



Audit and Risk Management Committee
PUBLIC EXCLUDED ATTACHMENTS UNDER SEPARATE
COVER
Confidential

Date: Wednesday 15 June 2022
Time: 2pm
Venue: Council Chambers, Level 2, Civic Offices,
53 Hereford Street, Christchurch

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Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
Plain English Reason:	The information in the current version of the Council's Annual Plan remains subject to change. Premature release of this information could prejudice those people and entities that may be affected by any changes made.
Report can be released:	WHEN THE AGENDA FOR THE COUNCIL MEETING ON 21 JUNE 2022 TO CONSIDER THE ANNUAL PLAN IS PUBLISHED.

RELEASED FROM PUBLIC EXCLUDED

Annual Plan 2022/23 – adoption documents for ARMC

Note, this collection of adoption documents is a snapshot of working papers taken as at 11:30am Wednesday 8 June 2022, to inform the Audit and Risk Management Committee meeting of 15 June 2022. These documents may differ from the actual documents that will form the report to Council for the adoption of the final Annual Plan 2022/23.

Table of Contents

The agenda for the Council – Annual Plan meeting will begin with information reports on four specific consultation topics, that inform the Council report, recommendations and report attachments.

The remaining three Council – Annual Report attachments already form part of the ARMC report:

- Annual Plan 2022/23 - Management Sign-off for Process
- Annual Plan 2022/23 - Management Sign-off for Significant Forecasting Assumptions
- Thematic Analysis of the Annual Plan 2022/23 Submissions

2... Vacant Central City Land Differential and Remission

6... Wheeliebin Kerbside Collection Service – opt-out

9... Extending Wheeliebin Kerbside Collection Service in Wairewa

12... Policy on Remissions and Postponement of rates on Maori Freehold Land

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29... A: Mayors Recommendations

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0. Vacant Central City Land Differential and Remission

Reference / Te Tohutoro: 22/731147

Report of / Te Pou: Andrew Jefferies, Rates Revenue Manager,
Matua: andrew.jefferies@ccc.govt.nz

General Manager /
Pouwhakarae: Leah Scales, General Manager Resources

1. Brief Summary

- 1.1 The purpose of this report is to summarise Council's considerations relating to the Vacant Central City Land proposal following submissions on the Draft Annual Plan 2022/23.
- 1.2 Changes to the proposal that accompanied the Draft Annual Plan 2022/23 will be implemented when councillors adopt the Rates Remission Policy, as recommended in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022.

2. Proposal in Draft Annual Plan 2022/23

- 2.1 The proposal published with the Draft Annual Plan 2022/23 contained two parts: a new differential on the value-based general rate, and a new rates remission.
- 2.2 The purpose of the proposal is to achieve a fairer balance of rates, recognising that vacant land currently pays relatively low rates (since rates are largely based on capital value) yet those owners benefit significantly from Council's activities.

New differential on the value-based general rate
- 2.3 A new "City Vacant" differential will be introduced, applying to the value-based general rate. It will have a value of 4 (compared with standard differential of 1, and business differential of 1.697).
- 2.4 It will apply to any rating unit:
 - 2.4.1 which is located within the Central City Business Zone or the Central City Mixed Use (South Frame) Zone in the District Plan; and
 - 2.4.2 where no active or consented use is being made of the land.
- 2.5 The "active or consented use" criteria means that a property will NOT have the City Vacant differential applied if it is:
 - 2.5.1 developed (has a building on it), or is under development; or
 - 2.5.2 in a temporary use that:
 - is a permitted activity under rules in the District Plan (e.g. used as a support site for adjacent construction); or
 - has an approved and fully implemented resource consent (e.g. open-air carpark).
- 2.6 If land has a resource consent for use as a carpark, we would not apply the City Vacant differential to that land. We note that the appearance of the land would be able to be managed through consent conditions.

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New rates remission

- 2.7 A new rates remission (Remission 8: Vacant Central City Land) would be available for rating units paying the City Vacant differential. The remission would reduce payable rates to the level the land would have paid on the business differential.
- 2.8 Land would qualify for the remission if it is kept in an improved and maintained state, consistent with Council's Vacant Site Improvement Guide (<https://ccc.govt.nz/culture-and-community/central-city-christchurch/develop-here/vacant-sites>).

Expand the proposal?

- 2.9 We also invited comments on:
- 2.9.1 expanding the proposal in future to cover other parts of the city (not just the central city)
- 2.9.2 whether the Council should investigate options (for FY24 or beyond) for increasing rates on derelict central city buildings.

3. Submissions on the proposal

- 3.1 The following table summarises the results of submissions on this issue:

Question	Support	Oppose	Other
A new "City Vacant" differential rate	64% 46	17% 12	18% 13
A new rates remission for vacant land	50% 27	31% 17	18% 10
Wider application of a vacant differential rate	100% 26		
A financial mechanism to encourage/require owners to act in relation to Central City 'Barrier Sites'	78% 40	16% 8	6% 3

- 3.2 Some submissions raised concern that the proposal was not a lawful use of Council's rating powers.
- 3.3 There was strong support for extending the proposal to other parts of the city, and to derelict buildings.

4. Guidance from councillor briefings

- 4.1 Lawfulness: Councillors sought reassurance that the proposal is lawful.
- 4.2 Consent delays: Councillors were concerned that delays in Council's consenting processes could mean that consent applications (e.g. resource consent for an open-air carpark) are not processed in time for vacant land to avoid the higher City vacant differential. Councillors wanted the proposal to be amended to deal with that situation.
- 4.3 Derelict buildings: Councillors tested whether it was possible for the proposal to be amended to extend it to derelict buildings from 1 July 2022.
- 4.4 Extend area: Councillors also tested whether it was possible for the proposal to be amended to extend it to other parts of the city from 1 July 2022.

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5. Staff advice and modified proposal

- 5.1 Lawfulness: While the proposal appears to be unique in New Zealand (no other councils impose a higher general rate differential on vacant land), staff consider that the proposal is authorised under the Local Government (Rating) Act 2002 and the Local Government Act 2002.
- 5.2 Consent delays: Staff have added a new remission covering the situation where the owner of vacant land loses the opportunity to avoid the higher City Vacant differential due to delay in Council's consenting processes. The following words have been added in the Rates Remission Policy, at the end of Remission 8: Vacant Central City Land:

Further remission – consenting delay

Rates may also be remitted where Council considers that Council's actions or inactions have caused a delay in processing a building or resource consent relating to that land, and where Council considers that, if it had processed the consents in accordance with statutory timeframes, it is reasonable to expect that the land owner could have avoided being assessed for the City Vacant differential. The amount of rates remitted is at Council's discretion.

- 5.3 The proposed Rates Remission Policy, showing tracked changes from the version published with the Draft Annual Plan 2022/23, is attached as Attachment A. The recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, include the adoption of this Rates Remission Policy.
- 5.4 Derelict buildings: It is not possible to modify the proposal to cover derelict buildings from 1 July 2022, since we did not consult on a detailed proposal to do that. Staff will carry out further work and report on options for a potential proposal for consultation ahead of the rating year beginning 1 July 2023.
- 5.5 Extend area: Again, it is not possible to extend the proposal to other areas of the city from 1 July 2022, since we did not consult on a detailed proposal to do that. Staff will carry out further work and report on options for a potential proposal for consultation ahead of the rating year beginning 1 July 2023.

6. Officer Recommendations Ngā Tūtohu

Note that the recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022:

1. will adopt a Rates Remission Policy that includes a new rates remission to manage the situation where consenting delays prevent a vacant land owner from avoiding the higher City Vacant differential;
2. do not extend the Vacant Central City Land proposal to other areas of the city or to derelict buildings for 1 July 2022. However, staff will carry out further work and report on options for a potential proposal for consultation ahead of the rating year beginning 1 July 2023.

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Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Proposed Rates Remission Policy 2022/23 - Showing tracked changes from the Draft Annual Plan version	

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

Document Name	Location / File Link
<enter document name>	<enter location/hyperlink>
<enter document name>	<enter location/hyperlink>

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	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

Council Annual Plan
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0. Wheeliebin Kerbside Collection Service - Opt Out for Multi-unit Residential Developments

Reference / Te Tohutoro: 22/738065

Report of / Te Pou Matua: Andrew Jefferies, Rates Revenue Manager,
Andrew.jefferies@ccc.govt.nz

General Manager / Pouwhakarae: Leah Scales, General Manager Resources

1. Brief Summary

- 1.1 The purpose of this report is to summarise Council's considerations relating to the proposal for wheeliebin kerbside collection opt out for multi-unit residential developments, following submissions on the Draft Annual Plan 2022/23.
- 1.2 Changes to the proposal that accompanied the Draft Annual Plan 2022/23 will be implemented when councillors adopt the Rates Remission Policy, as recommended in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022.

2. Proposal in the Draft Annual Plan 2022/23

- 2.1 Existing situation: Our three-bin kerbside collection provides a door-to-door waste service for residents. However, we're aware this service doesn't work for large, multi-unit residential developments, where space to store wheelie bins and have them collected is limited.
- 2.2 At present, properties may choose not to receive wheelie bins. However, all developed properties pay for our kerbside collection service, whether they use it or not.
- 2.3 They pay for the kerbside collection and processing of recycling and organics (yellow and green bins) through the Waste Minimisation Targeted Rate. This rate is set at \$196.45 per occupied unit in 2021/22.
- 2.4 They pay for the kerbside collection and disposal of rubbish (red bin) through the general rate, which is based on the capital value of each property.
- 2.5 Change proposed as part of the Draft Annual Plan 2022/23: Some multi-unit residential developments may choose to use a commercial recycling, organics and rubbish collection instead of our kerbside service. Residential developments using an approved alternative service will not pay the Targeted Rate, if they:
 - 2.5.1 Complete a waste management plan that meets the objectives of our Waste Minimisation and Management Plan; and
 - 2.5.2 Demonstrate the use of an equivalent three-bin (rubbish, recycling and organics) service through a private contractor. The service must meet the objectives of our Waste Minimisation and Management Plan.
- 2.6 Multi-unit residential developments (10 or more units) that opt-out of our service won't have to pay the Targeted Rate. However, they will continue funding Council's other waste management activities, including the kerbside collection and disposal of rubbish (red bin), as that is part of the general rate, based on capital value.
- 2.7 A rates remission would be inserted into Council's Rates Remission Policy to implement the opt-out from the Targeted Rate.

3. Submissions on the proposal

- 3.1 73 submitters provided feedback on our proposed changes to kerbside collection rates. 30% supported the proposal while 70% opposed it. Those who indicated that they opposed did not oppose us making changes for multi-unit developments, they just don't think that they go far enough.
- 3.2 Submitters would like to see changes enable them to opt out of all kerbside collection costs (not just the Targeted Rate, but also the part of the General Rate that funds red bin kerbside collection and disposal).

4. Guidance from councillor briefings

- 4.1 Councillors directed staff to provide a way for multi-unit residential developments to opt out, not only from paying the Targeted Rate, but also from funding the red bin kerbside collection and disposal costs.

5. Staff advice and modified proposal

- 5.1 Staff have added a new remission covering the financial opt-out from funding red bin kerbside collection and disposal costs. The new remission will remit \$83 of rates for each opt out, representing the average annual kerbside collection and disposal cost for the red bin.
- 5.2 The following underlined words have been added in the Rates Remission Policy:

Remission 9: Wheelie bin service reduction

Objective

To provide rates relief from the Waste Minimisation targeted rate for rating units within multi-unit residential developments where the rating unit has opted out of receiving the 3-bin kerbside collection service, and to provide further rates relief to the extent that kerbside collection and disposal costs for refuse are included within the general rate rather than the Waste Minimisation targeted rate.

Conditions and criteria

This rates remission applies where a rating unit within a multi-unit residential development has, with the approval of Council, opted out of the 3-bin kerbside collection service. Note that opt out will be approved only where alternative arrangements are made for collection of all waste streams, and Council considers those arrangements provide an appropriately equivalent service.

Where the opt out applies for the whole year, the remission will be equal to the Waste Minimisation targeted rate, plus \$83 (representing the average annual kerbside collection and disposal cost for the red bin).

Where the opt out applies for part of the year the Council may, at its discretion, grant a remission calculated based on the proportion of the year to which the opt out applies.

- 5.3 The proposed Rates Remission Policy, showing tracked changes from the version published with the Draft Annual Plan 2022/23, is attached as Attachment A. The recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, include the adoption of this Rates Remission Policy.

6. Officer Recommendations Ngā Tūtohu

Note that the recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, will adopt a Rates Remission Policy that includes

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amendments to support financial opt out for multi-unit residential developments from funding red bin kerbside collection and disposal costs.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Proposed Rates Remission Policy 2022/23 - Showing tracked changes from the Draft Annual Plan version	

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 Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).
(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	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

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0. Extending Wheeliebin Kerbside Collection Service in Wairewa

Reference / Te Tohutoro: 22/739246

Report of / Te Pou Andrew Jefferies, Rates Revenue Manager,
Matua: Andrew.jefferies@ccc.govt.nz

General Manager / Leah Scales, General Manager Resources
Pouwhakarae:

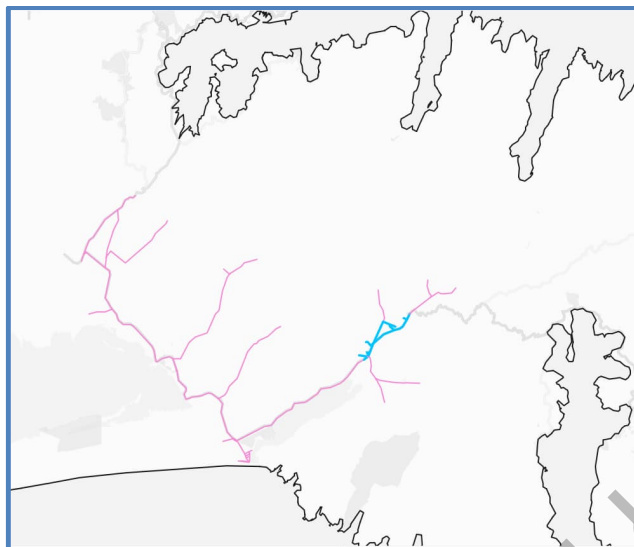
1. Brief Summary

- 1.1 The purpose of this report is to summarise Council's considerations relating to the proposal to expand the wheeliebin kerbside collection service in Wairewa, following submissions on the Draft Annual Plan 2022/23. \

2. Proposal in the Draft Annual Plan 2022/23

- 2.1 Existing situation: Properties in Little River receive a kerbside collection service for all three bins: rubbish (red), recycling (yellow) and organics (green). The area is also serviced by the Little River recycling drop-off site. Those Little River properties pay the Waste Minimisation Targeted Rate which is \$196.45 per house (incl GST) in 2021/22. The targeted rate covers the cost of collecting and processing recycling and organics (yellow and green). The cost of collecting and disposing of rubbish (red bin) is recovered through Council's general rate, which is based on the capital value of each property.
- 2.2 Other properties in Wairewa receive a part-service for rubbish and recycling. Properties with a part-service transport their waste to the Birdlings Flat Transfer Station or the Little River recycling point and pay 75% of the Waste Minimisation Targeted Rate – that is \$147.34 per house (incl GST) in 2021/22.
- 2.3 Change proposed as part of the Draft Annual Plan 2022/23: Council proposed to offer the kerbside service to all properties accessible to our collection vehicle, between Cooptown and Gebbies Valley. These properties will have the option to order three bins, or continue to use the existing facilities. We're keeping it flexible, as we know through consultation with residents that some people prefer the service they have now.
- 2.4 However, all developed properties that have the service available will be charged the full Waste Minimisation Targeted Rate. This is consistent with our policy throughout the city. Properties already paying the 75% part rate, will have an increase in annual rates of around \$49 (incl GST).
- 2.5 For those properties on roads our collection trucks can't access there will be no change in service or charging.
- 2.6 The proposed expansion to our kerbside collection service will include all properties on the new collection route, shown in the map below:

Figure 1: Proposed additions to kerbside collection routes



3. Submissions on the proposal

- 3.1 62 submitters provided feedback on our proposed changes to kerbside collection rates. 66% supported the proposal, while 34% opposed.
- 3.2 Some submitters considered the proposed arrangements would be more convenient than weekly trips to the transfer station.
- 3.3 There were concerns from some submitters around safety issues of having wheelie bins in settlements that experience regular high wind events.
- 3.4 Others would like to see the service extended further still.

4. Staff advice

- 4.1 Staff recommend that the Council proceed with the extension of kerbside services to Wairewa as proposed in the Draft Annual Plan 2022/23, but with the following modifications:
 - 4.1.1 Bin clips will be offered in Birdlings Flat to address concerns that high winds spreading rubbish;
 - 4.1.2 Service will be extended up Okuti Valley to the road end (the original concerns about truck access have been resolved).
- 4.2 The recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council - Annual Plan meeting on 21 June 2022, include the adoption of Funding Impact Statement – Rating Information. That sets out the proposed extent of the kerbside service, which determines which properties pay the full differential on the Waste Minimisation Targeted Rate.

5. Officer Recommendations Ngā Tūtohu

Note that the recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, will adopt a Funding Impact Statement which includes the proposed kerbside collection area, which determines which properties pay the full differential on the Waste Minimisation Targeted Rate.

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Attachments / Ngā Tāpirihanga

There are no attachments to this report.

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Document Name	Location / File Link
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<enter document name>	<enter location/hyperlink>

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	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

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0. Policy on Remission and Postponement of Rates on Māori Freehold Land

Reference / Te Tohutoro: 22/740088

Report of / Te Pou Matua: Andrew Jefferies, Rates Revenue Manager,
Andrew.jefferies@ccc.govt.nz

General Manager / Pouwhakarae: Leah Scales, General Manager Resources

1. Brief Summary

- 1.1 The purpose of this report is to summarise Council's considerations relating to the proposed new *Policy on Remission and Postponement of Rates on Māori Freehold Land*, following submissions on the Draft Annual Plan 2022/23.
- 1.2 Changes to the proposal that accompanied the Draft Annual Plan 2022/23 will be implemented when councillors adopt the *Policy on Remission and Postponement of Rates on Māori Freehold Land*, as recommended in the paper titled "Annual Plan 2022/23", which is going to the Council - Annual Plan meeting on 21 June 2022.

2. Proposal in Draft Annual Plan 2022/23

- 2.1 Existing Policy: The Council is required to have, and does have, a *Policy on Remission and Postponement of Rates on Māori Freehold Land*. The current version of the Policy outlines 12 criteria for rates relief. The first of those is that that relief may be provided where "the land is not in use". This has been the most important criteria in practice.
- 2.2 New legislation: In early 2021 legislation was passed amending the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA) to (among other things):
 - a) Make unused MFL non-rateable from 1 July 2021
 - b) Write off rates arrears on unused MFL from 1 July 2021
 - c) Provide that, from 1 July 2022, the Council's MFL Policy must support the principles set out in the Preamble to the Te Ture Whenua Maori Act 1993 (TTWM Act).
- 2.3 The Council is required to review its existing Policy to ensure it supports the principles set out in the Preamble to the TTWM Act, and to take into account the matters set out in Schedule 11 of the LGA (see below).
- 2.4 Change proposed as part of the Draft Annual Plan 2022/23: The Council proposed to adopt a new Policy from 1 July 2022. The key changes were:
 - a) The proposed Policy explicitly recognises the principles in the Preamble to TTWM Act as objectives of the Policy.
 - b) The current Policy applies to Māori Freehold Land and Māori customary land (of which there is none in the Christchurch takiwā). The proposed Policy may also be applied to:
 - a Māori reservation
 - "1967 land" (general land that ceased to be Māori land under Part 1 of the Māori Affairs Amendment Act 1967, where the land is still owned by the descendants of the persons who owned it immediately before it ceased to be Māori land)

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- land returned to iwi or hapū ownership through treaty settlement or a right of first refusal scheme

3. Submissions on the proposal and staff advice

- 3.1 10 submitters provided feedback on our rates proposal. 50% supported the proposal, while 50% opposed.
- 3.2 A submission was received from Mahaanui Kurataiao Limited on behalf of the six Papatipu Rūnanga. Ngā Rūnanga "support the spirit of the Policy but oppose the text of the Policy". A set of proposed alterations were attached.
- 3.3 The following table sets out the suggestions made in the submission, along with the way staff propose we address those concerns [this is the staff proposal pending a meeting with MKT on Fri 10 June]:

Table 1: Submissions from Mahaanui Kurataiao / Rūnanga and Council Staff Recommendations

Submission	Council Staff Recommendation
(1) Introduction should acknowledge the rangatiratanga of Ngā Rūnanga as tangata whenua, and the Tiriti Partnership between Ngā Rūnanga and Council.	Agreed. In terms of the Tiriti Partnership, we have used the language from the <i>Relationship Agreement between Christchurch City Council and Ngā Rūnanga</i> (1 Sep 2016)
(2) The introduction should note the Ngāi Tahu Claims Settlement Act 1998 applies to the territory of the Council	Agreed
(3) The Policy objectives should include recognition of the tangata whenua status of Ngāi Tahu Papatipu Rūnanga	Agreed
(4) Include various empowering provisions relating to new legislative provisions (ss 20A, s98A, 62A and 65, LGRA)	Agreed
(5) The Council should not hold sole discretionary decision-making authority in relation to the rating of Māori land. Decisions must be made in full cooperation with, and giving effect to the views of, Ngā Rūnanga. This can be undertaken through Te Hohonga Council – Papatipu Rūnanga Committee.	Staff propose to amend the proposed Policy as follows: "At the sole discretion of Council, <u>working in partnership with Ngā Rūnanga</u> , this policy may also apply to the following types of land as if it were Māori freehold land " Council staff will discuss with Ngā Rūnanga how we can work in close partnership on the Policy. The partnership will need to acknowledge that Council has legislative obligations in relation to the Policy. We also recognise that owners of Māori freehold land are entitled to expect rating decisions to be made promptly in relation to their land.

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Submission	Council Staff Recommendation
(6) Establish a Ngāi Tahu Rates Commission to which Council would transfer rates collected on Māori land. Commission would then reinvest rates collected on infrastructure and development projects. Invite Council to set a hui to discuss.	Council will discuss this further with Mahānui Kurataiao and Ngā Rūnanga. This issue is separate from the drafting of the <i>Policy on Remission and Postponement of Rates on Māori Freehold Land</i> . No change is required to the Policy.

- 3.4 The proposed *Policy on Remission and Postponement of Rates on Māori Freehold Land*, showing tracked changes from the version published with the Draft Annual Plan 2022/23, is attached as Attachment A.
- 3.5 The recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, include the adoption of this *Policy on Remission and Postponement of Rates on Māori Freehold Land*.

4. Schedule 11 considerations

- 4.1 When determining a new *Policy on Remission and Postponement of Rates on Māori Freehold Land*, Council must consider the following matters set out in Schedule 11 of the LGA (refer to s108(4) LGA):
- the desirability and importance of each of the objectives (see below)
 - whether, and to what extent those objectives could be prejudicially affected if there is no remission/postponement
 - whether, and to what extent those objectives are likely to be facilitated by the remission/postponement
 - the extent to which different criteria and conditions for rates relief may contribute to different objectives.
- 4.2 The objectives in Schedule 11 are:
- supporting the use of the land by the owners for traditional purposes
 - recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands
 - avoiding further alienation of Māori freehold land
 - facilitating any wish of the owners to develop the land for economic use
 - recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes
 - recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):
 - recognising and taking account of the importance of the land for community goals relating to preservation/protection of the natural environment
 - recognising the level of community services provided to the land and its occupiers
 - recognising matters related to the physical accessibility of the land.
- 4.3 An assessment of the Policy against the matters set out in Schedule 11 of the LGA is set out in Attachment B.

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5. Officer Recommendations Ngā Tūtohu

Note that the recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, will adopt a *Policy on Remission and Postponement of Rates on Māori Freehold Land* that includes amendments made in response to the submission by Mahaanui Kurataiao Limited / Ngā Rūnanga.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Policy on Remission and Postponement of Rates on Māori Freehold Land - showing tracked changes from the version published with the Draft Annual Plan 2022/23	
B	Analysis Against Schedule 11 (s108(4) Local Government Act 2002)	

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

Document Name	Location / File Link
<enter document name>	<enter location/hyperlink>
<enter document name>	<enter location/hyperlink>

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	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

Council Annual Plan
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0. Annual Plan 2022/23

Reference / Te Tohutoro: 22/716878

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

General Manager / Lynn McClelland, Assistant Chief Executive,
Pouwhakarae: Lynn.McClelland@ccc.govt.nz

1. Brief Summary

- 1.1 **Still in draft** The purpose of this report is to present to the Council for consideration and adoption:
 - 1.1.1 an analysis of the submissions and hearings made through the Annual Plan consultation process;
 - 1.1.2 the outcome of the Council's considerations to date; and
 - 1.1.3 Mayor's Recommendations for consideration before the Council adopts the Annual Plan 2022/23.
- 1.2 The Annual Plan process will be reviewed by the Council's Audit and Risk Management Committee at its meeting on 15 June 2022.
- 1.3 The Committee's opinion will be provided to the Council by way of a memo as well as a verbal update at the Council meeting.
- 1.4 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1) Local Government Act 2002).
- 1.5 The consultation process for adoption of the 2021-31 LTP was undertaken in accordance with the Council's statutory obligations.
- 1.6 Following its resolution to adopt the Annual Plan 2022/23, the Council will set and assess rates for the 2022-23 year.

