

Audit and Risk Management Committee AGENDA

Notice of Meeting Te Pānui o te Hui:

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

Date: Tuesday 7 October 2025
Time: 9.30 am
Venue: Camellia Chambers, Level 2, Civic Offices, 53 Hereford Street

Membership Ngā Mema

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

2 October 2025

Principal Advisor

Helen White
General Counsel / Director of Legal & Democratic Services
Tel: 941 8999
helen.white@ccc.govt.nz

Meeting Advisor

Luke Smeele
Democratic Services Advisor
Tel: 941 6374
luke.smeele@ccc.govt.nz
Website: www.ccc.govt.nz

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

To view copies of Agendas and Minutes, visit:

<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

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

Chair	Mr Bruce Robertson
Deputy Chair	Councillor McLellan
Membership	Councillor Fields Councillor MacDonald Councillor Scandrett External Members: Mrs Hilary Walton Mr Michael Wilkes
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
Meeting Cycle	Quarterly and as required
Reports To	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 2025

2025	Feb 10	Apr 4	Jun 13	Aug 15	Annual Report Oct 7	Dec
Update Reports	<ul style="list-style-type: none"> • Risk and Assurance • Cyber Security Report • Parakiore Update 	<ul style="list-style-type: none"> • Risk and Assurance • Procurement 	<ul style="list-style-type: none"> • Risk and Assurance • Cyber Security • Major Litigation 	<ul style="list-style-type: none"> • Risk and Assurance • Procurement • Riskpool Update 	<ul style="list-style-type: none"> • Risk and Assurance 	<ul style="list-style-type: none"> • Risk and Assurance • Procurement • Health, Safety & Wellbeing • Major Litigation
Other Reports	<ul style="list-style-type: none"> • Insurance Update 	<ul style="list-style-type: none"> • Office of the OAG: Key observations 	<ul style="list-style-type: none"> • Te Kaha Update • Elected Member Expenditure • Riskpool Update • Issue Log Report • Office of the OAG Report 	<ul style="list-style-type: none"> • Elected Member Expenditure • Interim Audit Report 2025 • KiwiRail Update 	<ul style="list-style-type: none"> • LTP – Risk Assessment and Update 	<ul style="list-style-type: none"> • KiwiRail Update
Annual Report	<ul style="list-style-type: none"> • Audit Management Report 2024 	<ul style="list-style-type: none"> • External Reporting and Audit Programme for 2024/25 Update 	<ul style="list-style-type: none"> • External Reporting and Audit Programme Update • Audit Plan 	<ul style="list-style-type: none"> • Update on critical judgments, estimates & assumptions • Financial Statements Update - Valuations 	<ul style="list-style-type: none"> • Financial Statements and Annual Report 	<ul style="list-style-type: none"> • Audit NZ Management Letter from prior year's audit
Annual Plan	<ul style="list-style-type: none"> • Draft Annual Plan 		<ul style="list-style-type: none"> • Final Annual Plan 			

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

TABLE OF CONTENTS NGĀ IHIRANGI

C	1.	Apologies Ngā Whakapāha	9
B	2.	Declarations of Interest Ngā Whakapuaki Aronga	9
C	3.	Confirmation of Previous Minutes Te Whakaāe o te hui o mua	9
B	4.	Public Forum Te Huinga Whānui	9
B	5.	Deputations by Appointment Ngā Huinga Whakaritenga.....	9
B	6.	Presentation of Petitions Ngā Pākikitanga	9

STAFF REPORTS

C	7.	Long Term Plan 2027 - Risk Assessment and Project Update	15
C	8.	Resolution to Exclude the Public.....	41

Actions Register Ngā Mahinga Tuwhera

1. Apologies Ngā Whakapāha

Apologies will be recorded at the meeting.

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 [Friday, 15 August 2025](#) 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 hearing process.

Public Forum presentations will be recorded in the meeting minutes

5. Deputations by Appointment Ngā Huinga Whakaritenga

Deputations will be recorded in the meeting minutes.

6. Petitions Ngā Pākikitanga

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

To present to the Committee, refer to the [Participating in decision-making](#) webpage or contact the meeting advisor listed on the front of this agenda.

Audit and Risk Management Committee OPEN MINUTES

Date: Friday 15 August 2025
Time: 9.30 am
Venue: Ministry of Education Building, Conference Room, 48
Hereford Street West End

Present

Chairperson Mr Bruce Robertson
Deputy Chairperson Councillor Jake McLellan
Members Councillor Tyrone Fields
Councillor Sam MacDonald
Councillor Tim Scandrett
Mrs Hilary Walton - by audio/visual link

Principal Advisor

Helen White
General Counsel / Head of Legal & Democratic Services
Tel: 941 8999
helen.white@ccc.govt.nz

Meeting Advisor

Luke Smeele
Democratic Services Advisor
Tel: 941 6374
luke.smeele@ccc.govt.nz
Website: www.ccc.govt.nz

-
- 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/2025/00021

That the apology from Michael Wilkes for absence be accepted.

Mr Robertson/Councillor McLellan

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/2025/00022

That the minutes of the Audit and Risk Management Committee meeting held on Friday, 13 June 2025 be confirmed.

Mr Robertson/Councillor MacDonald

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. Office of the Auditor-General Report to Christchurch City Council Audit and Risk Management Committee

Committee Resolved ARCM/2025/00023

Officer Recommendation accepted without change

Part C

That the Audit and Risk Management Committee:

1. Receives the information in the Office of the Auditor-General Report to Christchurch City Council Audit and Risk Management Committee Report.

Councillor McLellan/Councillor Scandrett

Carried

8. Elected Member Sensitive Expenditure Reporting - January to June 2025

Committee Resolved ARCM/2025/00024

Officer Recommendation accepted without change

Part C

That the Audit and Risk Management Committee:

1. Receives the information in the Elected Member Sensitive Expenditure Reporting - January to June 2025 Report.

Councillor Scandrett/Councillor MacDonald

Carried

9. KiwiRail Risks - Update

Committee Resolved ARCM/2025/00025

Officer Recommendation accepted without change

Part C

That the Audit and Risk Management Committee:

1. Receives the information in the KiwiRail Risks - Update Report.

Councillor MacDonald/Councillor McLellan

Carried

10. Procurement & Contracts FY25

Committee Resolved ARCM/2025/00026

Officer Recommendation accepted without change

Part C

That the Audit and Risk Management Committee:

1. Receives the information in the Procurement & Contracts FY25 Report.

Mr Robertson/Councillor MacDonald

Carried

11. Resolution to Exclude the Public Te whakataunga kaupare hunga tūmatanui

Committee Resolved ARCM/2025/00027

Part C

That Chantelle Gernetzky, Anna Jones and Laura Song of Audit New Zealand remain after the public have been excluded for items 12 -18 of the public excluded agenda as they have knowledge that is relevant to those items and will assist the Council. That David Seath and Sarah Joyce of Deloitte, remain after the public have been excluded for Item 16 of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Council. That Mike Rondell of BDO and Scott McClay, Will Hamilton and Michael McAuley of Deloitte remain after the public have been excluded for item 13 of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Council.

AND

That at 10.19am the resolution to exclude the public set out on pages 37 to 39 of the agenda be adopted.

Mr Robertson/Councillor Scandrett

Carried

The public were re-admitted to the meeting at 12.26pm.

Meeting concluded at 12.27pm.

CONFIRMED THIS 7th DAY OF OCTOBER 2025

BRUCE ROBERTSON
CHAIRPERSON

7. Long Term Plan 2027 - Risk Assessment and Project Update

Reference Te Tohutoro: 25/1705241

Responsible Officer(s) Te Peter Ryan, Head of Corporate Planning & Performance

Pou Matua: Peter.Ryan@ccc.govt.nz

Accountable ELT Bede Carran, General Manager Finance, Risk & Performance / Chief

Member Pouwhakarae: Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to provide an analysis of workstreams required and risks likely to impact upon the Long-term Plan 2027 – 2037 (LTP) process. The report also provides proposed mitigations for consideration by the Committee (refer Attachment A).
- 1.2 A similar report was considered by the Finance and Performance Committee on 27 August 2025 (F&P meeting). The Committee endorsed a series of high-level recommendations aimed at mitigating process risks for the LTP.

