

## **Audit and Risk Management Committee**

### **AGENDA**

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

An ordinary meeting of the Audit and Risk Management Committee will be held on:

**Date:** Thursday 8 February 2024  
**Time:** 9.30 am  
**Venue:** Committee Room 1, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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#### **Membership**

Chairperson	Mr Michael Wilkes
Deputy Chairperson	Councillor Jake McLellan
Members	Councillor Tyrone Fields Councillor Sam MacDonald Councillor Tim Scandrett Mrs Hilary Walton

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**2 February 2024**

#### **Principal Advisor**

Jane Parfitt  
Interim General Manager Infrastructure  
Planning & Regulatory  
Tel: 941 8999

Luke Smeele  
Democratic Services Advisor  
941 6374  
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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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

# What is important to us?

Our Strategic Framework is a big picture view of what the Council is aiming to achieve for our community

## Our focus this Council term 2022–2025

### Strategic Priorities



Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.



Champion Ōtautahi-Christchurch and collaborate to build our role as a leading New Zealand city.



Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents.

Adopted by the Council on 5 April 2023



Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our indigenous biodiversity, water bodies and tree canopy.



Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.



Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.

## Our goals for this Long Term Plan 2024–2034

### Draft Community Outcomes



**Collaborative and confident**  
Our residents have the opportunity to actively participate in community and city life, have a strong sense of belonging and identity, and feel safe.



**Green and liveable**  
Our neighbourhoods and communities are accessible and well connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy.

To be adopted by the Council as part of the Long Term Plan 2024–2034



**A cultural powerhouse**  
Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events 'powerhouse'.



**Thriving and prosperous**  
Our city is a great place for people, business and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions.

## Our intergenerational vision

A place of opportunity for all.

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



Ngāi Tahu has rangatiratanga over its takiwā – the Council is committed to partnering with Ngāi Tahu to achieve meaningful outcomes that benefit the whole community

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**AUDIT AND RISK MANAGEMENT COMMITTEE - TERMS OF REFERENCE NGĀ ĀRAHINA MAHINGA**

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<b>Chair</b>	Mr Michael Wilkes (Independent)
<b>Deputy Chair</b>	Councillor McLellan
<b>Membership</b>	Councillor Fields Councillor MacDonald Councillor Scandrett  External Members: Mrs Hilary Walton Ms Jacqueline Robertson Cheyne
<b>Quorum</b>	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
<b>Meeting Cycle</b>	Quarterly and as required
<b>Reports To</b>	Council

***Purpose***

To assist the Council to discharge its responsibility to exercise due care, diligence and skill in relation to the oversight of:

- the robustness of the internal control framework;
- the integrity and appropriateness of external reporting, and accountability arrangements within the organisation for these functions;
- the robustness of risk management systems, process and practices;
- internal and external audit;
- accounting policy and practice;
- compliance with applicable laws, regulations, standards and best practice guidelines for public entities; and
- the establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.

The foundations on which this Committee operates, and as reflected in this Terms of Reference, includes: independence; clarity of purpose; competence; open and effective relationships and no surprises approach.

***Procedure***

- In order to give effect to its advice the Committee should make recommendations to the Council and to Management.
- The Committee should meet the internal and the external auditors without Management present as a standing agenda item at each meeting where external reporting is approved, and at other meetings if requested by any of the parties.
- The external auditors, the internal audit manager and the co-sourced internal audit firm should meet outside of formal meetings as appropriate with the Committee Chair.

- The Committee Chair will meet with relevant members of Management before each Committee meeting and at other times as required.

### ***Responsibilities***

#### Internal Control Framework

- Consider the adequacy and effectiveness of internal controls and the internal control framework including overseeing privacy and cyber security.
- Enquire as to the steps management has taken to embed a culture that is committed to probity and ethical behaviour.
- Review the processes or systems in place to capture and effectively investigate fraud or material litigation should it be required.
- Seek confirmation annually and as necessary from internal and external auditors, attending Councillors, and management, regarding the completeness, quality and appropriateness of financial and operational information that is provided to the Council.

#### Risk Management

- Review and consider Management's risk management framework in line with Council's risk appetite, which includes policies and procedures to effectively identify, treat and monitor significant risks, and regular reporting to the Council.
- Assist the Council to determine its appetite for risk.
- Review the principal risks that are determined by Council and Management, and consider whether appropriate action is being taken by management to treat Council's significant risks. Assess the effectiveness of, and monitor compliance with, the risk management framework.
- Consider emerging significant risks and report these to Council where appropriate.

#### Internal Audit

- Review and approve the annual internal audit plan, such plan to be based on the Council's risk framework. Monitor performance against the plan at each regular quarterly meeting.
- Monitor all internal audit reports and the adequacy of management's response to internal audit recommendations.
- Review six monthly fraud reporting and confirm fraud issues are disclosed to the external auditor.
- Provide a functional reporting line for internal audit and ensure objectivity of internal audit.
- Oversee and monitor the performance and independence of internal auditors, both internal and co-sourced. Review the range of services provided by the co-sourced partner and make recommendations to Council regarding the conduct of the internal audit function.
- Monitor compliance with the delegations policy.

#### External Reporting and Accountability

- Consider the appropriateness of the Council's existing accounting policies and practices and approve any changes as appropriate.
- Contribute to improve the quality, credibility and objectivity of the accounting processes, including financial reporting.
- Consider and review the draft annual financial statements and any other financial reports that are to be publicly released, make recommendations to Management.
- Consider the underlying quality of the external financial reporting, changes in accounting policy and practice, any significant accounting estimates and judgements, accounting implications of new and significant transactions, management practices and any significant disagreements

between Management and the external auditors, the propriety of any related party transactions and compliance with applicable New Zealand and international accounting standards and legislative requirements.

- Consider whether the external reporting is consistent with Committee members' information and knowledge and whether it is adequate for stakeholder needs.
- Recommend to Council the adoption of the Financial Statements and Reports and the Statement of Service Performance and the signing of the Letter of Representation to the Auditors by the Mayor and the Chief Executive.
- Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements, and assess whether appropriate action has been taken by management.
- Request visibility of appropriate management signoff on the financial reporting and on the adequacy of the systems of internal control; including certification from the Chief Executive, the Chief Financial Officer and the General Manager Corporate Services that risk management and internal control systems are operating effectively;
- Consider and review the Long Term and Annual Plans before adoption by the Council. Apply similar levels of enquiry, consideration, review and management sign off as are required above for external financial reporting.
- Review and consider the Summary Financial Statements for consistency with the Annual Report.

#### External Audit

- Annually review the independence and confirm the terms of the audit engagement with the external auditor appointed by the Office of the Auditor General. Including the adequacy of the nature and scope of the audit, and the timetable and fees.
- Review all external audit reporting, discuss with the auditors and review action to be taken by management on significant issues and recommendations and report to Council as appropriate.
- The external audit reporting should describe: Council's internal control procedures relating to external financial reporting, findings from the most recent external audit and any steps taken to deal with such findings, all relationships between the Council and the external auditor, Critical accounting policies used by Council, alternative treatments of financial information within Generally Accepted Accounting Practice that have been discussed with Management, the ramifications of these treatments and the treatment preferred by the external auditor.
- Ensure that the lead audit engagement and concurring audit directors are rotated in accordance with best practice and NZ Auditing Standards.

Compliance with Legislation, Standards and Best Practice Guidelines

- Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and Best Practice Guidelines.

Appointment of Independent Members

- Identify skills required for Independent Members of the Audit and Risk Management Committee. Appointment panels will include the Mayor or Deputy Mayor, Chair of Finance & Performance Committee and Chair of Audit & Risk Management Committee. Council approval is required for all Independent Member appointments.
- The term of the Independent members should be for three years. (It is recommended that the term for independent members begins on 1 April following the Triennial elections and ends 31 March three years later. Note the term being from April to March provides continuity for the committee over the initial months of a new Council.)
- Independent members are eligible for re-appointment to a maximum of two terms. By exception the Council may approve a third term to ensure continuity of knowledge.

***Long Term Plan Activities***

- Consider and review the Long Term and Annual Plans before adoption by the Council. Apply similar levels of enquiry, consideration, review and management sign off as are required above for external financial reporting.

## Audit and Risk Management Committee Forward Work Programme 2024

2023	Feb	Apr	Jun	Aug	Oct	Dec
<b>Update Reports</b>	<ul style="list-style-type: none"> <li>LTP Process Update</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Procurement</li> <li>Cyber Security</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Major Litigation</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Cyber Security</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Procurement</li> <li>Major Litigation</li> <li>Health and Safety</li> </ul>
<b>Other Reports</b>		<ul style="list-style-type: none"> <li>Te Kaha</li> </ul>	<ul style="list-style-type: none"> <li>CCHL</li> </ul>			
<b>Annual Report</b>	<ul style="list-style-type: none"> <li>Audit NZ Management Report</li> </ul>	<ul style="list-style-type: none"> <li>External Reporting and Audit Programme for 2023/24 Update</li> </ul>	<ul style="list-style-type: none"> <li>Audit NZ Management Letter for current year interim audit</li> </ul>		<ul style="list-style-type: none"> <li>Financial Statements and Annual Report</li> <li>Update on critical judgments, estimates &amp; assumptions</li> </ul>	
<b>Annual Plan</b>	<ul style="list-style-type: none"> <li>Draft LTP</li> </ul>		<ul style="list-style-type: none"> <li>Final LTP</li> </ul>			

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

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## 1. Apologies Ngā Whakapāha

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

## 2. Declarations of Interest Ngā Whakapuaki Aronga

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

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

That the minutes of the Audit and Risk Management Committee meeting held on [Thursday, 7 December 2023](#) be confirmed (refer page 10).

## 4. Public Forum Te Huinga Whānui

A period of up to 30 minutes may be available for people to speak for up to five minutes on any issue that is not the subject of a separate hearings process.  
It is intended that the public forum session will be held at <Approximate Time>

There were no public forum requests received at the time the agenda was prepared

## 5. Deputations by Appointment Ngā Huinga Whakaritenga

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

## 6. Petitions Ngā Pākikitanga

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

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## Audit and Risk Management Committee

### OPEN MINUTES

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**Date:** Thursday 7 December 2023  
**Time:** 2.01pm  
**Venue:** Council Chambers, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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**Present**  
Chairperson Mr Michael Wilkes  
Members Councillor Tyrone Fields  
Councillor Sam MacDonald  
Councillor Tim Scandrett  
Mrs Hilary Walton

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**Principal Advisor**  
Russell Holden  
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**Part A Matters Requiring a Council Decision**

**Part B Reports for Information**

**Part C Decisions Under Delegation**

The agenda was dealt with in the following order.

## 1. Apologies Ngā Whakapāha

**Part C**

**Committee Resolved ARCM/2023/00021**

That the apologies received from Jacqueline Robertson for absence and Councillor McLellan for lateness be accepted.

Councillor MacDonald/Councillor Fields

**Secretarial Note:** Councillor McLellan did not attend the Meeting.

Carried

## 2. Declarations of Interest Ngā Whakapuaki Aronga

**Part B**

There were no declarations of interest recorded.

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

**Part C**

**Committee Resolved ARCM/2023/00022**

That the minutes of the Audit and Risk Management Committee meeting held on Monday, 16 October 2023 be confirmed.

Councillor MacDonald/Mrs Walton

Carried

## 4. Public Forum Te Huinga Whānui

**Part B**

There were no public forum presentations.

## 5. Deputations by Appointment Ngā Huinga Whakaritenga

**Part B**

There were no deputations by appointment.

## 6. Presentation of Petitions Ngā Pākikitanga

**Part B**

There was no presentation of petitions.

## 7. LTP 2024-34 Update

**Committee Resolved ARCM/2023/00023**

**Officer Recommendation Accepted without Change**

### Part C

That the Audit and Risk Management Committee:

1. Receive the information in the LTP 2024-34 Update Report.

Councillor MacDonald/Councillor Scandrett

Carried

## 8. Procurement and Contracts Unit FY24 Q1 Report

**Committee Resolved ARCM/2023/00024**

**Officer Recommendation Accepted without Change**

### Part C

That the Audit and Risk Management Committee:

1. Receive the information in the Quarterly Procurement Report for the months of July, August, September 2023 (FY2024 Q1 Report).

