ways of doing things. In recent years, new technologies have changed the way people travel within our city, and it has become evident that the existing rules are inconsistent and no longer fit for purpose.

Through our strategic framework, we are seeking to build safer and healthier communities by supporting active transportation. We are also creating a more liveable city by ensuring it is well connected and accessible by public transport. Historically, our road rules have largely prioritised private vehicles at the expense of active and public modes of transportation. This has made it more dangerous for pedestrians and cyclists at intersections and contributed to unreliable journey times for public transport. Additionally, there are a growing number of new and varied transport devices being used on our paths and streets. This has highlighted the inadequacy of our infrastructure and regulatory systems considering the broad range of user ages, abilities, and needs on our city streets and paths.

The focus must continue to be on our most vulnerable

As new transport modes and technologies emerge, we need to develop new travel behaviours that look out for our most vulnerable. It is important that people who regularly and primarily use footpaths as a means of transport feel safe in our urban environment. It is also essential that people who do have a wider range of travel choices feel safe and comfortable when choosing public and active modes of transport.

While Council supports the overall aims and objectives of the regulatory changes, there are a handful of technical aspects that appear to go against the grain of what the changes are intending to achieve. Specifically there are proposed changes around speed limits on footpaths and shared paths. Both of these proposals run counter to long-established social norms and user behaviours and may present several risks.

Striking the right balance is difficult, but we wish to highlight that attention and consideration must first be given to groups such as the young or people with restricted mobility when finalising the proposed changes.

We cannot rely solely on these rule changes to solve our problems

While these new rules and regulatory frameworks help address many issues on our city streets, they are not a panacea. Public education and messaging are critical tools in changing behaviour and building a collective understanding about safe and acceptable behaviours on our paths and streets. Council encourages NZTA to assist and work closely with local authorities in delivering the required messaging around these regulatory changes. The travelling public may not be aware of the need for change and therefore not adapt their behaviours accordingly. The risks of unchanged behaviour are not inconsequential. For example, many footpaths are narrow and access is already inhibited by rubbish bins, inappropriately parked cars, postal vehicles and e-scooters. We are hopeful that the proposed framework will help bring clarity and consistency to current rules. However, we believe the scale and magnitude of communication and education efforts needs to be significant if these rule changes are to proceed.

Finally, as with any proposed change at a national level, there will be unbudgeted costs for local authorities in order for changes to be successfully implemented. Given recent financial uncertainties posed by COVID-19, many authorities will be in a challenging position to meet these costs. NZTA and the Ministry should be conscious of this and review allocated budgets for implementation accordingly.

Specific submission points on the proposals

Proposal 1: Change current vehicle and device definitions and create new categories to better regulate new and emerging devices as well as where and how they're used.

Council broadly supports the proposal to create new categories of vehicles and users to better reflect the types of vehicles that are more commonplace on our city streets. However, with new codes and classifications comes the need for more signs and markings to communicate rules and regulations to the public. In finalising the regulatory proposals, Council submits that the Agency considers ways in which traffic control devices can be consolidated and rationalised. This would both reduce costs for local authorities and cut down on excessive visual clutter for road users.

Proposal 1A: Pedestrians and powered wheelchairs users

Council agrees with the proposal to create a new category of power chair users and treating them the same as pedestrians and wheelchair users. This change helps to recognise the similarities in risk between powered wheelchairs, unpowered wheelchairs and pedestrians, and sets them apart from a person using a much larger, faster and higher risk mobility device, like a high-speed mobility scooter.

Proposal 1B: Changing wheeled recreational devices

Council agrees with the proposal to replace the existing category of wheeled recreational devices with new categories for unpowered and powered transport devices. Before considering a device to be/not be a motor vehicle the Agency is encouraged to take a risk based approach and consider both the mass and velocity of the vehicle in making their determinations. Heavier and faster vehicles will pose more of a risk to users than lightweight, low-speed devices.

Currently there are a large number of powered transport devices where there is no declaration they are not a motor vehicle (for example e-skateboards). Many owners and users of these devices will be seeking reassurances about if and when they will be able to use these devices on paths and streets. Council suggests that the Agency moves swiftly to recognise and clarify which powered transport devices it will declare not to be a motor vehicle.

Proposal 1C: Clarifying cycles and e-bikes

Council agrees with the proposal to keep cycles a legally separate category of vehicle to transport devices. Despite the fact that in terms of speed and weight, bicycles (including e-bikes) are not fundamentally different to many powered and unpowered transport devices on the market, it is logical to keep a separate definition (especially when the proposal is to keep the helmet rule to apply only to cycles).