2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Receives the Long Term Plan 2027 - Risk Assessment and Project Update report.
2. Notes the Long-term Plan 2027 Project Update and Risk Assessment report, recommendations and phasing's approved by the Finance & Performance Committee at its meeting on 27 August 2025 (refer **Attachment A**).
3. Endorses the high-level plans set out in **Attachment B** as an early step in clarifying and managing process risks to key Long-term Plan 2027-37 (LTP) workstreams.
4. Notes that staff have detailed the key component parts of the LTP in the report.
5. Notes that a full and detailed LTP project plan will follow following receipt of the new Council's Letter of Expectation.
6. Agrees to provide advice to Finance & Performance Committee on the risks (and the effectiveness of their proposed mitigations) at regular intervals throughout the preparation of the Long-Term Plan 2027, in line with its Terms of Reference.

3. Background/Context Te Horopaki

- 3.1 Under its Terms of Reference, the Audit and Risk Management Committee (ARMC) considers and reviews LTP processes during the LTP development and prior to its adoption by the Council.
- 3.2 LTPs are large and complex documents. The process of compiling them is an organisational wide exercise carried out over an 18-24 month period with a significant number of risks to be identified and managed. Risks are set out in Attachment A and can be briefly summarised as arising from:
 - a markedly uncertain geopolitical and economic environment;
 - the central government elections during the 2026 LTP 'build' year;

- a variety of legislative reforms currently being progressed, e.g. Resource Management reform, the Local Government (Systems Improvement) Bill and Water Services reform, with the full impact for Council and the sector remaining uncertain;
 - the potential introduction of a rates cap, although there is considerable uncertainty on the shape and form of any rates capping; and
 - a failure of Council internal processes, e.g. the relationship between the LTP process and other overlapping internal processes is not established early, accountabilities and milestones for completion not agreed in advance and adhered to throughout the LTP's development.
- 3.3 On 27 August 2025 the F&P meeting approved a range of staff recommendations designed to mitigate process risks, which are more readily managed than risks arising from external events. These recommendations originated from a Heads of Service / ELT meeting on 15 May 2025 and were agreed with the Chief Executive and ELT. They were developed as learnings from past LTPs and can be summarised as:
- **‘One Team’** – there will be a single LTP process and single governance structure. This means one Steering Group (ELT), LTP Project Sponsor (CFO), LTP Project Manager (Head of Corporate Planning & Performance) and single LTP project delivery team;
the community outcomes, financial strategy, infrastructure strategy, activity and asset plans, budget process and capital programme development must stay aligned within the LTP project plan in terms of process, mandated content and timings.
 - **‘Making It Happen’** – once the single project plan is agreed, changes must be approved by the LTP Steering Group or LTP Project Team. Teamwork, which is part of a ‘no surprises’ policy.
 - **‘We have listened’** – preparation of an integrated LTP process may commence, but LTP content must be built on guidance from the new (post-election) Council via its Letter of Expectation (LoE).
- 3.4 This means that work currently underway on asset planning, level of service review, future budgets or capital programmes is on essential and statutory components of the LTP and remains subject to content change based on LTP decision-making directions from the new Council.
- 3.5 At the same Heads of Service / ELT meeting the Chief Executive emphasised that all components of an LTP currently exist in both approved and audited form. Consequently, the focus of the LTP 2027 process must be on review and updating not starting over from scratch.
- 3.6 The F&P meeting identified three specific risks as focus areas:
- internal misalignment and duplication across LTP processes and components are key risks to effective LTP preparation, to address this the LTP project plan and accountabilities must address internal coordination issues so that accountabilities are clear and milestones are fully aligned;
 - rates cap: the LTP project plan to develop a scenario containing options to model the effect of a rates cap (assuming this becomes a legislative requirement); and
 - transparency: the full suite of LTP documentation will remain transparent to the Mayor, Councillors and the community through the development of the LTP and thereafter.
- 3.7 The F&P meeting requested a draft of a full project plan (full project plan) from the Project Sponsor and Manager that sets out a ‘single source of truth’ on all key LTP processes and their

timings. It will contain a RACI model¹ that confirms all key process accountabilities. The RACI model has been used as it is a relatively well understood and applied in terms of clarifying accountabilities in large complex projects.

- 3.8 Prior to developing the full project plan, staff believe it is important to set out the major workstreams, their accountabilities, risks and how it is proposed to mitigate them (refer Attachment B). This is so the Committee can test the process that staff are undertaking as part of the LTP's development. Once those matters have been framed to the satisfaction of the ARMC, the full project plan in readiness for the new Council can be completed and presented.
- 3.9 Early direction on the process staff are following to develop the full project plan will be beneficial to the LTP project, as post 7 October 2025 both the Finance & Performance Committee and the ARMC will not reconvene until (nominally) late November and mid-December respectively.
- 3.10 The summary of key workstream in the full project plan including the risks, deliverables and scope is attached (refer Attachment B). This summary has been built using phasings, deliverables and principles already established with LTP project team, ELT and Finance & Performance Committee.
- 3.11 To supplement the summary of workstreams (Attachment B) key points for ARMC to note on LTP components are set out below. The components below and the workstreams referenced in Attachment B form the basis for developing the full project plan requested at the F&P meeting.
- 3.12 **Letter of Expectation**
 - 3.12.1 Recent LTPs have benefited from an LoE shortly after the new Council has been elected. Development of the LoE provides an opportunity for Council to workshop its long-term objectives, and to clarify priorities and trade-offs. The LoE also means that staff can develop draft LTP content during the 'build' period with confidence. As with any LoE, the key risks are that it does not provide clear direction or arrives late which means that major changes in direction are problematic.
 - 3.12.2 Staff note that the LoE would normally be finalised around late November or early December. However, given that central government has signalled an announcement on rates capping by the 'end of the calendar year' some flexibility may be required to reflect a potentially significant change in government policy affecting the sector.
- 3.13 **Community Outcomes**
 - 3.13.1 Community outcomes are a legislative component and sub-set of the LTP project. They describe the outcomes that a local authority aims to achieve to promote the social, economic, environmental, and cultural well-being of its district in the present and for the future.
 - 3.13.2 Community outcomes should describe desired end states for the community (an outward view) not for the Council organisation (an inward view). If not carefully framed they may be expressed in vague or theoretical language, or as operational workstreams or capital projects. If community outcomes are not clearly defined or genuinely reflective of what matters, it becomes difficult to use them effectively in service level reviews and capital delivery prioritisation. This can undermine the

¹ RACI model: responsible, accountable, consulted and informed.

development of an integrated LTP that aligns with the Council's priorities for the community.

- 3.13.3 Broadly, development of the community outcomes occurs in stages. The first is for Council to have a 'free range' discussion on the outcomes it wishes to achieve including its priorities and projects. Consideration could be given to external facilitation for this exercise.
- 3.13.4 Secondly, a cross-functional team of staff takes the Councillor guidance in terms of its outcomes, priorities and projects and frames these as community outcomes. These are then presented back to Council for it to consider and adopt if they meet its expectations. It is envisaged this cross-functional staff team would be made up of key stakeholders representing Infrastructure, Citizens & Communities, Planning, Strategic Policy, Communications, and potentially the Principal Policy Advisor.

3.14 **Financial Strategy (FS)**

- 3.14.1 The FS is a legislative component and sub-set of the LTP project. The purposes of the FS are to:
 - (a) facilitate prudent financial management by providing a guide to consider proposals for funding and expenditure against; and
 - (b) provide a context for consultation on Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.
- 3.14.2 Early input from Council on key parameters will be important for the development of the FS, particularly if the foreshadowed rates cap eventuates with significant rating constraints.
- 3.14.3 The statutory requirements for the FS are set out in section 101A of the LGA, and it and the infrastructure strategy (IS) need to be aligned and integrated.
- 3.14.4 Having subject matter experts as part of the FS development is a key control to ensure the section 101A statutory requirements are met. In terms of integration with the IS, continuous liaison will help manage this risk, and staff advise that it would be prudent for a subject matter expert member of each team (FS and IS) to be represented on the other respective workstream.
- 3.14.5 Staff also note that some preliminary modelling has been commenced to understand the effects of a rates cap on future budgets.

3.15 **Infrastructure Strategy (IS)**

- 3.15.1 The IS is a legislative component and sub-set of the Long-Term Plan project, covering a minimum 30-year period, with the statutory requirements set out in section 101B of the LGA. Its purpose is to identify significant infrastructure issues facing Council over that timeframe, and to outline the principal options for managing those issues along with their implications.
- 3.15.2 The IS must explain how Council will manage its infrastructure assets, including the renewal or replacement of existing assets, responding to changes in demand (growth or decline), adjusting levels of service, protecting public health and the environment, mitigating adverse effects, and improving resilience by managing risks from natural hazards and making appropriate financial provisions.
- 3.15.3 The IS must outline the most likely scenario for infrastructure asset management, including projected capital and operating expenditure for each of the first 10 years

and each subsequent 5-year period, significant capital decisions (including timing, options, and estimated costs), and the key assumptions underpinning the scenario, such as asset life cycles, changes in demand and service levels, and the impact of uncertainty.