Mrs Walton/Councillor Fields

Carried

## 9. Resolution to Exclude the Public Te whakataunga kaupare hunga tūmatanui

**Committee Resolved ARCM/2023/00025**

### Part C

Chantelle Gernetzky and Anna Jones of Audit New Zealand, remain after the public have been excluded for Items 11-12 of the public excluded agenda as they have knowledge that is relevant to those items and will assist the Council.

### AND

That at 2.23pm the resolution to exclude the public set out on pages 45 to 46 of the agenda be adopted.

Councillor Fields/Mrs Walton

Carried

**The public were re-admitted to the meeting at 3.37pm.**

**Meeting concluded at 3.38pm.**

**CONFIRMED THIS 8<sup>th</sup> DAY OF FEBRUARY 2023**

MICHAEL WILKES  
CHAIRPERSON

Unconfirmed

Item 3 - Minutes of Previous Meeting 7/12/2023



## 7. LTP 2024-34 Update

Reference / Te Tohutoro: 23/1667998

Report of / Te Pou  
Matua:

Peter Ryan, Head of Corporate Planning & Performance

Senior Manager /  
Pouwhakarae:

Lynn McClelland, Assistant Chief Executive Strategic Policy and  
Performance (lynn.mcclelland@ccc.govt.nz)

### 1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to provide an update on progress against the approved LTP work programme to the Audit and Risk Management Committee (ARMC), including any enterprise-level risks or impediments to the project and its key workstreams.
- 1.2 Consideration and review of the Long Term and Annual Plan processes before adoption by the Council is specified in the ARMC Terms of Reference.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Receive the information in the Long Term Plan 2024-34 Update Report.

### 3. Brief Summary

- 3.1 The ARMC has requested updates on the implementation of the LTP 2024-34 development project plan workstreams, including an update on key risks including mitigations (**Attachment A**).

### 4. Background Information Te Horopaki

- 4.1 Under the Local Government Act 2002 a local authority must have an LTP in place at all times. The structure, timing, information provided, and consultation processes are defined by the legislation. LTPs are audited by the Office of the Auditor-General through Audit NZ, and both draft and final LTPs are published with the audit opinion.
- 4.2 The flagship document of the LTP is the Consultation document (CD) which must set out the challenges facing the city as well as the options and recommendations of the Council for community consultation. This is the key document from resident's point of view.
- 4.3 It is supported by Infrastructure and Financial Strategies that must have a minimum horizon of 30 years. These too must set out the challenges, options and recommendations that inform the LTP, as well as guiding the development of the capital programme.
- 4.4 Supporting these are technical documents (activity and asset management plans) that span the Council's services.
- 4.5 The ARMC has requested regular updates on the implementation of the Long-term Plan (LTP) 2024-34 development project plan.
- 4.6 At the previous meeting of 7<sup>th</sup> December 2023 ARMC received:
  - 4.6.1 LTP 2024-34 Project Update;

- 4.6.2 LTP 2024-34 Project risks, including how these are reported and managed.
- 4.7 This latest LTP 2024 progress report (Attachment A) summarises (at a high level) risks to the overall project work streams, as well as risks to specific work streams. Enterprise-level risks are further underpinned by a suite of operational risk assessments (management signoffs, significant assumptions signoffs, and operational risks).
- 4.8 Each work stream is led by an accountable Head of Service, and Heads of Service have provided the information in these attachments. They will be available at the ARMC meeting for further information as required.
- 4.9 Project risks have been identified that if realised will have significant impact on a successful delivery of the LTP.
- 4.10 During the development phase of the LTP the focus is naturally on content risk. The areas of greatest risk lie (as they normally do) finding the optimum balance between service delivery, capital programme delivery, and rates increases.
- 4.11 To achieve this, it is essential to develop a Financial Strategy (FS) that is aligned with the Infrastructure Strategy (IS) and activity plan budgets.
- 4.12 Alignment of the FS with a significant savings opex programme and an affordable/deliverable capital programme is also critical.
- 4.13 Finally, the FS informs the way in which options for community consultation should occur in the Consultation document.
- 4.14 Framing these options in a way that can be easily understood by the community (and which clearly set out the implications of those options) is critical to the success of the LTP, and to minimise the risk of criticism or (successful) challenge to the LTP process.
- 4.15 Operational risk areas include confidence around asset condition and performance data, and ability to meet the project milestones and timeline.
- 4.16 As these issues are resolved (or substantively resolved), focus will move to alignment risks.

### Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	LTP 2024-34 Project Update	24/173554	18

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

Document Name - Location / File Link
Not applicable

### Confirmation of Statutory Compliance Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002). (a) This report contains: (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
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- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

### **Signatories Ngā Kaiwaitohu**

<b>Authors</b>	Amber Tait - Performance Analyst Boyd Kedzlie - Senior Corporate Planning & Performance Analyst
<b>Approved By</b>	Peter Ryan - Head of Corporate Planning & Performance Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

## Long Term Plan – Summary of project status

**Programme Manager:** Peter Ryan

**Description:** An overview of the progress of LTP 2024-34 programme, evaluating and summarising the status of all work streams.

**Status:** 

**Commentary:** The overall LTP project is on track against approved milestones. Based on the Council’s Letter of Expectation (as well as councillor briefings July-December) Council has provided key guidance to inform LTP development. The key guidance was that LOS would be maintained, and that the capital programme must be deliverable over the life of the LTP (as well as being focused on affordability.)

The CCHL proposal to recycle assets was clarified by Council in December. In December the new coalition government also clarified its immediate requirements around Three Waters reforms proposed by the previous government.

Based on this Council and central government guidance, drafts have been developed for the Consultation Document, Infrastructure Strategy, Financial Strategy, capital programme, activity and asset plans and budgets, all of which have been workshopped with councillors. CD and FS briefings took place on 23<sup>rd</sup> and 26<sup>th</sup> January, prior to the Council meeting to adopt the draft LTP on 14 February.

Workstream	Status	Commentary
Activity Plans	On Track	On track. The recording of changes to levels of service, and alignment checks between draft activity and assets plans, the draft capital programme, IS and FS, was delayed due to the complexity of the Council joint development briefings processes, and delays in receiving activity financials. Final, minor adjustments are being made by activity managers and the pit crews.
Asset Management Plans	On Track	Tracking as planned.
Budget & financial Policies	On Track	Budgets finalised as at 12th December 2023, updated into draft Activity plans.
Capital Programme Development & Prioritisation	On Track	DRAFT presented 5 December (with Schedules and Orbviz) and gained broad support by Council after direction given on a few Transport Scenarios which will be incorporated into the DRAFT for CONSULTATION (6) – with other minor amendments and Change Request updates. Financial Modelling and inflation treatment now well aligned and supported by Finance. Work on revising AMPs and APs is required from others (AMP Writers) to get alignment with these Plans and is progressing together with definition of 30-year Capital Plan to support Infrastructure Strategy. Alignment and Integration are now key themes and focus areas as we move forward to the Consultation Document and beyond.
Climate Resilience	Completed	All milestones completed. Further climate related advice will be provided as required.
Communications & Engagement	On Track	Currently focused on ‘inform’ engagement, letting people know what we heard through ‘What Matters Most’ campaign and setting expectations for tough decisions ahead.
Consultation Document	On Track	Development of the draft Consultation Document contingent on overall development of the Long-Term Plan in general. First draft developed in December 2023, discussed with Council late January 2024.
Continuous Improvement S17A	On Track	Council adopted a programme of reviews 18 October 2023. Several of the reviews are currently in flight. Others have been held in abeyance as the activities were heavily committed to LTP development between October and year end (Transport, for example.) The Corporate Planning team supporting reviews was also heavily committed to LTP development during this period as well as missing key resources. Focus will shift back to reviews once the draft LTP is adopted, and resources recruited.
Customer Feedback	On Track	On track. Residents Survey is in field. Results and reports available to inform final LTP, as planned.
Elected Member Engagement	On Track	Minor Board priorities and further reprioritisation of the capital programme to be workshopped with Parks Transport and Community Governance between January and March 2024.
Financial Strategy	On Track	Several versions have been reviewed by ELT & Council with minimal comments.
Infrastructure Strategy	On Track	On track. Work underway to add PMO graphs, which will link the IS to capital programme portfolios.
Iwi Partnership	On Track	Council has presented initial priorities, Runanga have provided feedback, and an initial informal meeting has been had in early December 2023.
Participatory Budgeting	Completed	All milestones completed.
Strategic Framework	Completed	All milestones completed.
Submissions & Hearings	On Track	This workstream is on track and majority of milestones are yet to start.

## Risks

Risk Statement	Controls/Mitigation	Impact	Likelihood	Control Effectiveness	Residual Risk Rating
If key LTP project milestones (especially consensus on the overall capital programme, Opex savings, financial strategy, and CD options) are not met or milestones are moved without consideration to flow on impacts, then any further delays will severely impact the viability of delivering the LTP. Resulting in inability to meet legislation requirements, potential for judicial review and reputational damage to the Council	<ul style="list-style-type: none"> <li>Detailed project plan</li> <li>Milestone reporting</li> <li>ARMC reporting</li> </ul>	Moderate	Likely	Requires Improvement	Medium
<b>Staff resourcing.</b> Staff turnover, sickness, and departure of key personnel during the LTP	<ul style="list-style-type: none"> <li>Experienced Interim CEO appointed</li> <li>Experienced interim GM Planning and Infrastructure appointed</li> <li>Acting GM Resources appointed with small number of direct reports in order to free up capacity for LTP</li> <li>Lower level business partner vacancies filled with quality staff</li> <li>Specific cross-checks of financial data (PMO and external expert contractor)</li> <li>QA reviews of FS and IS to ensure alignment.</li> <li>Independent external advice from subject matter expert</li> <li>Final QA process utilising experienced Corporate Reporting Manager</li> <li>Increase visibility of CE &amp; GM's and communication to staff</li> </ul>	Minor	Almost Certain	Adequate	Medium

## 8. Consideration of the Council's Draft Long-term Plan LTP 2024-34 process

Reference / Te Tohutoro: 24/96357

Report of / Te Pou  
Matua:

Peter Ryan, Head of Corporate Planning & Performance

Senior Manager /  
Pouwhakarae:

Lynn McClelland, Assistant Chief Executive Strategic Policy and  
Performance (lynn.mcclelland@ccc.govt.nz)

### 1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 To enable ARMC to review, and provide advice to Council on, the process and supporting documentation for preparation of the draft LTP 2024-34.
- 1.2 Consideration and review of the Long Term and Annual Plan processes before adoption by the Council is specified in the ARMC Terms of Reference.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Notes it has reviewed key documentation in respect of the information that provides the basis for adoption of the Draft Long-term Plan (LTP) 2024-34 by Council, including drafts of the:
  - a. Consultation Document;
  - b. Financial Strategy;
  - c. Infrastructure Strategy;
  - d. General checklists and sign-offs by management, including significant forecasting assumptions; and
  - e. An early (work in progress) draft of the Draft LTP 2024-34 adoption report to Council.  
This must remain public excluded until the Council agenda goes live on 9 February 2024.
2. Recommends to the Council that in the Committee's opinion an appropriate process has been followed in the preparation of Long-Term Plan 2024-34 information.

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

- 3.1 Under the Local Government Act 2002 a local authority must have an LTP in place at all times. The structure, timing, information provided, and consultation processes are defined by the legislation. LTPs are usually audited by the Office of the Auditor-General through Audit NZ, and both draft (usually) and final LTPs are published with the audit opinion.
- 3.2 It should be noted that due to the change in central government and its revised approach to Three Waters reform, councils across NZ have been offered the option of not having their Consultation Documents contain a formal audit opinion. This is an attempt to avoid complexity while the revision of Three Waters legislation occurs. CCC has opted to utilise this provision. Oversight and auditing of the LTP will still occur as usual, but adoption of the CD will not depend on receipt of an audit opinion on that document.

