
Finance and Performance Committee AGENDA

Notice of Meeting Te Pānui o te Hui:

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

Date: Tuesday 26 May 2026
Time: 10 am
Venue: Camellia Chambers, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Councillor Sam MacDonald
Deputy Chairperson	Councillor Jake McLellan
Members	Mayor Phil Mauger
	Deputy Mayor Victoria Henstock
	Councillor David Cartwright
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor Kelly Barber
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor Tyla Harrison-Hunt
	Councillor Nathaniel Herz Jardine
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett

21 May 2026

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

To view copies of Agendas and Minutes, go to:
<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

Finance and Performance Committee of the Whole - Terms of Reference / Ngā Ārahina Mahinga

Chair	Councillor MacDonald
Deputy Chair	Councillor McLellan
Membership	The Mayor and all councillors are members of this committee.
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd
Meeting Cycle	Monthly
Reports To	Council

Delegations

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

Capital Programme and operational expenditure

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

Non-financial performance

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

Council Controlled Organisations

- Monitoring the financial and non-financial performance of the Council and Council-controlled Organisations.

- Making governance decisions related to Council Controlled Organisations under sections 65 to 72 of the Local Government Act 2002.
- Exercising the Council's powers directly as the shareholder, or through CCHL, or in respect of an entity (within the meaning of section 6(1) of the Local Government Act 2002) in relation to:
 - (without limitation) the modification of constitutions and/or trust deeds, and other governance arrangements, granting shareholder approval of major transactions, appointing directors or trustees, and approving policies related to Council Controlled Organisations; and
 - in relation to the approval of Statements of Intent and their modification (if any).

Development Contributions

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

Property

- Purchasing or disposing of property where required for the delivery of the Capital Programme, in accordance with the Council's Long-Term Plan, and where those acquisitions or disposals have not been delegated to another decision-making body of the Council or staff.

Loans and debt write-offs

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

Insurance

- All insurance matters, including considering legal advice from the Council's legal and other advisers, approving further actions relating to the issues, and authorising the taking of formal actions (Sub-delegated to the Insurance Subcommittee as per the Subcommittees Terms of Reference).

Annual Plan and Long Term Plan

- Providing oversight and monitoring development of the Long Term Plan (LTP) and Annual Plan.

Submissions

- The Council delegates to the Committee authority:
 - To consider and approve draft submissions on behalf of the Council on topics within its terms of reference. Where the timing of a consultation does not allow for consideration of a draft submission by the Council or relevant Committee, the draft submission can be considered and approved on behalf of the Council.

Limitations

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

The following matters are prohibited from being subdelegated in accordance with LGA 2002 Schedule 7 Clause 32(1) :

- the power to make a rate; or
- the power to make a bylaw; or
- the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- the power to adopt a long-term plan, annual plan, or annual report; or
- the power to appoint a chief executive; or
- the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or
- the power to adopt a remuneration and employment policy.

Chairperson may refer urgent matters to the Council

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

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

Urgent matters referred from the Council

As may be necessary from time to time, the Mayor is authorised to refer urgent matters to this Committee for decision, where the Council would ordinarily have considered the matter, except for those matters listed in the limitations above.

In order to exercise this authority:

- The Council Secretary must inform the Mayor and Chief Executive in writing of the reasons why the referral is necessary
- The Mayor and Chief Executive must then respond to the Council Secretary in writing with their decision.

If the Mayor and Chief Executive agree to refer the report to the Committee, the Committee may then assume decision-making authority for that specific report.

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

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Karakia Whakamutunga

Karakia Tīmatanga

Whakataka te hau ki te uru

Whakataka te hau ki te tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora

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 content - Annual Plan 2026/27