- 3.15.4 The IS is a critical component of LTP as it sets out the major drivers for managing assets and these must align with both asset management plans, the development of the capital programme and the FS. To manage the risks of misalignment between the IS and other components of the LTP, staff advise that a small, well-rounded cross-functional team is best suited to framing the IS. This group would have representatives from key infrastructure stakeholders, eg Infrastructure Group, Citizens and Community, along with Strategic Policy, Planning & Consents, PMO, Coastal Hazards Adaption Planning, Monitoring & Research and Finance to support continuous liaison with the FS workstream.

3.16 Opex Budgeting

- 3.16.1 As with previous LTPs this is both a 'business as usual' (BAU) function of Council and an LTP workstream. It relies on a clear LoE, particularly around levels of service and early FS parameters as operating expenditure is a primary driver of rates increases.

3.17 Capital programme development

- 3.17.1 As with previous LTPs this is both a BAU function of Council and an LTP workstream.
- 3.17.2 As part of the Annual Plan 2025/26 development, significant work was carried out by Council's Project Management Office (PMO) to determine a 'deliverable' capital programme for the 2025/26 year. This resulted in a significant reduction in the core capital programme (excluding Te Kaha) of circa \$70m from what was forecast in the LTP 2024-34 (down from \$620m to \$550m). A similar exercise to determine what is deliverable is being conducted for the 2026/27 annual plan (currently under development).
- 3.17.3 As part of the LTP development, the PMO will continue to work on what is a deliverable 10 year capital programme. This work is informed from multiple sources including the LoE, the asset management plans and both the FS and IS. It is cross organisational involving Heads of Service, project managers and finance team members.
- 3.17.4 With the current work on deliverability, it is expected the PMO will be able to largely mitigate the risk that emerged in the 2024 LTP where the capital programme began with a Y1 (unprioritised) budget of \$1.3B. An inflated undeliverable capital budget risks delay and confusion for the development of a rigorous deliverable final capital programme to be adopted as part of the LTP.

3.18 Asset planning (alignment)

- 3.18.1 As with previous LTPs this is both a BAU function of Council and – in terms of alignment only - an LTP workstream. Asset plans (which drive the majority of capital programme spend through renewals and replacements) are currently being developed before community outcomes, IS, FS parameters or LoS review results are known.
- 3.18.2 However, this work is proceeding on the basis that asset plans will be modified to align with LTP decisions made by Council. This is important as asset plans are scrutinised as part of the LTP audit, usually by a specialist asset planning auditor, to assess alignment with other core LTP documents. Areas examined include:

- (a) whether the asset data on condition, performance and life cycle are fit for purpose;
- (b) whether the asset plans align with the guidance on renewing and/or replacing existing assets in the IS; and
- (c) whether the asset plans align with the levels of service, budgets etc set in the LTP.

3.18.3 Audit has noted in the past that there have been issues with unnecessary duplication and different levels of service in asset plans and other LTP documents such as activity plans, hence the focus on alignment across and within the various LTP component documents.

3.19 Activity plans / level of service review

- 3.19.1 Following work with ELT and Heads of Service a structured approach is being developed that will enable a level of service review if that is a decision of Council and which would be directed through the LoE (and potentially also initiated by central government announcements on a rates cap).
- 3.19.2 Broadly, the plan is to map the levels of service to the agreed community outcomes (when they are finalised by Council) and test the alignment between them. Staff note that where there are mandatory levels of services these will need to be excluded from a level of service review, acknowledging that in some instances the performance target for some mandatory measures can be adjusted.

3.20 Consultation document (CD)

- 3.20.1 This is a legislative component and sub-set of the LTP project. The purpose and statutory requirements for the CD are set out in sections 93B -93D of the LGA 2002. Lessons from earlier CDs highlight the importance of a single lead 'holding the pen.' This mitigates significantly the risk of inconsistent facts, messages, language, delivery and layout. Management of the CD under a single, unifying voice and process lead is considered important.
- 3.20.2 Key risks for a CD include excessive length, complexity and lack of clear, easily understood options for consideration by the community of significant issues.

3.21 Specific risks from LTP audit

- 3.21.1 The effect and implications of central government reforms and their implementation in the LTP process will receive scrutiny from Audit NZ. Audit NZ has indicated that up to \$80K in extra funding for the audit process may be needed for the 2027 LTP. Staff note this is in keeping with an \$80K cost overrun for the 2024 LTP.
- 3.21.2 As noted above Audit NZ has previously identified misalignment and duplication across Council processes as key risks to effective LTP preparation. These have cost escalation implications and has been referenced by Audit NZ when seeking a higher fee recovery.
- 3.21.3 Where the LTP does not provide adequately for the implementation of reforms or there is unresolved misalignment of component documents, eg between asset plans and the IS and/or FS, there is an increased risk of a qualified LTP. This has potential implications for Council's reputation and likely increased and unbudgeted costs.

3.22 Risk around conflating the purpose of an annual plan with LTP

- 3.22.1 In general the purpose of an annual plan is to make transparent variations to the LTP, that are neither material nor significant, and which is why annual plans are not

audited. An annual plan can include specific amendments to the LTP, provided they are not deemed significant (section 97 of the LGA).

- 3.22.2 However, if the aim is to significantly alter the intended level of service for any significant activity (including a decision to commence or cease any such activity) or transfer the ownership or control of a strategic asset to or from the local authority, then those decisions must be taken within an LTP.
- 3.22.3 Unlike the one-year horizon of an annual plan, LTPs cover a 10-year period and require significantly more time and resources to prepare, as well having extensive audit requirements. There is a high degree of risk around attempting to prepare an LTP in the much shorter timeframes typically available to an annual plan.
- 3.22.4 There needs to be a clear distinction made between what are non-material variations to an LTP within the annual plan process, having regard to the LGA and Council's Significance and Engagement Policy, and changes which require an LTP to be undertaken. Having discussions with the Council early in the new triennium on the distinction is important so that it is well informed on the implications of any decision it makes to undertake an LTP rather than an annual plan process.

3.23 Special focus areas identified by the Finance and Performance Committee

- 3.23.1 These have been addressed in **Attachment B** but in summary the concerns raised were:
- internal misalignment and duplication across LTP processes and components are key risks to effective LTP preparation, the LTP project plan and accountabilities are the controls to address internal coordination risks and issues;
 - rates cap: the LTP project plan must develop a scenario containing options that would address a rates cap, if legislation to that effect is introduced;
 - transparency: the full suite of LTP documentation will remain transparent to the Mayor, Councillors and the community through the development of the LTP and thereafter.

3.24 LTP Project Governance and Decision-making



- 3.24.1 The governance model approved by Finance & Performance Committee follows a clear and direct approach:
- LTP Governance - All decisions on the content of the Consultation Document and supporting LTP documents (FS, IS, activity plans (incl LoS), asset plans, capital programme) rest with Council, or the Finance & Performance Committee as delegate;
 - LTP Steering Group (ELT) provides direction to staff on strategic aspects of the LTP during development of draft components (for example, capital programme deliverability, budget prioritisation decisions, CD options);
 - LTP Project Team assists the Project Sponsor and Manager in project co-ordination at operational level;
 - The LTP Project Sponsor (CFO) has executive accountability for the LTP process and advising the CE;
 - The LTP Project Manager (Head of Corporate Planning & Performance) is responsible for programme management of the LTP – workstream phasing and

milestones, deliverables, quality and risk assurance and reporting, all materials for LTP workshops with Council to be managed and coordinated by the Project Manager as a single point of contact.

4. Considerations Ngā Whai Whakaaro

- 4.1 The Finance and Performance Committee endorsed the attachments to the LTP report of 27 August 2025, including key principles, phasings, deliverables and governance structure.
- 4.2 If the high-level work stream plans for the LTP development set out in Attachment B along with the key component parts referenced above are approved by the ARMC as fit for purpose, a detailed project plan and RACI matrix of accountabilities will be developed by the LTP Manager for approval by the Project Sponsor. This will be presented to both the Finance & Performance and Audit & Risk Management Committees to provide assurance appropriate internal processes are in place for the efficient and timely development and delivery of the LTP and its component parts.
- 4.3 It is proposed that this will occur at their next meetings, nominally set down for late November (F&P Committee) and mid-December 2025 (ARMC).