- 3.3 The flagship document of the LTP is the Consultation Document (CD) which must set out the challenges facing the city as well as the options and recommendations of the Council for community consultation. This is the key document from residents' point of view.
- 3.4 It is supported by Infrastructure and Financial Strategies that must have a minimum horizon of 30 years. These too must set out the challenges, options and recommendations that inform the LTP, as well as guiding the development of the capital programme.
- 3.5 Supporting these are technical documents (activity and asset management plans) that span the Council's services.
- 3.6 Regular updates have been provided to the Finance & Performance Committee and the Audit & Risk Management Committee (ARMC) on the risks to and implementation of the LTP 2024-34 development project plan (the most recent to ARMC being 7 December 2023) on both the process and draft content of the developing LTP. (See next LTP Update report going to this same ARMC meeting.)
- 3.7 The purpose of this report is to enable the Audit & Risk Management Committee to review the process and all documentation for preparation of the Draft LTP 2024-34, to recommend to Council that an appropriate process has been followed in the preparation of the information.
- 3.8 This draft LTP has been developed to meet the requirements of the Mayor and Councillors as set out in the Letter of Expectation to staff (Attachment G) which set out priorities to be addressed, as well as defining the LTP 2024-34 process. The letter and other key project information was originally received by ARMC at the meeting of 20 June 2023.
- 3.9 The LTP project team is chaired by the Assistant Chief Executive. The LTP process was reviewed with Councillors, other stakeholders and key staff at the conclusion of the LTP 2021-31 and subsequent Annual Plans and agreed improvements have been included into the latest process (received by ARMC). The process has also been tested against Taituarā (industry best-practice) guidance and through regular briefings with other councils, as well as guided by the councillor's Letter of Expectation, which is highly specific on process.
- 3.10 In line with the Letter, Council staff held a series of joint development workshops with the Mayor and Councillors to obtain overall direction as well as fine-tuning specific details. These commenced in March 2023 and concluded in January 2024.
- 3.11 One key improvement identified from previous processes was to make these LTP joint development briefings accessible to the public. This was achieved through advertising key joint development briefing dates where the public could attend (public and live-streamed), and the recording and releasing of all briefing recordings, content and briefing notes - made available through [Long Term Plan 2024-2034 | What matters most? | Kōrero mai | Let's talk \(ccc.govt.nz\)](https://ccc.govt.nz)
- 3.12 These briefings provided opportunities for Councillors to discuss their priorities for the draft Long-term Plan 2024 and their expectations for matters such as rates increases, level of debt, financial headroom, the capital works programme, levels of service and detailed savings options.
- 3.13 The guidance received from Council during these briefings crossed all services, but the key guidance was around an acceptable range of rates increase, to maintain levels of service, and to ensure that the capital programme is deliverable across all years of the LTP.
- 3.14 Having obtained specific guidance and advice from Councillors, staff proceeded to build a report and attachments for the adoption of the Draft Long-term Plan 2024-34. The process for preparing the information has been the subject of a detailed series of management sign offs –

including signoffs by members of the Executive Leadership Team - that demonstrate compliance with the Council's statutory, financial, and legal obligations.

- 3.15 The management and significant assumptions checklists and sign-off schedules are attached to this report (**Attachments D and E**, respectively).
- 3.16 Also as part of LTP development, Audit NZ recommended completion of their LTP Self-Assessment review (results supplied to ARMC to the meeting of 16 October 2023.)
- 3.17 Early, in-development drafts of key Long-term Plan content and the draft adoption report are attached. These work-in-progress drafts must remain public-excluded until the Draft Long-term Plan 2024-34 adoption report agenda to Council is formally released on 9 February 2024.
  - 3.17.1 Draft Consultation document – **Attachment A**
  - 3.17.2 Draft Financial Strategy – **Attachment B**
  - 3.17.3 Draft Infrastructure Strategy – **Attachment C**
  - 3.17.4 Early draft of the Draft LTP 2024-34 adoption report to Council (all other supporting documentation is to be attached or linked to from the Council report in time for agenda release, noting a link to the public web will not go live until 9 February 2024) – **Attachment F**.
- 3.18 Staff do not anticipate any significant or material changes between the release of the ARMC agenda and attachments for this meeting of 8 February and the release of the Council LTP agenda for their meeting of 14 February 2024.
- 3.19 Council will meet to consider and adopt the Draft Long-term Plan on 14 February 2024, to be followed by community consultation. (For further key project dates see 10.2 below.) The Consultation Document is the primary mechanism for this and will reflect the decisions of Council made on 14 February 2024.
- 3.20 Consultation will include a submissions process as well as feedback generated on social media. There will also be an opportunity for members of the community to present directly to Councillors.

#### **4. Alternative Options Considered Ētahi atu Kōwhiringa**

- 4.1 No alternative options are proposed.

#### **5. Detail Te Whakamahuki**

- 5.1 As the Draft Long-term Plan evolved between election of Council (October 2022) and January 2024, Council staff held a series of workshops with the Mayor and Councillors, and Community Board members, all of whom have had the opportunity to contribute to the preparation of the plan.
- 5.2 Decisions in the Draft LTP 2024-34 adoption report affect the following wards/Community Board areas:
  - 5.2.1 All wards, Community Board areas.

#### **6. Policy Framework Implications Ngā Hiraunga ā- Kaupapa here**

##### **Strategic Alignment Te Rautaki Tīaroaro**

- 6.1 The Council must, at all times, have a long-term plan; must use the special consultative procedure in adopting a long-term plan; the long-term plan must be adopted before the

commencement of the first year to which it relates, and continue in force until the close of the third consecutive year to which it relates (s.93(1-3)) Local Government Act 2002).

6.2 This report supports the [Council's Long Term Plan \(2021 - 2031\)](#):

6.3 Internal Services

6.3.1 Activity: Performance Management and Reporting

- Level of Service: 13.1.1 Implement the Long Term Plan and Annual Plan programme plan - Critical path milestone due dates in programme plans are met.

### **Policy Consistency Te Whai Kaupapa here**

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

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

6.1 The decision involves a matter of interest to Mana Whenua and could impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.

6.2 Through the Te Hononga Committee the Council directly engages with iwi – Te Rūnanga o Ngāi Tahu, and six of the Papatipu Rūnanga who fall within the Council catchment as mana whenua of respective rohe: Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Wairewa Rūnanga, Te Rūnanga o Koukourārata, Ōnuku Rūnanga and Te Taumutu Rūnanga.

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

6.3 The decisions in this report are likely to:

6.6.1 Contribute positively to adaptation to the impacts of climate change.

6.6.2 Contribute positively to emissions reductions.

6.4 The LTP contains a focus on climate change response, with climate change considerations embedded throughout the process. This is emphasised in the Mayor's Letter of Expectation for the LTP and the Council's Strategic Priorities and Community Outcomes. Each Activity Plan includes a description of how that part of Council will respond to climate impacts and reduce its emissions. Climate change is also part of the Asset Management Plans, Infrastructure and Financial Strategies and Capital Programme.

6.5 As a result, the LTP has an emphasis on both mitigation and adaptation, with actions proposed across all areas of Council. Pre-engagement consultation undertaken with the community on the LTP asked 'What Matters Most?'

6.6 This engagement found that climate change is a top priority for Christchurch residents across all different ages, ethnicities, and areas of our community. The Consultation Document expands on this by providing further climate action options for our community to consider.

### **Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā**

6.10 N/A

## **7. Resource Implications Ngā Hiraunga Rauemi**

### **Capex/Opex Ngā Utu Whakahaere**

7.1 Cost to Implement – unclear. The Letter of Engagement has yet to be received from Audit NZ (it is pending advice from the Office of the Auditor-General) so costs of the LTP audit are not known.

7.2 Maintenance/Ongoing costs - within existing budget.

7.3 Funding Source - existing budget per Council's Long-term Plan (2021 - 2031).

**Other He mea anō**

7.4 None

**8. Legal Implications Ngā Hīraunga ā-Ture**

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

8.1 The Council must, at all times, have a long-term plan; must use the special consultative procedure in adopting a long-term plan; the long-term plan must be adopted before the commencement of the first year to which it relates, and continue in force until the close of the third consecutive year to which it relates (s.93(1-3)) Local Government Act 2002).

**Other Legal Implications Ētahi atu Hīraunga-ā-Ture**

8.2 There is no legal context, issue or implication relevant to this decision, other than that which has been considered as part of the Draft Long-term Plan management process and sign-offs.

**9. Risk Management Implications Ngā Hīraunga Tūraru**

9.1 Risks have been identified and managed through regular LTP Project Update reporting to the project team, ELT and ARMC. This is underpinned by a suite of four risk management tools, managed in partnership with the Risk and Assurance Unit – an enterprise-level risk register, detailed management signoffs, significant assumptions sign-offs, and operational risk register.

**10. Next Steps Ngā Mahinga ā-muri**

10.1 The Council will meet on 14 February 2024 to consider and formally adopt the Consultation document and draft Long-term Plan 2024-2034 for consultation.

10.2 The remaining key project milestones for the LTP 2024 are summarised as follows:

<i>Thu 8 Feb</i>		<i>Audit and Risk Management Committee Meeting to review LTP process</i>
Wed 14 Feb	9.30am - 5pm	Council Meeting to adopt LTP, incl Consultation document and Draft LTP documents
Thu 15 Feb	9.30am	Additional date to continue Council Meeting to adopt LTP, incl Consultation document and Draft LTP documents
<i>Preparation for publication of CD and LTP documents</i>		
Fri 1 Mar		Consultation starts
Fri 5 Apr	midnight	Consultation ends
29-30 Apr, 2-3, 6-10, 13 May		Council Hearings
Mid-May to early-June		Council LTP Deliberations
<i>Thu 20 Jun</i>		<i>Audit and Risk Management Committee Meeting to review LTP process</i>
Tue 25 Jun	9.30am - 5pm	Council Meeting to adopt Final LTP
Thu 27 Jun	9.30am	Additional date to continue Council Meeting to adopt Final LTP

## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Draft Consultation document ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	24/172760	
B	Draft Financial Strategy ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/2048736	
C	Draft Infrastructure Strategy ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	24/105908	
D 	Draft LTP 2024-34 - Management Sign-off for Process	24/171782	27
E 	Draft LTP 2024-34 - Management Sign-off for Significant Assumptions	24/171052	40
F	Early draft of the draft LTP 2024-34 adoption report to Council ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/2098528	
G 	LTP 2024-34 Letter of Expectation	24/140762	60

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

Document Name – Location / File Link
Not applicable

## Confirmation of Statutory Compliance Te Whakatūrutanga ā-Ture

<p>Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).</p> <p>(a) This report contains:</p> <ul style="list-style-type: none"> <li>(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and</li> <li>(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.</li> </ul> <p>(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.</p>
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## Signatories Ngā Kaiwaitohu

<b>Authors</b>	Boyd Kedzlie - Senior Corporate Planning & Performance Analyst Peter Ryan - Head of Corporate Planning & Performance
<b>Approved By</b>	Peter Ryan - Head of Corporate Planning & Performance Russell Holden - Acting General Manager Resources/Chief Financial Officer Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance Jane Parfitt - Interim General Manager Infrastructure, Planning and Regulatory Services Mary Richardson - Interim Chief Executive