As the form of powered transport devices continues to evolve, it is difficult to codify common standards and specifications. Conversely the basic design of the bicycle has remained largely unchanged in 140 years so common design and assembly practices have evolved to ensure user safety. The AS/NZS Standards and Product Safety Standards (Pedal Bicycles) Regulations 2000 are helpful in ensuring that manufacturers and retailers can adhere to a common set of standards, but aren't a legal requirement for roadworthiness. Council believes there is a continued role for the Ministry of Business, Innovation and Employment in protecting consumer safety.

Proposal 1D: Mobility devices

Council agrees with the proposal that Mobility devices have the same level of access as pedestrians but must give way to pedestrians.

Proposal 2: Establish a national framework for the use of footpaths

Council supports the establishment of a national framework for all footpath users. The status quo is inconsistent and unclear, and the proposal appears to create a logical framework to help the public distinguish between who *can* be on the footpath and who *should* be using the footpath. Current rules regarding footpath use are outdated and out of step with the existing norm of footpath cycling. While this should by no means be widely encouraged, there are in some cases no safe sections of the roadway for children to cycle. Additionally, the fact that e-scooters are permitted on footpaths but cycles aren't, appears arbitrary and ripe for change.

Above all, simply changing the rules and establishing a framework will be in vain if it is not accompanied by a thorough and widespread education campaign. Council is concerned that the funding estimates for the campaign outlined in the regulatory impact statement may not be enough to adequately inform the public.

Council believes it will be clearer if new decisions (regulating use of paths and speed limits) under that new Paths and Road Margins rule are specified to be made by resolution.

Council tentatively supports having to consider and follow criteria in addition to their usual resolution processes in order to restrict devices from using the footpath. However we expect local authorities to be extensively consulted and engaged on this criteria before it is put in place.

Proposal 2A: Users on the footpath will operate vehicles in a courteous and considerate manner, travel in a way that isn't dangerous and give right of way to pedestrians

Council strongly supports the use of footpaths under the proposed land transport rule. A clear logical hierarchy of users and right of way is needed as these spaces become more crowded and the use of various transport devices becomes more common. It is critical that a widespread education campaign accompanies any rule changes to ensure courtesy and respect become common behaviours among all footpath users.

Proposal 2B: Default 15km/h speed limit for vehicles using the footpath

Council Staff support the proposed national speed limit for footpaths as well as the ability for road controlling authorities to be able to raise or lower the limit. There are situations where it may be appropriate to match footpath or shared path speeds to a particular environment and local authorities are best placed to make decisions about when and where to apply deviations from the national default.

The primary intent of the rule is to address the perceived dangers of cycling on the road for children and others who find themselves in situations where the environment includes fast and/or heavy traffic. These are legitimate concerns as many children do not have the psychological maturity to safely negotiate complex traffic situations. Christchurch City Council runs Cycle Safe schools programme for primary age children, but due to its illegality, cycle skills trainers cannot currently teach safe footpath cycling techniques. Following the completion of the course, instructors recommend that 80% of children need more practice with an adult before going on-road alone. This proposed framework means that instructors could address the issue of footpath cycling constructively, reinforcing the risks for footpath cycling while also being relevant to scootering/skateboarding and other popular child activities.

Council believes that a speed limit is more appropriate than an age limit. This is because novice or less confident cyclists would also stand to benefit from this proposed change. Additionally, an age limit would create an inconsistency with the use of other transport devices on the footpath which have similar or higher risk rating than cycles¹.

Proposal 2C: 750mm width restriction for vehicles that operate on the footpath

Council agrees with the proposed maximum width for footpaths (excluding wheelchairs and power-chairs). As imported 'micro-cars' become more commonplace it is important to set clear expectations about the maximum width of these devices and where they can and cannot be used.

Proposal 3: Establish a national framework for the use of shared paths and cycle paths

Council supports the proposed framework for the use of shared paths and cycle paths. Like the proposed framework for footpaths, it is important to underscore the hierarchy of user vulnerability and subsequent give way rules. Additionally the Council welcomes the ability for local authorities to implement speed restrictions on shared paths as occasionally this will be necessary.