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Finance and Performance Committee Long Term Plan 2027 - Project Update and Risk Assessment 27 August 2025 Report	25/1844900	23
B 	Summary of Workstream Plans	25/1999975	35


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

Document Name – Location / File Link
Audit and Risk Management Committee - Terms of Reference
Agenda of Finance and Performance Committee - Wednesday, 27 August 2025

Signatories Ngā Kaiwaitohu

Authors	Boyd Kedzlie - Senior Corporate Planning & Performance Analyst Peter Ryan - Head of Corporate Planning & Performance
Approved By	Peter Ryan - Head of Corporate Planning & Performance Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer Mary Richardson - Chief Executive

Finance and Performance Committee
27 August 2025

Christchurch
City Council 

10. Long Term Plan 2027 - Project Update and Risk Assessment

Reference Te Tohutoro:	25/1479394
Responsible Officer(s) Te Pou Matua:	Peter Ryan, LTP Project Manager
Accountable ELT Member Pouwhakarae:	Bede Carran, General Manager Finance, Risk & Performance / Chief Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 This report is a response to a request from the Chair, Finance & Performance Committee for an analysis of challenges and risks likely to impact upon the Long-term Plan 2027 – 2037 (LTP) process as well as;
 - 1.1.1 Demonstrating the mitigations staff will take to address those risks; and
 - 1.1.2 Seeking feedback from the Committee on those mitigations.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Note the challenges and complexities that various reforms will generate for the 2027 Long-Term Plan process.
2. Note that in developing the next Long-Term Plan it will be important to:
 - a. clarify the relationship between the LTP process and other overlapping internal processes so that accountabilities are clear and milestones are fully aligned.
 - b. provide a structured approach to the review of Levels of Service with early clarification of roles and responsibilities.
 - c. deliver an aligned and integrated LTP process that meets the requirements of reforms (e.g. Local Water Done Well, Resource Management Act reform, and the proposed Local Government Systems Improvement Bill, which may include rates capping.)
3. Note the key principles and processes for the development of the LTP set out in Attachment A to this report.
4. Note that staff will commence preparation of financial scenarios for the next Annual Plan and draft Long-Term Plan which will address the impacts of local government reform (including a rates cap as foreshadowed by central government) and that these scenarios will be workshopped with the incoming Council.

3. Background/Context Te Horopaki

- 3.1 Oversight of the LTP process is delegated to the Finance and Performance Committee as part of its Terms of Reference.
- 3.2 The upcoming LTP process will be complex. It contains changes and risks arising from a range of legislative reforms including Local Water Done Well, Resource Management System reform and the proposed changes to the Local Government Act in the Local Government Systems Improvement Bill. The risks are summarised below, followed by the proposed mitigations.

Finance and Performance Committee
27 August 2025

Christchurch
City Council 


- 3.3 It should be noted that the mitigations outlined in this report apply to organisational readiness for the LTP; not to the process and engagement expectations that the post-election Council will direct in its Letter of Expectation.
- 3.4 Many councils across New Zealand have commenced, or will shortly commence, project planning for the upcoming LTP process so they are ready to respond to their respective Councils expectations after the October 2025 triennial elections.
- 3.5 Based on best practice provided by Taituarā, agreement between governance and management on LTP priorities and parameters (which we do through Council's Letter of Expectation) should occur between November 2025 – February 2026, with updates to the Community Outcomes, Financial Strategy, Infrastructure Strategy, level of service (LOS) review, activity plans, capital programme and budgets phased through 2026.
- 3.6 Most Councils aim to achieve broad consensus around their draft LTP by December 2026 so that community consultation, adoption and finalisation can take place between January and June 2027.
- 3.7 Legislative reform is proposed for the local government sector: these reforms are set to have implications on LTP content, process and audit, although the extent and timing remains uncertain.
- 3.8 Risks posed by internal processes: the relationship between the LTP process and other overlapping internal processes must be clarified early so that accountabilities are clear and milestones are fully aligned.
- 3.9 LOS review will be critical to the LTP 2027 process: a structured approach as well as roles and responsibilities must be clarified early as to what levels of service will be delivered across Council's activities.

There are audit risks around the LTP process.
- 3.10 Recent LTPs show a trend of increasingly focused requirements from the Office of the Auditor-General. It is fully expected, based on audit's approach in previous LTPs, that the range of reforms set out below (Section 4) and how well Council is addressing them will be areas of focus in the upcoming audit.
- 3.11 The associated risk is that if Council cannot deliver an aligned and integrated LTP process that meets the requirements of reforms, eg having consultation that provides an effective basis for public participation in the Council's decisions, it may well result in a qualified audit report and subsequent reputational damage.
- 3.12 The LTP project team and Audit NZ have previously identified misalignment and duplication across Council processes as key barriers to effective LTP preparation. Audit NZ has previously advised that misaligned and duplicated processes contributed to additional audit fees and were a factor in the consideration of an Emphasis of Matter for the 2024 LTP. While this outcome was ultimately avoided, the underlying risk remains, and staff are developing a project framework that will address and eliminate these recurring issues.

4. Local Government reforms will have impacts on LTP2027

- 4.1 Major reforms are underway across local government, adding complexity to the development of LTP 2027. These include changes to:
 - 4.1.1 Water Services Delivery – the Government's Local Water Done Well reforms
 - 4.1.2 Local Government Role and Purpose – changes under the Local Government Systems Improvement Bill

Finance and Performance Committee
27 August 2025

Christchurch
City Council 

- 4.1.3 Resource Management System – new approaches to land use, infrastructure planning, and environmental management

Reform to Water Services Delivery

- 4.2 The reform to water services delivery (Local Water Done Well) is reasonably well-defined. The Council has opted to keep water services in-house, and staff are now working through its implementation.
- 4.3 There is some unresolved detail – for example, the nature of the separate strategies, plans and budgets for Council's in-house water entity, and their relationship with current LTP plans and budgets – but overall, their impacts seem reasonably well defined. With that said, there is a need to be mindful that the legislation (Local Government (Water Services) Bill) is at Bill stage and is not expected to be enacted until late this year or early next. Even once it passes, staff anticipate a further amendment bill will be required to address any outstanding gaps or technical issues.


Reform to the Local Government Role and Purpose

- 4.4 The Local Government (System Improvements) Amendment Bill (the Bill), introduced in July 2025, aims to reduce pressure on council rates by refocusing local government on core services and improving transparency and accountability.
- 4.5 The bill proposes amendments to the Local Government Act 2002, including redefining the purpose of local government, enhancing performance measurement and reporting, prioritising core services, and providing regulatory relief to councils.
- 4.6 Staff are currently in the process of preparing a Council submission on the Bill.
- The Introduction of 'rates capping'
- 4.7 The current Bill does not introduce a rates capping mechanism; however, the Government is working on developing a rates cap policy, which is expected to be before Cabinet before the end of the year. The provisions in the Bill are intended to foster the principles of a rates capping system so it can be applied in the future.
- 4.8 While the scope and timing of a 'rates cap' is not clear, if it is implemented in the current Government term it may impact the LTP, including level of service review and prioritisation of the capital programme.

Removal of the four well-beings

- 4.9 All references to the four well-beings will be removed from the LGA by the Bill. This has been reflected in a revised purpose of Local Government, which will be:
- *(a) to enable democratic local decision-making and action by, and on behalf of, communities; and*
 - *(b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses; and*
 - *(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).*
- 4.10 This change will also be reflected in the definition of 'Community Outcomes', which Council is required to set as the strategic focus for the LTP. Community Outcomes will be defined as:
- *"the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions"*

Finance and Performance Committee
27 August 2025

Christchurch
City Council 

Revised description of the Council's core services

4.11 The statutory description of core services has been revised and largely reflects the description that was repealed in 2019. These core service will be:

- network infrastructure (i.e. water and roads),
- public transport services,
- waste management,
- civil defence emergency management, and
- libraries, museums, reserves, and other recreational facilities.

4.12 While core services do not include economic development, this is now emphasised in the purpose of local government. Regulation, consenting and land use planning activities, are still statutory obligations for councils.

Other key changes that the Bill introduces

4.13 In addition to the headline changes, the Bill contains several other provisions that will affect how councils plan, operate, and report on their activities. These changes aim to increase transparency, improve performance monitoring, and give councils more flexibility in certain areas. Key measures include:

- Making six-yearly service delivery reviews (s17A) optional.
- Clarifying that third party-contributions to capital projects for which development contributions are charged can be targeted to specific project drivers.
- Publish key council performance indicators on the Department of Internal Affairs website, starting mid-2025. The first tranche of data is being published by DIA in July 2025.
- Expand existing regulation-making powers so new benchmarking standards can be set which will support the assessment of (for example) council governance, asset management and service delivery alongside the existing requirements around council financial management.
- Require councils to report on their use of contractors and consultants.