2. Officer Recommendations Ngā Tūtohu

That the Council:

1. Receives the information included in and attached to the staff report;
2. Notes the recommendations of the Council's Audit and Risk Management Committee at its meeting on 15 June 2022, provided at the meeting;
3. Adopts the Mayor's Recommendations set out in Attachment A;
4. Adopts the Staff recommendations set out below;
5. Adopts the summary of the rates impact and net debt ratio impact of the Mayor's Recommendations set out in Attachment B;
6. Adopts the proposed changes to the Council's capital programme set out in Attachment C;
7. Adopts the proposed changes to the Council's operating expenditure set out in Attachment D;
8. Adopts the Revenue and Financing Policy set out in Attachment E;
9. Adopts the amended Rates Remission Policy set out in Attachment F;

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10. Adopts the Policy on Remission and Postponement of Rates on Māori Freehold Land set out in Attachment G;
11. Adopts the minor changes, errors or omissions for levels of service, set out in Attachment H;
12. Notes the Thematic Analysis of the Annual Plan 2022/23 Submissions, set out in Attachment I;
13. Notes the Annual Plan 2022/23 - Management Sign-off for Process set out in Attachment J; and
14. Notes the Annual Plan 2022/23 - Management Sign-off for Significant Forecasting Assumptions set out in Attachment K.
15. Authorises the Chief Financial Officer to make the amendments required to ensure the published 2022-23 Annual Plan aligns with the Council's resolutions of 21 June 2022 and to make any other non-material changes that may be required;
16. Authorises the Chief Financial Officer and General Manager Resources (jointly) to borrow, in accordance with the Liability Management Policy, sufficient funds to enable the Council to meet its funding requirements as set out in the 2022-23 Annual Plan;
17. Having set out rates information in the Funding Impact Statement contained in the Annual Plan 2022-23 (adopted by the above resolutions), resolves to set the following rates under the Local Government (Rating) Act 2002 for the 2022-23 financial year, commencing on 1 July 2022 and ending on 30 June 2023 (all statutory references are to the Local Government (Rating Act 2002).
 - a. a uniform annual general charge under section 15(1)(b) of \$145 (incl. GST) per separately used or inhabited part of a rating unit;
 - b. a general rate under sections 13(2)(b) and 14 set differentially based on property type, as follows:

Differential Category	Basis for Liability	Rate Factor (incl. GST) (cents/\$ of capital value)
Standard	Capital Value	0.324367
Business	Capital Value	0.550451
Remote Rural	Capital Value	0.243275
City Vacant	Capital Value	1.297468

- c. a water supply targeted rate under section 16(3)(b) and 16(4)(b) set differentially depending on whether a property is connected or capable of connection to the on-demand water reticulation system, as follows:

Differential Category	Basis for Liability	Rate Factor (incl. GST) (cents/\$ of capital value)
Connected (full charge)	Capital Value	0.077065
Serviceable (half charge)	Capital Value	0.038532

- d. a restricted water supply targeted rate under sections 16(3)(b) and 16(4)(a) on all rating units with one or more connections to restricted water supply systems of \$390 (incl. GST) for each standard level of service received by a rating unit;
- e. a land drainage targeted rate under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.047247 cents per dollar of capital value (incl. GST);

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f. a sewerage targeted rate under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.091403 cents per dollar of capital value (incl. GST);

g. a waste minimisation targeted rate under sections 16(3)(b) and 16(4)(b) set differentially depending on whether a full or partial service is provided, as follows:

Differential Category	Basis for Liability	Rate Charge (incl. GST)
Full service	Per separately used or inhabited part of a rating unit	\$194.64
Partial service	Per separately used or inhabited part of a rating unit	\$145.98

Note:

The full service charge is assessed on every separately used or inhabited part of a rating unit in the serviced area. The partial service charge is assessed on every separately used or inhabited part of a rating unit outside the kerbside collection area, where a limited depot collection service is available (75% of the full rate).

h. a water supply fire connection targeted rate under sections 16(3)(b) and 16(4)(a) on all rating units receiving the benefit of a water supply fire connection of \$125 (incl. GST) per connection;

i. an excess water supply commercial volumetric targeted rate under section 19(2)(a) set for all rating units which receive a commercial water supply as defined in the Water Supply, Wastewater and Stormwater Bylaw 2014, plus land under single ownership on a single certificate of title and used for three or more household residential units, boarding houses, motels, and rest homes of \$1.18 (incl. GST) per m³ or any part of a m³ for consumption in excess of the rating unit's water supply targeted rate allowance, provided that all properties will be entitled to a minimum consumption of 0.6986 cubic metres per day.

The rating unit's water supply targeted rate allowance in m³ per year is the volume of water equal to the assessed water supply targeted rate divided by \$1.18.

For example, if a rating unit is assessed \$1,000 for the water supply targeted rate, that rating unit's water supply targeted rate allowance for the year is 847.5m³ (\$1000 divided by \$1.18/m³), which is 2.32 m³/day. Liability for the excess water supply commercial volumetric targeted rate is for any consumption in excess of that allocation.

j. an excess water supply residential volumetric targeted rate under section 19(2)(a) set for the following:

- all metered residential rating units where the meter records usage for a single rating unit;
- a rating unit where the meter records usage for multiple rating units, and where there is a special agreement in force specifying which rating unit / ratepayer is responsible for payment,

of \$1.35 (incl GST) per m³ or any part of a m³ for consumption in excess of 700 litres per day;

Note: In the 2021/22 financial year only residential rating units that were assessed for excess water in the 2020/21 financial year will be assessed for this rate. The rate will be fully assessed and applied from the 2022/23 financial year

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- k. an active travel targeted rate under section 16(3)(a) and 16(4)(a) of \$20.00 (incl. GST) per separately used or inhabited part of a rating unit;
- l. a heritage targeted rate under section 16(3)(a) and 16(4)(a) on all rating units of 0.000774 cents per dollar of capital value (incl. GST);
- m. a special heritage (Cathedral) targeted rate under section 16(3)(a) and 16(4)(a) of \$6.52 (incl. GST) per separately used or inhabited part of a rating unit;
- n. a special heritage (Arts Centre) targeted rate under section 16(3)(a) and 16(4)(a) of 0.000609 cents per dollar of capital value (incl. GST);
- o. a Central City Business Association targeted rate under section 16(3)(b) and 16(4)(a) of \$339.34 (incl. GST) per business rating unit in the Central City Business Association Area, where the land value of the rating unit is greater than or equal to \$50,000;
- p. an Akaroa Health Centre targeted rate under section 16(3)(b) and 16(4)(a) of \$35.54 (incl. GST) per separately used or inhabited part of a rating unit, for rating units located in areas defined by the following valuation roll numbers: 23890, 23900, 23910, 23920, 23930, 23940 and 23961 (the eastern portion of Banks Peninsula);

18. Resolves that all rates except the excess water supply commercial volumetric targeted rate, and the excess water supply residential targeted rate, are due in four instalments, and set the following due dates for payment:

Instalment	1	2	3	4
Area 1	15 August 2021	15 November 2021	15 February 2022	15 May 2022
Area 2	15 September 2021	15 December 2021	15 March 2022	15 June 2022
Area 3	31 August 2021	30 November 2021	28 February 2022	31 May 2022

Where the Instalment Areas are defined geographically as follows:

Area 1	Area 2	Area 3
Includes generally the Central City and the suburbs of St Albans, Merivale, Mairehau, Papanui, Riccarton, Addington, Spreydon, Sydenham, Beckenham, Opawa and Banks Peninsula.	Includes generally the suburbs of Shirley, New Brighton, Linwood, Woolston, Mt Pleasant, Sumner, Cashmere and Heathcote.	Includes generally the suburbs of Belfast, Redwood, Parklands, Harewood, Avonhead, Bishopdale, Ilam, Fendalton, Hornby, Templeton and Halswell.

19. Resolves that excess water supply commercial volumetric targeted rates, and excess water supply residential targeted rates are due for payment on the following dates

Month in which amounts are invoiced	Due date
July 2021	20 August 2021
August 2021	20 September 2021
September 2021	20 October 2021
October 2021	20 November 2021
November 2021	20 December 2021
December 2021	20 January 2022
January 2022	20 February 2022
February 2022	20 March 2022

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March 2022	20 April 2022
April 2022	20 May 2022
May 2022	20 June 2022
June 2022	20 July 2022

20. Resolves to add the following penalties to unpaid rates:

a. a penalty of 7 per cent will be added to any portion of an instalment not paid on or by the due date, to be added on the following dates:

Instalment	1	2	3	4
Area 1	19 August 2021	18 November 2021	18 February 2022	19 May 2022
Area 2	20 September 2021	20 December 2021	18 March 2022	20 June 2022
Area 3	03 September 2021	03 December 2021	03 March 2022	03 June 2022

b. an additional penalty of 7 per cent will be added on 01 October 2021 to any rates assessed, and penalties added, before 1 July 2021 and which remain unpaid on 01 October 2021;

c. a further penalty of 7 per cent will be added if any rates to which a penalty has been added under (b) above remain unpaid on 01 April 2022.

3. Background

- 3.1 The Long Term Plan (LTP) 2021-31 was approved by Council in June 2021. It followed a comprehensive process that reviewed operational expenditure, levels of service and the capital programme in a highly detailed way.
- 3.2 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1)) Local Government Act 2002).
- 3.3 The purpose of the plan is to:
 - 3.3.1 contain the proposed annual budget and funding impact statement for 2022/23;
 - 3.3.2 identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for 2022/23;
 - 3.3.3 provide integrated decision-making and co-ordination of the Council's resources; and contribute to the accountability of the Council to the community.
- 3.4 The information for the Annual Plan 2022/23 has been prepared in accordance with the requirements of the LGA 2002. The information includes:
 - 3.4.1 the proposed annual budget and funding impact statement for 2022/23;
 - 3.4.2 any variation from the financial statements and funding impact statement included in the Council's 2021-2031 Long Term Plan for 2022/23;
 - 3.4.3 proposed changes to the Council's capital programme for 2022/23 and any changes to the Level of Service provision for activities undertaken by the Council;
- 3.5 The draft Annual Plan 2022/23 was adopted by the Council on 24 February 2022.
- 3.6 The Council completed consultation with the community on the draft Annual Plan 2022/23 via a Consultation Document and underlying information adopted on 24 February 2022.

- 3.7 The Consultation Document and the underlying information were made publicly available and members of the public were given the opportunity to present their views and preferences in response;
- 3.7.1 Opportunity for members of the public to present at public hearings were available from 4 May to 14 May 2022.
- 3.7.2 All submissions, written and oral, have been analysed to identify the matters commented on, the reasons for those comments and the overall themes that emerged from the consultation process;
- 3.8 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2022/23 Submissions is Attachment I of this report.
- 3.9 In the time since the conclusion of the Hearings staff have held numerous briefings with councillors (17, 19, 23, 25 and 31 May 2022), provided responses to issues and questions raised, and received direction on all matters raised. The briefing of 25 May was open to the public.
- 3.10 Guidance provided by Elected Members and the Mayor's Recommendations has been built into the Annual Plan 2022/23 adoption documents, including expectations for rates increases.
- 3.11 Changes made largely reflect community feedback on the raft Annual Plan or changes to Council's operating environment since February.
- 3.12 Having obtained specific guidance from councillors, staff prepared a report and attachments for the Annual Plan 2022/23. The process for preparing information has been the subject of a detailed series of staff sign offs that demonstrate compliance with the Council's statutory, financial, and legal obligations.
- 3.13 These signoffs (both management and for significant assumptions used in the Annual Plan) have been reviewed by the Audit and Risk Management Committee. In the opinion of the Committee an appropriate process has been followed in the preparation of this information.

4. Financial Overview

Rates

- 4.1 The recommended Annual Plan includes a rates requirement (excl gst) to be levied of \$627.3 million.
- 4.2 The proposed average rates increase to all existing ratepayers of 4.89% is marginally lower than the 4.97% forecast in the 2021-31 Long Term Plan and marginally lower than the 4.96% proposed in the Draft Annual Plan. The average house will have a rates increase of \$2.80 per week.
- 4.3 The increases for the average capital value property in the 3 sectors is:
- | | |
|--------------|-------|
| Residential | 4.90% |
| Business | 4.53% |
| Remote Rural | 3.11% |
- 4.4 Full details of rates, including the total rating requirement for general and targeted rates, and indicative rates for sample properties, are provided in the Funding Impact Statement **Attachment X.**

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- 4.5 The material drop in the Remote Rural average from 4.41% in the Draft is due to reduced general rate requirements as detailed below, and an increase in targeted rate requirements (largely inflation).

Operating Expenditure

- 4.6 Operational expenditure of \$539.4 million is \$11.9 million above the level forecast in the draft Annual Plan principally due to:
- 4.6.1 Additional inflation budgeted (\$6.9 million),
 - 4.6.2 Burwood Landfill – new consent granted for continued operations until FY24, operating costs added to budget (\$2.7 million) (offset by higher revenues),
 - 4.6.3 Organics Processing Plant Tailings removal (\$1.8 million),
 - 4.6.4 Insurance premiums update (\$1.4 million),
 - 4.6.5 Additional resourcing costs added to Building Consenting (\$1 million) to service higher volumes (offset by higher revenues),
 - 4.6.6 Governors Bay Restoration Trust grant (\$0.8 million – borrowed for),
 - 4.6.7 Central City Vacant Land Remissions (\$0.7 million) reflecting update to include remissions on sites where a consent is currently in progress,
- 4.7 These increases are partially offset by an adjustment to the opening date for Parakiore Recreation and Sport Centre (\$3.8 million) (partially offset by lower revenues), and South West Leisure Centre (\$1.3 million).
- 4.8 Interest costs are \$4.1 million higher than projected in the Draft Annual Plan due to higher interest rates. \$2.4 million of this relates to onlending to subsidiaries which is recovered.

Revenue

- 4.9 Total revenue excluding rates of \$394.6 million is \$29.7 million lower than that included in the Draft Annual Plan. The main revenue changes are:
- 4.9.1 Delayed Crown funding for the Te Kaha/Canterbury Multi Use Arena (\$39.6 million), due to re-timing of the projected spend.
 - 4.9.2 Reduced revenue of \$1.7 million due to an adjustment to the opening date for Parakiore Recreation and Sport Centre.
 - 4.9.3 Reduced parking revenues (\$0.7 million) due to return to pre Covid levels taking longer than expected.
- Partially offset by,
- 4.9.4 Burwood Landfill – new consent granted for continued operations until FY24 (\$5.8 million),
 - 4.9.5 Higher interest revenues of \$5.1 million, due to increased interest rates (\$2.4 million offset by subsidiaries onlending costs),
 - 4.9.6 Higher Building Consenting revenues (\$1 million).

Surplus, operating deficits, and sustainability

- 4.10 The recommended Annual Plan for 2022/23 shows an accounting surplus of \$331.5 million before revaluations. Under accounting standards the Council is required to show all revenue, including recoveries from central Government and NZ Transport Agency, as income for the

Council Annual Plan
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year. However, some of these recoveries reimburse the Council for capital expenditure. After adjusting for these capital revenues, the Council is forecasting a balanced budget for 2022/23.

Capital programme expenditure

- 4.11 The capital programme has been reviewed with heavy focus on deliverability and affordability, to ensure ratepayers are not levied in advance of funds being required. Key factors taken into account when considering deliverability were:
- Covid-19
 - Supply chain issues
 - Cost escalation
 - Human resource availability (internal and external), and
 - The Governments current reform programme (3 Waters, Future of Local Government, RMA)
- 4.12 The Council plans to invest \$586 million in the capital programme in 2022/23, a decrease of \$29.5 million from the Draft Annual Plan.
- 4.13 Decreased spend planned in 2022/23 compared to the Draft Annual Plan includes:
- Revised timing of spend on Te Kaha (\$39.6 million),
 - Rephased timing of Ōtakaro-Avon River Corridor (\$2.5 million) from 2022/23 to 2026/27,
 - Rephased Performing Arts Precinct spend (\$2.4 million) from 2022/23 to 2023/24,
 - The Square and Surrounds (\$2 million) rephased from 2022/23 to 2023/24 and 2024/25,
 - Hornby Development Contributions (\$1.8 million) rephased from 2022/23 to 2023/24.
- 4.14 Increased spending in 2022/23 compared to the Draft Annual Plan relates to provision for an estimated \$20 million of 2021/22 works expected to be carried forward to 2022/23, with a further \$105 million moving to later years.
- 4.15 Other key changes from the Draft Annual Plan that do not impact 2022/23 include:
- Additional funding for Halswell Junction Road Extension (\$5.5 million) budgeted in 2023/24.
 - Budget for remediation of Barry's Bay Landfill included in 2023/24 (\$1.8 million).

Capital programme funding

- 4.16 The capital programme is funded by subsidies and grants for capital expenditure, development contributions, proceeds from asset sales, rates and debt. In 2022/23 we will rate for \$164.6 million of renewals which is consistent with our Financial Strategy.

Borrowing

- 4.17 The recommended Annual Plan includes new borrowing in 2022/23 of \$177.5 million, a decrease of \$57.8 million from the Draft Annual Plan, reflecting funds on hand due to lower capital delivery in 2021/22. Gross debt at 30 June 2023 is expected to be \$2.26 billion, \$169 million lower than the Draft Annual Plan as a result of lower capital delivery in 2021/22, and CCHL refinancing \$50 million of debt directly.
- 4.18 In accordance with our financial strategy we will continue to ensure prudent and sustainable financial management of our operations and will not borrow beyond our ability to service and repay that borrowing.

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5. Significant Assumptions

- 5.1 Significant assumptions were reviewed and there is no significant change from the Draft Annual Plan other than a rise in interest rates and an increased risk around inflation, despite an additional 1% provision.

6. Financial Risk Management Strategy

- 6.1 The Council's policies to assist in managing its financial risk, including liquidity and funding risk management, interest rate exposure and counterparty credit risk are unchanged. An important element in assessing the value of the Council's risk management strategy is its five key financial ratios (two net debt, two interest and one liquidity). These key ratios are all expected to be met in 2022/23.
- 6.2 While all Financial Prudence benchmarks were met in the Draft, the Debt Servicing benchmark (borrowing costs as a percentage of revenue being less than 10%) is now not forecast to be met from 2022/23. It is forecast at 10.1%, resulting from significant increases in interest rates since February. It is expected to peak in 2024/25 at 11.2%. In the LTP this benchmark was expected to be breached in 2026/27 – 2028/29. There is no concern around the ability to service the debt.

7. Fees and Charges

- 7.1 Other than several minor wording corrections/clarifications, the only change is to reduce Library book hold fees from \$3 to \$2.

8. Changes to Levels of Service

- 8.1 There are three minor changes to levels of service proposed from the draft, each with accompanying rationale. These are attached in Attachment H.

9. Changes to Revenue, Financing and Rating Policies

- 9.1 There are three policies proposed to be changed (that is, changed from the policies currently in place for the 2021/22 financial year).
- 9.2 The Revenue and Financing Policy is the same as proposed for the Draft Annual Plan 2022/23. It provides support for the proposed general rate differential on vacant land within the central city, and the enables provision for financial contributions in the future. The proposed Revenue and Financing Policy is attached in Attachment E.
- 9.3 The Rates Remission Policy changes (compared with the Draft Annual Plan 2022/23) are described in two papers on the agenda for the 21 June 2022 Council – Annual Plan meeting:
- Vacant Central City Land Differential and Remission
 - Wheeliebin Kerbside Collection Service - Opt Out for Multi-unit Residential Developments
- 9.4 The proposed Rates Remission Policy is attached in Attachment F.
- 9.5 The changes to the *Policy on Remission and Postponement of Rates on Māori Freehold Land* (compared with the Draft Annual Plan 2022/23) are described in a paper on the agenda for the 21 June 2022 Council – Annual Plan meeting called "Policy on Remission and Postponement of Rates on Māori Freehold Land". The proposed *Policy on Remission and Postponement of Rates on Māori Freehold Land* is attached in Attachment G.

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10. Annual Plan Process

- 10.1 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1)) Local Government Act 2002).
- 10.2 The purpose of the plan is to:
 - 10.2.1 contain the proposed annual budget and funding impact statement for 2022/23;
 - 10.2.2 identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for 2022/23;
 - 10.2.3 provide integrated decision-making and co-ordination of the Council's resources; and contribute to the accountability of the Council to the community.
- 10.3 The information for the Annual Plan 2022/23 has been prepared in accordance with the requirements of the LGA 2002. The information includes:
 - 10.3.1 the proposed annual budget and funding impact statement for 2022/23;
 - 10.3.2 any variation from the financial statements and funding impact statement included in the Council's 2021-2031 Long Term Plan for 2022/23;
 - 10.3.3 proposed changes to the Council's capital programme for 2022/23 and any changes to the Level of Service provision for activities undertaken by the Council;
 - 10.3.4 revised schedule of significant assumptions.
- 10.4 The information has been prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement included in the 2021-2031 Long Term Plan. It contains appropriate references to the provisions in the LTP which set out the Council's activities for the 2022/23 year.
- 10.5 The information also complies with the requirements set out in Part 2 of Schedule 10 of the LGA 2002 in respect of the information to be included in an Annual Plan.
- 10.6 Following adoption the final Annual Plan document will be published and distributed via the public web site, with a select number of hard copies made available to elected members, for public viewing through our libraries and service centres, and to the Parliamentary Library. Responses to submitters will be prepared and sent, and the responses to submissions and Thematic Analysis will be also published to the public site.

11. Consultation

- 11.1 The draft Annual Plan 2022/23 was adopted by the Council on 24 February 2022.
- 11.2 The Council completed consultation with the community on the draft Annual Plan 2022/23 via a Consultation Document and underlying information adopted on 24 February 2022.
 - 11.2.1 The Consultation Document and the underlying information were made publicly available and members of the public were given the opportunity to present their views and preferences in response;
 - 11.2.2 Opportunity for members of the public to present at public hearings were available from 4 May to 14 May 2022.
 - 11.2.3 All submissions, written and oral, have been analysed to identify the matters commented on, the reasons for those comments and the overall themes that emerged from the consultation process;

- 11.2.4 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2022/23 Submissions is Attachment I of this report. The Thematic Analysis provides a summary of key issues identified by a significant number of submitters. The first part of the report provides an overview of the key themes and messages that have come through in submissions (including for four special topic consultations that were run in parallel with the Annual Plan). The latter part of the report provides detailed submissions analysis for some of the issues that were most popular with submitters. Also included is a breakdown of the number of submissions received, by Community Board, age and gender.
- 11.3 In the time since the conclusion of the Hearings staff have held numerous briefings with councillors (17, 19, 23, 25 and 31 May 2022), provided responses to issues and questions raised, and received direction on all matters raised. The briefing of 25 May was open to the public.
- 11.4 Guidance provided by Elected Members and the Mayor's Recommendations has been built into the Annual Plan 2022/23 adoption documents, including expectations for rates increases.
- 11.5 Changes made largely reflect community feedback on the raft Annual Plan or changes to Council's operating environment since February.

12. Audit and Risk Management Committee

- 12.1 Council's Audit and Risk Management Committee met on 16 June 2022 in respect of the information that provides the basis for the 2022/23 Annual Plan. The Committee -
- 12.1.1 has reviewed the general checklist and sign-off by management, including significant forecasting assumptions, in respect of the information that provides the basis for the 2022/23 Annual Plan;
- 12.1.2 Advises the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.

13. External Audit

Note that Annual Plans are not subject to formal audit by Audit New Zealand.

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Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Mayor's Recommendations	
B	Summary of the rates impact and net debt ratio impact of the Mayor's Recommendations	
C	Proposed changes to the Council's capital programme	
D	Proposed changes to the Council's operating expenditure	
E	Revenue and Financing Policy	
F	Rates Remission Policy	
G	Policy on Remission and Postponement of Rates on Māori Freehold Land	
H	Minor changes, errors or omissions for levels of service	
I	Thematic Analysis of the Annual Plan 2022/23 Submissions	
J	Annual Plan 2022/23 - Management Sign-off for Process	
K	Annual Plan 2022/23 - Management Sign-off for Significant Forecasting Assumptions	

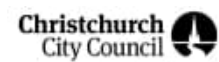
In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Draft Annual Plan 2022/23	Draft Annual Plan 2022/23 : Christchurch City Council (ccc.govt.nz)
Consultation Document for Annual Plan 2022/23	Consultation document : Christchurch City Council (ccc.govt.nz)
Long-term Plan 2021-31	Long-term Plan 2021-31 : Christchurch City Council (ccc.govt.nz)

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.

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Signatories / Ngā Kaiwaitohu

Authors	Boyd Kedzlie - Senior Business Analyst Bruce Moher - Acting Head of Finance Ryan McLachlan - Reporting Accountant Peter Ryan - Head of Performance Management
Approved By	Peter Ryan - Head of Performance Management Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

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Mayor's Recommendations

The Mayor's Recommendations are in draft and are waiting to be finalised for the Council – Annual Plan report.

Environment

M1. Organics Processing Plant (OPP)

This is a critical issue for our city. I can fully appreciate the frustration expressed by residents over odour generated by the OPP. The first time it was brought to the Council's attention after I became the mayor, we had a regulator that that would not confirm the OPP as the source. The regulator's view has changed, and we have acted. It is clear that steps that we have taken have reduced the level of odour, however councilors wish to do more while an alternative site is located.

Recommendation: an urgent briefing requested for councillors on specific actions and solutions can be undertaken with current funding, as well as the addition of future funding for -

OPP tailing removal (estimate) - **\$2 million**

Anticipated June spend **\$0.2 million** funded from operating surplus

Estimated FY23 spend **\$1.8 million**

M2. Waterways quality & compliance

It is vital that we control erosion and reduce sediment going into the city's waterways. Further resources for enforcement and education initiatives are required.

Recommendation: increase by **\$250k per annum**. Rates impact of 0.04%

M3. Takapūneke Reserve

Te Rūnanga o Ngai Tahu and Ōnuku Rūnanga support an additional capital contribution to deliver the Takapūneke Reserve Master Plan. Stage one of the Takapūneke Reserve Master Plan working with Te Rūnanga o Ngai Tahu and Ōnuku Rūnanga is currently underway. Staff support an additional capital contribution because:

1. This is culturally and historically a nationally significant site for mana whenua, the City and the nation. An additional capital contribution would allow the completion of Stage 1 and maintain project momentum.
2. It will have particularly positive benefits to the wider community and support our partnership with mana whenua.
3. This work supports climate action by protecting Council and private landowner native vegetation and assists with restoration and planting projects.

Recommendation: add \$0.5m

M4. Coronation Reserve

Staff are working on development plans for Coronation Reserve and wider issues of drainage and streets works. An additional capital contribution is sought to make works more efficient and effective (particularly around fire control concerns).

The new Community Partnership Ranger staff will work with the local residents to put a predator control programme in place.

Recommendation: add **\$400K**

Facilities

M5. Robert McDougall Gallery Strengthening

Assurance has been provided that all weather tightness work is complete, therefore no further damage to the heritage fabric. Early work on the McDougall Gallery is programmed to start in Q3 2022.

Recommendation: bring forward **\$3.65M**

M6. Akaroa Museum

CCC must ensure that this facility can continue to fulfil its role in caring for and sharing the significant local history of Akaroa and Banks Peninsula.

Recommendation: increase operational funding by **\$10 K per annum**.