As Christchurch has an extensive number of shared paths within the city, Council has an interest in the proposals concerning shared paths. The draft rules propose that pedestrians have priority on shared paths but the default limit on shared paths is 50km/h. Council believes that these rules are incompatible, send mixed signals, and pose serious risks for pedestrians. Pedestrians cannot feel safe in an environment while simultaneously the speed limit is than ten times the average walking speed. While the proposed

¹ As defined by the risk matrix within the Accessible Streets Preliminary Regulatory Impact Statement

rules enable local authorities to set lower different speed limits, Council believes that a lower national default limit would be more appropriate.

Council also does not think the Transport Agency should be able to investigate and direct road controlling authorities to comply with the required criteria for shared path restrictions without first being consulted on the specific guidance and criteria.

Proposal 4: Enable transport devices to use cycle lanes and cycle paths

Council supports the proposal that devices other than cycles should be allowed to use cycle lanes and cycle paths. The emergence of lightweight, powered transport devices has made it apparent that the existing rules are out of step with common and safe behaviour. By enabling and encouraging these devices to use cycle facilities there will be benefits to be gained by a more universal range of users accessing the infrastructure.

Proposal 5: Introduce lighting and reflector requirements for powered transport devices at night

Council supports this proposal and this is already a requirement for shared e-scooter trading permits.

Proposal 6: Remove barriers to walking, transport device use and cycling through rule changes

Council supports the proposal to increase the safety, convenience and attractiveness for active modes. Many people regularly and primarily rely on walking and cycling as a means of transport, but they are not prioritised under the existing rules and at times, severely disadvantaged. Crash statistics reveal just how vulnerable these users are, so efforts to increase their visibility and safety are welcomed by Staff.

Proposal 6A: Allow cycles and transport devices to travel straight ahead from a left turn lane

Council supports this proposal as it makes common and safe behaviour by cyclists legal.

Proposal 6B: Allow cycles and transport devices to carefully pass slow-moving vehicles on the left, unless a motor vehicle is indicating a left turn

Council supports this proposal as it makes common and safe behaviour by cyclists legal.

Proposal 6C: Give cycles, transport devices and buses priority over turning traffic when they're travelling through an intersection in a separated lane

Council supports this proposal as it clarifies an existing ambiguity in current rules. To ensure user safety Council has extensively installed traffic signals to control separate movements by people travelling in separated cycleways alongside main road traffic. This proposal only applies in situations where there are no traffic control devices that would otherwise control an intersection. Therefore over time, cost of constructing cycleways may be reduced as it may be safe to do so without the need for signs and signals.

Proposal 6D: Give priority to footpath, shared path and cycle path users over turning traffic where the necessary traffic control devices are installed

New Zealand is one of the few countries in the world where pedestrians do not have right of way when travelling parallel to the main road when they are crossing a side street. As a result, the attractiveness and convenience of walking over driving is greatly diminished. Council strongly supports the proposal, however encourages the Agency to recognise that in order to realise benefits, more funding needs to be made available both for intersection treatments and education campaigns.

Proposal 7: Mandate a minimum overtaking gap for motor vehicles passing cycles, transport devices, horses, pedestrians and people using mobility devices on the road

Council supports the proposal to implement a minimum overtaking gap for cyclists. However there appears to be little rationale as to why the proposed minimum is 1m instead of 1.5m. The official road code recommends 1.5m so the proposal would create an inconsistency. Council submits that the minimum gap on roads less than 60km/h should also be 1.5m. The disadvantages of a 1.5m gap are not discussed in the accompanying regulatory impact statement.

Proposal 8: Clarify how road controlling authorities can restrict parking on berms

Council's expectation is that our current Traffic and Parking Bylaw berms clause, which is made under clause 6.2(2) of the Land Transport Rule, will still apply to our management of berms, and will not need amendment as a result of this proposal. We submit that a 'to avoid doubt' clause be added to the new rules to ensure that is the case for any such existing bylaws/bylaws made under new clause 6.2(2)(b), otherwise we anticipate the new rule may cause further confusion.

Proposal 9: Give buses priority when exiting bus stops

The Council strongly supports the proposal to give priority to buses when exiting bus stops. A key issue identified in the Regional Public Transport Plan is that the current public transport system can be unreliable and many journey times are not competitive with the private car.

Summary

Christchurch City Council thanks the New Zealand Transport Agency for the opportunity to submit on the proposed changes contained within the Accessible Streets package. We believe that the proposals are a step in the right direction and will be critical in developing a framework in which to manage the increasing and diverse range of users on our streets and paths.

Currently, the use of some vehicles and devices is permissible in some locations, and not in others. This binary and inflexible definition leaves no room for the Agency or local authorities to provide better guidance to users about appropriate hierarchies and behaviours on our streets and paths.