Reference Te Tohutoro: 26/995672

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

Accountable ELT: Bruce Moher, Interim General Manager Finance, Risk & Performance
Member Pouwhakarae: / Chief Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to:
 - 1.1.1 Summarise the feedback, information and options presented to the Council during May 2026 on potential Annual Plan 2026/27 content; and
 - 1.1.2 Seek confirmation from the Finance and Performance Committee on content to be included in the final Annual Plan 2026/27 adoption report.
- 1.2 At its meeting on 15 June 2026 the Audit and Risk Management Committee will be asked to consider, review and make a recommendation about the process followed for development and compilation of the Annual Plan before adoption by the Council.
- 1.3 The final Annual Plan 2026/27 is due for consideration and adoption on 23 June 2026.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the summary information and options in the Confirmation of content - Annual Plan 2026/27 Report.
2. Confirms the direction provided through the Annual Plan workshops in May 2026 to inform the Annual Plan adoption report development process.
3. Confirms that the development of the Annual Plan should include the following, subject to resolutions at the meeting:
 - a. continuing the planned 0.25% rates increase for the Climate Resilience Fund in 2026/27, as per the Draft 2026/27 Annual Plan.
 - b. continuing to provide the planned \$7.12m in funding for contestable community grants, as per the Draft 2026/27 Annual Plan.
 - c. continuing to provide the planned \$0.30m increase in funding for the Environmental Partnership Fund, as per the Draft 2026/27 Annual Plan.
4. Notes the direction provided through the Annual Plan workshops and the resolutions above will result in a:
 - a. proposed final Annual Plan average rates increase to existing ratepayers of 7.82%, further noting rate increases to individual rate payers could vary materially due to the impact of the General Revaluation taking effect on 1 July 2026; and
 - b. breach of the balanced budget financial prudence benchmark for 2026/27 as indicated in the LTP.

5. Provides direction on the Chair's Recommendations to inform the development of the Annual Plan in relation to the Iconic Buildings, set out as follows:

Canterbury Museum

- a. Allocates \$15 million from the 2025/26 forecast operating surplus to the Canterbury Museum, as a grant, towards their capital programme, conditional upon:
 - i. The Crown providing the Canterbury Museum a \$15.0 million grant, towards their capital programme; or the Council being satisfied of a clear and deliverable pathway to completion.
- b. Provides the Canterbury Museum with an interest-bearing loan of \$28.6 million, to be repaid by the Museum by way of an international visitor levy. Council will charge the Canterbury Museum interest at 4.90% p.a on the balance of the loan.
- c. Requests the Mayor write to the Canterbury Museum requiring them to source \$15 million of funding from Government.

Christchurch School of Music

- d. Allocates \$4 million from the 2025/26 forecast operating surplus to the Christchurch School of Music, as a grant, towards their capital programme, conditional upon:
 - i. Confirmed matched funding from the Christchurch School of Music of \$4 million
 - ii. The Council being satisfied of a clear and deliverable pathway to completion

Christ Church Cathedral

- e. Allocates \$15 million from the 2025/26 forecast operating surplus to Christ Church Reinstatement Limited, as a grant, towards their capital programme, conditional upon:
 - i. The Crown providing Christ Church Reinstatement Limited a \$15.0 million grant towards their capital programme, and
 - ii. The Council being satisfied of a clear and deliverable pathway to completion.
 - iii. The parties (CCC and CCRL) entering into a funding agreement confirming the Council's contribution is full and final, with no further financial obligation.
- f. Requests that the Council's remaining commitment to Christ Church Reinstatement Limited, being a grant of up to \$10 million collected by way of a targeted rate, be released on 1 July 2026, with any balance of the grant not collected through the targeted rate and interest to be funded from the 2025/26 forecast operating surplus.

Arts Centre

- g. Requests that Council staff work with The Arts Centre Te Matatiki Toi Ora to develop a formal expression of interest for the former Student Union site, and report back on a range of options ahead of the Long Term Plan.

Balance of 2025/2026 forecast operating surplus

- h. Requests any balance of the 2025/2026 forecast operating surplus be applied to Council debt repayment.
- i. Notes that, should any conditions of the funding arrangements above not be met, any unspent funds will be applied towards Council debt reduction.

6. Recommends to Council that properties at 156 McCormacks Bay Road and 124A Main Road be withdrawn from the current disposal process, noting there are outstanding archaeological matters to be investigated and resolved before further decisions on the properties can be made.
7. Recommends to Council that properties at 4 and 6 Balmoral Lane be declared surplus, noting ecological assessments have confirmed that present and estimated values are not sufficient to justify retention.
8. Notes the submission to include 274A Main Road, Clifton in the disposal list, and that:
 - a. staff have considered the property for disposal
 - b. it has not been included due to identified risks
 - c. further advice, including options, will be formally reported separately to the Committee prior to 23 June.
9. Recommends to Council that, in progressing the potential disposal of 59 Farnborough Street (Aranui), consideration be given in the first instance to community housing providers, noting this is consistent with existing delegations.
10. Recommends to Council that 13 Mundy's Road (Dallington) be withdrawn from the current disposal process, noting it is within the Ōtākaro Avon River Corridor and is better considered through processes specific to that programme.
11. Notes the submission to remove 8 Martindales Road from the list of properties previously declared surplus.
12. Recommends to Council that 8 Martindales Road remains on the list of properties declared surplus, noting that:
 - a. no compelling reason to retain the property has been identified
 - b. alternative options are available for neighbouring parties to participate in community gardening initiatives
 - c. disposal will reduce ongoing costs to Council and may generate a modest capital return.