M7. Governors Bay Jetty capital grant

Staff have been working with the Save the Jetty Trust since 2016. Council's contribution to date is \$935K, but is now making a full and final commitment to this historic restoration. This will result in the total costs of the restoration being shared equally. This model of cost-sharing fulfils the spirit of partnership we want to encourage.

Recommendation: add a grant of **\$815 K** Rates impact: 0.01% in 23/34.

Services

M8. Libraries Holding Fee and Concessions for Rural Residents

Recommendation: Set this fee at \$2 not \$3 as proposed in the draft. Customers with adult membership would be more likely to place holds if the fee was reduced. This would give them access to the specific titles they want to read, rather than limiting their reading to what is on the shelves when visiting the library. It also includes access to titles which are held in offsite storage due to being past their initial popularity, are out of print, or in poor condition. It is expected that reducing the holds charge would see an increase in holds from fee paying members with a corresponding increase in revenue. There is no charge for placing holds on eBooks, eAudiobooks and eMagazines. Currently 44.4% of our holds are for electronic titles. There is no charge for placing holds for Children and Concession members.

Cost **\$75,000 p.a.** Rates impact 0.01%

Concessions for rural residents

Recommendation: change the criteria for concession members to address the issue raised in the submission from Akaroa. This would involve including rural isolation as a criteria. If rural customers were granted

Concession membership, careful consideration would need to be given to the criteria applied.

M9. Court Theatre (to be considered in PX – Mayor will stand for this Recommendation)

Recommendation: Increase capital budget by \$4m.

This recommendation has clear commercial in confidence considerations. This information cannot be made available to the market at this time, as tenders do not close until mid-June. Any unused budget will be returned to Council. Court Theatre have already increased their contribution from \$5m to \$6m.

Conclusion

Item 7

Attachment D

Attachment

	Annual Plan
Rates impact of recommended changes to Draft	(% to existing ratepayers)
Rates increase per Draft Annual Plan 2022/23	4.96
Impact of recommended changes	-0.07
Recommended Rates increase for 2022/23	4.89
Average Residential Rates increase	4.90

	Annual Plan
Net Debt Ratio impact of recommended changes to Draft (%)	
% limit	295
Draft Annual Plan 2022/23	160
Impact of recommended changes	-7
Net Debt Ratio for recommended Annual Plan 2022/23	153
Resulting Debt Headroom (\$m)	1420

Annual Plan Recommended Capital Programme Changes		Change 2023	Change 2024	Total 2025 - 2031	Change comment
CPMS ID	Project Title	\$000	\$000	\$000	
	Draft Annual Plan 2022/23 Capital Expenditure	615,488			
405	Coronation Reserve Development	400	-		- additional funding as a result of Annual Plan submissions
1026	Te Kaha Canterbury Multi Use Arena (CMUA)	(39,625)	(70,658)	109,995	revised cashflow forecast based on current work programme
1436	Takapūneke Reserve Planned Renewals	500	-		- additional funding as a result of Annual Plan submissions
2356	Akaroa Wharf Renewal	(727)	-	727	revised cashflow forecast based on current work programme
2735	The Square & Surrounds	(1,976)	668	1,308	revised cashflow forecast based on current work programme
17916	Port Levy Toilet Block Renewal	(61)	61		- revised cashflow forecast based on current work programme
18100	Purau Foreshore & Reserves Development	(100)	100		- revised cashflow forecast based on current work programme
43715	Botanic Gardens Access & Carpark Development	(300)	300		- revised cashflow forecast based on current work programme
58672	Ōtākaro-Avon River Corridor (OARC)	(2,500)	-	2,500	revised cashflow forecast based on current work programme
61821	Cunningham House Building Renewals (Heritage)	(500)	-	500	revised cashflow forecast based on current work programme
63027	Hornby Development Contributions Payment	(1,841)	1,841		- revised cashflow forecast based on current work programme
64048	Performing Arts Precinct	(2,409)	2,409		- revised cashflow forecast based on current work programme
65418	Botanic Gardens - Services renewal including sewage, water, power, IT	(173)	-	173	revised cashflow forecast based on current work programme
65469	Botanic Gardens - Rolleston Gate New Entrance	(163)	-	163	revised cashflow forecast based on current work programme
924	Halswell Junction Road Extension	-	5,500		- additional funding required for project
65531	Barry's Bay Landfill Remediation	-	1,800		- additional funding required for project
45164	Robert McDougall Gallery Strengthening	-	(6,658)	6,658	updated delivery profile
	Total post draft changes	(49,476)	(64,636)	122,024	
	Updated carry forward estimate	20,000	(6,240)	110,972	provision for FY2022 carry forwards
	Recommended Final 2022/23 Capital Expenditure	586,012			

Opex changes for Final Annual Plan 2022/23	Opex Change	Rating Impact
	\$000	
Draft Annual Plan rates increase to existing ratepayers		4.96%
Post Draft changes and corrections		
Inflation update - rating impact	5,618	0.94%
Electricity update	(273)	(0.05%)
Insurance premiums update	1,446	0.24%
Rating growth increase from 0.8% to 1.11%	(1,897)	(0.34%)
Interest rates update	4,050	0.68%
Debt servicing reduction - 2021/22 forecast capex carry forwards, changes in capex programme and covid debt repaid from forecast opex surplus	(6,892)	(1.15%)
National Dog Database Levy reduction (Dogs A/c funded)	(30)	0.00%
Parakiore - revised opening date from 1 Feb 2023 to 1 Sept 2023	(2,190)	(0.37%)
South West Leisure Centre delay in opening	(1,173)	(0.20%)
Rates remissions growth in numbers	146	0.03%
Burwood Landfill - new consent granted	(3,122)	(0.52%)
Parking Revenue post covid return to normal taking longer	675	0.11%
Rental relief for commercial tenants	100	0.02%
Barry's Bay landfill remediation - requires further investigation of the four options. Opex to cover investigation with provisional \$1.8m capex required in FY24 on likely options to be confirmed in report back to Council	150	0.03%
Monitor & Enforce short-term Accommodation Activities. Additional 2 Compliance Officers required for FY23 then 3 for FY24	152	0.03%
Surplus Land management and consultation costs	300	0.05%
Health & Safety Resourcing Plan	500	0.08%
Museum operating levy held at 0% increase for 2022/23	(415)	(0.07%)
Misc. changes and corrections	436	0.07%
	(2,421)	(0.42%)
Mayor's recommendations		
Akaroa Museum operational funding	10	0.00%
Waterways quality and compliance	250	0.04%
Governors Bay Jetty capital grant \$850k (borrowed for)	12	0.00%
OPP excess Tailings removal from site	1,800	0.30%
Library Holds fees reduction from \$3 to \$2	75	0.01%
	2,147	0.35%
Recommended 2022/23 Annual Plan increase to existing ratepayers	(273)	4.89%

Revenue and Financing Policy

Introduction

Council adopts a Revenue & Financing Policy under section 102 of the Local Government Act 2002.

The purpose of this policy is to set out how each of our activities is to be funded – that is, who pays for what, and why. The policy outlines:

- Available funding sources (e.g. rates, fees, borrowing, etc.),
- Our funding considerations (i.e. the decision about how each of our activities is to be funded and the process followed to reach that decision), including
 - funding of operating costs (i.e. the funding mix we have chosen for each activity's operating costs), and
 - funding of capital costs (i.e. the funding mix we have chosen for each type of capital investment).

The application of this policy is supported by other policies as follows:

- Rates charges and definitions are set out in the Funding Impact Statement,
- Fees and charges for all activities are set out in the Fees & Charges Schedule,
- Development Contributions are set out in the Development Contributions Policy,
- Projected dollar revenues and costs for each activity are set out in the Activities and Services section, and for the council as a whole in the Funding Impact Statement.

Support for principles relating to Māori

Section 102(3A) of the Local Government Act 2002 provides that this policy must support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993 (that requirement is effective from 1 July 2024). These principles include recognition that land is a taonga tuku iho of special significance to Māori people, and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapū.

Council considers that this policy supports those principles, particularly when viewed in conjunction with Council's *Policy on Remission and Postponement of Rates for Māori Freehold Land* and Council's *Papakāinga / Kāinga Nohoanga Development Contributions Rebate Scheme*.

Available Funding Sources

General Rates

We set a general rate for all rateable land within the district. The general rate can be based on capital value, land value or annualised value. In addition, we set a uniform annual general charge (UAGC) as a fixed amount per rating unit, or a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

General rates are used to fund those services where we believe there is a public benefit even though it may not be to the whole community. They typically fund those activities where there is no practical method for charging individual users

and the benefit is wider than just the specific user.

We acknowledge that a UAGC is regressive, in that it represents a higher percentage tax on lower-value properties than on higher-value properties. However, it is considered appropriate for all property-owners to contribute at least a minimum amount towards the funding of Council Activities. We have therefore determined to apply a relatively low-level UAGC to each SUIP.

We collect the bulk of our general rates in proportion to each rating unit's capital value. Capital value represents the owner's full investment in the property, and is therefore considered to provide a more equitable basis for the general rate than the land value or annual value alternatives.

We consider that the benefits of our activities are distributed unevenly between different sectors of the community – in particular, that business properties tend to benefit relatively more and remote rural properties relatively less than other (standard) properties (including residential properties). Vacant land properties in the central city also benefit relatively more than standard properties that have corresponding capital values. We have therefore determined to apply differentials to the value-based general rate, based on the use to which the land is put and where the land is situated:

- All properties are charged at a standard rate, except those that meet the criteria for

business, city vacant or remote rural set out in the Funding Impact Statement,

- Business properties are charged at a differential rate which is higher than the standard rate,
- "City vacant" properties (vacant land properties in the central city) are charged at a differential rate which is higher than the standard rate, and
- Remote rural properties are charged at a differential rate which is lower than the standard rate.

Targeted Rates

We use targeted rates where it is considered desirable and practicable *either* to enhance the transparency of our spending (i.e. so that ratepayers can see how much they pay for a particular activity) *or* to ensure that the cost of a particular item is borne by the group(s) deemed to derive most benefit from it.

We have determined that targeted rates shall be used for the following:

(a) Water Supply

Our water supply activity is considered to primarily benefit those properties which connect, or are able to connect, to the water supply network. Targeted rates will therefore be used to fund the activity from just those properties receiving or able to receive this benefit.

These targeted rates will collect the cash operating cost of the water supply activity plus a significant contribution towards the expected long term average cost of related asset renewal

and replacement (charged in lieu of depreciation). The proportion of asset renewal and replacement costs covered by these targeted rates may be adjusted where this is considered desirable to help deliver predictable and less volatile rates increases from year to year.

We have identified three types of non-standard service for which it is considered appropriate to recover costs through separate, user-pays based targeted rates:

- Properties with a fire connection will be charged a fixed dollar Water Supply Fire Connection Targeted Rate per connection.
- Properties located outside the standard serviced area but receiving a restricted rural water supply will be charged a fixed dollar Restricted Water Supply Targeted Rate per unit of supply being provided.
- Properties located within the standard serviced area that have a high water use will be charged a volumetric excess water targeted rate per cubic metre of actual water consumption in excess of that property's daily allowance.

Aside from these targeted rates, capital value is considered to be the most equitable basis for targeted water rates (consistent with the approach taken for General Rates). All activity costs not collected through the above targeted rates for non-standard services will therefore be collected using a capital value based Water Supply Targeted Rate, applied to those properties located within the standard serviced area.

Some properties located within the standard serviced area may not be actually connected (most commonly vacant sections). We consider that the level of benefit received by these un-connected properties is lower than that received by connected properties. The Water Supply Targeted Rate will therefore be set differentially, with connected properties being charged at a higher differential rate than un-connected properties.

(b) Wastewater

Our wastewater (sewer) activity is considered to primarily benefit those properties which connect (or are able to connect) to the wastewater network. A targeted rate will therefore be used to fund the activity from just those properties receiving or able to receive this benefit.

This targeted rate will collect the cash operating cost of the activity plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation). The proportion of asset renewal and replacement costs covered by this targeted rate may be adjusted where this is considered desirable to help deliver predictable and less volatile rates increases from year to year.

Capital value is considered to be the most equitable basis for the Sewerage Targeted Rate (consistent with the approach taken for General Rates). The rate will be applied to those properties located within the sewer serviced area.

(c) Stormwater Drainage and Flood Protection & Control Works

We consider stormwater drainage and flood protection and control works primarily benefit properties within the serviced area. We consider it desirable and practical to enhance the transparency of our spending by using a targeted rate so ratepayers can see how much they pay for these activities.

This targeted rate will collect the cash operating cost of these activities plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation). The proportion of asset renewal and replacement costs covered by this targeted rate may be adjusted where this is considered desirable to help deliver predictable and less volatile rates increases from year to year.

Capital value is considered to be the most equitable basis for the Land Drainage Targeted Rate (consistent with the approach taken for general rates).

(d) Active Travel

We consider it desirable to separately fund a portion of our spending on active travel activities (including cycleways and pedestrian networks), so that our commitment to spend a minimum amount on this activity is transparent to ratepayers.

Active travel currently sits within the Transport activity. Revenue from this targeted rate will contribute to funding costs within that activity.

The benefit of this activity is considered to be distributed relatively evenly across all ratepayers. The Active Travel Targeted Rate will therefore be set as a fixed dollar amount and applied to all SUIPs (consistent with the UAGC).

(e) Recycling and Composting

Recycling and composting activities lie within the Solid Waste and Resource Recovery Group of Activities. We consider it desirable to use a Waste Minimisation Targeted Rate to fund recycling and composting costs so that ratepayers can see how much they pay for yellow and green bin services.

This targeted rate funds the cash operating cost of recycling and composting activities plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation).

The benefit of this activity is considered to be distributed evenly across all ratepayers to whom the yellow and green bin services are made available, except to the extent that more remote ratepayers do not receive a kerbside collection service. The Waste Minimisation Targeted Rate will therefore be set as a fixed dollar charge per SUIP (consistent with the UAGC), but set differentially – a higher fixed dollar charge will be applied where the property is located within the kerbside collection area.

(f) Business Improvement District (BID) Activities

Our Business Improvement District (BID) Policy provides for us to collect a targeted rate from

business rating units located within a BID boundary where a poll of business and property owners has provided sufficient agreement for this to happen. Such a targeted rate may be a fixed charge or a variable charge based on capital value, or a combination of both, as decided on a case-by-case basis.

(g) Heritage costs

We intend to set a targeted rate to fund certain heritage costs for transparency so that ratepayers can see how much they contribute to those costs.

The costs intended to be recovered by this targeted rate include providing capital grant funding for the Canterbury Museum redevelopment, and funding restoration costs relating to the Provincial Chambers, Old Municipal Chambers and Robert McDougall strengthening and base isolation. The benefit of this is considered to be distributed evenly across all ratepayers. Capital value is considered to be the most equitable basis for the Heritage Targeted Rate (consistent with the approach taken for general rates). This targeted rate is to fund the capital cost of these projects over a 30 year period and will apply until 30 June 2051.

(h) Council Grants

We provide several grants schemes (within the Communities & Citizens or Strategic Planning activities), for the benefit of the community and funded by general rates.

From time to time Council determines that it is desirable to make a grant for a specific purpose.

In such circumstances, and subject to public consultation, such grant may be funded by a Grants Targeted Rate.

A Grants Targeted Rate:

- May be either a specific grant rated over a fixed period, or an annual grant rated on an ongoing basis.
- May be applied either universally or to a specifically identified group of ratepayers, usually as a fixed dollar charge per SUIP, depending on our assessment of how the benefits of the grant are distributed.

For any Grants Targeted Rate, the level of rate will be set in each Annual Plan based on the annual revenue required to fund the grant. However, the basis of the rate (for example, fixed dollar amount or value-based, universal or an identified group of ratepayers) will not be changed.

We currently set or propose the following Grants Targeted Rates under this Policy:

- **Special Heritage (Cathedral) Targeted Rate:**
This rate relates to a \$10 million Council grant (plus GST if any) supporting the restoration of the Anglican Cathedral, the benefit of which is considered to be distributed evenly to all ratepayers. The rate will be set as a fixed dollar charge per SUIP, applied to all properties across the District until 30 June 2028.
- **Special Heritage (Arts Centre) Targeted Rate:**
This rate relates to a \$5.5 million Council grant (plus GST if any) supporting the restoration of the Arts Centre, the benefit of

which is considered to be distributed evenly to all ratepayers. The rate will be set based on capital value, applied to all properties across the District until 30 June 2031.

- **Akaroa Health Centre Targeted Rate:**
This rate relates to a Council grant of up to \$1.3 million (plus GST if any) supporting the development of the Akaroa Community Health Centre, the benefit of which is considered to be distributed evenly to all ratepayers in the eastern half of Banks Peninsula (rating units in valuation rolls 23890, 23900, 23910, 23920, 23930, 23940 or 23961). The rate will be set as a fixed dollar charge per SUIP, applied to all properties in the specified area until 30 June 2023.
- **Central City Business Association Targeted Rate:**
We intend to set a targeted rate to fund a grant to the Central City Business Association. The rate will be set as a fixed dollar charge per rating unit, applied to all business rating units with a land value greater than or equal to \$50,000, within the area covered by the Central City Business Association.

Development Contributions

We make significant capital investment in infrastructure specifically to service growth development in the District (i.e. new subdivision and/or more intensive development of existing developed land). We use development contributions to recover a fair and equitable portion of the cost of this investment from persons undertaking development.

Development contributions requirements are in accordance with the Local Government Act 2002 and our Development Contributions Policy.

Financial Contributions

The Council is able to require new developments to pay financial contributions which are used by the Council to fund works to mitigate or offset specified negative impacts of development.

Financial contributions requirements are in accordance with the Resource Management Act 1991, the Local Government Act 2002, the Christchurch District Plan and our Development Contributions Policy.

The details of any requirement would be included in the District Plan and Development Contributions Policy and any new or altered requirements would be consulted on through changes to those documents.

Grants & Subsidies

Some of our activities qualify for a grant or subsidy from the Crown (e.g. New Zealand Transport Agency (NZTA) for qualifying roading expenditure), or other entities. These are used as the initial source of funding where they are available.

Fees & Charges

We typically collect fees and charges where an Activity is perceived to provide benefit primarily to identifiable individuals or groups (i.e. user-pays), or where the need for the activity is driven by the actions or inactions of identifiable individuals or groups (i.e. exacerbator-pays).

However, consideration is also given to whether each fee or charge is practical and economically viable (including the extent to which fees may result in an unacceptable decrease in the use of council services), and whether such charging may undermine one of our identified core community outcomes (see “Council’s Funding Considerations” below).

Borrowing

We borrow to fund spending where the benefit is perceived to endure for multiple years – for example, capital expenditure on improving assets, or growth prior to the collection of development contributions. Sometimes this may be in the form of equity in CCOs or advances to third parties. Some operational expenditure also meets this criteria – e.g. grant to Canterbury Museum for redevelopment.

Borrowing is undertaken corporately (i.e. as a single debt portfolio) for efficient debt management.

The funding of costs associated with borrowing

Repayment of rate-funded debt is via the general rate over a period of thirty years (COVID-19 related borrowing is repayable over five years), except for borrowing in relation to CCO equity.

Interest costs on debt relating to the capital works programme (excluding the earthquake rebuild or equity investments) are allocated to council activities for budgeting and funding purposes, in proportion to the amount of depreciation generated by that activity. The balance of interest costs are funded by general rates.

Proceeds from asset sales

Proceeds from asset sales will be used to reduce debt or any current borrowing requirement.

Interest, Dividends, & Other Revenues

Our principal investment revenues are the dividends received from our commercial subsidiaries (most importantly Christchurch City Holdings Ltd). Cash investments (e.g. term deposits with banks) are generally held only for liquidity purposes, as we are a net borrower.

Income from dividends, interest, and other sources not described above (e.g. petrol taxes) are treated as corporate revenues and are assumed to accrue to general ratepayers – i.e. they are not allocated against specific activities, but reduce the amount of general rates that we need to collect to fund those activities.

Council’s Funding Considerations

Our decision about which funding sources to use to fund each activity is guided by the following considerations:

- Community Outcomes (i.e. what the activity is trying to achieve) – the source of funding for each activity is decided after considering the community outcome(s) to which it contributes.
- User-pays (i.e. how the benefits of an activity are distributed) – where the primary benefit from a council activity is provided to an identifiable group, it is preferable for that group to bear the principal cost of the activity.

- Exacerbator-pays (i.e. where the activity is required due to the activities or inactions of identifiable groups) – it is preferable for such costs to be paid for by those groups contributing to the need for the activity.
- Inter-generational equity (i.e. the period over which the benefits of an activity occur) – most operational expenditure provides a benefit only during the year that it is spent, so is best funded from current revenues; however, expenditure providing benefits over many years is more appropriately funded through borrowing (which is repaid over multiple years).
- Potential for distinct funding sources – it may improve the transparency and accountability of our spending on any particular activity if its funding is specifically identified (e.g. through a targeted rate), particularly where the cost is significant or where it is considered desirable to demonstrate that funding is being spent on a specific project. The potential benefit of such improved transparency and accountability are weighed against the cost of having to administer the specifically identified funding.

Our choice of funding for each activity is also guided by the overall impact that any allocation of charges and costs may have on the community. In particular, although some Activities should arguably be funded by user fees and charges due to the level of private benefit they provide, we may consider such user-charging inappropriate – for example, full user-

funding of libraries and swimming pools may result in these services no longer being provided.

We have therefore determined that the following Activities will receive a material amount of funding from general rates:

- Transport
- Parks, Heritage & Coastal Environment
- Communities & Citizens
- Solid Waste and Resource Recovery
- Governance
- Economic Development
- Strategic Planning & Policy
- Regulatory Compliance & Licencing

Funding of Operating Costs

Where an activity is funded using a number of funding sources, our practice is to meet our operating costs in the first instance from fees & charges and grants & subsidies (subject to the considerations outlined above). If the activity requires further operational funding, this remainder is funded through rates.

The following pages set out our operational funding decision for each activity.

The analysis of each Activity is supported by three tables:

- *Table 1: Community Outcome* – this table identifies the community outcomes to which the activity primarily contributes.
- *Table 2: Funding Principles (operating costs only)* – this table shows how we have considered the other funding considerations

set out in section 101(3)(a)(ii) to (v) of the Local Government Act 2002 in relation to funding the operating costs of the activity. This evaluation uses a simple high / medium / low scale for each of the following considerations:

- User-pays – the degree to which the Activity can be attributed to individuals or identifiable groups rather than the community as a whole – refer to section 101(3)(a)(ii);
- Exacerbator-pays – the degree to which the activity is required as a result of the action (or inaction) of individuals or identifiable groups – refer to section 101(3)(a)(iv);
- Inter-generational equity – the degree to which benefits can be attributed to future periods; – refer to section 101(3)(a)(iii) and
- Separate funding – the degree to which the costs and benefits justify separate funding for the activity – refer to section 101(3)(a)(v).

- *Table 3: Funding Decision* – this table shows our broad funding target for the activity (i.e. how much is paid for by individuals / groups, and how much by the community as a whole), and the associated funding mechanism used (i.e. general rates, targeted rates, user charges, etc.). As the precise balance between individual / group and community funding may vary in practice (particularly for volumetric fees and charges), the funding target is expressed in broad terms rather than specific percentages:

- Low = this source provides 0%-25% of the funding for this activity;
- Medium = this source provides 25%-75% of the funding for this activity; and
- High = this source provides 75%-100% of the funding for this activity.

The specific revenue and cost projections for the LTP planning period are shown in the individual Funding Impact Statements in the Activities and Services section of the LTP.

Water Supply

Local authorities have an obligation under the Water Services Act 2021, and the Local Government Act 2002 to provide a drinking water supply to the urban areas of the District, to maintain its capacity, to protect it from contamination, and to ensure that it complies with the appropriate Drinking Water Standards and is safe.

Local Authorities also ensure an adequate supply of water for commercial use and for fire-fighting and ensure that it is managed in a way that supports the environmental, social and economic wellbeing of current and future generations.

This includes maintaining the network, including wells, pump stations, treatment facilities, reservoirs, and underground reticulation pipes and meters. We supply water through approximately 160,000 residential and business connections, through seven urban water supply schemes and six rural water supply schemes. This equates to 50-55 billion litres of water in a typical year, which is the equivalent of around 22,000 full Olympic size swimming pools.

The benefit of this Activity is considered to accrue primarily to those properties located in our geographic network area – that is all of those properties that can physically connect to the network. It is therefore considered appropriate to fund the bulk of this Activity from the Water Supply Targeted Rate applied to all properties located within this serviced area.

However, as the level of supply provided to some properties may differ from the standard supply provided to most there are also targeted rates for:

- Restricted Rural Supply
- Fire connection
- Excess water consumption

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Water Supply	Safe and healthy communities High quality drinking water

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	<ul style="list-style-type: none"> • Targeted Rate (High) • Fees & Charges (Low) 	<ul style="list-style-type: none"> • Grants and Other (Low)

Wastewater

We build, own, operate and maintain wastewater networks and wastewater treatment plants to protect public health and the environment. The service is focussed on providing a reliable, safe and resilient system for conveying wastewater away from properties, for treatment and disposal.

Wastewater, also known as sewage, refers to the used water collected in internal drains from homes and businesses, and includes trade waste from industrial and commercial operations. Wastewater does not include stormwater drainage, which is collected, treated and re-introduced into the environment via a separate system.

Providing a wastewater collection, treatment and disposal service is core business for us, required by the Local Government Act 2002 and the Health Act 1956.

We implement these services for the community in a number of ways, this includes planning, day to day operations, planned and reactive maintenance, repair or renewal of damaged infrastructure, building new infrastructure and implementing improvements to the system.

Key deliverables are to:

- Collect, convey and treat wastewater in a safe, efficient and reliable manner;
- Discharge treated wastewater to the environment in compliance with resource consents;
- Reuse and/or dispose of wastewater treatment by-products, including biogas and bio-solids;
- Provide laboratory services to monitor treatment processes and treated wastewater quality; and
- Plan, regulate, build, maintain, manage and renew wastewater systems.

We collect wastewater from approximately 160,000 customers in Christchurch, Lyttelton, Diamond Harbour, Governors Bay, Akaroa, Duvauchelle, Tikao Bay

and Wainui. We treat this wastewater at eight treatment plants and dispose the treated wastewater into the sea and to land irrigation schemes.