We would urge the Agency in their communication and education campaign efforts to highlight that pedestrians (and wheelchair users) are the dominant mode on footpaths. While the proposals allow for footpaths to be used by other modes, they must give heightened care and consideration to pedestrians to ensure they have the right of way. There is a risk that if these messages are not communicated properly, the aims and objectives of the rule changes could be thwarted. Additionally, people who regularly and primarily rely on footpaths for transport could be adversely affected. With that in mind, the success of the rule changes hinges on the success of the subsequent educational and communication campaigns. There are a lot of changes for the public to consider and they move the national road user culture in a new direction. This adjustment will be very different to the behaviours and norms people have become accustomed to in the past. Local authorities are close to their communities and well placed to support the Agency with these messages if sufficient resources to assist are provided.

Yours faithfully,

19. Resolution to Exclude the Public

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

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

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

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

Note

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

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

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

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

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
20.	PUBLIC EXCLUDED COUNCIL MINUTES - 12 MARCH 2020			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
21.	PUBLIC EXCLUDED COUNCIL MINUTES - 9 APRIL 2020			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
22.	PUBLIC EXCLUDED AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES - 17 MARCH 2020			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
23.	RISK MANAGEMENT STATUS REPORT	S7(2)(C)(II), S7(2)(F)(II)	PREVENT DAMAGE TO THE PUBLIC INTEREST, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT	TO PREVENT IMPROPER USE OR MISINTERPRETATION OF THIS INFORMATION.	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART AS APPROPRIATE UPON PERIODICAL REVIEW BY THE HEAD OF AUDIT AND RISK AND WHEN IT

					IS NO LONGER SUBJECT TO AN OBLIGATION OF CONFIDENCE OR BEING PROVIDED UNDER COMPULSION WHERE RELEASE WOULD LIKELY DAMAGE THE PUBLIC INTEREST AND NO LONGER NEEDS TO BE WITHHELD TO PROTECT FROM IMPROPER PRESSURE OR HARASSMENT AFFECTING THE CONDUCT OF PUBLIC AFFAIRS.
24.	FRAUD STATUS REPORT	S7(2)(F)(II)	PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT	TO ALLOW FOR PROTECTED DISCLOSURES AND THE ONGOING EFFECTIVE MANAGEMENT OF CONCERNS RAISED.	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE WILL BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART AS APPROPRIATE UPON PERIODICAL REVIEW BY

					THE HEAD OF AUDIT AND RISK AND WHEN IT NO LONGER NEEDS TO BE WITHHELD TO PROTECT FROM IMPROPER PRESSURE OR HARASSMENT AFFECTING THE CONDUCT OF PUBLIC AFFAIRS.
25.	INTERNAL AUDIT STATUS REPORT	S7(2)(E), S7(2)(F)(II), S7(2)(J)	PREVENTION OF MATERIAL LOSS, PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT, PREVENTION OF IMPROPER ADVANTAGE	TO PREVENT THE USE OF INTERNAL AUDIT FINDINGS AND IDENTIFIED CONTROL WEAKNESSES FROM BEING USED FOR IMPROPER ADVANTAGE.	DUE TO THE NATURE AND SENSITIVITY OF THIS INFORMATION, IT IS NOT ANTICIPATED THAT THERE BE A SPECIFIC DATE OR EVENT THAT ALLOWS FOR THE RELEASE OF THIS INFORMATION. THE INFORMATION WILL BE RELEASED IN FULL OR PART AS APPROPRIATE UPON PERIODICAL REVIEW BY THE HEAD OF AUDIT AND RISK AND WHEN IT IS NO LONGER DEEMED TO IDENTIFY CONTROL WEAKNESSES THAT COULD BE USED FOR IMPROPER ADVANTAGE

					AND NO LONGER NEEDS TO BE WITHHELD TO PROTECT FROM IMPROPER PRESSURE OR HARASSMENT AFFECTING THE CONDUCT OF PUBLIC AFFAIRS.
26.	EXTENSION OF 3 WATERS MAINTENANCE CONTRACTS	S7(2)(B)(II), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, CONDUCT NEGOTIATIONS	THE COMMERCIAL POSITION OF THE CONTRACTOR NEEDS TO REMAIN CONFIDENTIAL UNTIL THE OUTCOME OF THE NEGOTIATIONS HAVE CONCLUDED	16 MARCH 2021 ON THE CHIEF EXECUTIVE'S RECOMMENDATION