Reforms to the Resources Management System


4.14 The Government is continuing to reform the Resource Management Act (RMA), building on amendments to the RMA introduced in 2024. The RMA is set to be replaced this parliamentary term with two new acts: the Planning Act and the Natural Environment Act.

4.15 The Planning Act will primarily address land-use planning and infrastructure development, whereas the Natural Environment Act will focus on protecting and enhancing natural resources, including land, air, freshwater, and marine environments. It is anticipated that the bills will be released in October 2025, following the local government elections. Both acts will be supported by a single set of national directions.

4.16 The reforms will narrow the scope of the resource management system and the effects it controls, with the enjoyment of private property rights as the guiding principle. The intention is that a shift to a more permissive approach will unlock development and streamline planning processes. This has the potential to create LTP challenges in terms of asset planning and trying to project where growth will happen.

4.17 In addition, a package of national direction was recently released. Council submitted on the proposed changes to national direction.

Finance and Performance Committee
27 August 2025

Christchurch
City Council 

- 4.18 A discussion document is also anticipated on urban development, which will inform changes introduced as part of the broader reform to the resource management system.
- 4.19 Given the details of the new resource management system have yet to be released, it is difficult to quantify the impact on the LTP process at this point. Until specific details emerge these changes are best considered as emerging risk.

LTP Implications from the Reforms

- 4.20 Early process preparation is essential. The combined effect of these reforms means LTP 2027 will need a more agile and nuanced approach, one that adapts to evolving legislation, reflects the changing role of local government, and anticipates further regulatory shifts.
- 4.21 This will require process design that builds in flexibility and scenario-based planning so reform impacts can be addressed as they become clearer. That said, there will also need to be a 'single source of truth' on LTP process governance, accountabilities, processes and milestones.
- 4.22 Council will also need strong governance and planning structures, as well as strategic and policy capability, to assess the implications of reform in real time and to update key documents, such as the Community Outcomes, Financial Strategy, and Infrastructure Strategy, accordingly.
- 4.23 If key reforms are enacted late in the LTP cycle, they could affect consultation, audit processes, and the overall integrity of the plan. The LTP will also need to integrate separate water services plans and budgets in a way that remains compliant with LGA requirements, adding to the planning and coordination challenge.


LTP Mitigations to the Reform Uncertainty

- 4.24 To help mitigate uncertainties created by the reform programme, the LTP's core strategic components will be developed in a way that builds in flexibility, ensures compliance, and keeps them adaptable to late-stage legislative changes. These will take shape early in the process and begin to provide some direction in early 2026.
- Community Outcomes – Set the high-level direction for the LTP by describing the long-term results Council wants to achieve for the community through its provision of services. They will guide priorities, service levels, and investment choices.
 - Infrastructure Strategy – Focuses on the most significant long-term infrastructure challenges, their timing, and the options for addressing them. It provides essential context for decision-making, rather than serving as a full capital programme or LTP planning tool, and will align with separate water services strategies, plans, and budgets.
 - Financial Strategy – Establishes the framework for managing Council's finances, balancing affordability, sustainability, and strategic priorities. It must remain flexible enough to respond to any rates cap and clearly demonstrate a pathway for reducing investment in non-core activities.

5. Internal risks to the LTP process

- 5.1 During the 2018, 2021 and 2024 LTPs an internal risk to the LTP process (as opposed to content) was fragmentation within the project. This was driven by accountabilities and milestones becoming blurred or duplicated.
- 5.2 At the Heads of Service / ELT meeting of 15 May 2025 the LTP project team presented some principles for developing the LTP. These were developed to minimise risks to the project and agreed with the Chief Executive, CFO (as LTP Executive Sponsor) and ELT (refer Attachment A):

Finance and Performance Committee
27 August 2025

Christchurch
City Council 

- 'One Team' – there must be a single LTP process and plan. Community Outcomes, Infrastructure Strategy, Financial Strategy, and activity plans etc. need to stay aligned on process, content and timings.
 - 'Making It Happen' – once the single project plan is agreed, changes must be approved by the LTP Project Team. Teamwork, no surprises.
 - 'We have listened' – preparation of an integrated LTP process may commence, but LTP content must be built on guidance from the new (post-election) Council via their Letter of Expectation.
- 5.3 In summary, the process staff are establishing is a one team approach, avoiding the misalignment and duplication noted above, changes are approved through an LTP project team and the development of the LTP must be guided by the strategic direction set by the Council. This approach acknowledges that while technical groundwork and preliminary preparation may commence prior to the election, the LTP must ultimately reflect the priorities, values, and expectations articulated by the incoming Council through their Letter of Expectations. This is to ensure development of the LTP by staff is aligned with Mayor and Councillor leadership, and responsiveness to community mandates.
- 5.4 Feedback has been requested and received from ELT and Heads of Service. This mostly involved simplification of certain processes, especially for internal services, but the principles above received support.
- 5.5 A high-level summary of the proposed LTP27 phasings is set out in Attachment B and the governance structure in Attachment C.
- LTP Mitigations to Internal Process Risks
- Strategic Direction will be Developed Early
- 5.6 The Community Outcomes, Financial Strategy, and Infrastructure Strategy will need to start taking shape early in the term of the new Council and be designed so they can respond to ongoing strategic guidance from the Mayor and councillors.
- 5.7 To be effective, direction from these strategic documents needs to be received before levels of service are reviewed, and before the capital programme and budgets are developed.
- 5.8 The Community Outcomes, Financial Strategy, Infrastructure Strategy, and supporting plans must also be agile enough to respond to any 'core service' definition changes, rates capping and any changes arising from reforms.
- Asset Management Processes will be Aligned with the LTP Development
- 5.9 Asset management teams are starting to develop baseline Asset Management Plans, including early work on whole of life costs, technical service levels and the implications for capital programme planning. These plans are asset management tools in their own right (not LTP specific products) but they will provide critical input into the formation of the LTP.
- 5.10 Updates to the AMPs adopted through the 2024 LTP will be formally reflected in the LTP 2027 adoption process, ensuring alignment without compromising their independence or ongoing development.
- Information and LTP Documentation will be Accessible and Transparent
- 5.11 The full suite of LTP documentation will remain transparent to the Mayor and Councillors and the community through the life of the LTP. This will include any updates that may be required by an LTP rates cap, or by the new Council, or arising from the updating of Community Outcomes, strategies, capital prioritisation process, activity plan or level of service review arising from the LTP process that is now being developed for implementation in 2026/27.

Finance and Performance Committee
27 August 2025

Christchurch
City Council 

A Detailed Level of Service Review will be Undertaken

- 5.12 The LTP 2021 level of service review process was relatively light, and Council opted to not review levels of service for the LTP 2024. The potential for rates capping and the implications of the broader reforms makes LOS review a much more likely part of the LTP 2027 process.
- 5.13 The scope of that review remains unknown until the Local Government (Systems Improvement) Bill receives assent, the Letter of Expectation is received from the new Council, and parameters of the updated Community Outcomes, FS and IS are understood.
- 5.14 However, the review must be structured around achievement of agreed Community Outcomes (to avoid ad hoc cherry-picking of LOS) and must engage councillors actively and extensively.

6. LTP Mitigations to Potential Audit Risks

- 6.1 The LTP project team will engage early with Audit NZ, specifically to test the draft Community Outcomes, Financial Strategy, and Infrastructure Strategy at while they are in development. The project team will also seek assurance that our approach to LTP and asset management alignment are sufficient to meet LGA 2002 requirements.
- 6.2 Additionally, the Project Sponsor and Project Manager will provide regular monthly progress reporting to Finance & Performance Committee (or equivalent) matched by similar reporting to ARMC on LTP project milestones and risks, including the risks set out above and their mitigations.
- 6.3 It should be noted that Audit NZ has recently advised that due to the complex nature of reforms additional audit fees may be expected for the 2027 process.

7. Next Steps Ngā Mahinga ā-muri

- 7.1 Return to the Council per Recommendations (Attachment A) with a draft project plan and RACI, to ensure that the organisation is ready to work with Council post-election.
- 7.2 Staff will commence preparation of financial scenarios for the next Annual Plan and draft Long-Term Plan which will address the impacts of local government reform (including a rates cap as foreshadowed by central government) and that these scenarios will be workshopped with the incoming Council. This means clear options for opex reductions and increased revenue, as well as options to reduce the capital programme to a demonstrably deliverable level for both the Annual Plan and Years 1-3 of the LTP. The net impact of these options must place Council's financial position within the likely or potential impacts of reforms.'