Although all residents benefit from the presence of a safe and reliable sewer network, the primary benefit accrues to those properties which are located within our geographic network area – that is all those properties that can physically connect to the network.

It is therefore considered appropriate to fund the bulk of this Activity from a Targeted Rate applied to all properties located within this serviced area.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Wastewater	Safe and healthy communities Healthy water bodies

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	<ul style="list-style-type: none"> Targeted Rate (High) Fees & Charges (Low) 	<ul style="list-style-type: none"> Grants & Other (Low)

Stormwater Drainage

This Activity collects and conveys stormwater during rainfall events, and is intrinsically linked to and interdependent with our Flood Protection & Control Works Activity to protect the community from the harmful effects of flooding.

The key physical assets used to deliver this activity are:

- The underground conveyance networks (including pipes, manholes, sumps, inlets and outlets);
- Open channels and overland flow path (including natural waterways such as rivers, streams and creeks, constructed drainage channels, in-channel structures, lining and retaining walls); and
- Treatment devices that are not within the Flood Protection and Control Works Activity (for example, where there is no flood protection component such as silt traps, gross debris traps or proprietary treatments devices such as cartridge filters) and flow level control devices.

We use a multi-value approach to stormwater, where the drainage value of the network is considered alongside other values such as ecology, culture, recreation, heritage and landscape. Together these are known as the 'six values' that we utilise in stormwater drainage and waterway management.

In delivering this service we provide a balanced mix of maintenance and renewals to preserve the levels of service and improve stormwater discharge quality to mitigate the human effect on water body health.

The benefit of this Activity is considered to accrue mostly to those properties located within the Council's drainage and stormwater infrastructure networks. It is therefore considered appropriate to fund this Activity and the Flood Protections & Control Works Activity together using a targeted rate.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Stormwater Drainage	Healthy water bodies Modern and robust city infrastructure and community facilities Safe and healthy communities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	<ul style="list-style-type: none"> Targeted Rate (High) Fees & Charges (Low) 	• n/a

Flood Protection & Control Works

This Activity delivers floodplain management and stormwater management plan objectives to reduce the harm from flooding to the community and to improve the quality of surface water. It is intrinsically linked to and interdependent with our Stormwater Drainage Activity.

The activity includes construction of new flood protection infrastructure and management of existing infrastructure including:

- pump stations and water flow control devices and structures such as valve stations;
- stop-banks, tide gates and basins;
- water quality treatment devices such as basins, wetlands, tree pits and raingardens; and
- hydrometric monitoring devices, measuring rainfall along with surface water, sea and groundwater levels.

Basins and wetlands serve a dual purpose of providing stormwater detention for reducing flood risk as well as providing water quality treatment.

The benefit of this Activity is considered to accrue to properties located within the Council's drainage and stormwater infrastructure networks. It is therefore considered appropriate to fund this Activity and the Stormwater Drainage Activity together using a targeted rate.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Flood Protection & Control Works	Healthy water bodies Modern and robust city infrastructure and community facilities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	<ul style="list-style-type: none"> Targeted Rate (High) Fees & Charges (Low) 	• n/a

Transport

Local government is responsible for planning for, providing, and maintaining safe road networks, including pedestrian linkages and attractive functional streetscapes. We maintain the assets that provide the District's local roading network, comprising the carriageways, footpaths, bridges, retaining walls, rail crossings, and associated drainage.

National highways linking the Christchurch District with the rest of the country are managed by central government through Waka Kotahi (NZTA) and work between the national and local roading networks is co-ordinated as much as possible.

The streets we manage provide a safe and efficient network that connect communities and facilitate the movement of people and goods around the District and to the adjoining region. Key deliverables include:

- Network planning
- Asset maintenance
- Renewal of life-expired infrastructure
- Improvements to the network

This Activity also relates to how the roading network and associated infrastructure is used and controlled, so that people have safe, easy, and reliable access to homes, shops, businesses, and leisure activities, from a variety of mode choices. This includes:

- Control over how the road corridor can be used by other parties (such as service authorities and developers);
- Planning, building, and maintaining the infrastructure required to support the operation of the bus network;
- Planning, building, operating, and maintaining the major cycleways network;
- Operating and maintaining traffic lights, traffic cameras, and traveller information portals;
- Operating and maintaining Christchurch's public parking facilities; and
- Planning and providing transport education initiatives.

The benefit of this Activity is considered to accrue primarily to road users. However, it is not considered practicable or desirable to fund this Activity separately, because the roading network is considered to be qualitatively different to the water and sewer networks which are funded through targeted rates. In particular:

- The roading network also delivers benefits to non-users, to a far greater extent than water or sewer networks, reducing the desirability of a "user-pays" funding approach.
- The extent of "use" is more difficult to determine than for water and sewer (for which benefit is more clearly binary between those that can connect and those that cannot).

This Activity is therefore primarily funded by the community as a whole, mostly through general rates. Waka Kotahi subsidies are treated as "Community-sourced" in table 3 below, as they are paid by central government rather than individuals or groups within the District.

The Active Travel Targeted Rate contributes to this Activity's spending on cycleways and pedestrian networks. This is classified as "Community funding" in Table 3, as the Active Travel Targeted Rate is applied universally to all rating units in the district. The use of the targeted rate here enhances the transparency of our spending on these activities and is intended to ensure that a certain minimum level of operational spending will be incurred on these activities.

While not specified in Table 3, we consider that greater use of fees & charges is appropriate where our control function provides permission to specific users for certain actions (such as use of the road corridor or marine activities).

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Transport	<p>A well-connected and accessible City promoting active and public transport</p> <p>Modern and robust city infrastructure and facilities network</p> <p>Safe and healthy communities</p>

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Transport Access	Medium	Low	Low	Medium
Transport Environment	Low	Low	Low	Low
Transport Safety	-	Low	Low	Medium

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Transport Access	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (Medium / High) Grants & Other (Low)
Transport Environment	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (Medium) Targeted Rate on whole District (Medium) Grants & Other (Low)
Transport Safety	Low	High	<ul style="list-style-type: none"> Fees & Charges (Medium) 	<ul style="list-style-type: none"> General Rates (Medium)

Parks, Heritage & Coastal Environment

Christchurch residents have a strong affinity with their parks, reserves, and open spaces. We wish to support this affinity, and maintain the notion of Christchurch as the “garden city”.

This Activity involves the management of:

- Parks – We manage over 1200 parks and reserves, covering more than 9,384 hectares in Christchurch city and Banks Peninsula. Neighbourhood parks provide space and facilities for local communities. Garden & heritage parks provide botanical diversity and contribute to plant conservation and research. Sports parks provide both local spaces for neighbourhood community amenity as well as providing the necessary spaces to support organised and casual sport and recreational pursuits. Large Sports parks like Ngā Puna Wai provide high quality sports facilities to support community, regional and national sporting pursuits. Regional parks protect the region's natural landscape and biodiversity values, while accommodating extensive outdoor recreation. Significant parks such as Hagley Park, the Botanic Gardens, and Mona Vale also contribute to the economic well-being of the district by attracting visitors.
- Cemeteries – We administer burials and plot purchases as well as maintaining current and closed cemeteries.
- Heritage protection – We aim to preserve the district's built, natural and cultural heritage for the benefit of the current and future communities.
- Harbours & marine structures – We provide marine structures (including wharves & jetties, slipways & ramps, seawalls, recreational rafts, boat moorings, and wharf buildings), to facilitate access to the marine environment for residents, visitors and commercial operators for recreation, sport, tourism, commercial activities, and transport.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund it primarily from general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Heritage Management	Celebration of our identity through arts, culture, heritage and sport 21st century garden city we are proud to live in Vibrant and thriving city centre
Parks and Foreshore	Safe & Healthy Communities Unique landscapes and indigenous biodiversity are valued and stewardship exercised Celebration of our identity through arts, culture, heritage, sport and recreation 21st century garden city we are proud to live in

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Heritage Management	Low	Low	High	Low
Parks and Foreshore	Low	Low	Medium	Low

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Heritage Management	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (High)
Parks and Foreshore	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (High) Grants & Other (Low)

Solid Waste and Resource Recovery

We collect and dispose of some of the district's solid waste, and work with the community to minimise waste by encouraging both residents and businesses to recycle their waste thereby reducing the volume of waste sent to the landfill.

This Activity includes:

- Recycling – reducing the amount of waste sent to landfill by collecting recyclable material from households and public places, advising the public of recycling options (for example, EcoDrops and register of recyclers), and by sorting and processing recyclable material.
- Organics / composting – collection of kitchen and garden waste from households and converting this into compost for resale. We encourage home composting and worm farms.
- Residual Waste – not everything can be recycled, the waste remaining is collected and transported to landfill.
- Closed landfill – monitoring the closed landfills around the District. This includes the capping and aftercare of the old Burwood landfill, where methane gas is captured, piped underground, and used to power some city buildings and parts of the Christchurch Waste Water Treatment Plant.
- Education – educating residents to make informed decisions on the best waste practices, focusing on the best environmental and social outcomes. We work with other councils on the “love food, hate waste” campaign, with regular workshops informing communities how to minimise the food waste generated by households.

Kerbside collection of general and recycling waste is provided to most properties across the district – other properties may deposit their waste at collection points.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund the bulk of costs from rates, supported by fees and charges for non-household and excess waste.

It is also considered desirable to make the cost of recycling and composting activity more transparent, so that ratepayers can see how much they are paying for these services. The operating cost of yellow and green wheelie bin services is therefore funded from a Targeted Rate.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Solid Waste and Resource Recovery	Sustainable use of resources and minimising waste Safe and healthy communities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Low	High	Medium	Medium

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
Medium	Medium	<ul style="list-style-type: none"> Targeted Rates (Medium) Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (Medium) Grants & Other (Low)

Communities & Citizens

Local Government is responsible for promoting the cultural and social well-being of communities, and for educating the public in regard to civil defence.

This supports strong communities by providing high quality library, sports & recreation, arts & cultural, community development, and emergency management services.

This Activity provides:

- opportunities for people to express themselves and be challenged by art, music, theatre, dance and other media and to understand and celebrate their many identities and heritage;
- libraries which act as a vehicle for access to knowledge, ideas and information and as a service open and available to anyone;
- encouragement to be more active more often through the provision of a range of sport and recreation facilities and programmes;
- community centres, halls and houses to encourage participation in local activities and build a sense of community; and
- information and advice to help citizens and communities, including support to community organisations to help them deliver the valuable services they provide.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund the bulk of costs from rates, supported by fees and charges especially for Recreation, Sports, Community Arts and Events.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Canterbury & Akaroa Museums	Strong sense of community Celebration of our identity through arts, culture, heritage, sport and recreation

Activity	Primary Outcome(s)
Christchurch Art Gallery	Celebration of our identity through arts, culture, heritage, sport and recreation Strong sense of community
Citizen and Customer Services	Active participation in civic life
Civil Defence Emergency Management	Safe and healthy communities
Community Development and Facilities	Strong Sense of Community Active Participation in Civic Life Safe & Healthy Communities Valuing the voices of all cultures and ages (including children)
Libraries	Strong sense of community Celebration of our identity through arts, culture, heritage and sport An inclusive, equitable economy with broad-based prosperity for all
Recreation, Sports, Community Arts & Events	Strong sense of community Safe and healthy communities Celebration of our identity through arts, culture, heritage, sport and recreation

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Canterbury & Akaroa Museums	Low	Low	Low	Low

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Christchurch Art Gallery	Low	Low	Medium	Low
Citizen and Customer Services	Low	Low	Low	Low
Civil Defence Emergency Management	Low	Low	Low	Low
Community Development and Facilities	Low	Low	Low	Low
Libraries	Low	Low	Low	Low
Recreation, Sports, Community Arts & Events	Medium	Low	Medium	Medium

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Canterbury & Akaroa Museums	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (High) Grants & Other (Low)
Christchurch Art Gallery	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (High) Grants & Other (Low)
Citizen and Customer Services	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (High)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Civil Defence Emergency Management	Low	High	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> General Rates (High)
Community Development and Facilities	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) Targeted Rates (Low)* 	<ul style="list-style-type: none"> General Rates (High) Grants & Other (Low)
Libraries	Low	High	<ul style="list-style-type: none"> Fees & Charges (Low) 	<ul style="list-style-type: none"> General Rates (High) Grants & Other (Low)
Recreation, Sports, Comm Arts & Events	Medium	Medium	<ul style="list-style-type: none"> Fees & Charges (Medium) 	<ul style="list-style-type: none"> General Rates (Medium) Grants & Other (Low)

* The Akaroa Community Health Trust targeted rate is included in this Community Development and Facilities activity

Housing

We wish to support vulnerable groups in the District's community by providing housing targeted towards the elderly, disabled, and those on low incomes.

This Activity involves asset management, maintenance, replacement, intensification, and a partnership programme that supports the provision of affordable accommodation to people on low incomes. We work collaboratively with central government to address housing supply and affordability issues, through the Christchurch Housing Accord agreement.

Most of the housing units are studio and one-bedroom units, with a small percentage of two, three, and four bedroom units. These Council-owned housing complexes are leased to the Ōtautahi Community Housing Trust, a Community Housing Provider, which then sub-lets these to those in need.

Our involvement in this Activity is intended to contribute to social well-being by ensuring that an adequate supply of safe, accessible, and affordable housing is available to those in need.

The benefit of this Activity is considered to accrue mostly to the housing tenants. It is therefore considered appropriate to fund the Activity mostly from user charges (housing rents) plus Income Related Rent Subsidies (IRRS). These are intended to be sufficient to cover operating costs without subsidy from rates or other sources.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Community Housing	Sufficient supply of, and access to, a range of housing Safe and healthy communities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Medium	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	• Fees & Charges (High)	• Grants & Other (Low)

Regulatory & Compliance

Regulation and compliance services are needed to administer the laws that govern building and development work, the health and safety of licensed activities, and the keeping of dogs. We enforce compliance with regulations, monitor individual licences and approvals, investigate complaints and non-compliance, and assess the potential effects of various activities while still enabling builders, developers and property owners to carry on their business.

Key outputs of this Activity are:

- Compliance services relating to Resource Management Act (District Plan), Building Act, Local Government Act, Litter Act, and local Council Bylaws;
- Animal Management;
- Alcohol Licensing;
- Food Safety and Health Licensing; and
- Environmental Health, including noise management, environmental nuisance and environmental health risks e.g. asbestos and land contamination.

The benefit of this Activity is considered to be mixed:

- Building Regulation and Land & Property Information Services activities – costs are mainly caused by applicants, but there is a wider community benefit in having a consented building stock.
- Regulatory Compliance & Licensing and Resource Consenting activities – costs are mainly caused by applicants and holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community; however, the community benefits from the control of such potential nuisances and threats.

In addition, for Regulatory Compliance & Licensing activities, it is acknowledged that full cost recovery through user charges would increase those user charges to a point where full compliance may be discouraged. On balance, for that activity, it is considered appropriate to adopt material levels of funding from both fees & charges and general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Building Regulation	Great place for people, business and investment
Land & Property Information Services	Sufficient supply of, and access to, a range of housing
Regulatory Compliance & Licensing	Safe and healthy communities
Resource Consenting	Vibrant and thriving city centre Sufficient supply of, and access to, a range of housing

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Building Regulation	High	High	Medium	Medium
Land & Property Information Services	High	High	Low	Low
Regulatory Compliance & Licensing	Medium	Medium	Low	Medium
Resource Consenting	High	High	Medium	High

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Building Regulation	High	Low	• Fees & Charges (High)	• General Rates (Low)
Land & Property Information Services	High	n/a	• Fees & Charges (High)	• n/a
Regulatory Compliance & Licencing	Medium	Medium	• Fees & Charges (Medium)	• General Rates (Medium) • Grants & Other (Low)
Resource Consenting	High	Low	• Fees & Charges (Medium / High)	• General Rates (Low / Medium)

Economic Development

This activity is focused on delivering economic development initiatives to achieve long-term sustainable prosperity improvements for the region by:

- Creating high-value quality jobs and pathways to employment by driving growth of industry clusters, supporting new and existing businesses to be competitive, innovative and sustainable and improving alignment between skills and education and local employment opportunities.
- Attracting residents, talent, business and investors to grow the strength and resilience of the local economy.
- Attracting education, business, conference and leisure visitors to ensure local businesses have the customers they need to thrive, and the city has greater vibrancy for residents.
- Facilitating urban development projects that support local prosperity.

In addition this activity coordinates and leads city-wide international relations activity, in alignment with the 2020 International Relations Policy Framework (IRPF), and delivers scheduled and unscheduled Civic Ceremonies, National Ceremonies and Visits.

The benefit of this Activity is considered to accrue to the whole community. It is therefore considered appropriate to source funding mostly from general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Civic & International Relations	Great place for people, business and investment Active participation in civic life Strong sense of community Vibrant & thriving central city 21st century garden city we are proud to live in
Economic Development	Great place for people, business and investment A productive, adaptive and resilient economic base

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Civic & International Relations	-	-	High	Low
Economic Development	Low	Low	High	Low

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Civic & International Relations	n/a	High	• n/a	• General Rates (High) • Grants & Other (Low)
Economic Development	Low	High	• Fees & Charges (Low)	• General Rates (High)

Strategic Planning & Policy

Public Information and Participation

We are committed to being a resident-focused, outward looking organisation. To achieve this we provide our community with information that is timely, relevant and accurate through channels that our residents use.

We are making better use of new media – online, social media and targeted electronic communications to interest groups – to supplement and improve on traditional communications. We also manage media relationships and answer their queries. Our role is to promote the Council's activities including libraries, sports and recreation facilities and parks.

We also engage and consult with the public on Council projects and activities.

Strategic Planning, Future Development and Regeneration

Strategic planning, future development and regeneration work is fundamental to the workings of local government and touches on almost all aspects of Council activities. It helps meet community needs for good quality local infrastructure, local services, and performance of regulatory functions. It also supports the organisation to respond to the significant reforms underway right across our sector, and to prepare for the future.

This Activity provides strategic policy, city planning and urban regeneration services for us and our communities. We support the ongoing evolution of a resilient city that is better able to adapt to future challenges and take advantage of new opportunities. Responding to climate change and building climate resilience will be one of the biggest challenges Christchurch faces and this Activity leads that programme of work.

Key areas include to:

- provide specialised policy and strategy advice, enabling us to plan effectively for the future,
- develop, maintain and monitor the Christchurch District Plan which enables us to manage land use, subdivision and development,

- lead policy and strategy for transport to ensure people and businesses can easily move around the city,
- work with the community to enable their aspirations for quality places and neighbourhoods, including heritage,
- ensure that natural resources are used efficiently and sustainably to meet the needs of today and those of future generations,
- understand natural hazard risks to be better prepared for future challenges, and
- work collaboratively with strategic partners at a Greater Christchurch, regional and national level.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Public Information & Participation	Active participation in civic life Safe and healthy communities Identity through arts, culture, heritage and sport Strong sense of community Great place for people, business and investment
Strategic Planning, Future Development & Regeneration	Great place for people, business and investment Safe and healthy communities Sustainable use of resources and minimising waste

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Public Information & Participation	-	Low	Low	-
Strategic Planning, Future Development & Regen	Low	Low	Medium	Low

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Public Information & Participation	n/a	High	• n/a	• General Rates (High)
Strategic Planning, Future Dev & Regen	Low	High	• Fees & Charges (Low)	• General Rates (High) • Targeted Rates (Low)* • Grants & Other (Low)

* The ten-year special heritage (Cathedral) targeted rate is included in this activity.

Governance

Christchurch City Council is the second largest territorial local authority (TLA) in New Zealand. We are committed to participatory democracy for all residents, and actively encourage residents to participate in making deputations to Council and Community Boards, participating in hearings and engaging with Councillors and Community Board members. As a large TLA with a strong commitment to an active local democracy our effectiveness is dependent upon efficient and effective processes to support effective governance and good decision making.

In direct support of governance and decision making, this activity provides the following services:

- Secretariat services, information, support for our decision-making processes at governance-level meetings and hearings and to Elected Members of the Council and Community Boards
- Holding elections of Elected Members to the Council and Community Boards, polls and representation reviews
- Provision of information in accordance with LGOIMA
- Provide information, support and advice to the Mayor, Deputy Mayor and Councillors and Chief Executive
- Manage relationships with Treaty partners and Mana Whenua.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate for it to be funded primarily from general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Governance & Decision Making	Active participation in civic life Strong sense of community Valuing the voices of all cultures and ages (including children)
Office of Mayor, Chief Exec, Mana Whenua	All

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Governance & Decision Making	Low	Low	Low	Low
Office of Mayor, Chief Exec, Mana Whenua	-	-	Medium	-

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Governance & Decision Making	Low	High	• Fees & Charges (Low)	• General Rates (High)
Office of Mayor, Chief Exec, Mana Whenua	-	High	• -	• General Rates (High)

Funding of Capital Costs

The term "Capital Cost" includes a range of relatively long-term investment spending:

- Equity investment in Council-controlled organisations (most importantly, Christchurch City Holdings Ltd, which owns the city's shares in the airport, port company, electricity lines company, and others);
- Network and community assets (the broadest category, including water, wastewater and stormwater networks, libraries, community halls, and community housing, and including strategic assets purchased in advance of need – for example, a drainage basin purchased to support anticipated future development); and
- Other assets (such as general plant and equipment).

Having considered the factors in section 101(3) of the Local Government Act 2002, we consider that capital investment in any particular Council Activity contributes to the same community outcomes as the operating costs of that activity (per tables above), and will tend to have the same distribution of benefits across the community. However, most capital investments are long-term in nature, so inter-generational equity is a far more important driver of our capital funding decision than it is for operational funding.

We have therefore determined that capital costs will be funded in accordance with the following principles:

- Investment in assets of a commercial or revenue-generating nature should be funded by borrowing, and be either self-funding or expected to deliver a net benefit to ratepayers in the long-term – any difference between investment income and funding costs in individual years will be allocated to or supported by general rates.
- Non-commercial capital investments will be funded in the first instance from borrowing, offset where appropriate by Crown grants and asset sales. Where the spending is to provide new assets to service growth (new subdivisions and/or more intensive development of developed land), the growth component is funded from Development Contributions.

- Capital renewals – we are moving towards fully funding the long run average asset renewals programme (net of subsidies) from rates. Any variation between that and the renewals programme in a particular year will be funded/deducted from the overall borrowing requirement.

Table: Council's Capital Funding Policy, by Investment Type

Investment type	Initial funding	Serviced and/or repaid by:
Equity investment in CCOs / CCTOs	• Debt (interest only)	• Dividends and Rates
Network & Community assets:		
• Renewal / replacement	• Rates and debt	• Rates
• Service Improvement	• Debt	• Rates
• Growth	• Debt and Development Contributions	• Future Development Contributions
• Mitigation and/ or offsetting of specific negative impacts of development	• Debt and Financial Contributions	• Future Financial Contributions
• Community Housing	• Debt	• Rent
Other assets	• Debt	• Rates

The application of these principles to individual Activities is tabulated below. The High / Medium / Low scale is the same as applied to the operational tables above. The specific capital spending and funding projections for the current planning period are shown in the individual Funding Impact Statements by group of activity.

Table: Council's Capital Funding Policy, by Activity

Activity	Rates	Borrowing	DCs/ FCs	Grants & Other
Water Supply	Medium	Medium	Low	Low
Wastewater	High	Low	Low	Low
Stormwater Drainage	Medium	Medium	Low	-
Flood Protection & Control Works	Low	High	Low	-
Transport				
Transport Access	Low	Medium	Low	Medium
Transport Environment	Low	Medium	Low	Medium
Transport Safety	Medium	Medium	Low	Medium
Parks, Heritage & Coastal Environment				
Heritage Management	High	Low	-	-
Parks and Foreshore	Medium	Medium	Low	Low
Solid Waste and Resource Recovery	Medium	Medium	-	Low
Communities & Citizens				
Canterbury & Akaroa Museums	High	Low	-	-
Christchurch Art Gallery	Medium	Medium	-	-
Citizen and Customer Services	-	-	-	-
Civil Defence Emergency Management	Medium	Medium	-	-
Community Development and Facilities	High	Low	-	-
Libraries	High	Low	-	-
Recreation, Sports, Comm Arts & Events	Medium	Medium	Low	-
Housing	-	-	-	High
Regulatory & Compliance				
Building Regulation	-	-	-	-
Land & Property Information Services	-	-	-	-

Activity	Rates	Borrowing	DCs/ FCs	Grants & Other
Regulatory Compliance & Licencing	High	Low	-	-
Resource Consenting				
Economic Development				
Civic & International Relations	-	-	-	-
Economic Development	-	-	-	-
Strategic Planning & Policy				
Public Information & Participation	-	-	-	-
Strategic Planning, Future Dev & Regen	-	High	-	-
Governance				
Governance & Decision Making	-	-	-	-
Office of Mayor, Chief Exec, Mana Whenua	-	-	-	-

Impact on well-being

We consider the use of the funding sources described above to meet our funding needs is appropriate. We expect the use of these funding sources will promote the current and future social, economic, environmental, and cultural well-being of the community by:

- Funding activities in ways that are generally perceived by the community as consistent, fair and reasonable
- Limiting the impact of rates on ratepayers, and especially on the most economically vulnerable ratepayers
- Setting fees and charges in a way that does not unduly limit social and economic participation
- Fairly balancing the impact of rates funding across multiple years

- Using fees and charges to provide an incentive for residents to reduce the need for us to incur additional costs
- Limiting the opportunities for ratepayers to use resources unproductively in order to avoid rates (ensuring rates are reasonably economically efficient)

Rates Remission Policy

Objective of the policy

To provide rates relief in certain situations, to support either the fairness and equity of the rating system or the overall wellbeing of the community.

Remission 1: Not-for-profit community-based organisations

Objective

Certain types of land use are classified as “non-rateable” under Section 8 of the Local Government (Rating) Act 2002, including schools, churches, and land used for some conservation or recreational purposes. Such land may be either fully or 50% “non-rateable”, although any rates specifically for the purpose of water supply, sewage and refuse collection must still be charged.

The objective of this remission is to provide rates relief to Christchurch community-based organisations (including some that may be classified as non-rateable under section 8), to support the benefit they provide to the wellbeing of the Christchurch district.

Conditions and criteria

For not-for-profit community-based organisations which the Council considers deliver a predominant community benefit:

- Where the organisation occupies Council land under lease, up to 100% remission of all rates (except targeted rates for excess water and waste minimisation).
- Where the organisation occupies other land:

- Up to 100% remission on general rates (including the uniform annual general charge),
- Up to 50% remission (of the rates that would be payable if they were fully rateable) on targeted rates for standard water supply, sewerage, and land drainage.