Christchurch City Council Draft Long Term Plan 2024-34 - Management Sign-off

**SIGN-OFF BY MANAGEMENT FOR THE DRAFT 2024-34 LONG TERM PLAN PROCESS**

Initial	Accountable person	Signed Off	Initial	Accountable person	Signed Off
ACE	Assistant Chief Executive & GM, Strategic Policy & Performance	<input checked="" type="checkbox"/>	H3W	Head of Three Waters	<input checked="" type="checkbox"/>
CFO	Acting Chief Financial Officer & GM, Resources	<input checked="" type="checkbox"/>	HTW	Head of Transport and Waste	<input checked="" type="checkbox"/>
HF	Acting Head of Finance	<input checked="" type="checkbox"/>	HPC	Head of Planning and Consents	<input checked="" type="checkbox"/>
GMCC	Acting GM, Citizen & Community	<input checked="" type="checkbox"/>	HRC	Head of Regulatory Compliance	<input checked="" type="checkbox"/>
GMIPRS	Acting GM, Infrastructure, Planning & Regulatory Services	<input checked="" type="checkbox"/>	HBC	Acting Head of Building Consenting	<input checked="" type="checkbox"/>
GFC	Group Financial Controller	<input checked="" type="checkbox"/>	HPA	Acting Head of Parks	<input checked="" type="checkbox"/>
HLDS	Head of Legal & Democracy Services	<input checked="" type="checkbox"/>	HRSE	Head of Recreation, Sports, and Events	<input checked="" type="checkbox"/>
HCPP	Head of Corporate Planning & Performance	<input checked="" type="checkbox"/>	HLI	Head of Libraries and Information	<input checked="" type="checkbox"/>
HSPR	Head of Strategic Policy & Resilience	<input checked="" type="checkbox"/>	DAG	Director Art Gallery	<input checked="" type="checkbox"/>
HPMO	Head of Programme Management Office	<input checked="" type="checkbox"/>	HOCE	Head of Office of Mayor and Chief Executive	<input checked="" type="checkbox"/>
HCE	Head of Communications and Engagement	<input checked="" type="checkbox"/>	FBP-IPRS	Finance Business Partner, Infrastructure, Planning & Regulatory Services	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
<b>1. Financial Strategy and Infrastructure Strategy</b>			

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
1.1. Does the financial strategy meet the purpose as defined in LGA 2002, section 101A(2)?		ACE	<input checked="" type="checkbox"/>
		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
1.2. Does the Long-Term Plan (LTP) comply with the financial strategy?	As at Draft 5 of the LTP, the FS is to be updated after 14/15 February once amendments, the LTP, IS and Capital Programme are finalised.	ACE	<input checked="" type="checkbox"/>
		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
1.3. Does the LTP comply with the Infrastructure Strategy?	As at Draft 5 of the LTP, the FS is to be updated after 14/15 February once amendments, the LTP, IS and Capital Programme are finalised.	ACE	<input checked="" type="checkbox"/>
		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GMCC	<input checked="" type="checkbox"/>
		GMIPRS	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>
1.4. Are the “stories” that the financial and infrastructure strategies tell consistent?	As at Draft 5 of the LTP, the FS is to be updated after 14/15 February once	ACE	<input checked="" type="checkbox"/>
		CFO	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
Robust financial and infrastructure strategies cannot be developed in isolation from intended levels of service and the operational expenditure and capital expenditure programmes associated with these.	amendments, the LTP, IS and Capital Programme are finalised.	HF	<input checked="" type="checkbox"/>
		GMCC	<input checked="" type="checkbox"/>
		GMIPRS	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>
<b>2. Revenue and Financing Policy (RFP)</b>			
2.1 Does the LTP include the revenue and financing policy as required by clause 10 of Schedule 10 of the LGA?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
2.1. If not, have you planned a review of the RFP so that it is adopted before the LTP?	N/A - refer to 2.1	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
<b>3.</b>			
3.1. Does your LTP contain a funding impact statement (FIS) for the whole of council? (LGA 2002, sch 10 cl 15 (2)/Financial Reporting Regulations 2014)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
3.2. Does your FIS contain two components: 3.2.1. a financial statement as per 3.1 above 3.2.2. information about funding sources (“funding disclosure”). (LGA 2002, sch 10 cl 15(3))		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
3.3. Does the whole-of-council FIS have a “nil” balance (Financial Reporting Regulations 2014)?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
3.4. Does the funding disclosure contain details of each of the rates your local authority proposes to set and how these will be calculated (including specifying the relevant matters from Schedule Two and factors from Schedule Three of the Rating Act)?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
3.5. Is the funding disclosure specified with enough particularity that ratepayers can, for example, determine whether they are liable for any particular rate and what differential categories they are in?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
3.6. Does the funding disclosure include sample models of the impact of the rating proposals for the LTP?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
3.7. Have sample models been included in the consultation document? (LGA 2002, s93C(2)(g))	HW – HLDS has not seen the draft and cannot comment on the consultation document.  KM-This management sign-off is contingent on final direction from ELT, affirmation from legal that the document meets requirements, and confirmation of options from Council 14 February	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		HLDS	<input checked="" type="checkbox"/>
		HCE	<input checked="" type="checkbox"/>
3.8. Has the entire Funding Impact Statement, but especially the funding disclosure, been reviewed for legal compliance by someone conversant with the LGA 2002 and the Rating Act?	HW -The complete document is not yet available for HLDS to review. Advice has been provided on compliance.	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		HLDS	<input checked="" type="checkbox"/>
3.9. Has the funding disclosure been checked for consistency with the RFP?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
3.10. Is the funding disclosure complete (i.e., is every rate that your local authority proposes to set included)?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
<b>4. Financial Statements</b>			
4.1. Does the LTP include forecast financial statements for each of the financial years covered by the plan? (LGA 2002, sch 10 cl 12)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
4.2. Has the LTP included the financial statements for the year preceding the LTP?  If yes, are these in the same format as the financial statements for the LTP? (LGA 2002, sch 10 cl 13).		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
4.3. Do all of the forecast financial statements comply with Generally Accepted Accounting Practice? (LGA 2002, s 111) + (Section 18 of part 2 of Schedule 10, of the LGA 2002) GAAP = applicable accounting standard = PBE FRS 42)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GFC	<input checked="" type="checkbox"/>
4.4. Has the LTP included the rating base disclosures? (LGA 2002, sch 10 cl 15A)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
4.5. Has the LTP included a statement showing the objectives for reserves, the starting and end balance for reserves and any movements in reserves? (LGA 2002, sch 10 cl 16)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
4.6. Have disclosures been made with respect to the Council's intended level of performance against the so-called fiscal benchmarks and indicators? (Financial Reporting Regulations 2014)?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
4.7. Are the prospective financial statements in the LTP prepared in accordance with the appropriate financial reporting standards? <ul style="list-style-type: none"> <li>LGA 2002, Schedule 10, Section 12 – Forecast financial statements</li> <li>PBE FRS 42</li> </ul>		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GFC (Accounting Policies Only)	<input checked="" type="checkbox"/>
4.8. Has review of required disclosures in the prospective financial statements been performed? <ul style="list-style-type: none"> <li>LGA 2002, Schedule 10</li> </ul>		CFO	<input checked="" type="checkbox"/>
		HF (Consistent format)	<input checked="" type="checkbox"/>
		GFC (Accounting Policies Only)	<input checked="" type="checkbox"/>
<b>5. Balanced Budget Statements</b>			
5.1. Is the Council running a balanced budget in the LTP year? (LGA 2002, s 100)	The draft position as at 23 January 2024 is compliant.	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
5.2. If there is an unbalanced budget does the LTP explain the reasons for the unbalanced budget, and the implications of the decision? (LGA 2002, s 10 cl 14)	N/A as at 23/1/2024	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
5.3. Is running an unbalanced budget prudent? (NB: Assessing prudence will necessitate consideration of the impacts beyond the life of the plan)	N/A as at 23/1/2024	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
5.4. Has the Council resolved to operate an unbalanced budget? (That resolution should ideally be made before adoption of the LTP.)	N/A as at 23/1/2024	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
5.5. Has the necessary analysis been performed with respect to the levels of service and the financial impacts in order to provide the Council and the auditors with assurance that the unbalanced budget is prudent?	N/A as at 23/1/2024	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
5.6. Are appropriate disclosures considered and / made in the LTP regarding the unbalanced budget?	N/A as at 23/1/2024	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
5.7. Is an unbalanced budget an issue that warrants inclusion in the financial strategy?	N/A as at 23/1/2024	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
<b>6. Forecasting Assumptions – See also Sign-off for Forecasting Assumptions where individual assumptions are signed off</b>			
6.1. Has the LTP identified all of the significant forecasting assumptions and risks? (LGA 2002, sch 10 cl 17(a))		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
6.2. Has the LTP disclosed the useful life of significant assets and funding sources for the replacement of significant assets? (LGA 2002, sch 10 cl 17(b))		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GFC	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
6.3. Are there any disconnects between the assumptions disclosed in this section and those disclosed in the infrastructure strategy and the financial strategy?	Aligned currently. ACFO	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GMCC	<input checked="" type="checkbox"/>
		GMIPRS	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>
6.4. Did management review the assumptions and their significance afresh, or did it “roll over” the assumptions from the previous LTP?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
6.5. Has management checked economic assumptions with those others are making (e.g., what interest rates is management assuming compared to those of others)?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
6.6. Should Council undertake scenario modelling of the impact if significant assumptions fail to materialise or are significantly different from those you expected?  For example, a local authority reliant on central government funding for a particular large project might consider whether it needs a “plan B”; a growth council might want to forecast different scenarios for the receipt of development contributions revenue.		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
6.7. Does the LTP include the following (if not, should it)?		CFO	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
6.7.1. service level assumptions		HF	<input checked="" type="checkbox"/>
		GMCC	<input checked="" type="checkbox"/>
		GMIPRS	<input checked="" type="checkbox"/>
6.7.2. demand assumptions (note that this includes demand driven by population growth and change, economic growth, and transformation, and changing preferences)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GMCC	<input checked="" type="checkbox"/>
		GMIPRS	<input checked="" type="checkbox"/>
		HCPP	<input checked="" type="checkbox"/>
6.7.3. economic assumptions (interest rates both for council investments and council borrowing, investment/dividend flows from council assets, forecast changes in key costs.)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
<b>7. Capital Expenditure</b>			
7.1. Does the capital expenditure show the following detail for each group of activity? (LGA 2002, sch 10 cl 3) <ul style="list-style-type: none"> <li>• amount to meet additional demand</li> <li>• amount to improve levels of performance</li> <li>• amount to replace existing assets</li> </ul>	(Note – MCR on extended sick leave.)	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		HPMO	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
		FBP-IPRS	<input checked="" type="checkbox"/>
<b>8. Proposed changes to levels of service</b>			
8.1. Do proposed changes to levels of service include significant or material differences from the content of the 2021-31 Long Term Plan (and subsequent Annual Plans/Annual Reports) (LGA 2002 Section 95 2A)		ACE	<input checked="" type="checkbox"/>
		HCPP	<input checked="" type="checkbox"/>
<b>9. Statement of service provision</b>			
9.1. Does the LTP include statement of levels of service provision (LGA 2002, sch 10 cl 4) that specifies: - (a) any performance measures specified in a rule made under section 261B for a group of activities described in clause 2(2); and (b) the performance measures that the local authority considers will enable the public to assess the level of service for major aspects of groups of activities for which performance measures have not been specified under paragraph (a); and (c) the performance target or targets set by the local authority for each performance measure; and (d) any intended changes to the level of service that was provided in the year before the first year covered by the plan and the reasons for the changes; and (e) the reason for any material changes to the cost of a service.		ACE	<input checked="" type="checkbox"/>
		HCPP	<input checked="" type="checkbox"/>
9.2. Will the Council comply with PBE FRS 48 <i>Service Performance Reporting</i> if it reports against the prospective performance information in the LTP?		ACE	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
		HCPP	<input checked="" type="checkbox"/>
<b>10. Proposed Fees and Charges</b>			
<p>10.1. Fees and charges schedules - have these been prepared in line with LGA 2002 Section 12 and LGA 2002 Section 150 or other relevant legislation (e.g., Dog Control Act 1996, Building Act 2004, Food Act 2014, etc.)</p> <p><b>NOTE:</b> Dog Registration fees section was included for adoption with Annual Plan 2023/24 on the basis proposed amendments were adopted initially with the draft Annual Plan. Usual business process is for Dog Registration fees (including changes) to be notified independently of the LTP/AP process, therefore not included:</p> <p>Dog Registration fees section is to be:</p> <ul style="list-style-type: none"> <li>excluded from adoption and publication as part of any draft plan (AP or LTP)</li> <li>excluded from adoption of any final plan, but</li> <li>included in the publication of any final plan (based on changes adopted directly with Council under s37)</li> </ul> <p>First section as well as</p>	(Note – MCR on extended sick leave.)	CFOO	<input checked="" type="checkbox"/>
		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GMCC	<input checked="" type="checkbox"/>
		GMIPRS	<input checked="" type="checkbox"/>
		H3W	<input checked="" type="checkbox"/>
		HTW	<input checked="" type="checkbox"/>
		HPC	<input checked="" type="checkbox"/>
		HRC	<input checked="" type="checkbox"/>
		HBC	<input checked="" type="checkbox"/>
HPA	<input checked="" type="checkbox"/>		