8. CCC Business Unit Consultation

- 8.1 This report and its Recommendations were approved by ELT (as LTP Steering Group) on 24 July 2025.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	LTP 2027 - Recommendations	25/1582201	
B	LTP 2027 - High Level Phasing	25/1479603	
C	LTP 2027 - Governance Structure	25/1582202	

Finance and Performance Committee
27 August 2025



Signatories Ngā Kaiwaitohu

Authors	Tim Ward - Senior Corporate Planning & Performance Analyst Peter Ryan - Head of Corporate Planning & Performance David Griffiths - Head of Strategic Policy & Resilience
Approved By	David Griffiths - Head of Strategic Policy & Resilience Peter Ryan - Head of Corporate Planning & Performance Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer

Attachment A

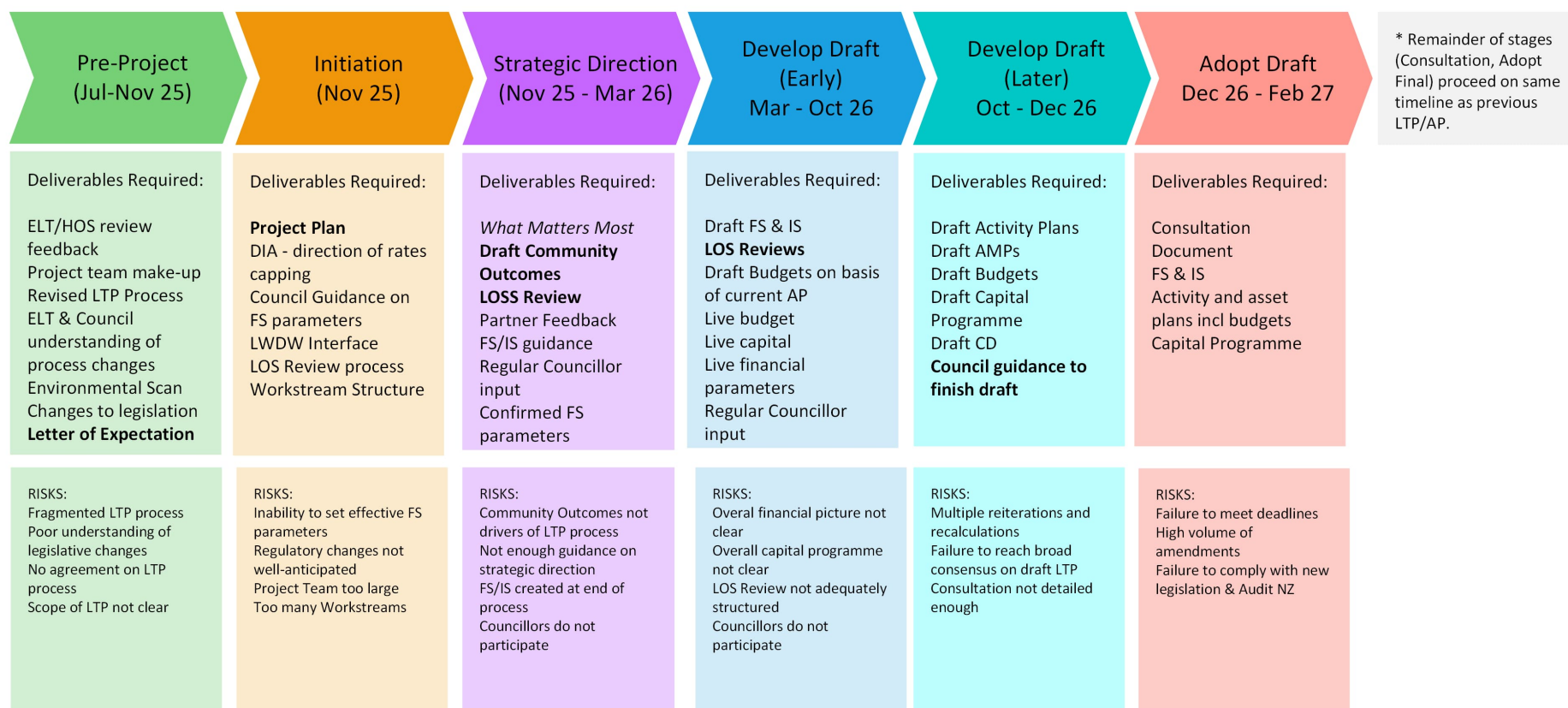
Long Term Plan 2027 - Recommendations

1. It is recommended that the Committee endorse key principles to guide development of the 2027 LTP –
 - a) 'One Team' – there must be a single LTP process under a single governance structure (see Attachment C.) This means one Steering Group (ELT), LTP Project Sponsor (Bede Carran), LTP Project Manager (Peter Ryan) and a single LTP project delivery team. The Community Outcomes, IS and FS, activity and asset plans, budget process and capital programme development must stay aligned within the LTP project plan in terms of process, mandated content and timings.
 - b) 'Making It Happen' – once the project plan is agreed, changes must be approved by LTP Steering Group or LTP Project Team.
 - c) 'We have listened' – preparation of an integrated LTP process may commence, but LTP content must be built on guidance from the new (post-election) Council via their Letter of Expectation.

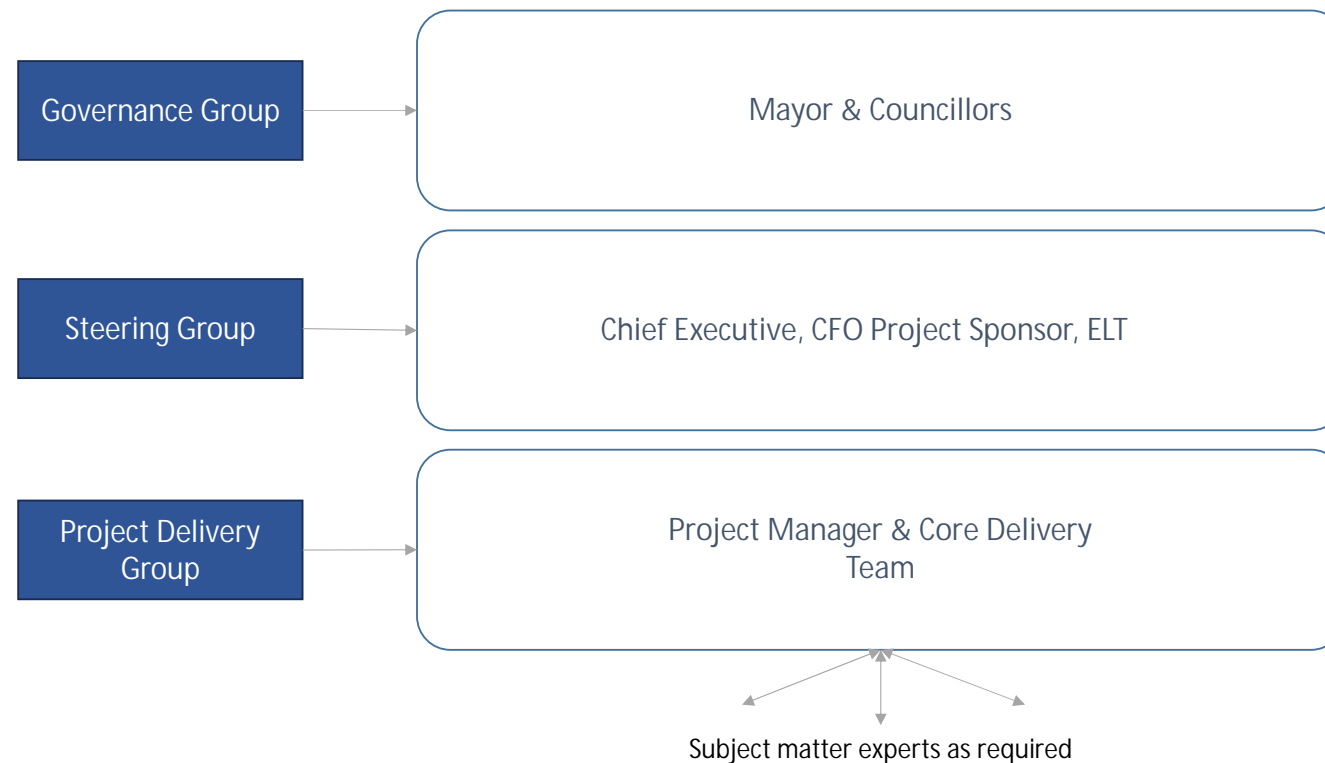
This means that work currently underway on asset planning, level of service review, or future budgets and capital programmes remains subject to change based on guidance from the new Council as part of the LTP 2027 process.
2. That the Committee request a draft project plan from the LTP Project Sponsor and Project Manager that sets out a 'single source of truth' on all key LTP process milestones and their timings.
3. The project will contain a RACI model that confirms all key process accountabilities.
4. The project plan and RACI must specifically address the risks and mitigations set out in this report, including the potential impacts of local government reforms.
5. The draft project plan and RACI be presented to the next meeting of the Finance and Performance Committee.
6. That the Committee receive a regular monthly report from the project team on the progress of the project plan, identifying upcoming risks and opportunities, with similar regular reporting to the Audit and Risk Management Committee.