Applications for this remission must be in writing. Applicants must provide financial accounts for the latest financial year for which accounts are available (not more than 18 months old). The accounts must be for the reporting entity which is directly responsible for paying the rates. Where there is a legal or reporting obligation on the reporting entity to have the accounts audited or reviewed, the accounts must have been audited or reviewed.

The extent of remission (if any) shall be determined at the absolute discretion of the Council, and may be phased in over several years.

The Council reserves the right to require annual applications to renew the remission, or to require certification from the applicant that the property is still eligible for the remission. Any residual rates payable must be paid in full for the remission to continue.

Remission applies to

Any community-based not-for-profit organisation whose activities, in the opinion of the Council, provide significant public good as a result of its occupation of the property.

The remission may (at Council's absolute discretion) include property over which a liquor licence is held, provided this is incidental to the primary purpose of occupancy. This inclusion may also apply to those

organisations classified as “non-rateable” under Section 8 of the Local Government (Rating) Act 2002.

The remission is not available to property owned or used by chartered clubs, political parties, trade unions (and associated entities), dog or horse racing clubs, or any other entity where the benefits are restricted to a class or group of persons and not to the public generally.

Any remission will only apply to the portion of the property used for the purpose for which the remission is granted.

Remission 2: Land owned or used by the Council for community benefit

Objective

To support facilities providing benefit to the community, by remitting rates.

Conditions and criteria

The Council may remit all rates (other than targeted rates for excess water supply and water supply fire connection) on land owned by or used by the Council and which is used for:

- Those activities listed in Schedule 1 Part 1 clause 4 of the Local Government (Rating) Act 2002 (including parks, libraries, halls, and similar),
- Rental housing provided within the Council's Community Housing activity, and
- Any other community benefit use (excluding infrastructural asset rating units).

Remission 3: Rates - Late payment and arrears penalties

Objective

Council charges penalties for late payment of rates and for rates arrears, in accordance with sections 57 & 58 of the Local Government (Rating) Act 2002.

The objective of this remission is to enable such penalties to be waived where it is fair and equitable to do so, and to encourage ratepayers to clear arrears and keep their payments up to date.

Conditions and criteria

Council will consider remitting late payment penalties in the following four circumstances:

- *One-off ratepayer error* (including timing differences arising from payments via regular bank transactions).
 - This may only be applied once in any two-year period.
 - Only penalties applied within the past twelve months may be remitted.
 - Applications must state the reason for late payment, and deliberate non-payment will not qualify for remission.
 - Applications must generally be in writing, although staff may waive this requirement if they are satisfied that the full details of the application are recorded.
 - Payment of all outstanding rates (other than the penalties to be remitted) is required prior to the remission being granted.
- *Inability to pay* (including sickness, death, financial hardship, or other circumstances where it is considered fair and equitable for the remission to be applied):
 - Penalties imposed in the last two-year period may be remitted, where this would facilitate immediate payment of all

- outstanding rates (remission of penalties over a longer time period may be considered, if the amount of arrears is large).
- Where an acceptable arrangement to pay arrears and future rates over an agreed time period is to be implemented, then any penalties that would otherwise have been imposed over this time period may be remitted.
 - Applications must generally be in writing, although staff may waive this requirement if they are satisfied that the full details of the application are recorded.
 - *Full year payment* (i.e. where the ratepayer pays the financial year's rates in full, rather than in instalments):
 - Late penalties on the current year's Instalment 1 rates invoice will be remitted if current-year rates are paid in full by the due date for Instalment 2.

Remission 4: Contiguous parcels of land

Objective

Council charges a Uniform Annual General Charge (UAGC) as part of its general rates.

The objective of this remission is to waive the UAGC where doing so supports the purpose of the UAGC as set out in the "Rating Information" part of Council's Funding Impact Statement.

Conditions and criteria

Council will consider remitting the UAGC rate where:

- Parcels of land under different ownership are contiguous (i.e. sharing a boundary and in common usage, such that they should reasonably be treated as a single unit); OR
- It has been determined that a building consent will not be issued for the primary use of the land under the City Plan.

Remission applies to

All rating units.

Remission 5: Residential pressure wastewater system electricity costs

Objective

Following the 2010 and 2011 earthquakes, some gravity-fed wastewater disposal systems are being replaced by low pressure pump systems. This generally requires the pump to be connected to the electricity supply of the particular house that it serves.

The objective of this remission is to compensate affected homeowners for the additional electricity cost an average household has to pay to operate the new system.

Conditions and criteria

Affected ratepayers will receive a general rates remission equal to an amount determined by Council each year. The Council will make an effort to match this amount to the estimated annual electricity supply charges likely to be paid that year to operate the system.

The remission reflects the estimated annual cost for an average household and therefore only provides general compensation, not compensation reflecting the exact amount of the electricity charge actually paid by the homeowner.

Council's expectation is that where tenants pay for electricity, landlords will pass on the benefit of the remission to their tenants.

Any change to this remission policy must be the subject of consultation with affected residents prior to any decision being made.

For 2022/23, the remission is set at \$26.65 + GST per annum.

Remission applies to

All affected residential properties where the new low pressure pumps are connected to the household electricity supply as a result of Council's earthquake recovery work, but excluding any property:

- With a pump owned and installed by a property owner prior to 1 July 2013,
- That requires a pressure sewer system after 1 July 2013 as part of a subdivision, land use consent or building consent,
- That was vacant land prior to 4 September 2010, or
- That is sold after 30 June 2018

Remission 6: Earthquake-affected properties

Objective

The objective of this remission is to provide rates relief to those ratepayers most affected by the earthquakes, whilst acknowledging that any such support is effectively paid for by those ratepayers less affected.

Conditions and criteria

Rates may be remitted for residential and "non-rateable" units unable to be occupied as a direct result of earthquake damage (i.e. the remission will not apply to houses vacated for the purpose of effecting earthquake repair).

The amount remitted will be equal to the amount of rates charged on the value of Improvements (i.e. rates will effectively be charged on Land Value only, as if the building had been demolished).

This remission shall NOT apply to properties sold after 30 June 2018, and will cease once the property becomes inhabited or inhabitable.

This remission also shall NOT apply where insurance claims on the property have been settled with the relevant insurance company.

Any new applications must be in writing, and any new remissions granted will not be back-dated prior to 1 July 2018. The Council may seek assurance or evidence from time to time that properties receiving these remissions remain eligible.

Remission applies to

All rating units.

Remission 7: Excess Water Rates

Objective

The Council expects that, in general, excess water rates must be paid in full by the ratepayer. However, the Council recognises that in some limited instances it is unreasonable to collect the full amount of excess water rates payable by a ratepayer.

The objective of this remission is to waive the payment of excess water supply rates where it is fair and equitable to do so.

Conditions and criteria

Council may consider remitting up to 100% of excess water rates when:

- A ratepayer could not reasonably have been expected to know that a leak within their boundary has resulted in unusually high water consumption, and can provide evidence the leak has been repaired.
- A residential ratepayer provides evidence that water is used for personal medical purposes, and that has contributed to the high water use.
- A residential ratepayer provides evidence that the high water use is the result of a large number of family members (~~8 or more~~ greater than 8) living in the residence.

Remission applies to:

All ratepayers liable for excess water rates.

Remission 8: Vacant Central City Land

Objective

To provide rates relief for vacant central city land that pays the City Vacant differential on the value-based general rate, where that land contributes to central city amenity.

Conditions and criteria

Rates may be remitted for vacant central city land where that land pays the City Vacant differential on the value-based general rate. The amount of rates remitted is at Council's discretion, but may be up to the amount that restores the land to the same rating position it would have been in if the City Vacant differential was not applied to the land.

Land qualifies for this remission if it is being kept in an improved and maintained state, consistent with Council's Vacant Site Improvement Guide. This will be assessed at the discretion of Council.

Council will grant this remission based on the circumstances of the land as at the beginning of the rating year.

Further remission – consenting delay

Rates may also be remitted where Council considers that Council's actions or inactions have caused a delay in processing a building or resource consent relating to that land, and where Council considers that, if it had processed the consents in accordance with statutory timeframes, it is reasonable to expect that the land owner could have avoided being assessed for the City Vacant differential. The amount of rates remitted is at Council's discretion.

Remission 9: Wheelie bin service reduction

Objective

To provide rates relief from the Waste Minimisation targeted rate for rating units within multi-unit residential developments where the rating

unit has opted out of receiving the 3-bin kerbside collection service, and to provide further rates relief to the extent that kerbside collection and disposal costs for refuse are included within the general rate rather than the Waste Minimisation targeted rate.

Conditions and criteria

This rates remission applies where a rating unit within a multi-unit residential development has, with the approval of Council, opted out of the 3-bin kerbside collection service. Note that opt out will be approved only where alternative arrangements are made for collection of all waste streams, and Council considers those arrangements provide an appropriately equivalent service.

Where the opt out applies for the whole year, the remission will be equal to the Waste Minimisation targeted rate, plus \$83 (representing the average annual kerbside collection and disposal cost for the red bin).

Where the opt out applies for part of the year the Council may, at its discretion, grant a remission calculated based on the proportion of the year to which the opt out applies.

Remission 10: Other remissions deemed fair and equitable

Objective

To recognise that the Council's policies for rates remission cannot contemplate all possible situations where it may be appropriate to remit rates.

Conditions and criteria

The Council may, by specific resolution, remit any rate or rates penalty when it considers it fair and equitable to do so.

Policy on Remission and Postponement of Rates on Māori Freehold Land

Material in shaded boxes provides background information but is not part of the Policy.

[Acknowledgements and Council's Relationship with Ngā Rūnanga](#)
[Council acknowledges Te Ngāi Tū Ahuriri Rūnanga, Te Hapū o Ngāti Wheke \(Rapaki\), Te Rūnanga o Koukourāra, Wairewa Rūnanga, Te Taumutū Rūnanga and Ōnuku Rūnanga \(together "Ngā Rūnanga"\) as tangata whenua of the area within the Christchurch takiwā \(the territory of the Christchurch City Council\).](#)

[As tangata whenua, Ngā Rūnanga hold tino rangatiratanga, past present and future. This rangatiratanga is immutable and has been acknowledged by Te Tiriti o Waitangi and the Ngāi Tahu Claims Settlement Act 1998.](#)

[Relationship Agreement between Christchurch City Council and Ngā Rūnanga \(1 Sep 2016\)](#)
[Council has a Relationship Agreement with Ngā Rūnanga. The purpose of the agreement is recorded as follows:](#)
["This Agreement records and embeds a new era of partnership between \[Council and Ngā Rūnanga\] that is based on mutual respect, the utmost standards of good faith and confidence that working jointly together will produce meaningful outcomes for current and future generations of all citizens, living within a vibrant and sustainable takiwā. - Mō tātou, ā, mō kā uri ā muri ake nei"](#)

[In accordance with the Relationship Agreement, Council will work closely with Ngā Rūnanga on the way this policy is applied.](#)

[The Ngāi Tahu Claims Settlement Act 1998 applies to the area within the Christchurch takiwā.](#)

Introduction

"Māori freehold land" is defined in the Local Government (Rating) Act 2002 as *land whose beneficial ownership has been determined by the Māori Land Court by freehold order.*

Māori freehold land in the Christchurch City Council takiwā (district)

As at 1 July 2021 there were ~~159463~~ rating units of Māori freehold land in the Christchurch City Council takiwā (district). Most are located in Rapaki, Gebbies Valley and Motukarara, and in Banks Peninsula at Koukourarata (Port Levy), Wairewa (Little River), Wainui, and Onuku. The total capital value of this land was around \$378 million.

The Council recognises that the ownership and use of Māori freehold land is different to general land. This Policy enables Council to respond to those differences in ways that are fair to owners and that encourage the long term retention, use and enjoyment of Māori freehold land by its owners.

The Council acknowledges the following features of Māori freehold land:

- Māori freehold land represents a very small proportion of land previously owned by Māori, the remainder of which has been alienated from Māori ownership and use.

- Much of the Māori freehold land in the Christchurch City Council takiwā is either unoccupied or unimproved or only partially used
- Much of the land is isolated and marginal in quality
- Māori freehold land usually has multiple owners making it challenging for individuals with a stake to get the necessary agreement from the owners to use or develop the land
- Multiple ownership presents challenges in terms of administering the land including the payment of rates. This can result in significant rates arrears which may need to be paid before the land is used or developed
- Some land has special significance which would make it undesirable to develop or reside on.

Definitions

Terms used in this Policy have the meaning given to them by the Local Government (Rating) Act 2002 and Te Ture Whenua Maori Act 1993.

Land to which this policy applies

This policy applies to Māori freehold land.

At the sole discretion of Council, [working in partnership with Ngā Rūnanga](#), this policy may also apply to the following types of land as if it were Māori freehold land:

- Māori customary land

Māori customary land

Council understands there is no land within the Christchurch City Council takiwā that is classified as Māori customary land.

- a Māori reservation set apart under section 338 of the Te Ture Whenua Maori Act 1993 or the corresponding provisions of any former enactment
- land described in section 62A(1)(a) and (b) of the Local Government (Rating) Act 2002 ("1967 land")

"1967 land"

This term refers to general land that ceased to be Māori land under Part 1 of the Maori Affairs Amendment Act 1967, where the land is beneficially owned by the persons, or by the descendants of the persons, who beneficially owned the land immediately before the land ceased to be Māori land.

The 1967 amendment to the Māori Affairs Act required the Registrar of the Māori Land Court to reclassify some Māori freehold land as general land. This was sometimes done without the knowledge or agreement of the owners.

The Local Government (Rating) Act 2002 limits the actions that a local authority can take to recover unpaid rates in respect of 1967 land. In particular, it cannot carry out an abandoned land or rating sale (refer to s77(3A) and s67(3)(b)).

- land returned to iwi or hapū ownership through treaty settlement or a right of first refusal scheme

Rateability of Māori freehold land

The following land is fully non-rateable under Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 (*this is not a complete list of non-rateable land – refer to that Act for further details in some cases*):

- An unused rating unit of Māori freehold land (clause 14A)
- Land that is subject to a Ngā Whenua Rāhui kawenata (clause 1A)
- Land used solely or principally as a place of religious worship (clause 9)
- Land used as a Māori burial ground (clause 10)
- Māori customary land (clause 11)
- Land that is used for the purposes of a marae (some exceptions apply) (clause 12)
- Land set apart as a Māori reservation (some exceptions apply) (clauses 13 and 13B)
- Māori freehold land on which a meeting house is erected (some exceptions apply) (clause 13A)

Non-rateable land may still have targeted rates set on it for sewerage and water supply, but will not have other rates applied.

Remission or postponement of rates is available only to the extent that rates are actually set on the land. Non-rateable Māori freehold land will not need to apply for a rates relief under this Policy, except to the extent that the land has rates set for sewer and water supply – those rates may be remitted under this Policy.

Valuation of Māori freehold land

Christchurch City Council sets rates primarily in proportion to the capital value of rating units. The capital value of a rating unit is determined by the Council's Valuation Service Provider – currently Quotable Value (QV).

For Māori freehold land rating units, QV first values the property as if it were general land, and then applies adjustments, which reduce the capital value, to reflect:

- (i) adjustments under *Valuer-General v Mangatu Inc* [1997] 3 NZLR 641, which recognise among other things the very significant constraints on the sale of Māori freehold land
- (ii) an adjustment factor applied for multiple owners, expressed as a percentage, and
- (iii) an adjustment factor applied for sites of significance, expressed as a percentage.

To the extent that the capital value is adjusted downwards, Council rates set on the land will be correspondingly lower.

Who is liable for rates on Māori freehold land?

Normally the owner or registered lessee of a rating unit is liable for rates on land.

However, under section 96 of the Local Government (Rating) Act 2002, where a rating unit of Māori freehold land is in multiple ownership that is not vested in a trustee, a person actually using that land is liable for the rates on the land, regardless of whether the person using the land is one of the owners.

[Section 62A of the same Act sets out a broadly similar provision for "1967 land".](#)

Rates relief: remission and postponement

Rates relief under this Policy can take two forms: rates remission and rates postponement.

Council also has a Rates Remission Policy which applies generally to all land rather than specifically to Māori freehold land. Nothing in this Policy prevents owners of Māori freehold land from applying for a rates remission under that Rates Remission Policy. For example, a not-for-profit community-based organisation providing services from Māori freehold land might apply for a remission under the Rates Remission Policy. However, two rates remissions will not be given in respect of the same rates.

Council also has a Rates Postponement Policy which applies generally to all land. Owners of Māori freehold land may apply for rates postponement under that policy. If Council considers such a postponement is appropriate, Council may require the applicant to enter into an agreement with Council in relation to the postponed rates. This recognises that the Council would not ultimately be able to sell the land to recover any rates that remain unpaid following the end of the postponement.

Rates remission is generally preferred to rates postponement. Historically, the relief granted under previous versions of this Policy has tended to take the form of rates remissions rather than rates postponement. Council expects that is likely to continue. However, particular circumstances may well arise in future where Council

considers postponement is more appropriate than a remission under this Policy.

Policy objectives

This Policy seeks to achieve the following objectives:

1. [To recognise the rangatiratanga of Ngā Rūnanga over the land within the Christchurch takiwā.](#)
2. To recognise that land is a taonga tuku iho of special significance to Māori and, for that reason, to promote the retention of Māori freehold land in the hands of its owners, their whanau, and their hapū, and to protect wāhi tapu.
3. To facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners, their whanau, and their hapū.
4. To ensure that owners of Māori freehold land contribute to Council's overall rates revenue requirement to the extent consistent with the first two objectives, and to the extent equitable with the contributions made by other land owners.

Conditions and criteria for postponement or remission of rates

Criteria

Rates relief under this Policy is granted entirely at the discretion of Council. The criteria for granting either a rates remission or rates postponement include some or all of the following:

1. the land is not in use

Council considers land would be in use if it is leased. Other circumstances that would be regarded as use include (but are not limited to) where a person or persons

- (i) resides on the land,
- (ii) depastures or maintains livestock on the land, or
- (iii) stores anything on the land (compare the definition of “person actually using land” in section 5 of the Local Government (Rating) Act 2002)

Council considers that, while commercial grazing is a use, merely allowing animals to keep down the grass is not, in itself, a use. Council will consider other factors such as the whether the size and quality of the land would support commercial grazing.

Significant improvements on the land may indicate that a use is being made of the land.

Where land is difficult to access (e.g. it is landlocked or does not have legal access to a public road), that may indicate that no significant use is being made of the land.

Where the use is insignificant, Council may, at its sole discretion, provide rates relief.

Land is not regarded as used (for this purpose) merely because personal visits are made to the land or personal collections of kai or cultural or medicinal material are made from the land

Where use is being made of a portion the land, Council may, at its sole discretion, provide rates relief that recognises that the remaining portion is unused.

- 2. the land is being used for traditional purposes
- 3. where the land is used in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere).
- 4. the use of the land for other purposes is affected by the presence of wāhi tapu
- 5. the land has a high conservation value which the Council or community wish to preserve
- 6. the land is in multiple ownership or fragmented ownership, and no management or operating structure is in place to administer matters
- 7. there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates
- 8. where the rates relief is needed to avoid further alienation of Māori freehold land
- 9. where a rates remission is sought under section 114A of the Local Government (Rating) Act 2002 for Māori freehold land under development.

The key parts of s114A provide as follows:

114A Remission of rates for Māori freehold land under development

- 1) The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.
- (2) A local authority must consider an application by a ratepayer for a remission of rates on Māori freehold land if—
 - (a) the ratepayer has applied in writing for a remission on the land; and
 - (b) the ratepayer or another person is developing, or intends to develop, the land.
- (3) The local authority may, for the purpose of this section, remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the local authority is satisfied that the development is likely to have any or all of the following benefits:
 - (a) benefits to the district by creating new employment opportunities;
 - (b) benefits to the district by creating new homes;
 - (c) benefits to the council by increasing the council's rating base in the long term;
 - (d) benefits to Māori in the district by providing support for marae in the district;
 - (e) benefits to the owners by facilitating the occupation, development, and utilisation of the land.
- (4) The local authority may remit all or part of the rates—
 - (a) for the duration of a development; and

- (b) differently during different stages of a development; and
 - (c) subject to any conditions specified by the local authority, including conditions relating to—
 - (i) the commencement of the development; or
 - (ii) the completion of the development or any stage of the development.
- (5) In determining what proportion of the rates to remit during the development or any stage of the development, the local authority must take into account—
 - (a) the expected duration of the development or any stage of the development; and
 - (b) if the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
 - (c) if the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.

Conditions

In general, Council will provide rates relief under this Policy only where an application is made in writing, signed by the ratepayer. This allows Council to obtain the information it needs to make a decision. However, if Council already has sufficient information, it may grant rates relief without an application.

Council will provide an application form for rates relief under this Policy, and will publish it on Council's website.

In the event that applications for rates relief are made by only one or a minority of owners, Council may require evidence of agreement or support from a greater proportion of owners.

Council may, at its discretion, review whether a property continues to qualify for rates relief under this Policy. In doing so, Council may seek further information from any party that has a relationship with that land. Council may also request a written application from the ratepayer (or owners, or trustee).

Council may seek undertakings from the ratepayer, owners, users or managers of the land to provide information about the ongoing use or circumstances of the land.

Council may, at its discretion, end the rates relief if it considers the land no longer qualifies for the relief, or if the ratepayer has not provided sufficient information to enable a review of rates relief for the property.

Conditions relating to applications under s114A (Māori freehold land under development)

Following an application for rates remission under s114A, Council may request additional documentation where necessary to determine the start and finish dates of a proposed development or the staging of a development.

Developments that are staged can apply for remission for each separate stage of the development.

Rates will be remitted until such time as the development is complete, or the development is generating income, or persons are residing in houses built upon the land. Council retains flexibility to apply the remission for a longer period of time where desirable.

Amount and timing of rates relief

The amount and timing of any rates relief provided under this policy is entirely at the discretion of the Council.

Other forms of rates relief for Māori freehold land

Rating units of Māori freehold land used as a single unit: Under s20A of the Local Government (Rating) Act 2002, a person actually using 2 or more rating units of Māori freehold land may apply for the rating units to be treated as 1 unit for the purposes of a rates assessment. This could reduce the number of fixed rates that are applied to the properties. Applications should be made by email to ratesinfo@ccc.govt.nz mentioning s20A of the Local Government (Rating) Act 2002. Council must treat the rating units as 1 unit for assessing a rate if:

- (a) the units are used jointly as a single unit by the person; and
- (b) Council is satisfied the units are derived from the same original block of Māori freehold land.

Separate rating area: Council may, on request, divide a "separate rating area" from a rating unit on Māori freehold land if one part of the land comprises a dwelling that is used separately from the other land in the rating unit. This could help the occupant of that dwelling claim a rates rebate for low income earners in relation to their own rates assessment (for more information, see <https://ccc.govt.nz/services/rates-and-valuations/reductions/apply-for-a-rates-rebate-low-income-earners>). This is governed by section 98A of the Local Government (Rating) Act 2002. Applications to divide a separate rating area should be made by email to ratesinfo@ccc.govt.nz mentioning 98A of the Local Government (Rating) Act 2002.

Adoption date

This policy was adopted on [insert date] and in accordance with section 108(4A) of the Local Government Act 2002 must be reviewed at least once every six years following this date.

Minor changes, errors and omissions - Levels of service

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A. Proposed minor changes to Community Levels of Service

1. Recreation, Sports, Community Arts and Events

	Position	Name
Approval by General Manager	GM Citizens and Community	Mary Richardson
Activity Manager (Submitter)	Head of Recreation, Sports and Events	Nigel Cox

Rationale

Customer Experience Research Metrics and Performance Indicators (CERM PI - through the University of South Australia) has provided benchmarking information for each of our recreation and sports centres for a number of years now. However we are now the only New Zealand based Territorial Authorities (TA) using the service and a review of the information that we are getting and using from the annual survey suggests that there is value in bringing the level of service surveying in house as a component of the Net Promoter Score surveying programme (NPS).

With the introduction of the quarterly NPS monitoring, the value proposition of CERM PI has shifted; an NPS is a recognised industry best practice benchmark, and there is value in continuing this line of surveying.

Bringing the survey in house as part of the wider Residents Survey programme would enable better alignment of the questions with the level of service. Currently the question used for measurement asks "Overall, how satisfied are you as a customer of this centre?" while the level of service addresses satisfaction with range and quality of facilities.

Aligning the customer services questions with the set used across wider CCC resident's survey (this is already the case in NPS survey) would enable benchmarking for customer services with other units across the organisation.

Additional questions could be added to the NPS survey that align with CERM PI to provide ongoing trend data, although some changes to the scales used for measurement would be recommended to bring them in line with the research best practice around balanced scales.

It would also bring additional benefits in terms of the potential for deeper analysis and analytics, including (but not limited to):

1. More in depth demographic analysis to support the preparation of the Recreation and Sport demographic profile
2. Deeper analysis of the qualitative (open-ended) feedback provided by respondents, including isolating it based on membership type and services used at each centre

3. The ability to track member satisfaction over time, interventions could then be taken when members signal declining satisfaction or that they are looking to discontinue their membership
4. There would also be benefits in terms of reducing respondent burden, as the two surveys that we currently ask our customers to respond to would be consolidated into a single survey and the focus could instead be on lifting response rates above the current 13%-15%.

Proposed Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
7.0.7	Deliver a high level of satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities	Participants are surveyed annually in accordance with the NPS international benchmarking survey.

Current Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets				Method of Measurement
			Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
7.0.7	Deliver a high level of satisfaction with the range and quality of facilities	2021/22: 6.1 2020/21: 6.1 2019/20: 91.75% (6.0) 2018/19: 93% (6.0) 2017/18: 5.8	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	Participants are surveyed annually in accordance with the CERM international benchmarking survey.

2. Community Development and Facilities

	Position	Name
Approval by General Manager	GM Citizens and Community	Mary Richardson
Activity Manager (Submitter)	Head of Community Support & Partnerships Unit	John Filsell

Rationale

This change to future targets reflects that Council approved disposal of a number of community facilities through the Long term Plan (LTP) process.