AREA	COMMENTS	ASSESSMENT	
		Person Responsible	Sign-Off
		HRSE	<input checked="" type="checkbox"/>
		HLI	<input checked="" type="checkbox"/>
		DAG	<input checked="" type="checkbox"/>
		HOCE	<input checked="" type="checkbox"/>
<b>11. Significance and Engagement Policy</b>			
11.1. Does the draft Consultation Document and the special consultative procedure proposed to be used in adopting the 2024-34 LTP comply with the requirements of the LGA02 and the Council's significance and engagement policy?	HW – the consultation document has not been made available for HLDS to review.  KM-This management sign-off is contingent on final direction from ELT, affirmation from legal that the document meets requirements, and confirmation of options from Council 14 February	ACE	<input checked="" type="checkbox"/>
		HLDS	<input checked="" type="checkbox"/>
		HCE	<input checked="" type="checkbox"/>
		HSPR	<input checked="" type="checkbox"/>

Christchurch City Council Draft Long Term Plan 2024-34 - Management Sign-off

**SIGN-OFF BY MANAGEMENT FOR SIGNIFICANT FORECASTING ASSUMPTIONS IN THE DRAFT 2024-34 LONG TERM PLAN**

Initial	Accountable person	Signed Off	Initial	Accountable person	Signed Off
CFO	Chief Financial Officer & GM, Resources	<input checked="" type="checkbox"/>	HPMO	Head of Programme Management Office	<input checked="" type="checkbox"/>
GMSP&P	GM, Strategic Policy & Performance	<input checked="" type="checkbox"/>	H3W	Head of Three Waters	<input checked="" type="checkbox"/>
GMCC	Acting GM, Citizens & Community	<input checked="" type="checkbox"/>	HTW	Head of Transport and Waste	<input checked="" type="checkbox"/>
GMIPRS	Acting GM Infrastructure, Planning & Regulatory Services	<input checked="" type="checkbox"/>	HPA	Acting Head of Parks	<input checked="" type="checkbox"/>
HF	Acting Head of Finance	<input checked="" type="checkbox"/>	HCGP	Head of City Growth & Property	<input checked="" type="checkbox"/>
GT	Group Treasurer	<input checked="" type="checkbox"/>	SMF	Senior Manager Facilities	<input checked="" type="checkbox"/>
GFC	Group Financial Controller	<input checked="" type="checkbox"/>	FBP-IPRS	Finance Business Partner for Infrastructure, Planning & Regulatory Services	<input checked="" type="checkbox"/>
HLDS	Head of Legal & Democracy Services	<input checked="" type="checkbox"/>			
HCPP	Head of Corporate Planning & Performance	<input checked="" type="checkbox"/>			
HSPR	Head of Strategic Policy & Resilience	<input checked="" type="checkbox"/>			

In preparing this Long-term Plan (LTP) it was necessary for Council to make a number of assumptions about the future. The following tables identify those forecasting assumptions which are significant in that if actual future events differ from the assumptions, it will result in material variances to this Plan. The table also identifies the risks that underlie those assumptions, the reason for that risk, and an estimate of the potential impact on the Plan if the assumption is not realised.

A number of assumptions have such a high level of uncertainty the financial impact of a change in the assumption is not able to be quantified. In these situations, a description of the impact has been provided.

AREA	COMMENT	Person accountable Signed-Off
<b>Forecasting Assumptions</b>		
Has management considered the level of uncertainty in each of the significant forecasting assumptions and risks?	Yes	CFO <input checked="" type="checkbox"/>
		HF <input checked="" type="checkbox"/>

AREA	COMMENT	Person accountable Signed-Off
Where levels of uncertainty are high then the LTP must disclose: <ul style="list-style-type: none"> <li>the fact of the uncertainty</li> <li>an estimate of the uncertainty on the financial estimate (Cl. 17, Sch. 10, LGA).</li> </ul>		CFO <input checked="" type="checkbox"/>
		HF <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>1. Capital Programme and infrastructure assets</b>				
<b>1.1 Capital Works.</b> Programmes and projects are assumed to be delivered within budget and on time and to required quality specifications. The capital programme is generally managed within overall budget allocations requiring changes to programme or project budget to be found within available budgets. At a corporate level provision is made for delayed delivery by forecasting an annual capital budget carry forward based on historic delivery trends. There may also be some projects delivered ahead of forecast and these will be managed within borrowing allowances via bring backs.	If actual costs will vary from estimates, due to higher input prices and/or delivery delays, then this could result in budget shortfalls.  However, Council has tendered significant work and estimates are based on the best available information. Delays could also be due to consenting and consultation requirements.  See also 3.8 for Covid impact.	Moderate/  Low	To the extent possible Council staff seek to proactively manage the delivery of capital works, substituting projects within a programme where necessary. Those that are unable to be completed as planned in any year of the Long Term Plan may be carried forward. The implications of this are: <ul style="list-style-type: none"> <li>possible additional reactive opex; not all delays lead to additional costs.</li> <li>possible reduction in opex if the delay relates to a new facility</li> <li>projects may cost more than planned due to inflation.</li> <li>less funds will need to be borrowed in the short term. Delaying new borrowing will impact on the timing of financing costs.</li> <li>possible reduction to levels of service</li> <li>Any inflationary increase in Council's costs that is not offset by efficiency gains or revenue is likely to impact the timing of future works or increase borrowing.</li> </ul>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
				HPMO <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>1.2 Sources of funds for replacing assets.</b> The sources of funds will occur as projected.	If funding does not occur as projected, then borrowing is required.	Low	If required, Council is well placed to borrow funds as required and remain within its LGFA benchmarks. The impact to ratepayers of every \$10 million of additional borrowing for capital works is a 0.1% increase to rates spread over two years. This increase accounts for the interest cost and repayment of the borrowing over 30 years.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
<b>1.3 Asset life.</b> Useful life of assets is as recorded in asset management plans or based upon professional advice (the Accounting Policies detail the useful lives by asset class)	If the useful life of an asset/s is significantly shorter than expected, then the asset will need to be replaced sooner than planned and budgeted for.	Moderate	Council maintains its databases with the latest known condition information. However, piped networks are below ground making condition more difficult to assess.  Ideally assets are replaced just in time. Earlier replacement would put more pressure on the Council's capital programme, financing costs and rates requirement. Late replacement can lead to more expensive replacement costs plus generally greater impacts on the operational costs, community, and the environment.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
	If the useful life of an asset is longer than expected, then the asset may be replaced sooner than required resulting in a loss of economic life and a consequential higher cost of service.			HTW <input checked="" type="checkbox"/>
				H3W <input checked="" type="checkbox"/>
				HPA <input checked="" type="checkbox"/>
				HCGP (Housing) <input checked="" type="checkbox"/>
				SMF <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<p><b>1.4 Carrying value of assets.</b> The opening statement of financial position reflects the correct asset values.</p> <p>The carrying value of assets are revalued on a regular basis</p>	<p>If asset revaluations differ to that planned and change projected carrying values of assets, depreciation expense and certain ratios may be impacted.</p>	<p>Low</p>	<p>Land and buildings were revalued as of 30 June 2022, using market value where appropriate.</p> <p>Wastewater, water supply and stormwater assets, were revalued as of 30 June 2023.</p> <p>Roading assets were revalued as of 30 June 2022.</p> <p>The valuation of the Council’s facilities and infrastructure assets at optimum depreciated replacement cost involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets.</p> <p><b>Note:</b> That the asset values of three waters, roads and footpaths assets include additions (at cost less depreciation) and disposals since the last valuation.</p>	<p>CFO <input checked="" type="checkbox"/></p>
				<p>HF <input checked="" type="checkbox"/></p>
				<p>GFC <input checked="" type="checkbox"/></p>
<p><b>2. Inflation. Growth and Population</b></p>				
<p><b>2.1 Inflation.</b> The price level changes projected will occur. Council has considered both information provided by Business Economic Research Limited (BERL) to all local authorities and a weighted mix of its own cost inputs in determining appropriate</p>	<p>If inflation is materially higher or lower than anticipated, then the Council will have a revenue shortfall or surplus relative to its planned work programme.</p>	<p>Moderate</p>	<p>Any short-term impact will be managed by managing costs to budget without impacting levels of service where possible.</p>	<p>CFO <input checked="" type="checkbox"/></p>
				<p>HF <input checked="" type="checkbox"/></p>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off																														
<p>inflaters. It also receives external advice on forecast future salary movements.</p> <p>Where specific contractual or determined increases are not identified Council has used an inflation assumption of 4.2% for operational costs for the 2024/25 plan.</p>	<p>If inflation on costs is not offset by inflation on revenues, then the Council will have a revenue shortfall relative to affected planned work programmes.</p>	<p>Low</p>																																
<p>Different forecast inflation figures for capital and operational items are used in developing the plan due to the differing mix of cost inputs in each.</p> <table border="1"> <thead> <tr> <th></th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> <th>2028/29</th> <th>2029/30</th> <th>2030/31</th> <th>2031/32</th> <th>2032/33</th> <th>2033/34</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>3.4%</td> <td>2.3%</td> <td>2.4%</td> <td>2.4%</td> <td>2.2%</td> <td>2.2%</td> <td>2.1%</td> <td>2.0%</td> <td>2.0%</td> </tr> <tr> <td>Opex</td> <td>2.9%</td> <td>2.2%</td> <td>2.3%</td> <td>2.3%</td> <td>2.2%</td> <td>2.1%</td> <td>2.0%</td> <td>2.0%</td> <td>1.9%</td> </tr> </tbody> </table>						2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Capital	3.4%	2.3%	2.4%	2.4%	2.2%	2.2%	2.1%	2.0%	2.0%	Opex	2.9%	2.2%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	1.9%
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34																									
Capital	3.4%	2.3%	2.4%	2.4%	2.2%	2.2%	2.1%	2.0%	2.0%																									
Opex	2.9%	2.2%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	1.9%																									

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>2.2 Economic Environment.</b> This Plan assumes that the economic	If unexpected local, national, or international economic	Moderate	A significant deterioration in the economic environment could	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>