Proposed LTP27 High-level Early Process

With focus on once-through processing



LTP 2027 Governance Structure



Core LTP Project Team

- Bede Carran CFO – Executive Sponsor
- Peter Ryan – Project Manager
- Bruce Moher – Financial Strategy
- David Griffiths / Luke Adams – Community Outcomes, Infrastructure Strategy
- Paul Dadson - Capital Programme
- Paul McKeefry - Asset Planning framework
- Lynnette Ellis – Head of Transport
- Rupert Bool – Head of Parks
- Gavin Hutchison – Head of Three Waters / LWDW
- Head of Communications – Consultation Document
- Legal Services

Subject Matter Experts as required

- Democracy Services (as above)
- Monitoring & Research (Environmental Scan, *What Matters Most* survey)

LTP 2027-37 Key Workstreams & RACI (Summary)

Workstream	LTP Community Outcomes		
Key Risks	Risks include: high dependency on early engagement and direction from new Council Nov 25 - Mar 26, inability to provide guidance to workstreams by March 26. Methodology to be developed by a small cross-functional team* (Strategic Policy, Monitoring & Research, Planning & Consents, Principal Advisor Citizens & Communities, Communications, potentially Principal Policy Advisor.)		
Deliverable in Project Phase	1. Develop process for updating draft Community Outcomes – September to late October 2025. 2. Approval by LTP Project Team – late October 2025. 3. Work with Council to review and update draft Community Outcomes – early November 2025 to late March 2026. ‘Free-range’ discussion may be assisted by suitable/agreed external facilitator. 4. Review to consider input from <i>What Matters Most</i> community feedback. 5. Council workshops, handover draft to activity and asset plan, LOS and capital review workstream leads end March 2026.		
RACI (*summary only)	Accountable: 1. CE 2. Council	Responsible: Head of Strategy (Workstream Lead)	Consulted: Community, Finance & Performance Committee, CFO & ELT, LTP Project team.
In-Scope/ Out-of-Scope	In-scope: Community Outcome development process, workshops with councillors, review and update of draft outcomes. Out-of-scope: Community outcomes monitoring. LOS and capital reviews.		

Workstream	Financial Strategy (FS)		
Key Risks	Risks include: inability to guide opex or capex budget development due to lateness. Early drafting relies on Letter of Expectation and clear guidance. The FS extensively audited, must align with IS and meet section 101A legal requirements. Note that Finance & Performance Committee has specifically directed that a scenario be prepared containing options that can address a rates cap. Note also guidance from CE and ELT that all LTP components currently exist in complete, approved and audited form – focus for the 2027 process is on updating not build from scratch.		
Deliverable in Project Phase	Aug-Dec 2025 – develop scenario containing options to address a rates cap. Nov 25 – Mar 26 – work with Council to define draft FS structure, key levers, recommended financial parameters. Mar 26 – initial assessment that draft is likely to meet requirements of s101A . Mar 26 – first Draft FS released to activity plan, LOS and capital review workstreams. March - Dec 2026 continue draft FS refinement with Finance & Performance Committee.		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of Finance (Workstream Lead)	Consulted: Finance & Performance Committee, CFO and ELT, Project Manager, Heads of Service.

In-Scope/ Out-of-Scope	In-scope: Both Financial Strategies (LWDW and Rest of Council). Scenario containing options that can address a rates cap. Assurance that these strategies are fit for purpose to meet the requirements of section 101A of the Local Government Act. Out-of-scope: Infrastructure Strategy development. LOS and capital reviews.
------------------------	--

Workstream	Infrastructure Strategy (IS)		
Key Risks	Risks include: unable to align to FS if latter is late. IS for LTP27 requires early drafting to adequately guide development. The IS is audited closely by Audit NZ. It must align with FS and meet section 101B legal requirements (ie provide a Most Likely Scenario and guidance on how assets will be managed, including guidance on capital programme development.) Delivery is via a small cross-functional team representing key infrastructure stakeholders (Strategic Policy, Planning & Consents, PMO, Coastal Hazards Adaption Planning, Monitoring & Research.) Continuous liaison with the FS team required. Note also guidance from CE and ELT that all LTP components currently exist in complete, approved and audited form – focus for the 2027 process is on updating not build from scratch.		
Deliverable in Project Phase	Significant issues identification: September 25 - Nov 25 (including options and a scenario for meeting a rates cap) Work with Council: Nov 25 – March 26 First draft IS: (to be considered in tandem with draft FS, plus checks for alignment) - end March 26 End Mar 26 – initial assessment that draft is likely to meet requirements of s101B. Mar 26 – draft IS released to activity plan, LOS and capital review workstreams for alignment March - Dec 2026 continue draft IS refinement with Finance & Performance Committee.		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of Strategy (Workstream Lead)	Consulted: F&P Committee, CFO & ELT, Project Manager, Head of Finance, Head of PMO, Infrastructure GMs & HOS.
In-Scope/ Out-of-Scope	In-scope: Both Infrastructure Strategies (LWDW and Rest of Council). Alignment with asset management plans (in development). Assurance that these strategies are fit for purpose to meet the requirements of section 101B of the Local Government Act. Out-of-scope: LOS and capital reviews.		

Workstream	OPEX budgeting and prioritisation		
Key Risks	Risks include reliance on clear Letter of Expectation and FS parameters at an early stage. OPEX is a primary lever for rates increases. Will need to maintain close links with activity plan budget development and potential level of service changes.		
Deliverable in Project Phase	Nov 25 – Mar 26 development of opex budgeting process, setting parameters of overall opex. Mar 26 – Dec 26 monitoring adherence of Activity Plan budgets and other opex influences to overall financial parameters.		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of Finance (Workstream Lead)	Consulted: F&P Committee, CFO and ELT, Project Manager, HOS.
In-Scope/ Out-of-Scope	In-scope: Development of opex budgets across all activities. Out-of-scope: LOS review in Activity Plan workstream.		

Workstream	Capital Programme development (inc. affordability, deliverability)		
Key Risks	Risks include use of ‘unconstrained’ model (capital programme LTP24 began with \$1.3B budget in year 1, both undeliverable and unaffordable. The current capital spend ‘ceiling’ (based on past two years) is approx.\$500M. Current 26/27 capital budget is \$786.9m. Asset plans (which drive project and programme spend) currently being developed before LTP is built. Other risks include Y1-3 ‘bow wave’ rather than smoothed programme. From a community perspective, the greatest risk of an undeliverable capital programme is that work Council has promised to deliver does not occur but is carried forward. May need to consider >10 year CPMS horizon.		
Deliverable in Project Phase	Nov 25 – Mar 26 (establishing parameters of capital programme, deliverability analysis.) Mar 26 – June 26 (detail of programme content resulting from IS, FS, LoS review, asset management plans, prioritised draft programme prepared for Council) August – Dec 26 – draft capital programme refined through Council workshops.		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of PMO (Workstream Lead)	Consulted: F & P Committee, CFO and ELT, Project Manager, Head of Finance, Infrastructure Owners.
In-Scope/ Out-of-Scope	In-scope: Capital programme development, review and prioritisation to an (approximately) deliverable and affordable size (noting need for Council visibility of unprioritised projects during programme substitution/refinement phase.) Out-of-scope: Asset planning workstream, LOS review workstream.		

Workstream	Activity Plans (including level of service review)		
Key Risks	Risks include targeting of ad hoc, low impact LOS. LOS review will be guided first by Community Outcomes (at governance level), and then Level of Service Statement review, to ensure adequate direction and delegation to Activity owners. Risk of misalignment with LOS being reviewed early in asset plans without LTP guidance from governance. LOS review will need to address the resolution from Finance & Performance Committee that a scenario be developed containing options to deal with a rates cap. LOS review must result in performance measures that meet the requirements of LGA 2002. Note also guidance from CE and ELT that all LTP components currently exist in complete, approved and audited form – focus for the 2027 process is on updating not build from scratch.		
Deliverable in Project Phase	Nov 25 – Mar 26 (LOSS Review by Corporate Planning & Performance Team, guided by Council) Mar 26 – June 26 (LOS Review by HOS, supported by Corporate Planning & Performance Team). Alignment with LTP workstreams. July-Dec 26 Further LOS review by councillors.		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of Corporate Planning & Performance (Workstream Lead)	Consulted: CFO and ELT, Heads of Service, Head of Finance, Head of PMO.
In-Scope/ Out-of-Scope	In scope: mandatory and significant activities, significant change to activities and levels of service. Guidance on LOS development. Out-of-scope: Asset planning and capital development workstreams.		