Proposed Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
2.0.1.1	Support the development of strong, connected and resilient communities by supporting the provision of a sustainable network of community facilities	80-84 Facilities	80-84 Facilities	80-84 Facilities	Total number of facilities detailed in the Asset Management Plan subject to facility disposal. From time to time facilities may be closed for maintenance and repair.

Current Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets			Method of Measurement
			Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
2.0.1.1	Support the development of strong, connected and resilient communities	2019/20: 91 facilities including community canter, halls, early	89-91 Facilities	89-91 Facilities	89-91 Facilities	Total number of facilities detailed in the Asset Management Plan subject to facility disposal. From

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets			Method of Measurement
			Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
	by supporting the provision of a sustainable network of community facilities	learning centres and voluntary libraries				time to time facilities may be closed for maintenance and repair.

3. Governance Decision Making

	Position	Name
Approval by General Manager	GM Citizens and Community	Mary Richardson
Activity Manager (Submitter)	Head of Community Support & Partnerships Unit	John Filsell

Rationale

This change to the level of service target is to allow for a very small number of administrative errors that may occur within the year. With the volume and complexity of requests received, achieving 100% responses is generally not realistic.

Proposed Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
4.1.29.2	Respond to requests for information held by Council in a manner that complies with the legislative processes and timelines set out in the	Provision of information is in accordance with	Provision of information is in accordance with	Provision of information is in accordance with	Review of the LGOIMA information provision

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
	Local Government Official Information and Meetings Act 1987 (LGOIMA)	LGOIMA principles and requirements – 99%	LGOIMA principles and requirements – 99%	LGOIMA principles and requirements – 99%	

Current Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets			Method of Measurement
			Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
4.1.29.2	Respond to requests for information held by Council in a manner that complies with the legislative processes and timelines set out in the LGOIMA	2019/20: 99.7% 2018/19: 99.7%	Provision of information is in accordance with LGOIMA principles and requirements – 100%	Provision of information is in accordance with LGOIMA principles and requirements – 100%	Provision of information is in accordance with LGOIMA principles and requirements – 100%	Review of the LGOIMA information provision

16. Quarterly Procurement Report

Reference / Te Tohutoro: 22/686601

Report of:

[REDACTED], Head of Procurement and Contracts,
[REDACTED]@ccc.govt.nz

General Manager:

Leah Scales, General Manager Resources/CFO,
leah.scales@ccc.govt.nz

Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
Plain English Reason:	To prevent information being released that could be used for improper commercial advantage or that needs to be withheld to avoid prejudice to the Council's or its supply chain's commercial position.
Report can be released:	<p>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.</p> <p>The information will be released in full or part, as appropriate upon periodical review by the Head of Procurement and Contracts, when it is no longer deemed to identify sensitive commercial information for the Council or its supply chain.</p>

1. Brief Summary

- 1.1 The purpose of this report is to present to the Audit and Risk Management Committee the quarterly procurement report for the financial period ending 31 March 2022 (Q3 FY22). The report has been written to fulfil the Audit and Risk Management Committee's request.

2. Officer Recommendations

That the Audit and Risk Management Committee:

1. Receives the information in this Quarterly Procurement report.
2. Agrees that the information in the Quarterly Procurement report will be released in full or part as appropriate upon periodical review by the Head of Procurement and Contracts and when it

is no longer deemed to identify sensitive commercial information for the Council or its supply chain, or to prejudice either's commercial position.

3. Key Points

Level of Service – 90% Percent of Contracts > \$100k Put to Market

- 3.1 FY22 performance against the level of service target on the percentage of contracts put to market through a Request for Proposal (RFP) or a Request for Tender (RFT) is summarised below.
- 3.2 New FY22 LOS criteria is 95% of all procurement activity more than \$100k (Excl. GST) put to market through RFP/T.

Percent of Procurement Activity > \$100k that Went to Market

FY22 Month	Total New Contracts	Total > \$100k	Total > \$100k Not to Market	% of Procurement Activity > \$100k that went to market
July	39	18	0	100.0%
August	32	11	0	100.0%
September	44	16	0	100.0%
October	29	14	0	100.0%
November	50	28	0	100.0%
December	19	8	0	100.0%
January	20	4	0	100.0%
February	28	16	0	100.0%
March	28	11	1	90.9%
YTD Total	289	126	1	99.2%

- 3.3 There were 31 departures in total submitted for the quarter, of which 13 of these were over \$100k.

The rationale for not going to market is justified based on the Office of the Auditor General Procurement Guidance for Public Entities.

- 3.4 New Contracts over \$100k with Departure – Q3 FY22

- 3.4.1 A summary of the suppliers, scope of services, expenditure and rationale for not going to market is provided in **Attachment A – Departures greater than \$100k Q3 FY22.**

Panel Expenditure

- 3.5 **Attachment B** provides the year to date expenditure by supplier within each of the Council's Panel Agreements.

- 3.5.1 There are currently 36 live panels in operation, with spend against 29 of these YTD.

- 3.5.2 Significant Panel Spend for the period of January to March 2022 was:

- \$31.71m – PAN038 – 3 Waters Drainage / WW / SW / LD ([REDACTED])

- \$31.23m – PAN036 – 3 Waters Works Potable Water Panel [REDACTED]

- \$6.0m – PAN028 – 3 Waters Hybrid Delivery Model [REDACTED]

3.5.3 Panels being reviewed with intention to take to market:

- Panel 22 – Financial Advisory Panel
- Panel 29 – Strategy and Transformation Panel
- Panel 28 – 3 Waters Hybrid Delivery Model
- Panel 36 – 3W HDM Potable Water Physical Works
- Panel 37 – 3 Waters Potable Sub-main Panel
- Panel 38 – 3W Drainage/WW/SW/LD
- Panel 39 – 3 Waters Hybrid Delivery Model
- Panel 40 – 3W HDM Physical Works Wells
- Panel 41 – 3W Potable Station and Structures

3.5.4 Panel 27 – CWW Treatment Plant Physical was terminated during Q3 FY22 and is not being renewed.

- A new procurement strategy is being drafted looking at a contract solution for both Christchurch and Banks Peninsula Wastewater Treatment Plants. An interim short-term agreement is in place to allow for this sourcing activity to be completed.

Off Contract Expenditure

- 3.6 “Off Contract” expenditure for all suppliers as a percentage of total expenditure was 6% at the end of Q3 FY22 compared with 11% average for 2018-2020. Refer **Attachment C** for trend showing the positive reduction over the last five years.

Top Twenty Suppliers

- 3.7 Q3 FY22 actual spend against the Top Twenty suppliers is shown in **Attachment C**. “Off Contract” expenditure for the Top Twenty supplier is 2% at the end of Q3 FY22. There are 191 contracts across the suppliers including [REDACTED]

4. Procurement Continuous Improvement Projects

- 4.1 Key actions WIP and completed in this quarter:

- 4.1.1 The Procurement Framework review identified several small improvements that can be achieved. These range from improved documentation to more explanation in terms of processes. Many of these have been completed, including several updates on the HUB and rules and documents to support the Procurement Framework. Updating of the framework on the HUB is ongoing.

- 4.1.2 Review and re-work of the Engagement of a Contractor process has been completed. Visio workflow, workflow notifications, HR form changes and HR HUB page changes have all been drafted and handed over to HR for implementation.
- 4.1.3 Councils Unsolicited Proposal Policy and Guidance document has also been updated and now includes a Visio workflow.
- 4.1.4 Price escalation within contract management process has been implemented. Guide, Visio workflow and internal notification spreadsheet has been communicated to Contract Managers and relevant Councils Procurement Framework rule updated.
- 4.1.5 The SAP Improvement Project is currently a key focus and will continue to be. The Procurement and Contracts Unit and Business Support and Continuous Improvement Unit are working closely together as the Procurement workstream of the SAP Improvement project spans both units.
- Below a snapshot of our draft joint priorities for this project:

Project Sponsor Jo van den Heever	Business Owner Jo van den Heever	Enhanced Sourcing and Contract Management	Priority 6	Supplier Evaluation	Supplier Evaluation and Performance Monitoring	Lean Service Management
			Priority 3	Classification and Segmentation	Procurement related activity management	
			Priority 4	Purchase Contract Management	Contract Approval Workflow	
			Priority 5	Spend Visibility	Contract Reporting, PO reporting	
	Business Owner Shaun Archer	Self-Service Requisitioning	Priority 1	Self-Service Requisitioning	Catalog Purchase Requisition	
			Priority 2	Requirements Processing	Convert self service requisition to contract or PO	
			Priority 7	Enhanced Invoice Processing	Supplier Invoice Workflow Integration forms to create/update business partner	

- 4.1.6 Special Projects Team Priorities – there is significant work planned to continue to improve procurement process and tools and to establish a training plan for external stakeholders based on their level of involvement in the procurement process. Refer to **Attachment D – Special Projects Team Work Plan** for a full list of planned projects.
- As the Special Projects Team currently has two key vacancies, it will be a couple of months before we start making progress on the work plan again.
- 4.2 Procurement is involved with several external projects. Work has progressed this quarter with the below projects:
- Construction Sector Accord Network** – Council have signed up as an early adopter of the network. The network's intention is to partner government and industry to work to fix many of the issues and challenges facing the construction sector.
 - The Ākina Network** – We are now working with Ākina to enhance the social element of our procurement framework sustainability objectives. We are currently investigating future opportunities with social enterprise and developing an internal document to inform and educate other areas of Council on the benefits and opportunities of engaging Social Procurement.
 - Canterbury Finance Managers Group** - Collaborative Procurement Working Group proposal has been tabled. The group is reading the Terms of Reference drafted by Council as we have been nominated as the lead. There is an opportunity to collaborate with Canterbury Chief Executives Forum (CCEF) on this. Information gathering is underway to

determine the best opportunities for collaboration in conjunction with MBIE. All stakeholders have agreed to a 3 phased approach proposed by CCC Procurement and have expressed much gratitude for our lead and pushing this forward.

- **CCHL Sustainable Procurement Group** – Collaboration of the procurement leads from across the CCHL companies to come together and discuss ways to improve / implement 'Sustainable Procurement'. The first meeting was held on November 11th and was an introduction session to learn at what stage of the journey each group was at.

5. Internal Audit Status

5.1 The status of internal audit findings is summarised below.

	Open Findings	Overdue (Original Date)
High	0	0
Moderate	0	1
Low	0	0

5.2 **Audit actions in progress to resolve are summarised in - Attachment E**

Finding Title: Line 62 Purchasing System Controls - There have been discovery workshops with our supplier SAP. The objective was to identify and prioritise opportunities for value creation and risk reduction within our current business systems. The Digital Strategy delivery is a priority for Council and this includes an expectation of a significant shift from manually driven activities to digitisation and related efficiencies. The agreed priority focus is across 3 areas, Procurement and Contracts being one of them and we anticipate that this will help resolve the outstanding audit actions. A programme has been created to start to implement change.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Attachment A - Departures Q3 FY22	27
B	Attachment B - Quarterly expenditure (Commitments) against each supplier in each panel agreement Q3 FY22	30
C	Attachment C - Expenditure and Top 20 Q3 FY22	39
D	Attachment D - Special Projects Team Work Plan	42
E	Attachment E - Procurement and Contracts Audit Status	48

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).

(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

Authors	Jo van den Heever - Head of Procurement & Contracts Chris Banks - Senior Procurement Reporting Analyst
Approved By	Leah Scales - General Manager Resources/Chief Financial Officer

Attachment A – Market Departures over \$100,000 – Q3 FY22		
Departure Approved		
Supplier and Scope	Total Value (\$'000's)	Rationale
<p>[REDACTED]</p> <p>Lifelong Dog Tags</p>	\$120k	<p>Departing From: 1 x Written Quote</p> <p>Departure Reason: The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers.</p> <p>The proposed life-long tags are metal and provide the end user with more functionality, the quality is superior in comparison to only one other supplier.</p>
<p>[REDACTED]</p> <p>Greenspace Consultancy Services</p>	\$500k	<p>Departing From: Open Tender</p> <p>Departure Reason: The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers.</p> <p>As [REDACTED] is an expert in the greenspace consulting market and does work for numerous Councils around New Zealand. This is of great benefit to Council, as we get to pull on the experience and lessons learned from other Councils. Therefore assisting CCC in accelerating how we deliver on the city's needs. Council has been [REDACTED]</p> <p>On approval of this departure, we will be able to track spend on-contract and have a contractual ordered works method in place</p>
<p>[REDACTED]</p> <p>Request is to purchase an Exeloo Jupiter 4 Cubicle Toilet to be installed in the Botanic Gardens Armagh Public Carpark to replace the existing public toilets.</p>	\$190k	<p>Departing From: 1 x Written Quote</p> <p>Departure Reason: The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers.</p> <p>[REDACTED]</p>
<p>[REDACTED]</p> <p>Local Government Elections</p>	\$885k	<p>Departing From: Open Tender</p> <p>Departure Reason: Standardisation / compatibility with existing equipment or services & can be achieved through only one supplier.</p> <p>[REDACTED]</p> <p>[REDACTED] the national provider for voter pack production for 2022 triennial elections for all councils.</p>
<p>[REDACTED]</p> <p>Software development services for Forward Works Viewer</p>	\$150k	<p>Departing From: Open Tender</p> <p>Departure Reason: Standardisation/compatibility with existing equipment or services & can be achieved through only 1 supplier</p> <p>We have identified that the reason for departure is for compatibility with pre-existing technology, however the specialised skills required are also very complex and there are a limited number of qualified suppliers in the market. Due to current software vulnerabilities, timing is also a consideration.</p>

		We have formed a transition governance group within CCC to consider different options for updating the FWV technology and during our last meeting we discussed the need for a departure due to the reasons set out above, and the group was supportive of this.
██████████ CWTP Maintenance Works	\$500k	Departing From: Open Tender Departure Reason: Only one supplier has the capacity to deliver at the time required and this can be adequately attested. ██████████ is already on-site and has an intimate working knowledge of the equipment in use at the treatment plant. The contract is to address REACTIVE (urgent) maintenance requirements. There is a high risk of interruption to services if the work is completed urgently. T ██████████ ██████████
██████████ Supply and installation of Art Gallery data cabling	\$300k	Departing From: Open Tender Departure Reason: The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers. There is a limited number of qualified suppliers in the marketplace that can undertake the work in a timely manner and for a good price. We (council) have asked the suppliers for a quote and ██████████ were sufficiently cheaper than ██████████ but for the same product and installation.
██████████ Citizen's War Memorial Reconstruction	\$168k	Departing From: Open Tender Departure Reason: The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers. We propose to direct appoint ██████████ as the main contractor with two nominated subcontracts. This procurement is for an overarching main contractor who is responsible for managing the specialised nominated sub-trades and ensuring efficient forward work planning and management of site to ensure the ANZAC Day deadline is achieved. The majority of the construction will be undertaken by nominated subcontractors (approximately 75% of value of contract, >80% of workload) The stonemason ██████████ has been nominated as they undertook the deconstruction of the memorial and are best suited to reconstruct given the intimate knowledge they now have. ██████████ are the nominated specialist concrete contractor. The main contractor must be familiar with the site and have the experience, resources and capability to competently manage the numerous heritage sensitivities associated with the project. The main contractor must have the capability and the required CCC approvals to address any potential service conflicts e.g. ██████████ are a reliable and trusted contractor who maintains the City's lifeline infrastructure such as potable water and waste water.
██████████ Remote monitoring service of ██████████ water treatment membrane system	\$321k	Departing From: Open Tender Departure Reason: The required goods or services are available from only one source The remote monitoring is for the supplier's propriety system so only they are able to provide the service.
██████████ Maintenance Services relating to CWWTP 11Kva Electricity System. These activities are required for ██████████ compliance purposes."	\$110k	Departing From: Open Tender Departure Reason: The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers. To enable ongoing Treatment Plant Telarc compliance it is proposed a 5 year agreement be entered into to enable effective programming of inspections with the current supplier of the services who has a detailed knowledge of the network and compliance requirements. The cost to go to market would likely outweigh any financial benefit obtained. The service has been provided to-date on an off-contract basis by ██████████ who was involved in the construction and commissioning of the system.

<p>██████████</p> <p>██████████ systems and batteries to resolve aged equipment and maintenance services to monitor and support the systems</p>	\$300k	<p>Departing From: 3 x Written Quotes Departure Reason: Standardisation/compatibility with existing equipment or services & can be achieved through only 1 supplier</p> <p>We are looking to standardise IT supporting ██████████ infrastructure across council - this piece of work relates to installed systems that are end of life and require immediate remediation.</p>
<p>██████████</p> <p>Waste Reduction Services</p>	\$150k	<p>Departing From: Open Tender Departure Reason: The required goods or services are available from only one source</p> <p>Required service model is available with this supplier only. Waimakariri council previously engaging ██████████ to hold a bi-annual workshop but have chosen to engage another provider who has a different approach and targets a different section of the community.</p> <p>Workshops participants are asked to complete a survey following the session. Participants typically rate the workshop a 4 or 5 out of 5 along with being inspiration, informative and realistic. The incentive packs are also highly rated and give the participants the tools to make changes immediately while they are inspired.</p>
<p>██████████</p> <p>CWTP Recovery Physical Works</p>	\$2.0m	<p>Departing From: Open Tender Departure Reason: Emergency Procurement</p> <p>Aerators are due to be on site mid-February 2022 and need to be installed by end of March 2022. Therefore, power supply needs to be installed to enable these works to be completed.</p> <p>The Bypass pipe needs to be completed prior to demolition of the trickling filters to prevent contaminated waste water entering the treatment process. The barrier between the SCT and trickling filters pipe is leaking and cannot be sealed properly.</p> <p>██████████ the only HDM contractor with the experience and known capability of working on CWTP, and have the available resources to assist in delivery these works.</p>

Direct Appointment without a Departure		
Supplier and Scope	Total Value (\$000's)	Rationale
None		

Attachment B - Supplier Panel Agreements

Heritage Architect Panel PAN005	Start Date	1/03/2016	End Date	31/12/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
			39	37%
	11	100%	66	63%
Total	11	100%	104	100%

Legal Services (Direct Payments) PAN019	Start Date	1/05/2015	End Date	30/04/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	0	0%	297	11%
	0	0%	63	2%
	0	0%	404	16%
	0	0%		0%
			45	2%
			137	5%
	0	0%	137	5%
	2	100%	1,417	55%
			91	4%
Total	2	100%	2,591	100%

AOG IT Hardware PAN021	Start Date	24/09/2015	End Date	22/11/2021
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	0	0%		
	13	3%	206	12%
	0	0%		
	453	96%	1,467	88%
	4	1%		
Total	469	100%	1,673	100%

Financial Advisory PAN022	Start Date	1/07/2016	End Date	30/06/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	21	20%	79	7%
	0	0%		
	87	80%	1,011	
	0	0%	47	4%
Total	109	100%	1,137	100%

Wastewater Lateral Repairs and Renewals PAN025		Start Date	13/02/2017	End Date	12/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		13	1%	340	5%
		85	9%	1,170	16%
		241	25%	1,120	15%
		268	27%	2,267	31%
				22	0%
		182	19%	1,169	16%
		165	17%	1,049	14%
		27	3%	191	3%
Total		982	100%	7,328	100%

CWW Treatment Plant Integrator PAN026		Start Date	1/02/2017	End Date	31/01/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
Total		0	100%	0	0%

CWW Treatment Plant Physical PAN027		Start Date	1/02/2017	End Date	31/01/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		129	100%	2,664	100%
Total		129	100%	2,664	100%

3 Waters Hybrid Delivery Model PAN028		Start Date	1/07/2017	End Date	30/06/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		274	11%	1,170	12%
		393	16%	1,746	18%
		548	22%	1,319	14%
		315	13%	822	9%
		479	19%	2,469	26%
		464	19%	1,986	21%
Total		2,474	100%	9,513	100%

Professional Consultants PAN029		Start Date	1/07/2017	End Date	30/06/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		0	0%	6	1%
		0	0%		
		1	2%	8	1%
		0	0%		
		23	33%	68	11%
		0	0%		
		3	4%	29	5%
		5	7%	40	7%
		4	6%	151	25%
		30	43%	238	40%
		0	0%		
		0	0%	55	9%
		3	4%		
Total		69	100%	596	100%

Testing & Business Analysis PAN031		Start Date	3/07/2017	End Date	2/07/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		140	70%	265	81%
		59	30%	61	19%
Total		199	100%	326	100%

Marine Structures Wharfs Jetty PAN033		Start Date	1/01/2018	End Date	31/12/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				42	33%
		1	100%	73	57%
				14	11%
Total		1	100%	128	0%

Engineering Bridges Culverts Walls PAN034		Start Date	1/01/2018	End Date	31/12/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		58	79%	181	28%
		15	21%	469	72%
Total		73	100%	651	100%

3Waters Works Potable Water PAN036		Start Date	1/01/2018	Start Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		1,258		1,129	19%
		385		578	10%
		33		1,116	19%
		908		203	3%
				84	1%
				2,297	39%
		65	2%	250	4%
				256	4%
Total		2,649	100%	5,914	100%

3Waters Potable Sub Main Panel PAN037		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				754	32%
				1,035	44%
				564	24%
		1,218	100%		
Total		1,218	100%	2,353	0%

3 Waters Drainage/WW/SW/LD PAN038		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				2,654	22%
				563	5%
				877	7%
				1,552	13%
		150		2,156	18%
		634	23%	2,131	17%
		1,540		1,111	9%
		491	17%	1,265	10%
Total		2,814	100%	12,309	100%

3W PS SCADA & Meica PAN039		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		177	21%	397	34%
		673		686	59%
				76	7%
Total		850	100%	1,159	100%

3W HDM physical works wells PAN040		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				130	100%
Total		0	100%	130	100%

3Waters Potable Station & Stru PAN041		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		927	68%	855	50%
					0%
		58		252	15%
		378		591	35%
Total		1,363	100%	1,697	100%

AoG External Recruitment IT PAN043		Start Date	22/12/2017	End Date	21/09/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		83	84%	64	80%
		16	16%	16	20%
Total		99	100%	80	100%

AoG External Recruitment IT PAN044		Start Date	1/04/2018	End Date	19/09/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		47	26%	45	32%
		135	74%	95	68%
Total		182	100%	141	100%

Property Valuation PAN045		Start Date	1/04/2018	End Date	30/03/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		21	39%	45	34%
		17	31%	16	12%
		5	9%	21	15%
		11	20%	51	
Total		54	100%	133	100%

BCA Processing PAN046		Start Date	12/12/2018	End Date	30/04/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		31	66%	39	85%
		0	0%		
		16	34%	7	15%
Total		47	100%	46	100%

SAP Consultancy Services PAN048		Start Date	19/07/2016	End Date	3/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		13	2%	61	8%
		36	7%	178	24%
		46	8%	51	7%
		122	22%	130	18%
		0	0%	34	5%
				218	29%
		331	61%	69	
		547	100%	741	100%
Total		547	100%	741	100%

C&C Engineering Services Panel PAN049		Start Date	29/02/2020	End Date	28/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		74	56%	232	42%
		31	23%	150	27%
		8	6%	10	2%
		10	7%	145	26%
		5	4%	4	1%
		7	5%	15	3%
Total		134	100%	557	100%

RMA Consent/Advisory Panel PAN050		Start Date	29/02/2020	End Date	28/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		20	34%	54	29%
		1	1%		
				3	2%
				5	2%
		1	1%	1	1%
		6	10%	43	23%
		13	22%	49	26%
		7	12%		
		7	11%	11	
				17	
				6	
		5	8%		
Total		59	100%	188	100%

Hard Surfaces Parks Network Panel PAN051		Start Date	20/12/2019	End Date	20/12/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		75	41%	797	39%
				41	2%
		81	44%	762	37%
		30	16%	432	21%
Total		186	100%	2,031	100%

Transport Professional Consultancy Panel PAN053		Start Date	1/11/2019	End Date	31/10/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		9	2%	58	3%
		35	9%	195	10%
		22	6%	442	24%
		43	11%	581	31%
		117	30%	268	14%
		11	3%	17	1%
		32	8%	44	2%
				21	1%
		70	18%	145	8%
		50	13%	84	
Total		390	100%	1,854	100%

Network Upgrade Project PAN056		Start Date	1/01/2021	End Date	1/01/2026
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		1,313	100%		
Total		1,313	100%	0	100%

Freshwater & Marine Ecology Panel PAN057		Start Date	1/03/2021	End Date	28/02/2024
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				982	84%
		12	86%	69	6%
				92	8%
		2	14%	27	2%
Total		14	100%	1,170	100%

ALL OF GOVERNMENT Agreements

Office Consumables	Start Date	1/07/2016	End Date	17/07/2027
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	46	100%	279	100%

Data and Telecoms - Mobile / Voice Data	Start Date	1/04/2017	End Date	2/11/2026
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	202	100%	1,767	100%

***Electricity	Start Date	30/09/2019	End Date	30/09/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	2,037	84%	9,840	68%
	385	16%	4,684	32%
Subtotal	2,422	100%	14,524	100%

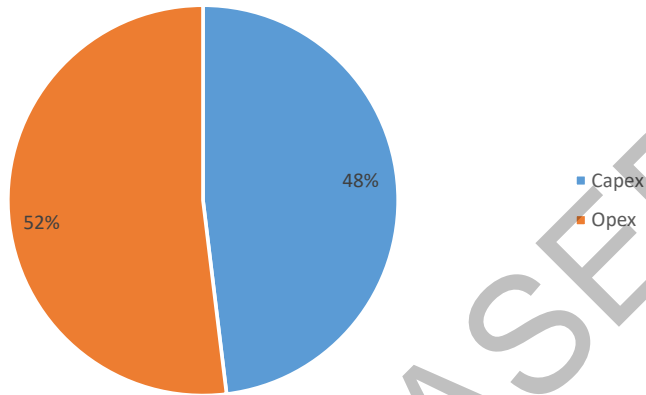
Travel	Start Date	1/07/2015	End Date	25/07/2024
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	25	100%	101	100%

	FY 22 (\$000's)	FY 21 (\$000's)
TOTAL AOG SPEND	2,694	16,672

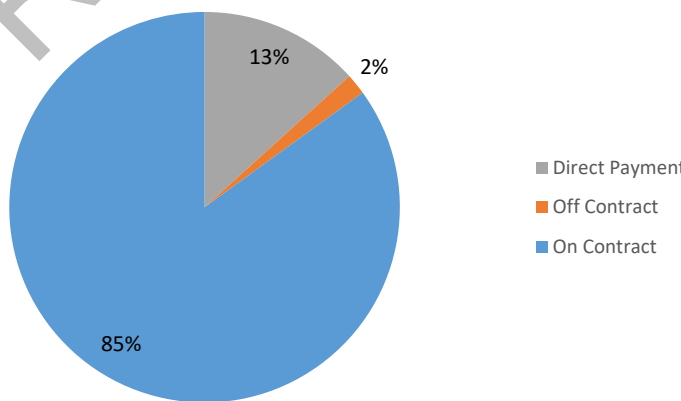
Attachment C - Top 20 Supplier Spend (\$000's) - Q3 FY22