<p>environment develops broadly in line with the Reserve Bank of New Zealand’s Monetary Policy Statement of August 2023, including:</p> <ul style="list-style-type: none"> <li>• Economic growth to slow in 2023 as tighter monetary policy dampens demand to more sustainable levels, possibly resulting in a mild recession.</li> <li>• Annual consumer price index inflation to continue its decline from a peak of 7.3% (Jun-22) and current level of 5.6% (Sept-23), to be within the 1%-3% target band by Sept-24. However, the inflationary impact of Cyclone Gabriel rebuild and strong inward migration remains uncertain.</li> <li>• Interest rates to remain around current high levels over the 2023/24 financial year, with a slow reduction in the Official Cash Rate not expected until at least the second half of calendar 2024.</li> <li>• Employment to slow to more sustainable levels as the economy slows, with unemployment rising from its trough of 3.2% (Mar-22) and current level of 3.9% (Sept-23), to be 5.3% by Dec-24.</li> </ul> <p>Council has prepared this Plan on the assumption that inflation and interest rates will remain high in the short term – see assumptions for both – but that a significant economic recession will not occur in the 2023-24 year.</p>	<p>shocks occur and have a significant negative impact the economic environment affecting Council costs and or revenue, then a range of risk factors may materialise including:</p> <ul style="list-style-type: none"> <li>• An unexpected increase in inflation</li> <li>• An increased incidence of supply chain interruptions and delays</li> <li>• An increase in late and non-payment of rates</li> </ul>		<p>negatively impact on Council’s finance and operating costs, its revenue from sources driven by external demand such as consents and development contributions and on ratepayers’ ability to pay rates.</p> <p>If increased costs and/ or reduced revenue negatively impacts on the Council’s balance sheet it could lead the Council to decide to borrow more or reduce service/ project delivery.</p> <p>However, these risks are considered to be unlikely to eventuate to a significant degree within a single rating year. Any decision to significantly cut services or increase debt would be more likely to be addressed in a future Annual Plan or Long Term Plan.</p>	<p>HCPP <input checked="" type="checkbox"/></p>
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Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<p><b>2.3 Development contributions revenue.</b> The Council has assumed development will reflect the population and business growth model growth forecasts and has budgeted its development contributions revenue accordingly.</p>	<p>If the number of new properties paying development contributions is significantly less than forecast over the funding life of assets, then revenue from development contributions will not be sufficient to fund the growth component of the Council's capital programme.</p> <p>If the timing of growth differs significantly from forecast this will impact on Council's cash flows and may necessitate changes to planned borrowing.</p> <p>The location and timing of development is determined by several factors such as market forces which are outside the control of the council.</p>	Low	<p>The timing of growth, and its impact on Council's development contributions revenue, will have a low impact on the borrowing and interest expense assumptions in this Plan.</p> <p>Any shortfall in development contributions revenue must be funded initially by borrowing which is funded from rates over the relevant debt financing term.</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				HCPP <input checked="" type="checkbox"/>
<p><b>2.4 Population.</b> That population and business growth will occur as forecast by the Council's growth modelling.</p>	<p>If population and/ or business growth is higher than projected, then the Council will need to provide additional unplanned services and infrastructure.</p> <p>If growth is lower than projected, then the Council will be required to support excess levels of infrastructure and service delivery.</p>	Low	<p>Population projections are based upon a standard set of demographic assumptions. The Council revises its growth modelling annually based on the best information available at the time.</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				HCPP <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off						
<b>2.5 Rating Base.</b> Growth in the number and value of rating units to 30 June 2024 is expected to increase the rating base for 2024/25 by \$6.8 million (1.0%) compared to 2023/24.	If the rating base grows at a materially different rate from that projected, then rates income may be materially different to that planned.	Low	Actual growth in the rating base is never known until 30 June because of the process by which it's measured. Council staff work closely with QV in the period leading up to 30 June in order to have as accurate an assessment as possible. Variances between the forecast and actual growth in the rating base to 30 June of each prior year will cause changes to the total rates revenue collected in the new year.	CFO <input checked="" type="checkbox"/>						
				HF <input checked="" type="checkbox"/>						
				GFC <input checked="" type="checkbox"/>						
The projected percentage increase in rates to 30 June of the prior year includes the assumption that growth in the capital value of the city will generate the additional rates revenue as outlined in table below,										
Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Growth %	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
\$ Impact on following year's Rates Base	\$8.1 m	\$8.9 m	\$9.4 m	\$9.9 m	\$10.5 m	\$10.9 m	\$11.3 m	\$11.6 m	\$11.7 m	\$12.1 m
<b>2.6 Aging population.</b> The number of Christchurch residents over the age of 65 is expected to increase by 150% between 2023 and 2053 to 94,200 (20% of the total population).  By 2053 the number of residents over the age of 80 is expected to be around 7% of the population, compared to around 4% in 2023. The total number is expected to increase by 209% from 16,300 to 34,000.	If the mix of ages within the population is significantly different from that forecast the range and types of services that have factored in the needs of older persons may need to change.	Low	Age projections are produced by Statistics New Zealand on a nation-wide basis. The projections use the most recent census as a starting point. Demographic projections are based on assumptions about future fertility, mortality, migration, inter-ethnic mobility, living arrangement type and labour force participation patterns of the population. Historically the StatsNZ projections have provided an accurate representation of the growth in Christchurch.	CFO <input checked="" type="checkbox"/>						
				HF <input checked="" type="checkbox"/>						
				HCPP <input checked="" type="checkbox"/>						

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>3. Impact of policies and external factors</b>				
<b>3.1 Council policy.</b> Given the significant extent of government reform, there will be regular updates to Council policy in response to legislative changes and emerging strategic issues. Known changes are appropriately budgeted for.	New legislation is enacted that requires a significant policy response or business change from Council or, Department of the Prime Minister and Cabinet (DPMC) uses its statutory powers such that a change is required to Council policy that was unplanned.	Low	Dealing with changes in legislation is part of normal Council operations. Any financial impact is managed, which may include deferring some work.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMSP&P <input checked="" type="checkbox"/>
				HLDS <input checked="" type="checkbox"/>
				HSPR <input checked="" type="checkbox"/>
<b>3.2 Waka Kotahi subsidies.</b> The Current Funding Assistance Rate (FAR) of 51% on qualifying expenditure will not change. We will receive the total amount of subsidy that we have assumed we will receive.	If there are changes in the FAR, and/ or the overall amount in the National Land Transport Fund, then there could be changes to government transport priorities, and to funding eligibility criteria for projects which could impact on the amount of subsidy funding we receive from Waka Kotahi and/ or could change the projects for which we receive funding.	Moderate	<p>Changes to government funding priorities and Waka Kotahi funding decisions are outside Council control and the risk varies from project to project. The maximum financial impact would be the elimination of the subsidy, which is extremely unlikely.</p> <p>Decisions on what improvement projects will be funded through the National Land Transport Fund will not likely be confirmed until after approval of the Detailed Business Case, and this means there is some inherent uncertainty around funding for some improvement projects. The Council is regularly in discussions with Waka Kotahi to gain more clarity on which projects will receive funding.</p> <p>The Council adjusts its work programme and budget assumptions</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
				HTW <input checked="" type="checkbox"/>
				FBP-IPRS <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
			if necessary to align with Waka Kotahi funding availability.	
<b>3.3 Resource Consents.</b> Conditions of resource consents held by Council will not be significantly altered.	Conditions required to obtain/maintain the consents will change, resulting in higher costs than projected, and these costs will not be covered by planned funding.  Council is currently working through the Akaroa wastewater consent issues.	Moderate/ Low	Advance warning of likely changes is anticipated.  The financial impact of failing to obtain/renew resource consents cannot be quantified.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
				H3W <input checked="" type="checkbox"/>
<b>3.4 Legislative and Regulatory change.</b> The Government has initiated three significant reform programmes that will in time impact on the legislative and regulatory frameworks within which local government currently operates.  These reform programmes are; three waters reform, resource management reform and the future for local government review.  Given the expected timelines of the review processes the Council has assumed that no significant legislative or regulatory change will impact on the Council in the coming year, although this might change if the	Should the local government legislative environment change, the activities, and services the Council plans to provide over the period of this Plan could change which could impact on Council's costs and revenue requirements.	Low	The Government has several review programmes in progress which will significantly change the roles and responsibilities of local government as changes are implemented over time.  At the time of preparing this Plan the Council is unable to determine how any potential legislative change might impact its operations or quantify the potential financial impact.  Expected costs relating to enactment of the RMA (Housing Bill) and to the Council's involvement in Government reform processes have been incorporated in this Plan.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMSP&P <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
government follows through on its intention to enact the water service entities bill this year.  The reform programmes are each covered in more detail below.				HLDS ☒
				HSPR ☒
<b>3.5 Three Waters Reform.</b> The Council will continue to deliver water services over the life of the LTP and has budgetted accordingly.  Under the current legislation, it is assumed that the transfer of assets and liabilities to the new Entity will occur at or before midnight on 30 June 2026.  Current indications from the incoming Government are that the 3 Waters Reform legislation will be repealed.	If the transfer of three waters assets and responsibility for service delivery to a new water services entity proceeds, then large parts of this Long Term Plan will be inaccurate. If this occurs out of cycle with the 3 yearly LTP programme, this will then require significant budgeting and operating changes for the Council through an amended LTP process.	Low	The Council is in close contact with the National Transition Unit department within the Department of Internal Affairs which is responsible for overseeing the transfer of three waters assets and service delivery to water services entities. The NTU is very aware that it needs to be transparent with requirements on councils in this process.  The work programmes and budgets for three waters activities have been prepared as if the Council will deliver these services indefinitely though with close liaison with the NTU to facilitate a smooth transition.	CFO ☒
				GMCC ☒
				GMIPPRS ☒
				HF ☒
				H3W ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<p><b>3.6 Potential climate change impacts.</b> The Ministry for the Environment and Stats NZ “Environment Aotearoa 2019” report states all aspects of life in New Zealand will be impacted by climate change.</p> <p>The projected local changes to climate that we must prepare for are:</p> <p>a. 0.48 metre rise in sea-level by 2070 and 1 metre sea-level rise by 2100;</p> <p>b. average temperatures will rise 0.5°C – 1.5°C by 2040 and by 3.5°C by 2090</p> <p>c. changes in rainfall and extreme weather events.</p>	<p>The timing or severity of any climate change impacts could be worse than expected, meaning the Council is not sufficiently prepared.</p>	<p>Low</p>	<p>The Council has developed a Climate Resilience Strategy, which identifies action programmes to respond to the impacts of climate change and the legislative requirements to consider the impacts of climate change.</p> <p>Variability in changes to the climate and its impacts and how we respond could result in different financial impacts.</p> <p>We have significant work to do to have a better understanding of our exposure and vulnerability to the impacts of climate change on our assets and how we adapt, to determine the financial impacts.</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMSP&P <input checked="" type="checkbox"/>
				HSPR <input checked="" type="checkbox"/>
<p><b>3.7 Future for Local Government Review.</b> The Council has assumed any changes to local government service delivery and responsibilities arising from recommendations in the Future for Local Government report will not materially impact on its costs or financial position over the life of the LTP 2024-34.</p>	<p>If significant changes to local government functions and/ or structure materialise then this could have a significant impact on work programmes and budgets detailed in this LTP.</p>	<p>High</p>	<p>If significant changes to local government functions and/ or structure materialise then work programmes and budgets will need to be amended. This can be done through the LTP 2027-37 or through Annual Plans prepared in the intervening years. It is possible the Council may need to undertake a formal LTP amendment if changes are significant.</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				HLDS <input checked="" type="checkbox"/>
				HCPP <input checked="" type="checkbox"/>
<p><b>3.8 Impact of Covid-19.</b> Operational and Capital Programme delivery will be able to occur without significant financial, staffing or deliverability issues due to</p>	<p>If Covid-19 re-emerges as a significant health risk resulting in lockdowns and other responses that interrupt normal work life,</p>	<p>Low</p>	<p>Councils Covid-19 vaccination policy aims to minimise risk to staff and the public while continuing to provide services.</p>	CFO <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
Covid-19 or future similar situations (to be reviewed as required).	then the Council is unlikely to be able to deliver its work programme as planned and budgeted.		The Council better understands the implications of a Covid-19 or similar pandemic on its operations and the need to reprioritise work and functions than previously and has plans in place to minimise disruption.  The Council is now significantly better prepared to have staff work from home if required.	HTW <input checked="" type="checkbox"/>
				H3W <input checked="" type="checkbox"/>
				HPA <input checked="" type="checkbox"/>
				HCGP <input checked="" type="checkbox"/>
				SMF <input checked="" type="checkbox"/>
<b>4. Borrowing Related</b>				
<b>4.1 Credit Rating.</b> The Council's current rating of AA is maintained.	If the Council's credit rating with Standard and Poor's is downgraded, then the Council's cost of borrowing is likely to increase. This would increase the budget required to service debt which would reduce funding available for other things.	Low	A one-notch downgrade at some point in the future (i.e., from AA to AA-) would not affect any debt existing at the time but would increase the cost of new borrowing and refinancing by an estimated 5 basis points (0.05 percentage points) for the life of the borrowing.  Such an event occurring at the start of 2024/25 would increase interest costs by an estimated \$0.1 million in 2024/25, rising to \$1.6 million annually by 2033/34.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GT <input checked="" type="checkbox"/>
<b>4.2 Borrowing Costs.</b> Net cost of ratepayer funded borrowing (i.e. including current and projected debt) is projected to be 5.1% in 2024/25.	If interest rates increase to above the assumed level, then the Council's debt servicing costs will increase.  This would increase the budget required to service debt which would reduce funding available for other things.	Moderate	Council manages its interest rate exposure in accordance with its Liability Management Policy, and in line with advice from an independent external advisor.  Projected debt is mostly hedged to reduce exposure to market rate fluctuations, but a moderate amount of risk remains. Market interest rates 0.5% higher than projected would	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GT <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off						
			increase interest costs by around \$3.1m in 2024/25.							
The net cost of new borrowing includes assumed long-term market interest rates (based on a fixed/floating mix of 75/25% and including Council's borrowing margin) of:										
Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Total rate	5.5%	5.0%	4.8%	4.7%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%
<b>4.3 Securing External Funding.</b> New, or renewal of existing borrowings on acceptable terms can be achieved.	If new borrowing cannot be accessed to refinance existing debt or fund future capital requirements, then the Council could need to borrow from unconventional sources or default on its debts.	Low	The Council minimises its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Liability Management Policy, plus some undrawn committed lending facilities from banks.	CFO <input checked="" type="checkbox"/>						
				HF <input checked="" type="checkbox"/>						
				GT <input checked="" type="checkbox"/>						
<b>4.4 LGFA Guarantee.</b> Each shareholder of the LGFA is a party to a deed of Guarantee, whereby they guarantee the obligations of the LGFA and the obligations of other participating local authorities in the event of default.	If the LGFA couldn't meet its obligations, then each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each guarantor is set in relation to each guarantor's relative rates income.	Low	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is remote. The likelihood of a local authority borrower defaulting is extremely low and LGFA has recovery mechanisms that would be applied prior to any call on the Guarantee. All the borrowings by a local authority from the LGFA are secured by a charge over each local authority's Rates.	CFO <input checked="" type="checkbox"/>						
				HF <input checked="" type="checkbox"/>						
	If the Council's actual opening debt differs from	Low	Council's debt requirements are well understood and closely managed. It is	CFO <input checked="" type="checkbox"/>						