Workstream	Asset Management Planning (alignment)		
Key Risks	Risks include asset plans in preparation before LTP Community Outcomes, IS, FS parameters, activity plans or LOS review results are known. Risk of misalignment and negative audit if asset plans not aligned with Council LTP decision-making during 2026 and 2027. Last review of data quality (maturity assessment 2023) showed variation.		
Deliverable in Project Phase	<p>Note this workstream is focused on alignment with the LTP, not BAU asset planning.</p> <p>Nov 25 – Mar 26: initial check that Asset Management Plans can show alignment with the emerging LTP framework, including the Letter of Expectation, FS and IS parameters.</p> <p>Mar 26 – Dec 26: Confirm that AMPs remain aligned as further LTP workstreams mature, including the Level of Service review, capital prioritisation, and opex budgeting processes.</p> <p>Potential for maturity assessment (last assessment was 2023) of AMP data, assumptions and outputs. This would be a risk and assurance step for ELT, Finance & Performance, ARMC and Audit NZ.</p>		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of Strategy (Workstream Lead)	Consulted: Project Manager, Head of Finance, PMO, Heads of Service (with assets/infrastructure), Audit NZ.
In-Scope/ Out-of-Scope	<p>In-scope: alignment with LTP workstreams.</p> <p>Out-of-scope: BAU asset planning. LOS review/activity and capital programme workstreams.</p>		

Workstream	Consultation Document (including Community Outcomes)		
Key Risks	Key risk is failure to have single lead 'holding the pen.' The result is inconsistent facts, messages, language, delivery and layout. Management of the CD must continue under a single, unifying voice and process lead. Other key risks include excessive complexity and lack of clear, easily understood options for consideration by the community. Must meet statutory requirements of s. 93 B and C (LGA 2002.)		
Deliverable in Project Phase	<p>Nov 25 – Mar 26 Monitor early guidance, intent and development for draft LTP.</p> <p>Mar 26 – Nov 26 Collate options and issues arising from draft development.</p> <p>Dec 26 – Feb 27 Craft simplified Consultation Document so that meaningful options are presented and meaningful feedback is collected from community. Confirm that draft CD will meet requirements of s93 B and C.</p>		
RACI (*summary only)	Accountable: CFO (with CE signoff)	Responsible: Head of Communications & Engagement (Workstream Lead)	Consulted: CFO and ELT, Project Manager, Head of Finance, Head of PMO, Heads of Service, MRT, Audit NZ.
In-Scope/ Out-of-Scope	<p>In-scope: All CD development, design, content.</p> <p>Out-of-scope: Other LTP workstreams.</p>		

Cross-Functional Workstream Teams - Community Outcomes	
Strategic Policy	Normally seek input from Strategic Policy on this workstream.
Monitoring & Research	<p>This team plays a key role in monitoring community outcomes and has a broad understanding of Christchurch's built, social, economic, and natural environments. They can provide valuable advice on:</p> <ul style="list-style-type: none"> • How potential outcomes could be measured, • Whether proposed measures are viable and meaningful
Planning & Consents	<p>This team brings critical expertise and strategic oversight essential for shaping the long-term future of the city. Their involvement would ensure that the project aligns with broader city-wide goals and community outcomes through:</p> <ul style="list-style-type: none"> • Strategic Land Use Planning: Providing insight into how land can be optimally used to support sustainable growth, housing, infrastructure, and environmental resilience. • Greater Christchurch Partnership: Ensuring alignment with regional priorities and collaborative planning across jurisdictions. • Ōtautahi Christchurch Spatial Plan: Ensuring the outcomes align with the objectives in the city's spatial plan. • Strategic Transport Planning: Connecting land use with transport networks to enhance accessibility, reduce emissions, and support economic vitality. • Urban Regeneration: Leveraging opportunities to revitalise key areas, improve liveability, and stimulate investment. <p>The form and function of the city is often central to achieving our community outcomes. This team works closely with the infrastructure teams on providing for the city's current and future needs.</p>
Principal Advisor Citizens & Communities	Well-positioned to represent the broader perspectives of the Citizens and Communities group, who provide a wide range of Council's core services. They also have an established working relationship with the Treaty Partnerships team, which would strengthen the group's ability to reflect Te Tiriti o Waitangi principles and engage meaningfully with mana whenua and Māori communities.
Communications and Engagement	This team can provide valuable insight into whether project outcomes and communications are framed in ways that are meaningful to the community. Their involvement would help to ensure that the outcomes remain grounded in community voice, and that its benefits are clearly communicated and felt across diverse groups.
Principal Policy Advisor	Provide the voice of the elected members at all stages of the development process.

Infrastructure Strategy	
Strategic Policy	Expertise on strategy writing.
Planning & Consents	<p>This team would bring knowledge around future land use and infrastructure demand in the city:</p> <p>Strategic Land Use Planning: Providing insight into how land can be optimally used to support sustainable growth, housing, infrastructure, and environmental resilience.</p> <p>Ōtautahi Christchurch Spatial Plan: Integrating the project within the city's spatial vision to support cohesive urban development.</p> <p>Strategic Transport: This team provides leadership in long-term transport planning, ensuring that the city's transport network supports future growth, accessibility, and sustainability. They also work closely with operational teams, bridging the gap between strategy and delivery.</p> <p>The future form and function of the city should be central to the development of the infrastructure strategy.</p>
PMO	To bring in the voice of the capital programme and Infrastructure group.
Coastal Hazards Adaptation Planning	<p>This team would bring knowledge of future hazard risks, including natural disasters, climate impacts, and environmental vulnerabilities.</p> <p>Their focus would be on reducing exposure to risk and enhancing the city's ability to adapt to changing conditions. They apply an adaptation lens to planning and decision-making, helping to future-proof infrastructure, land use, and community services.</p>
Monitoring and Research	A small role in providing insight and information on future growth patterns and scenarios.

8. Resolution to Exclude the Public

[Section 48, Local Government Official Information and Meetings Act 1987.](#)

Note: The grounds for exclusion are summarised in the following table. The full wording from the Act can be found in [section 6](#) or [section 7](#), depending on the context.

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

Reason for passing this resolution: a 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	PUBLIC INTEREST CONSIDERATION	POTENTIAL RELEASE REVIEW DATE AND CONDITIONS
9.	COUNCIL DRAFT ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025	S7(2)(B)(II), S7(2)(H)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES	THE 2025 ANNUAL REPORT INFORMATION REMAINS SUBJECT TO CHANGE BEFORE FINALISATION. THE COMMITTEE'S CONFIDENTIAL REVIEW BEFORE COUNCIL ADOPTION SERVES THE PUBLIC INTEREST BY ALLOWING PROPER EVALUATION PRIOR TO PUBLIC RELEASE.	24 OCTOBER 2025 THE DRAFT ANNUAL REPORT WILL BE ALTERED, AND A FINAL VERSION WILL BE MADE AVAILABLE TO THE PUBLIC WHEN THE AGENDA FOR THE INAUGURAL COUNCIL MEETING ON THE 30 OCTOBER 2025 IS PUBLISHED.
10.	RISK AND ASSURANCE UPDATE	S7(2)(E)	PREVENTION OF MATERIAL LOSS	DISCLOSURE OF THE COUNCIL'S ORGANISATIONAL WEAKNESSES AND ITS APPROACH TO REMEDIAL ACTIONS COULD RESULT IN SERVICE DISRUPTIONS WHICH OUTWEIGHS THE PUBLIC INTEREST.	7 OCTOBER 2026 UPON REVIEW AND APPROVAL FROM HEAD OF RISK AND ASSURANCE AND GM FINANCE, RISK AND PERFORMANCE/CFO.

Actions Register Ngā Mahinga

When decisions are made at meetings, these are assigned to staff as **actions** to implement. The following lists detail any actions from this meeting that were:

- Open at the time the agenda was generated.
- Closed since the last ordinary meeting agenda was generated.

Open Actions Ngā Mahinga Tuwhera

No open actions were remaining at the time the agenda was generated.

Actions Closed Since the Last Meeting Ngā Mahinga kua Tutuki nō Tērā Hui

No actions were closed since the last ordinary meeting.