Vendor	CAPEX				OPEX				Grand Total
	Direct Payment	Off Contract	On Contract	Capex Total	Direct Payment	Off Contract	On Contract	Opex Total	
	779	1,176	15,559	17,514	3	1,220	42,349	43,572	61,086
	1,261	431	30,548	32,240		538	6,520	7,058	39,298
	451			451	24,105			24,105	24,556
						58	19,858	19,916	19,916
			17,145	17,145					17,145
	643	3	13,436	14,082		22		22	14,105
	100		7,175	7,275			4,508	4,508	11,783
	271	2	3,252	3,524		40	8,080	8,119	11,644
			310	310		72	11,144	11,216	11,526
	260		7,135	7,395			147	147	7,542
	43			43	7,064			7,064	7,106
	149		6,834	6,982					6,982
	80		6,829	6,909					6,909
		88	2,833	2,921		73	2,406	2,479	5,401
		229	128	357		223	4,524	4,747	5,103
	123		4,858	4,981					4,981
		149	3,277	3,426	483	165	675	1,322	4,748
			1,733	1,733	284	10	2,178	2,472	4,204
		80	2,927	3,007	1	110	733	844	3,851
		8	305	313			3,499	3,499	3,812
Grand Total	4,159	2,166	124,284	130,608	31,939	2,530	106,622	141,091	271,699

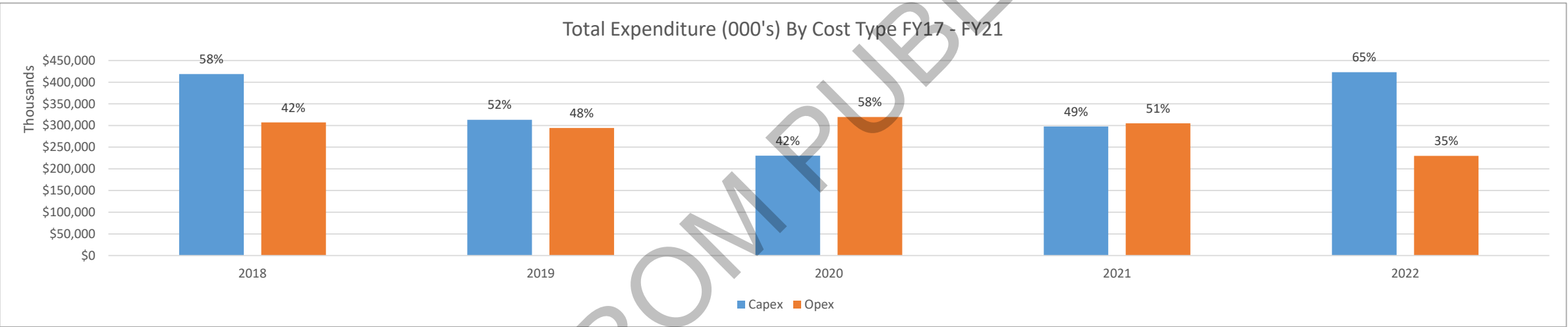
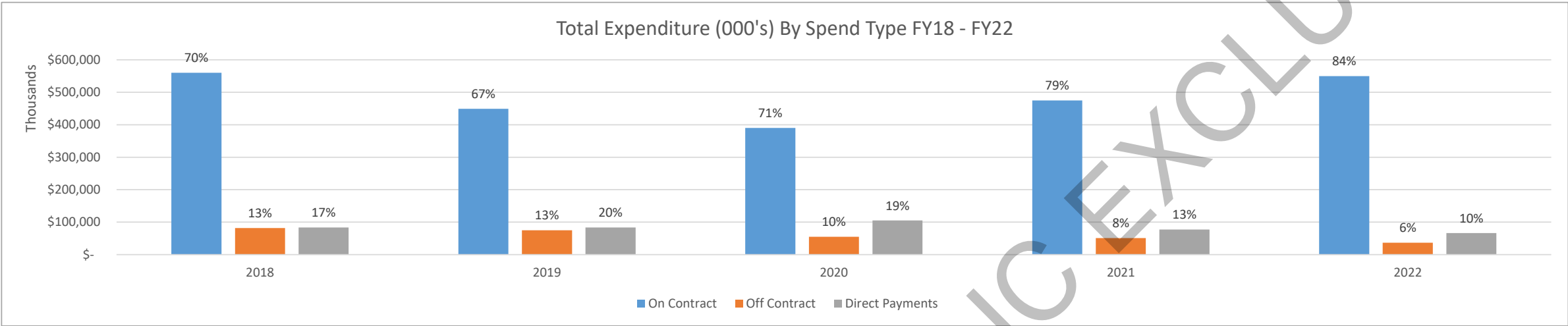
Top 20 Supplier Spend By Cost Type



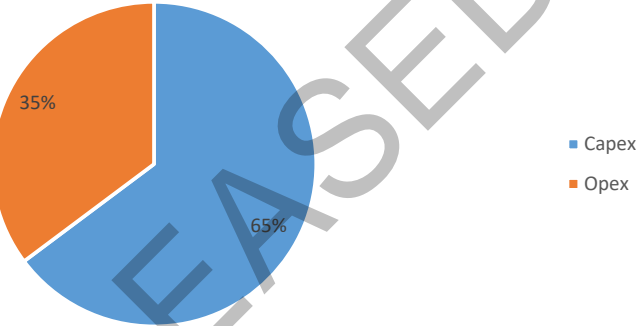
Top 20 Supplier Spend by Spend Type



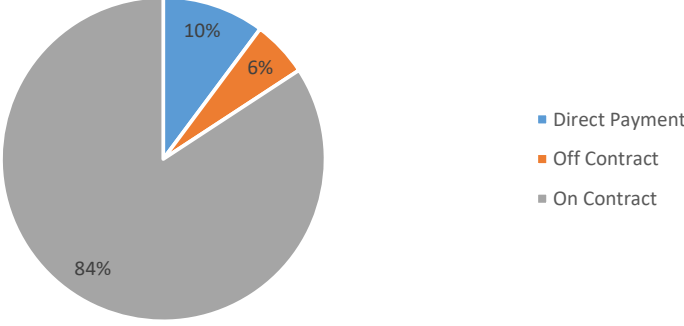
Attachment C - Expenditure (\$000's) - Q3 FY22

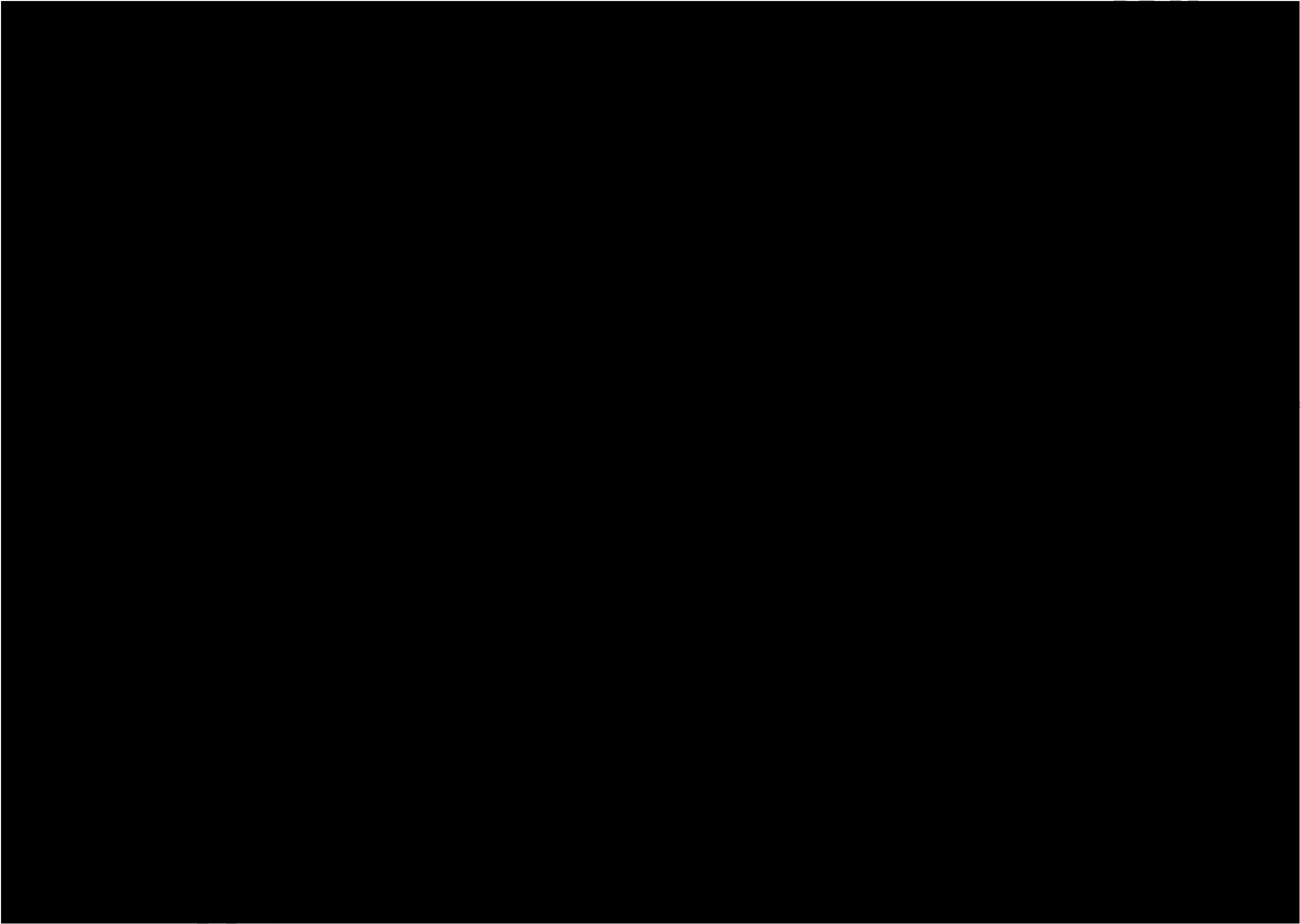


% Supplier Spend By Cost Type



% Supplier Spend by Spend Type





Procurement Best Practice – Projects Workplan

No.	Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
1	Ongoing	Review current framework/processes – look for opportunities to simplify	Ongoing		Nigel	Chris			
2	Ongoing	Action procurement framework review changes on The Hub	Ongoing Drafts in progress for: Engagement of Contractors, Price Escalations within Contract, Panels – Work Allocation/Secondary Procurement		Nigel	Chris			
3	High	Canterbury Collaborative Procurement Working Group	CCC driving project across 7 Canterbury Councils (including CCC) plus ECan. Project split into 3 phases, phase 1 to initially maximise financial benefits across 12 AoG contracts. Phase 2 to identify all categories that sit below open market threshold, put an annual spend value against these and agree a further 10 to 15 categories to where AoG or syndicated contracts available either through NZ Procurement or other national agencies (e.g. NZ Police) and additional financial benefits available in joining these contracts. Phase 3 for Canterbury Corporate Forum to agree budget to engage external consultancy to build ongoing collaborative procurement framework for Canterbury (ideally online). Project supported by Andrew Thrift at Procurement NZ (part of MBIE).	Phase 1 submissions by 29 th April, Nigel and Andrew Thrift to identify potential savings and provide this information to each agency by end May, agencies to confirm their actions to Corporate Forum meeting 20 th June	Nigel	Chris			
4	High	Build BU training plan by procurement framework segment and role hierarchy	Identify key stakeholders, training needs, routine errors & knowledge gaps Build training around Plan, Source, Manage & Transact	In progress	Nigel	Chris	Jo, & Elizabeth	Heads Of, Managers	Engage Heads Of & Managers pre delivery of training to gain support to propose team members for training and training needs. Sell benefits of structured procurement

No.	Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
5	High	Agreements Matrix	Draft agreements matrix emailed to Elizabeth Neazor for Legal review and feedback. Needs completing and incorporating both into Procurement framework on Sharepoint and including in the framework training to be rolled out to all business units (project number 4 above)	In progress	Jo to chase Elizabeth Neazor				Incorporate into Procurement framework training for all business units. Add to Procurement framework in Sharepoint Email comms
6	High	Direct award workflow – Rule 27	Create Visio workflow to reflect Rule 27	In progress	Nigel				Add to Procurement framework in Sharepoint Email comms
7	High	Documents Naming Convention	Draft update to current convention with Jo for review and feedback. Once draft finalised, needs to be presented to and agreed with Lyn Ferris. Needs completing and incorporating both into Procurement framework on Sharepoint and including in the framework training to be rolled out to all business units (project number 4 above)	In progress	Nigel		Jo		Email comms
8	High	Build panels secondary procurement Sharepoint based form to create RFQ document and then convert it to a SOW once RFQ completed. A register of SOWs can then be retained from these online documents		In progress	Nigel	Chris			Email comms

No.	Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
9	High	Develop online pre-qualification system	To be set up as an externally facing online portal Pre-qualification elements and internal sign off, Visio workflow and project next steps plan completed	In progress	Nigel	Chris	Jo, Luke, Elizabeth, BUs setting standards & signing off parts of the pre-qualification IT when wanting to build portal		Review with JOT, RS, NR & JVDH Review proposed elements with Bus who will be signing them off Brief team at Unit Briefing, brief Heads Of and Managers, training, and online guide as part of framework, comms. to key (top 50?) suppliers
10	High	Automate pre-amble activities for new contracts	Bespoke roadmap based on criteria selection	Not started	Nigel	Chris	Jo, Luke & Elizabeth	Train out to Procurement Team & all BUs	Brief Heads Of & Managers before training & launch Training for all teams, add into framework with online guide
11	High	Online register of sub-contractors	Accessible externally to contractors tendering for Council contracts	Not started	Nigel	Chris			Email comms internally, comms to relevant suppliers
12	High	Social procurement	Support from Akina	Ongoing	Chris	Harriet Freeth & Akina			
13	High	Create panels report		In progress	Chris				
14	Medium	Develop category planning framework	Generic category planning framework sent to Jo. Needs tweaking to fit specific requirements for Council and OPEX/CAPEX	On hold	Nigel	Chris	JVDH		Work with JVDH and CAPEX & OPEX teams to tweak framework collaboratively

No.	Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
15	Medium	Procurement team - skills assessment and associated behaviours and technical skills training	Plagiarise 2 docs to create own set Individuals self-assess as well as managers assess them. Guidelines for executing – e.g. appraisals quick guide Launch at Unit Briefing Beginner through to expert – use internal grades Annualised process	Not started	Nigel	Chris	Jo, HR & possible external consultant Sam Shosanya	Procurement Team	
16	Medium	Living wage impact analysis	Quarterly & annually Quarterly report broken down by month Ongoing once first report initiated Using Qualtrix to complete analysis	Ongoing	Chris	Qualtrix			
17	Medium	SAP upgrade		Ongoing	Jo	Nigel			
18	Medium	Sourcing and contract management workload gantt report	Final report format being built Proposed purpose is to provide a visual report to show where bottle necks of workload potentially exist in the future so that changes can be made to resourcing/deadlines to try and smooth these out	Ongoing	Chris				
19	Low	Tweak NZ Government Supplier Debrief Checklist to fit CCC	Draft circulated for feedback	In progress	Nigel	Chris			

No.	Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
20	Low	Write guide for suppliers on key points to consider when completing a tender for CCC	<p>Add to GETS and the pre-qualification portal once it has been built.</p> <p>Examples of points to include:</p> <ol style="list-style-type: none"> 1. Ensure all questions are answered, including all bullet points within any questions 2. Ensure examples included relate to the category being tendered as closely as possible 3. Use photos 4. If tender covers multiple categories, ensure responses for each category include answers to all questions, even where it's the same question for each category 	Not started	Nigel	Chris			
21	Low	Develop internal supplier surveys		Not started					
22	Ongoing	Download and circulate Achilles Supply Chain Resilience Index quarterly report	Download from https://www.achilles.com/industry-insights/ascr/ and circulate to Procurement & Contracts team	Quarterly ongoing – last report circulated Q4 2021/22	Nigel				
23	Ongoing	Guidelines for writing guides has been written but needs adding to for Word document formatting not currently included	Current document needs adding to Procurement framework in Sharepoint	Ongoing	Nigel	Chris			
24	Ongoing	Introduction to 7 Key Shared Services Induction Presentation	Keep the consolidated presentation updated and accurate to the team and framework	Ongoing	Nigel				
25	On hold	Longer-term purchasing project – re-positioning procurement within the organisation		Not started					
26	TBC	Review all externally facing documentation, update content and ensure consistent formatting							


No.	Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
27	TBC	A consolidated planning process with IT/Projects (Submission from Elizabeth Espin)							
28	TBC	Review of evaluation forms (Submission from Elizabeth Espin)							
29	Ready to implement	Review and re-work Engagement of Contractors process	Visio workflow, workflow notifications, HR form changes and HR Hub page changes all drafted and saved in the S drive	Completed	Rebecca Smith to action all changes once in place in her new role in HR				
30	Ready to implement	Unsolicited proposals	Policy change, rule change and Visio workflow drafted	Completed	Jo to confirm if policy sign off with GM or ELT				
31	Completed	Price escalations within contract	Guide, Visio workflow and internal notification spreadsheet drafted and communicated out to Procurement & Contracts team	Completed					

Procurement and Contract Management Audit Findings

Finding Title	Finding Owner	Due Date Status	Agreed Recommendations	Latest Progress	Original Due Date	Revised Due Date	Status	Rating
Line 62: Purchasing system controls	Jane O'Toole	Overdue. Within revised due-date	<p>2. Investigate the possibility of aligning system controls in S4/HANA to the new Procurement Manual to help ensure compliance with purchasing procedures. Implementing those available.</p> <p>This would include: [from #61 - finding 2.3] - a mandatory field in S4/HANA for capturing the PO requisitioner in the system . Chris Anderson, due 30-9-2019; and</p> <p>[from #60 - finding 2.2] - implementing system restrictions in the PO creation process in S4/HANA so the releaser cannot be the same person as the creator or requisitioner of the PO. Chris Anderson, due 30-9-2019</p>	There are discovery workshops in progress with SAP. The objective is to identify and prioritise opportunities for value creation and risk reduction within our current business systems. The Digital Strategy delivery is a priority for Council and this includes an expectation of a significant shift from manually driven activities to digitisation and related efficiencies. The agreed priority focus is across 3 areas, Procurement and Contracts being one of them and we anticipate that this will help resolve the outstanding audit actions.	30/09/2019	9/05/2022	In Progress	Moderate

17. Quarterly Procurement Report (Carried Forward from 1 April 2022)

Reference / Te Tohutoro: 22/672573

Report of:  Head of Procurement and Contracts,
@ccc.govt.nz

General Manager: Leah Scales, Acting General Manager Resources/CFO,
leah.scales@ccc.govt.nz

Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>
Plain English Reason:	To prevent information being released that could be used for improper commercial advantage or that needs to be withheld to avoid prejudice to the Council's or its supply chain's commercial position.
Report can be released:	<p>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.</p> <p>The information will be released in full or part, as appropriate upon periodical review by the Head of Procurement and Contracts, when it is no longer deemed to identify sensitive commercial information for the Council or its supply chain.</p>

1. Brief Summary

- 1.1 The purpose of this report is to present to the Audit and Risk Management Committee the quarterly procurement report for the financial period ending 31 December 2021 (Q2 FY22). The report has been written to fulfil the Audit and Risk Management Committee's request.

2. Officer Recommendations

That the Audit and Risk Management Committee:

1. Receives the information in this Quarterly Procurement report.

2. Agrees that the information in the Quarterly Procurement report will be released in full or part as appropriate upon periodical review by the Head of Procurement and Contracts and when it is no longer deemed to identify sensitive commercial information for the Council or its supply chain, or to prejudice either's commercial position.

3. Key Points

Level of Service – 90% Percent of Contracts > \$100k Put to Market

- 3.1 FY22 performance against the level of service target on the percentage of contracts put to market through a Request for Proposal (RFP) or a Request for Tender (RFT) is summarised below.
- 3.2 New FY22 LOS criteria is 95% of all procurement activity more than \$100k (Excl. GST) put to market through RFP/T.

Percent of Procurement Activity > \$100k that Went to Market

FY22 Month	Total New Contracts	Total > \$100k	Total > \$100k Not to Market	% of Procurement Activity > \$100k that went to market
July	39	18	0	100.0%
August	32	11	0	100.0%
September	44	16	0	100.0%
October	29	14	0	100.0%
November	50	28	0	100.0%
December	19	8	0	100.0%
YTD Total	213	95	0	100.0%

- 3.3 There were 34 departures in total submitted for the quarter, of which 17 of these were over \$100k.

The rationale for not going to market is justified based on the Office of the Auditor General Procurement Guidance for Public Entities.

- 3.4 New Contracts over \$100k with Departure – Q2 FY22

3.4.1 A summary of the suppliers, scope of services, expenditure and rationale for not going to market is provided in **Attachment A – Departures greater than \$100k Q1 FY22**.

Panel Expenditure

- 3.5 **Attachment B** provides the year to date expenditure by supplier within each of the Council's Panel Agreements.

3.5.1 There are currently 33 live panels in operation, with spend against 29 of these YTD.

3.5.2 Significant Panel Spend for the period of July to December 2021 was:

- \$20.7m – PAN036 – 3 Waters Works Potable Water Panel ()

- \$14.2m – PAN038 – 3 Waters Drainage / WW / SW / LD ([REDACTED])
- \$6.0m – PAN028 – 3 Waters Hybrid Delivery Model [REDACTED]

3.5.3 Panels being reviewed with intention to take to market:

- Panel 28 – 3 Waters Hybrid Delivery Model
- Panel 36 – 3W HDM Potable Water Physical Works
- Panel 37 – 3 Waters Potable Sub-main Panel
- Panel 38 – 3W Drainage/WW/SW/LD
- Panel 39 – 3 Waters Hybrid Delivery Model
- Panel 40 – 3W HDM Physical Works Wells
- Panel 41 – 3W Potable Station and Structures

3.5.4 Panels expired Q2 FY22 and not being renewed:

- Panel 27 – CWTP Physical Works – Cancelled 03/11/2021
- Panel 49 – BCA Panel – Cancelled [REDACTED] all other extended)

Off Contract Expenditure

- 3.6 “Off Contract” expenditure for all suppliers as a percentage of total expenditure was 7.9% at the end of Q2 FY22 compared with 11% average for 2018-2020. Refer **Attachment C** for trend showing the positive reduction over the last five years.

Top Twenty Suppliers

- 3.7 Q2 FY22 actual spend against the Top Twenty suppliers is shown in **Attachment C**. “Off Contract” expenditure for the Top Twenty supplier is 1.2% at the end of Q2 FY22. There are 159 contracts across the suppliers including [REDACTED]

4. Procurement Continuous Improvement Projects

4.1 Actions completed in this quarter:

- 4.1.1 The Procurement Framework review identified several small improvements that can be achieved. These range from improved documentation to more explanation in terms of processes. Many of these have been completed, including several updates on the HUB and rules and documents to support the Procurement Framework.
- 4.1.2 The future of purchasing administration - A paper with recommendations was presented to ELT on November 17th. ELT have agreed to include a programme to improve purchasing throughout the Organisation with the SAP Improvement Programme. Work is currently underway to document the several purchasing processes operating within Council and test upgrades to the SAP system to support the improvement.
- 4.1.3 The Procurement Unit has a number of special projects underway to improve procurement at Council. The full list of projects and status can be viewed in **Attachment D**.

- 4.1.4 Sustainability objectives/strategy through sourcing and contract management framework update is a key focus.
- 4.1.5 Pre-qualification system – options review and meetings have taken place with key stakeholders in the areas of Health, Safety & Wellbeing, Finance and Sustainability. Requirements for each area have been drafted and will be presented to key stakeholders. Options for digitalising the system are currently being explored.
- 4.1.6 A full review of the supply chain and global supply chain issues to ensure appropriate mitigation is in place where possible. This review is taking place on a monthly basis to ensure we stay in front of any potential issues.
- 4.2 Procurement is involved with several external projects. Work has progressed this quarter with the below projects:
- **Construction Sector Accord Network** – Council have signed up as an early adopter of the network. The network's intention is to partner government and industry to work to fix many of the issues and challenges facing the construction sector.
 - **The Ākina Network** – We are now working with Ākina to enhance the social element of our procurement framework sustainability objectives. We are currently investigating future opportunities with social enterprise and how we can engage with these businesses and help to understand how to work with Council.
 - **MBIE Supplier Relationship Management Community of Practice (CoP)** - The CoP is designing standards, guidance, policy, frameworks, tools and templates used for agencies across the sector. The interview/survey phase of the project has been completed and the CoP is working on a process going forward.
 - **Canterbury Finance Managers Group** - There is an opportunity to collaborate with other Councils in the South Island to drive collaborative procurement opportunities. This has been commissioned work directed by the Canterbury Chief Executives Forum (CCEF). Previous work done was supported by the Mayoral Forum and the opportunities identified during that work are our starting point. Currently working with MBIE and the other Councils to explore the benefits of collaborative procurement regionally. Local organisations are collating and preparing data on their categories of spend so we can determine where the greatest opportunities are.
 - **CCHL Sustainable Procurement Group** – Collaboration of the procurement leads from across the CCHL companies to come together and discuss ways to improve / implement 'Sustainable Procurement'. The first meeting was held on November 11th.

5. Internal Audit Status

- 5.1 The status of internal audit findings is summarised below.