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>4.5 Opening Debt:</b> The Council’s opening debt of \$2,645 million is made up of; <ul style="list-style-type: none"> <li>• \$221 million of equity investments, mainly in CCTOs (Venues Ōtautahi Ltd \$185 million),</li> <li>• \$798 million of money borrowed for on-lending, (in accordance with the Council’s Liability Management Policy),</li> <li>• \$1,545 million of capital works and earthquake related borrowing. There is an additional \$71.5 million borrowed internally from the Capital Endowment Fund.</li> <li>• \$81 million finance lease (Civic Building).</li> </ul>	forecast, then the debt servicing costs may be higher than budgeted.		unlikely that opening debt will be significantly different to forecast.	HF <input checked="" type="checkbox"/>
				GT <input checked="" type="checkbox"/>
<b>5. Investment related</b>				
<b>5.1 Return on investments.</b> Interest received on cash and general funds invested is projected to be 5.2% for 2024/25 decreasing to 3.0% by 2027/28.  The return on the Capital Endowment Fund (most of which is currently invested internally) is forecast to be 4.3% for 2024/25, decreasing to 3.9% by 2028/29.	If interest rates are lower than projected, then Council’s revenue from interest will be less than budgeted.  Conversely, if interest rates are higher than projected, then Council’s revenue from interest will be more than budgeted.	Low	Any financial impact is unlikely to be significant.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GT <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>5.2 Value of investment in subsidiaries</b> That the opening statement of financial position reflects the correct investment values.	If CCO revaluations differ significantly from the assumed values, then Council's assets will be overstated.	Low	The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these prospective financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic (currently annually) basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
<b>5.3 CCTO income.</b> CCHL will deliver dividend income at the levels forecast in this Plan.	If CCHL delivers a lower than projected dividend, then the Council will need to source alternate funding or reduce work programmes funded from dividends.  If additional dividend income is received, then the level of borrowing forecast in this Plan will be reduced.	Low	CCTOs are monitored by their Statements of Intent and quarterly reporting to the Council.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
<b>5.4 Tax planning.</b> The Council (parent) will operate a tax loss for the period covered by this Plan due to the availability of tax deductions on some Council expenditure. This allows the Council's profit-making subsidiaries to make payments (known as subvention payments) to Council instead of tax payments.	If subvention payments are lower than planned, then the Council's revenue will be less than budgeted.	Low	CCTOs are monitored by the Statement of Intent and a quarterly performance reporting process. Returns are expected to continue as forecast in this Plan.	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GFC <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<b>6. Services and Operations</b>				
<p><b>6.1 Community housing.</b> The Council's community housing assets are leased to Otautahi Community Trust, who are responsible for operations, maintenance and renewals.</p> <p>It is assumed that community housing remains ring-fenced from rates, through a separate Housing Fund. The ongoing revenue source for this fund is the lease payments from the Ōtautahi Community Housing Trust.</p>	<p>If lease revenue is not sufficient to enable the social housing portfolio to be financially viable then alternative sources of funding may need to be found which may include from rates and property sales.</p> <p>If expenditure is higher than expected expenditure (e.g., due to asset failure or external events) then additional sources of funding may need to be found which may include from rates and property sales.</p>	High	<p>With a focus on repairing earthquake damage, lifting quality standards, and addressing deferred maintenance, there has been significant expenditure from the fund over the last 5 years. The fund is now in a depleted state and is not anticipated to accumulate in the foreseeable future. During this period, it is at a heightened risk, albeit this is mitigated by the ability to defer some expenditure or sell end of life complexes if necessary.</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
<p><b>6.2 Contract Rates.</b> Re-tendering of major contracts will not result in cost increases in excess of the rate of inflation.</p>	<p>There is currently some post Covid increase in cost around the supply chain.</p> <p>Additionally, some contracts are impacted by the Councils 2021 living wage decision.</p> <p>If there is a significant variation in price from re-tendering contracts, then the costs of providing services will increase beyond what is budgeted.</p>	High	<p>Where possible Council would review the scope of work under an affected contract, or alternatively adjust the budget between services to free up additional funding.</p> <p>Inflation is currently running at 6.7%. On its own, this presents a real risk. However, there also remains volatility in supply chains and shortages of construction materials, placing further upward pressure on costs. The 'post Covid increase' appears greater now than a few months ago, with no sign of its influence diminishing anytime soon. Similarly, the labour market is also under considerable pressure,</p>	FBP-IPRS <input checked="" type="checkbox"/>
				HCGP <input checked="" type="checkbox"/>
				CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
				GMCC <input checked="" type="checkbox"/>
				GMIPRS <input checked="" type="checkbox"/>
HTW <input checked="" type="checkbox"/>				
H3W <input checked="" type="checkbox"/>				
HPA <input checked="" type="checkbox"/>				

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
			<p>with organisations routinely increasing wages to retain and secure staff. Inevitably this will impact contract rates.</p> <p>Some potential cost increases may be mitigated or offset through the negotiation period by revising the scope of services or accepting a lower level of services, such as inspections and cleaning frequencies. We will also be challenging/tasking contractors to identify and suggest cost savings and improved efficiencies and consolidating services within existing contracts where possible. However, it is unlikely that any potential savings will outweigh increased contractor and supply costs, so some budgetary adjustments may be necessary.</p>	SMF <input checked="" type="checkbox"/>
<b>7. Insurance cover and natural disaster financing</b>				
<p><b>7.1 Insurance cover.</b> The Council has adequate Material Damage cover for all above ground buildings which are undamaged and fire cover for significant unrepaired buildings.</p>	Risk of major loss through fire	Low	<p>The results of external and independent modelling suggests that Council's insurance cover is sufficient to meet two times the maximum loss. Any financial impact is not expected to be significant. Recent advice on the mix of coverage now able to be provided on Councils housing stock, will impact premiums.</p>	CFO <input checked="" type="checkbox"/>
				HF <input checked="" type="checkbox"/>
<p><b>7.2 Natural disaster financial implications.</b> The Christchurch region will at some time experience earthquake, flooding and tsunami</p>	If the Council's insurance cover and expected Government assistance isn't sufficient to cover the costs of	Moderate	Council has limited insurance cover in place for damage to infrastructure networks from flooding, tsunami and earthquake events and relies on the	CFO <input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Person accountable Signed-Off
<p>events that will result in damage to Council infrastructure.</p> <p>It is assumed the Council's insurance along with central government assistance will cover the cost of repairs.</p>	<p>repairing Council infrastructure following a natural disaster, then additional funding will need to be found.</p>		<p>strength of its statement of financial position plus access to central government emergency funding in the event of another major event.</p> <p>Financial implications of another significant natural disaster event are large, particularly when our ability to borrow may be limited due to the high debt to revenue ratios forecast.</p> <p>This risk is considered in preparing forecasts and particular attention is paid to the financial headroom for each year. Financial headroom is a measure of Council's ability to borrow in the event of an emergency.</p>	<p>HF <input checked="" type="checkbox"/></p>

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## Christchurch and Banks Peninsula Long Term Plan 2024-34: Councillors' Expectations

Dear Dawn,

As indicated, I have prepared this letter setting out Councillors' expectations to help inform the work that you and your staff will undertake to support development of the Long-Term Plan (LTP) 2024 – 2034.

**Part A** makes clear Councillors' expectations around LTP content – the major strategic issues that the LTP needs to address. **Part B** is designed to provide clarity and certainty to both governance and staff around how the LTP process will unfold.

### Context

Christchurch is a fantastic city that is on the move. It is the place where we all call home, and where we want to do our part to make it an even better place to live, work, play and invest.

Christchurch has faced more than its fair share of challenges over the past decade, including those arising from earthquakes, floods, fires, water supply security concerns, terrorist attacks and the current pandemic recovery. The human, financial and environmental costs to our city have been great.

We now face significant change to our sector flowing from Government reforms, as well as the ongoing impacts of long term challenges faced by our community such as climate change, increasing inequality, rising cost of living and affordability issues. Our Council must also confront the immediate challenge of rising inflation, skills shortages and supply chain disruptions on our operations and capital projects.

Amongst the changes will be the implementation of Three Waters reforms from 1 July 2024. This means that the LTP 2024-34 will not include Three Waters and will reflect a post-reform Council in line with the Government's direction. We anticipate considering a range of scenarios as part of the development process.

However, the large investments over the past decade, our location as the gateway to the Antarctic and South Island, and our status as our nation's second largest city mean we are

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well-placed to respond to these challenges. This will help us put Christchurch 'on the map' as the best place to live, work, invest and play in New Zealand.

Councillors are determined to realise their vision for Christchurch as 'a city of opportunities.' Our city must continue to thrive and grow sustainably by attracting new businesses, people and investment. We want to provide, encourage, enable and improve the services that are essential for sustainable growth, resilience, liveable neighbourhoods, safe and healthy natural environments, and to support diverse cultural interests, activities and events. This should occur within the context of increasing partnership with mana whenua and greater collaboration with neighbouring councils and government agencies. The Greater Christchurch Partnership and Canterbury Mayoral Forum will offer opportunities for this collaboration to increase.

Overall, we are expecting sound, evidence-based advice and options to help us make informed choices in the best interest of our city, our environment and our residents.

## Part A - Key themes of the LTP 2024

We recognise that the joint development approach between Councillors and staff which formed the basis of the LTP 2021 was very successful and we want to build on that approach.

Councillors have worked well with ELT on a Strategic Framework which lays the foundation for LTP 2024. We expect that the Framework will set out our commitment to working in partnership with Ngāi Tahu to achieve meaningful outcomes that benefit the whole community. The Framework sets out the strategic priorities that will be our focus for work programme planning and investment over this Council term. We are aiming to finalise the Framework by the end of March 2023 in order for it to underpin all subsequent LTP work. We are currently discussing the following draft strategic priorities:

- Put people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection
- Champion Christchurch and collaborate to build our role as a leading New Zealand city
- Build trust and confidence in the Council through meaningful communication, listening to and working with residents

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- Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change.
- Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents
- Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind

To achieve these outcomes we need to provide clear direction for the LTP at an early stage. To ensure success this should include:

#### **Genuine partnership with Mana Whenua**

The draft Strategic Framework acknowledges Ngāi Tahu rangatiratanga over its takiwā and commits the Council to partnering with mana whenua to achieve meaningful outcomes that benefit the whole community.

The LTP presents the first key opportunity this Council term to advance the Council partnership with Papatipu Rūnanga and to discuss meaningful outcomes. The Mayor and Councillors expect that the LTP programme will enable authentic partnership and active dialogue with mana whenua.

#### **Joint Development between Councillors and staff**

It is expected that the joint development process used in the 2021 LTP will be continued and refined. This ensures that the views of Councillors and Community Board plans are taken into account from an early stage, and that debate and direction-setting is based on transparent, objective and accurate staff advice. Early engagement across our communities is also a key part of the approach. There must be sufficient time set aside for pre-engagement to occur in a transparent and measured way. The purpose and scope of pre-engagement will need to be agreed over coming weeks between Councillors and staff.

#### **Listening to our customers, communities, and businesses**

There is a wealth of feedback from our community in the Resident and Point of Contact Surveys, as well as other sources. These highlight areas of high satisfaction as well as areas where improvement is needed.

It is important that a diversity of voices is heard, that we actively listen to what our communities are saying and that the LTP provides options for addressing those community ambitions and concerns, including those voices that are not part of our current way of

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thinking. The LTP should provide certainty for our community on what we will do in response to the feedback they give us.

There is also a need to identify opportunities to work more closely with businesses and community groups to unlock the potential of our city. Feedback will need to be balanced with financial sustainability and deliverability during LTP decision-making as we will be confronting some hard choices.

### Committing to a Climate Resilient City

Christchurch is vulnerable to the impacts of climate change and has a significant role in the district's greenhouse gas emissions reductions efforts, and protecting our natural environment. It is essential that the Infrastructure Strategy, Asset Management and Activity Plans all include meaningful actions to reduce our greenhouse gas emissions, increase our resilience to more frequent and extreme weather events, and reduce our community's overall vulnerability to the impacts of climate change.

### Continuous Improvement

Given the dynamic nature of Council's operating environment it is critical that the organisation continues to learn and improve. Council expects to see innovative thinking applied to the financial and infrastructure strategies, activity plans, business reviews, S17a service delivery reviews, and in particular the Letters of Expectation with our group of companies, and for these to inform the LTP. It is critical that staff provide advice during the LTP process that reflects new and innovative ways to achieve outcomes for our community.

### Infrastructure Strategy

The Infrastructure Strategy (IS) needs to inform many of the key LTP documents. It must contain a strategic view of our key infrastructure opportunities and challenges, including residual earthquake damage to infrastructure, and options to address these. It should include opportunity cost assessments for councillors to consider when evaluating options. The preferred option must be supported by an investment proposal, which should be well progressed early on in the LTP process so that it can frame the development of the capital programme and be closely aligned with the Financial Strategy and Strategic Priorities. The IS will also help to shape and inform the Consultation Document.

The IS must be understood as a strategy: it should give high level direction for the future of our infrastructure planning and investment; lead the development of the asset plans, the

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capital programme and capital prioritisation process. This will include a clear view of essential asset management and renewals as well as more discretionary projects. It should avoid being 'backcast' (a simple retrofit to existing asset plans.) The IS will both inform, and be informed by, activity plans and asset plans through an iterative process.

The 30-year horizon for the IS makes it high level enough that it will not hinder the ability to defer programmes to later years, if required by deliverability challenges. It is therefore important that the proposed capital programme is clearly visible to Community Boards and residents as part of the LTP engagement process and extends beyond the traditional ten year view. Projects should be available by ward over the life of the LTP.

Council expects that the overall direction of the IS (and ideally its preferred option) to be available for asset plans and activity plans to reference while they are being co-developed. It is expected that staff will have considered other Council's IS and asset planning documents in light of the feedback from the Auditor-General after the LTP 2021.

## Financial Strategy

The long-term financial management approach needs to focus on keeping rates and other fees and charges affordable over time, while at the same time balancing the need for fit-for-purpose services and our residents' quality of life. It must also present a clear picture of the Council's long term strategic approach to debt ensuring we are taking a whole life costing and intergenerational approach.

### Rating approach

Councillors wish to signal a clear expectation that rates increases will be contained and they must always be justifiable. It is timely for Council to undertake an assessment of our rating base and approach and how well it is understood.

More broadly, the Financial Strategy should:

1. Provide the economic context, interest rates and inflation projections and debt profile within which are proposed options for rates setting.
2. Be clear on the role and performance of CCHL and the CCTOs, and their contribution to Council's financial resilience over time.
3. Provide an assessment of the impact of the RMA reforms as best can be assessed at this point in the reform programme. Based on observations from the last LTP process.

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4. We would also like staff to consider the following:
- the capital programme be proposed at a level that responds to actual need and that is demonstrably deliverable and affordable in each year of the LTP.
  - alleviate an unacceptably high capital programme ‘bow wave’ with inevitably large carry-forwards each year, which has the potential to drive unnecessarily high rates increases (note that while we do not borrow for what we are not delivering, that work is built into our plans and therefore rates increases).
  - as the capital programme changes, any related opex implications must be clearly called out and evidence based – including whole-of-life costing implications.
  - Activity budgets should be available when activity plans are reviewed by Councillors. These could be draft budgets for activities that are not changing markedly, but with indicative budgets for activities where any major change is proposed.
  - Impacts to Levels of Service arising from budget changes must be transparent to Councillors in activity plans.
  - Adjustments to (or deletion of) capital projects/programmes or Levels of Service must be transparent in LTP documents, including the CD.

### Part B - The LTP Process

It is essential that both Councillors and staff have a clear and mutually agreed understanding of how the LTP process will unfold. The advice below is informed by what worked well during the LTP 2021 process. It also reflects improvements based on the LTP 2021 process review, which included input from senior managers and councillors, as well as the Office of the Auditor-General.



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### **Restoring trust and confidence**

The LTP process needs to provide ample opportunities for a full range of issues to be canvassed. Residents, business and communities of interest and other key stakeholders must be broadly engaged on key issues and options so we hear the many and varied voices of our community as we consider those issues. This places an obligation on Council and staff to ensure that accurate, easy to assimilate information on options (and their impacts) is available to all our stakeholders to help inform their views. We want a two way conversation that is:

- collaborative and meaningful
- designed to deliver real benefits for the city equitably and at reasonable cost for all generations
- communicated clearly so the community is aware of the responses and the reasons for the decisions we have made.

In addition to early work with mana whenua partners, Councillors expect the LTP process to create better connections with disenfranchised communities, and to consider stakeholder-specific assessments. We also want to see more youth-focused engagement (by youth for youth). Where relevant, there should also be more project-based engagement to encourage and support community involvement and more submissions.

### **Consultation Document**

The Consultation Document (CD) is the flagship and main public document of the LTP. It is led by the Mayor and will set out the key issues being considered, and the options available in response to those issues. The right CD will encourage and support community involvement. It will be important to retain clear accountability for the Consultation Document (CD) development within the Communications and Engagement Unit, so it is written in plain and consistent language rather than technical jargon, with the options to be considered by the Council and community are articulated clearly and accessible to all.

The Consultation Document will be supported by a range of related tools and communication streams to ensure that all people in our community can participate and contribute. There will continue to be an option to submit through easy to use online surveys.

### **The Joint Development Process**

This was successful in 2021. Councillors felt that they had clear oversight of the LTP strategies and plans, as well as sufficient time to scrutinise them and provide feedback.

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The overarching objective of the plan (that the suite of LTP documents are available in draft form by 1 July 2023) remains. Councillors should also be engaged early on levels of service to ensure they understand the issues and options they consult on. It is essential that there is a measured and transparent programme of presentations on activity and asset plans to Council between July and December 2023 that allows for questions and the opportunity to circle back if needed. Staff should find meaningful ways to enhance transparency during this process.

This programme of presentations should be set and agreed with elected members now so that there is clarity for both the managers presenting and for the councillors. Focus areas for activity plan presentations include:

- clear line of sight from high level outcomes (Strategic Framework, including climate resilience and other relevant Strategy documents) to proposed levels of service and capital projects.
- a capital prioritisation process that has a focus on community need, deliverability, affordability and climate resilience across all capital portfolios.
- Levels of Service that are consistently SMART (specific, measurable, achievable, relevant and time-bound) and which will provide transparency of non-financial performance across services. We note there are legislatively prescribed LOS, and in addition we wish to focus our efforts on a reduced suite of LOS that are most critical and meaningful.

It is also expected that once the strategies and plans are in draft form on 1 July 2023 they will be available to councillors on the BigTinCan. All of these refinements were valuable in the 2021 process.

### Other Issues

Rather than proscribing the more detailed elements of the LTP Programme, the *LTP 2024-34 Programme Plan* (approved by the Executive Leadership Team and Council in June 2022) remains the approved LTP process. Please report progress against this programme plan monthly to the Finance and Performance Committee, including any risks or impediments to the project and its key work streams.

Councillors need a clear stocktake of on-hold Annual Plan and LTP proposals from the last triennium, so that we can confirm whether this work should form part of the 2024 LTP.

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## Community and Stakeholder Engagement

Community Boards need to develop their Plans early in the triennium and they need to be aligned with the Council's strategic framework. This will assist the ability to integrate Community Board Plans at an earlier stage in the LTP process. This reinforces the need for a timely sign off on the strategic framework by the new council.

As stated, early engagement and partnership with Ngāi Tahu/ Ngā Papatipu Rūnanga must be programmed specifically into the LTP programme plan.

In addition, I welcome staff advice on the potential to have early conversations with the community, to help support the development of an LTP that closely matches the priorities of residents whilst recognising intergenerational impacts. Particular attention needs to be given to how we reach a greater diversity of residents in our early engagement, and during the formal consultation period.

Thank you for the opportunity to provide this expression of expectations on behalf of Councillors. I hope it will help guide the organisation as you implement the LTP process.

Regards

**Phil Mauger**

**Mayor**

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## 9. Resolution to Exclude the Public

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

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

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

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

### **Note**

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

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

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

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

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE REVIEWED FOR POTENTIAL RELEASE
8.	CONSIDERATION OF THE COUNCIL'S DRAFT LONG-TERM PLAN LTP 2024-34 PROCESS				
	ATTACHMENT A - DRAFT CONSULTATION DOCUMENT	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	COUNCIL REPORT AND KEY ATTACHMENTS WILL BE RELEASED ON THE PUBLIC AGENDA ON THE 9 FEBRUARY 2024 FOR ADOPTION MEETING OF THE 14 FEBRUARY 2024.	14 FEBRUARY 2024 COUNCIL ADOPTION MEETING.
	ATTACHMENT B - DRAFT FINANCIAL STRATEGY	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	COUNCIL REPORT AND KEY ATTACHMENTS WILL BE RELEASED ON THE PUBLIC AGENDA ON THE 9 FEBRUARY 2024 FOR ADOPTION MEETING OF THE 14 FEBRUARY 2024.	14 FEBRUARY 2024 COUNCIL ADOPTION MEETING.
	ATTACHMENT C - DRAFT INFRASTRUCTURE STRATEGY	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	COUNCIL REPORT AND KEY ATTACHMENTS WILL BE RELEASED ON THE PUBLIC AGENDA ON THE 9 FEBRUARY 2024 FOR ADOPTION MEETING OF THE 14 FEBRUARY 2024.	14 FEBRUARY 2024 COUNCIL ADOPTION MEETING.
	ATTACHMENT F - EARLY DRAFT OF THE DRAFT LTP 2024-34 ADOPTION REPORT TO COUNCIL	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	COUNCIL REPORT AND KEY ATTACHMENTS WILL BE RELEASED ON THE PUBLIC AGENDA ON THE 9	14 FEBRUARY 2024

				FEBRUARY 2024 FOR ADOPTION MEETING OF THE 14 FEBRUARY 2024.	COUNCIL ADOPTION MEETING.
10.	PUBLIC EXCLUDED AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES - 7 DECEMBER 2023			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
11.	AUDIT MANAGEMENT REPORT 2023	S7(2)(C)(I)	PROTECTION OF SOURCE OF INFORMATION	INFORMATION ON CCC INTERNAL SYSTEMS ARE DISCLOSED WITHIN THIS REPORT.	10 FEBRUARY 2025 CONCLUSION OF THE REVIEW OF CCC INTERNAL SYSTEMS.