	Open Findings	Overdue (Original Date)
High	0	0
Moderate	0	1
Low	0	0

- 5.2 **Audit actions in progress to resolve are summarised in - Attachment D**

Finding Title: Line 62 Purchasing System Controls - There have been discovery workshops with our supplier SAP. The objective was to identify and prioritise opportunities for value creation and risk reduction within our current business systems. The Digital Strategy delivery is a priority for Council and this includes an expectation of a significant shift from manually driven activities to digitisation and related efficiencies. The agreed priority focus is across 3 areas, Procurement and Contracts being one of them and we anticipate that this will help resolve the outstanding audit actions. A programme has been created to start to implement change.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Attachment A - Departures Q2 FY22	54
B	Attachment B - Quarterly expenditure (Commitments) against each supplier in each panel agreement Q2 FY22	56
C	Attachment C - Expenditure and Top 20 Q2 FY22	66
D	Attachment D - Special Projects Team Work Plan Q2 FY22	69

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.

Signatories / Ngā Kaiwaitohu

Author	[REDACTED] Head of Procurement & Contracts
Approved By	Leah Scales - General Manager Resources/Chief Financial Officer

Item 17

Attachment A

[REDACTED]

Iltham Pool – Pool Liner

[REDACTED]

[REDACTED] material for renewal of Diamond Harbour wharf.

		There are other suppliers of similar materials but [REDACTED] have the in house design capability to account for loading and the variable spans that are found on Diamond Harbour wharf (the existing stringers are not consistently spaced). A key driver behind CCC procuring the materials (rather than the contractor) is the risk of materials being delivered late. CCC have an assurance that this decking can be supplied to meet the construction programme.
<p>[REDACTED]</p> <p>Geotechnical & contamination advice for Performing Arts Precinct</p>	\$600k	<p>Departing From: Closed Tender Departure Reason: Only one supplier has the capacity to deliver at the time required and this can be adequately attested.</p> <p>[REDACTED] have been providing geotechnical and contamination advice for the Performing Arts Precinct under a contract dated 8 November 2019 (trim 19/1306832). Due to an administrative oversight the contract was allowed to expire on 30 November 2020. Variations were issued after the contract expired. [REDACTED] are happy to sign another contract on the same terms as the original to cover the variations, which includes construction monitoring. I wish to direct appoint [REDACTED] under the same terms as their original contract to continue the work.</p>
<p>[REDACTED]</p> <p>Aerators for the CWTP plant following the 1/11/21 fire.</p>	\$2.2m	<p>Departing From: Open Tender Departure Reason: Only one supplier has the capacity to deliver at the time required and this can be adequately attested.</p> <p>Following the 01 Nov 2021 fire the trickling filters were severely compromised resulting in major odours issues being released, which will affect large parts of the city</p> <ul style="list-style-type: none">• Accelerated programme, with all aerators scheduled to be at CWTP by early-February 2022, which will allow early mitigation of the odour issues, compared with another supplier who was forecasting delivery end of March 2022• Warranties as noted below 5 years v 12months

Direct Appointment without a Departure		
Supplier and Scope	Total Value (\$000's)	Rationale
None		

Attachment B - Supplier Panel Agreements

Heritage Architect Panel PAN005	Start Date	1/03/2016	End Date	31/12/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
			39	37%
	26	100%	66	63%
Total	26	100%	104	100%

Legal Services (Direct Payments) PAN019	Start Date	1/05/2015	End Date	30/04/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	153	10%	297	11%
	39	3%	63	2%
	232	16%	404	16%
				0%
	19	1%	45	2%
	68	5%	137	5%
	57	4%	137	5%
	839	57%	1,417	55%
	57	4%	91	4%
Total	1,464	100%	2,591	100%

AOG IT Hardware PAN021	Start Date	24/09/2015	End Date	22/11/2021
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
			206	12%
			1,467	88%
	13	100%		
Total	13	100%	1,673	100%

Financial Advisory PAN022	Start Date	1/07/2016	End Date	30/06/2022
Supplier	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
	25	19%	79	7%
	87	68%	1,011	
	17	13%	47	4%
Total	129	100%	1,137	100%

Wastewater Lateral Repairs and Renewals PAN025		Start Date	13/02/2017	End Date	12/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		24	1%	340	5%
		343	13%	1,170	16%
		441	17%	1,120	15%
		805	31%	2,267	31%
				22	0%
		455	17%	1,169	16%
		479	18%	1,049	14%
		83	3%	191	3%
Total		2,630	100%	7,328	100%

CWW Treatment Plant Integrator PAN026		Start Date	1/02/2017	End Date	31/01/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
Total		0	100%	0	0%

CWW Treatment Plant Physical PAN027		Start Date	1/02/2017	End Date	31/01/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		119	100%		
				2,664	100%
Total		119	100%	2,664	100%

3 Waters Hybrid Delivery Model PAN028		Start Date	1/07/2017	End Date	30/06/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		759	13%	1,170	12%
		992	17%	1,746	18%
		1,420	24%	1,319	14%
		736	12%	822	9%
		1,202	20%	2,469	26%
		896	15%	1,986	21%
Total		6,003	100%	9,513	100%

Professional Consultants PAN029		Start Date	1/07/2017	End Date	30/06/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				6	1%
		19	12%	8	1%
		28	18%	68	11%
		7	5%	29	5%
		5	3%	40	7%
		35	22%	151	25%
		60	38%	238	40%
				55	9%
		3	2%		
Total		157	100%	596	100%

Testing & Business Analysis PAN031		Start Date	3/07/2017	End Date	2/07/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		345	72%	265	81%
		134	28%	61	19%
Total		479	100%	326	100%

Marine Structures Wharfs Jetty PAN033		Start Date	1/01/2018	End Date	31/12/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				42	33%
		17	100%	73	57%
				14	11%
Total		17	100%	128	0%

Engineering Bridges Culverts Walls PAN034		Start Date	1/01/2018	End Date	31/12/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		112	56%	181	28%
		89	44%	469	72%
Total		201	100%	651	100%

3Waters Works Potable Water PAN036		Start Date	1/01/2018	Start Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		3,577	17%	1,129	19%
		1,142	6%	578	10%
		448	2%	1,116	19%
		2,142	10%	203	3%
				84	1%
		1,707	8%		
		11,155	54%	2,297	39%
		531	3%	250	4%
				256	4%
Total		20,701	100%	5,914	100%

3Waters Potable Sub Main Panel PAN037		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				754	32%
				1,035	44%
				564	24%
		4,735	100%		
Total		4,735	100%	2,353	0%

3 Waters Drainage/WW/SW/LD PAN038		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				2,654	22%
		1,029	7%		
				563	5%
		1,074	8%	877	7%
		698	5%		
		1,068	8%	1,552	13%
				2,156	18%
		4,900	35%	2,131	17%
		4,165	29%	1,111	9%
		1,078	8%	1,265	10%
		173	1%		
Total		14,185	100%	12,309	100%

3W PS SCADA & Meica PAN039		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		117	15%	397	34%
		19	2%		
		628	82%	686	59%
				76	7%
Total		763	100%	1,159	100%

3W HDM physical works wells PAN040		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				130	100%
Total		0	100%	130	100%

3Waters Potable Station & Stru PAN041		Start Date	1/01/2018	End Date	31/01/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		43	3%	855	50%
					0%
		243	16%	252	15%
		1,223	81%	591	35%
Total		1,509	100%	1,697	100%

AoG External Recruitment IT PAN043		Start Date	22/12/2017	End Date	21/09/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		151	63%	64	80%
		90	37%	16	20%
Total		241	100%	80	100%

AoG External Recruitment IT PAN044		Start Date	1/04/2018	End Date	19/09/2023
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		107	14%	45	32%
		646	86%	95	68%
Total		753	100%	141	100%

Property Valuation PAN045		Start Date	1/04/2018	End Date	30/03/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		66	47%	45	34%
		32	23%	16	12%
		12	8%	21	15%
		30	22%	51	
Total		140	100%	133	100%

BCA Processing PAN046		Start Date	12/12/2018	End Date	30/04/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		57	27%	39	85%
		37	18%	7	15%
		116	55%		
Total		210	100%	46	100%

SAP Consultancy Services PAN048		Start Date	19/07/2016	End Date	3/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		13	1%	61	8%
		145	12%	178	24%
				51	7%
		335	27%	130	18%
				34	5%
				218	29%
		749	60%	69	
Total		1,241	100%	741	100%

C&C Engineering Services Panel PAN049		Start Date	29/02/2020	End Date	28/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				232	42%
		73	38%	150	27%
		20	10%	10	2%
				145	26%
		21	11%	4	1%
		34	18%	15	3%
		44	23%		
		192	100%	557	100%

RMA Consent/Advisory Panel PAN050		Start Date	29/02/2020	End Date	28/02/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		80	35%	54	29%
		1	0%		
		17	8%		
				3	2%
				5	2%
		1	0%	1	1%
				43	23%
		31	14%	49	26%
		55	24%		
		12	5%	11	
				17	
				6	
Total		226	100%	188	100%

Hard Surfaces Parks Network Panel PAN051		Start Date	20/12/2019	End Date	20/12/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		766	59%	797	39%
		214	17%	41	2%
		285	22%	762	37%
		30	2%	432	21%
Total		1,294	100%	2,031	100%

Transport Professional Consultancy Panel PAN053		Start Date	1/11/2019	End Date	31/10/2022
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		24	3%	58	3%
		150	16%	195	10%
		115	12%	442	24%
		100	10%	581	31%
		224	24%	268	14%
		31	3%	17	1%
		51	5%	44	2%
		5	1%	21	1%
		125	13%	145	8%
		127	13%	84	
Total		952	100%	1,854	100%

Network Upgrade Project PAN056		Start Date	1/01/2021	End Date	1/01/2026
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
		216	11%		
		1,714	89%		
Total		1,930	100%	0	100%

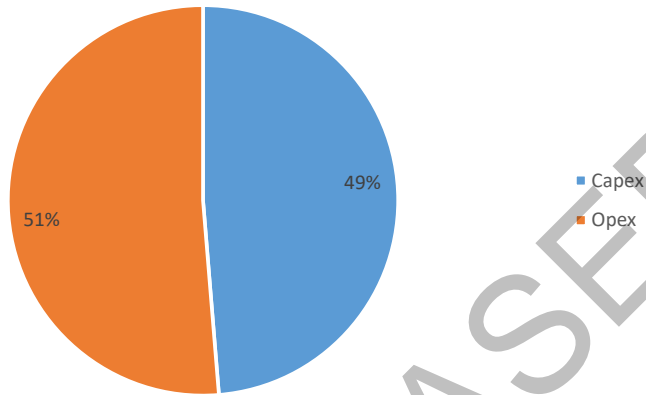
Freshwater & Marine Ecology Panel PAN057		Start Date	1/03/2021	End Date	28/02/2024
Supplier		FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %
				982	84%
		19	53%	69	6%
		11	31%	92	8%
		6	16%	27	2%
Total		36	100%	1,170	100%

Government Agreements					
Agreements	Start Date	1/07/2016	End Date	17/07/2021	
	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %	
	112	100%	279	100%	
Ecos - Mobile / Voice Data					
	Start Date	1/04/2017	End Date	2/11/2026	
	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %	
	439	100%	1,767	100%	
Ecos - Data / Other					
	Start Date	30/09/2019	End Date	30/09/2024	
	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %	
	4,666	92%	9,840	68%	
	385	8%	4,684	32%	
	5,052	100%	14,524	100%	
Ecos - Other					
	Start Date	1/07/2015	End Date	25/07/2020	
	FY 22 (\$000's)	FY22 %	FY 21 (\$000's)	FY 21 %	
	28	100%	101	100%	
Total SPEND					
	FY 22 (\$000's)	FY 21 (\$000's)			
	5,631	16,672			

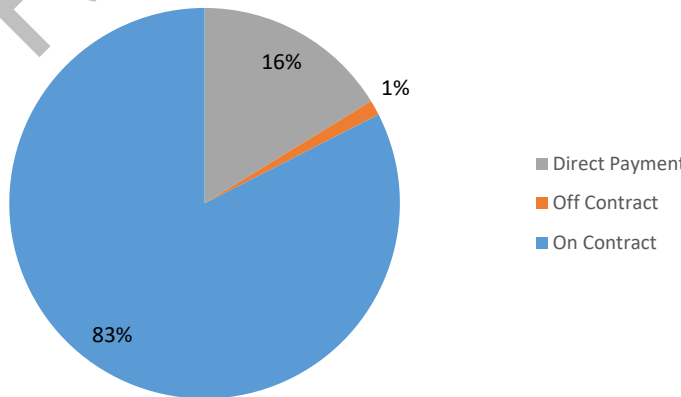
Attachment C - Top 20 Supplier Spend (\$000's) - Q2 FY22

Vendor	CAPEX				Capex Total	OPEX				Opex Total	Grand Total
	Direct Payment	Off Contract	On Contract			Direct Payment	Off Contract	On Contract			
	683	532	10,518		11,733	3	976	29,502		30,481	42,214
	182	229	23,558		23,969		310	4,137		4,447	28,416
	387				387	24,104				24,104	24,491
			12,871		12,871					0	12,871
					0		36	10,228		10,264	10,264
	234		9,781		10,016		13			13	10,028
	15	2	2,958		2,975		12	6,705		6,717	9,692
	55		5,735		5,790			2,449		2,449	8,239
			261		261		46	7,454		7,500	7,761
	113		5,070		5,183					0	5,183
	34		4,865		4,899					0	4,899
	80		4,724		4,804					0	4,804
	42				42	4,624				4,624	4,666
	115		3,956		4,071					0	4,071
			1,643		1,643	284	10	2,050		2,343	3,986
		8	238		246			3,571		3,571	3,817
		127	2,310		2,437	483	134	487		1,104	3,541
	503		2,100		2,603	2				2	2,605
			1,014		1,014		10	1,560		1,570	2,584
			797		797			1,667		1,667	2,463
Grand Total	2,443	898	92,399		95,739	29,499	1,546	69,811		100,857	196,596

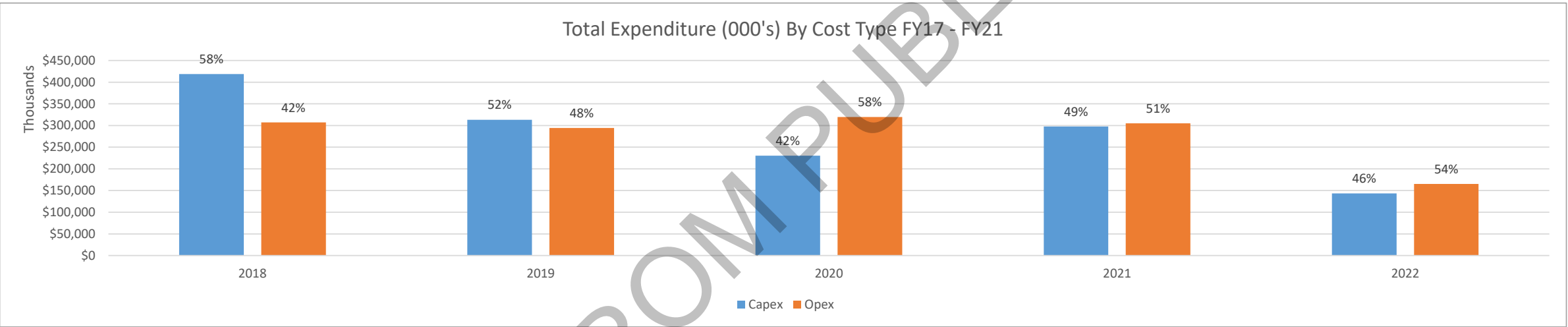
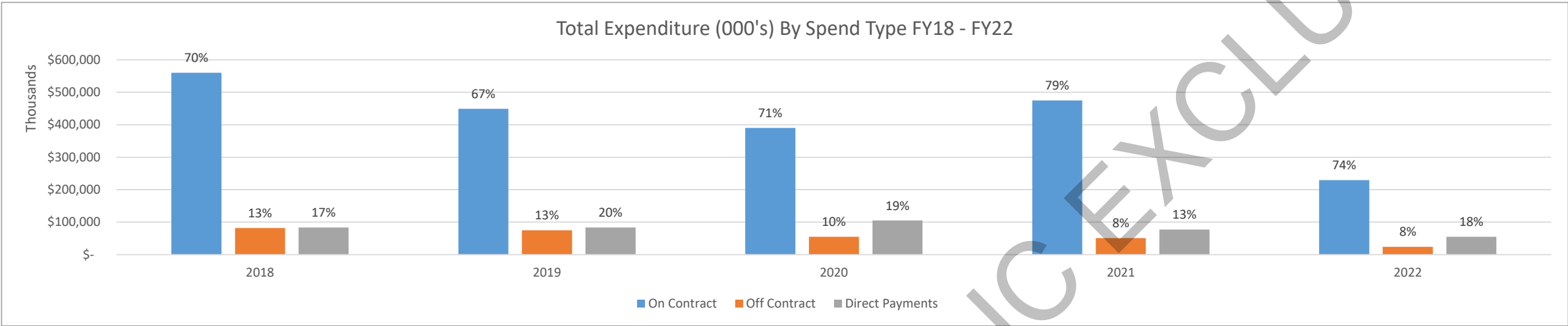
Top 20 Supplier Spend By Cost Type



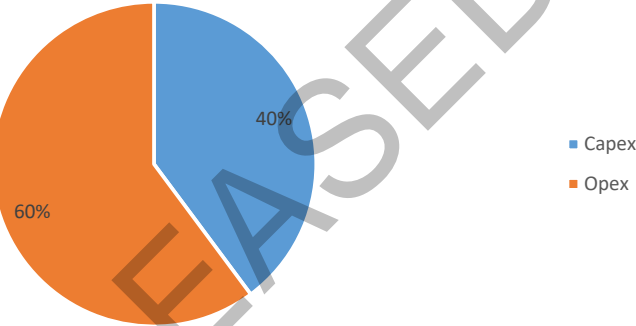
Top 20 Supplier Spend by Spend Type



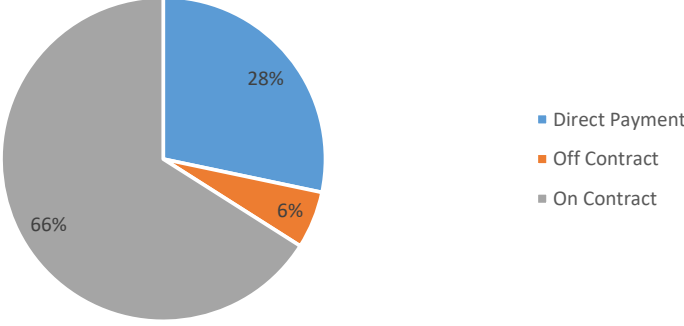
Attachment C - Expenditure (\$'000's) - Q2 FY22

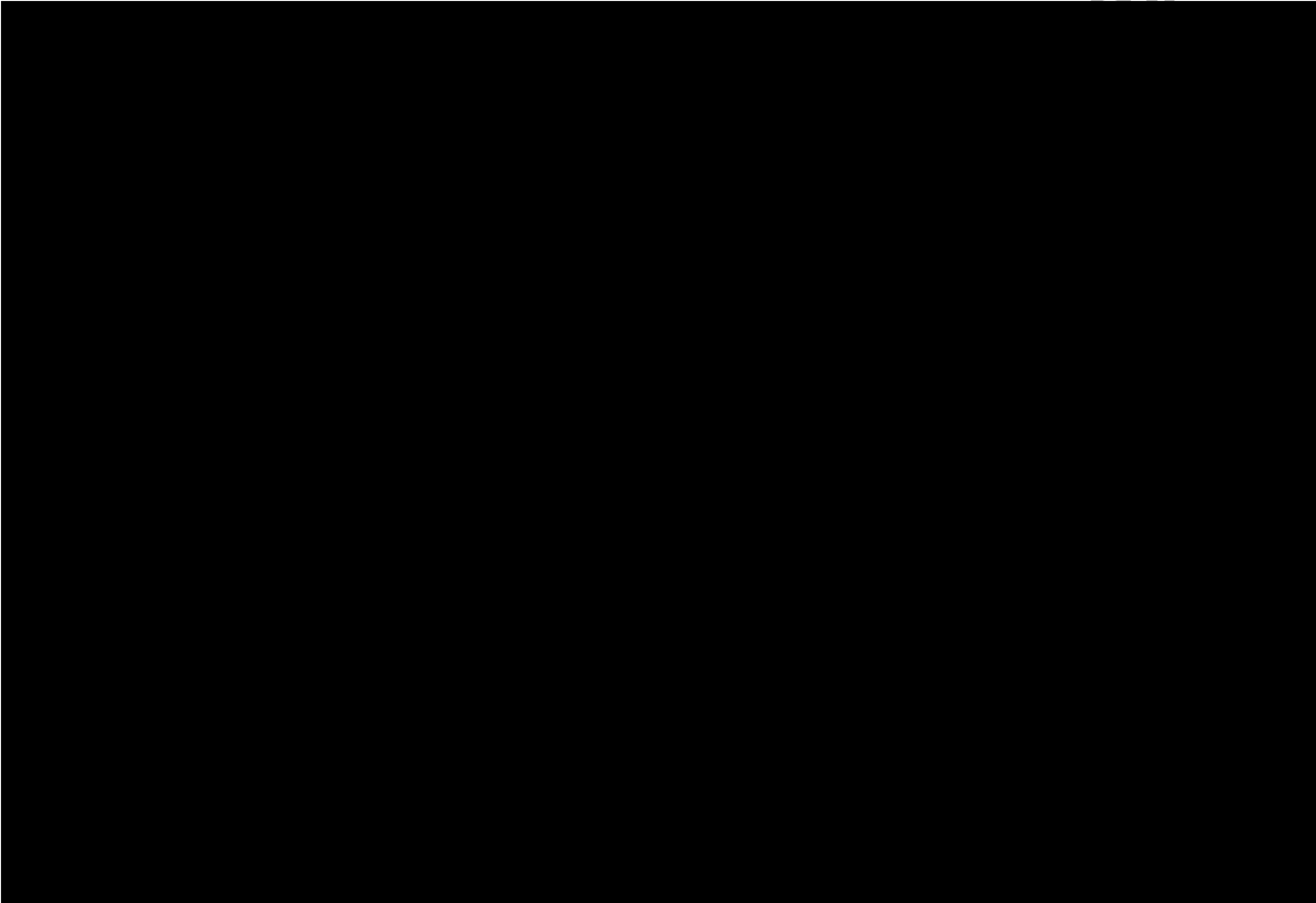


% Supplier Spend By Cost Type



% Supplier Spend by Spend Type





Procurement Best Practice – Projects Workplan

Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
Ongoing	Review current framework/processes – look for opportunities to simplify	Ongoing		Nigel	Chris			
Ongoing	Action procurement framework review changes on The Hub	Ongoing Drafts in progress for: Engagement of Contractors, Price Escalations within Contract, Panels – Work Allocation/Secondary Procurement		Nigel	Chris			
High	Register of SOWs for each panel	JVDH to map workflow first	End Jan 2022	Nigel	Chris			Email comms
High	Develop online pre-qualification system	To be set up as an externally facing online portal	Scope content by mid Feb 2022	Nigel	Chris	JOT, RS, NR, JVDH, BUS setting standards & signing off parts of the pre-qualification IT when wanting to build portal		Review with JOT, RS, NR & JVDH Review proposed elements with Bus who will be signing them off Brief team at Unit Briefing, brief Heads Of and Managers, training, and online guide as part of framework, comms. to key (top 50?) suppliers
High	Automate pre-amble activities for new contracts	Bespoke roadmap based on criteria selection Complete before building BU training plan	Map the steps for rules 22 to 37 by end Feb 2022	Nigel	Chris	NR & JVDH	Train out to Procurement Team & all BUS	Brief Heads Of & Managers before training & launch Training for all teams, add into framework with online guide
High	Online register of sub-contractors	Accessible externally to contractors tendering for Council contracts	End March 2022	Nigel	Chris			Email comms internally, comms to relevant suppliers
High	Build BU training plan by procurement framework segment and role hierarchy	Identify key stakeholders, training needs, routine errors & knowledge gaps Build training around Plan, Source, Manage & Transact	Plan built & Managers engaged by end May 2022	Nigel	Chris	JVDH, NR, Luke Stevens, Elizabeth Espin & Rohan Bandi	Heads Of, Managers	Engage Heads Of & Managers pre delivery of training to gain support to propose team members for training and training needs. Sell benefits of structured procurement

Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
High	Social procurement	Support from Akina	Ongoing	Chris	Harriet Freeth & Akina			
High	Create panels report		Final draft 1 st week Feb 2022	Chris				
Medium	Finance training	Post tier 3 re-structure implementation – new Business Support function		Nigel	Chris	Beka in Finance, L&D Team, Internal Audit		
Medium	Develop category planning framework	Currently sitting with JH & NR to review NB doc and adjust to fit CCC	Timescale TBC	Nigel	Chris	JVDH & NR	Requirements TBC once JVDH & NR review complete	Requirements TBC once JVDH & NR review complete
Medium	Procurement team - skills assessment and associated behaviours and technical skills training	Plagiarise 2 docs to create own set Individuals self-assess as well as managers assess them. Guidelines for executing – e.g. appraisals quick guide Launch at Unit Briefing Beginner through to expert – use internal grades Annualised process	Ready to launch at March Unit Briefing. Discuss at Management Meeting 15 th Nov	Nigel	Chris	Brief NR & JVDH 15 th Nov	Procurement Team March 2022	
Medium	Living wage impact analysis	Quarterly & annually Quarterly report broken down by month Ongoing once first report initiated Using Qualtrix to complete analysis	1 st quarterly report end Dec. Give suppliers one month to complete and return – i.e. end Jan for 1 st quarterly report, analysis completed by end Feb 2022	Chris	Qualtrix			

Priority	Project	Description/Notes	Deadline	Lead	Support	Consult	Inform	Change Requirements
Low	SAP upgrade		TBC	Rebecca	Nigel			
Low	Tweak NZ Government Supplier Debrief Checklist to fit CCC		June 2022	Nigel	Chris			
Low	Supplier training – how best to engage with Council	Points to cover in tenders Include in Pre-Qualification portal	TBC	Nigel	Chris			
Low	Scope report to manage whether Contractors need to become Employees	Jointly with HR	TBC	TBC				
Low	Develop internal supplier surveys		TBC	TBC				
On hold	Longer-term purchasing project – re-positioning procurement within the organisation	On hold						
TBC	Review all externally facing documentation, update content and ensure consistent formatting							
TBC	Automated Council wide sign off process – required information for decision makers and shared services – Finance, Legal, FM, IT, when required (Submission from Elizabeth Espin)							
TBC	A consolidated planning process with IT/Projects (Submission from Elizabeth Espin)							
TBC	Review of evaluation forms (Submission from Elizabeth Espin)							