3. Executive Summary Te Whakarāpopoto Matua

- 3.1 The purpose of an Annual Plan is set out in section 95(5) of the Local Government Act 2002 (LGA). Broadly, it provides a one-year schedule of updates to the Long-term plan (LTP), if any are required by changing circumstances.
- 3.2 Annual Plans are not designed as a mechanism to revisit the entire LTP. To give effect to the latter requires an amendment to the LTP, and that requires (among other matters) that the amended LTP is audited.
- 3.3 Where the updates in an annual plan are not material a local authority may opt to not consult. Annual Plans, being limited in scope relative to an LTP, are not required to be audited.
- 3.4 The options and recommendations set out in this report meet the criteria for an annual plan and have been workshopped with Council following consultation (February-March), submissions and hearings (March-April) with the community for the Draft Annual Plan 2026/27.
- 3.5 Recent announcements by central government on local government reform - notably those concerning a proposed rates capping model and amalgamation - will, if enacted, have a significant impact on the 2027-2037 LTP and future annual plans. It should be noted that these proposals do not directly impact the Annual Plan 2026/27.

- 3.6 The Council provided clear direction on the Annual Plan process to be followed and confirmed that there would be no amended LTP process. An amended LTP would typically involve revisiting elements such as the Financial and Infrastructure Strategies, as well as levels of service, projects, and budgets across the ten-year period.

4. Background/Context Te Horopaki

- 4.1 In accordance with the LGA, the Council adopted its LTP 2024-34 in June 2024. The LTP set out service delivery, capital programmes and budgets over that ten-year period. It was based on several key Council decisions:

- that levels of service would not be reduced;
- that the core capital programme (excluding One New Zealand Stadium at Te Kaha) would increase from \$483 million in 2023/24 to \$668 million in 2026/27;
- that the One New Zealand Stadium at Te Kaha would be completed and hosting events by before the end of the 2025/26 financial year;
- staff would be recruited for the new Parakiore Recreation and Sport Centre;
- asset renewal funding would be sustainable; and
- that a variety of climate resilience and environmental initiatives/grants would be funded.

- 4.2 The LTP24-34 and Annual Plan 2025/26 (AP25/26) both factored in inflation based on the BERL Local Government Cost Index (LGCI) forecasts.¹ Subsequently, the Council adopted the AP25/26 on 26 June 2025.

- 4.3 Following adoption of the AP25/26, the rates starting position for the Annual Plan 2026/27 was 10.52%.

- 4.4 The development of the draft Annual Plan 2026/27 reflected a number of changes with financial impacts. These included Council direction and updated information becoming available and were incorporated into the Draft 2026/27 Annual Plan. Collectively these changes and decisions resulted in a Draft Annual Plan 2026/27 rates increase of 7.96%. Material changes included:

	2026/27	2027/28	2028/29
2025/26 Annual Plan	10.52%	9.11%	5.73%
Changes incorporated in the initial budget build (<i>reduced insurance, updated subvention receipt forecast, Burwood Landfill extension, 2024/25 capital expenditure</i>)	(1.30%)	0.40%	0.24%
2026/27 Capital Programme deliverability review	(0.71%)	(0.89%)	0.62%
Bringing Urban Development functions inhouse	(0.19%)	0.01%	0.01%
Additional analytical savings (<i>Non-Levels of Service impact savings</i>)	(0.10%)	0.00%	0.00%

¹ BERL provide the LGCI which is the Cost Price Index (CPI) for local authorities and accepted by Audit New Zealand as providing a reliable measure of the LGCI.

Updated opening balance sheet for 2025/26 CAPEX underspend	(0.10%)	0.01%	0.00%
Use of 2025/26 forecast cash operating surplus applied to debt repayment.	(0.10%)	0.00%	0.00%
Additional rating growth (2025/26 late growth not incorporated into 25/26 AP)	(0.07%)	0.00%	0.00%
Strengthening Communities Fund – increased 2026/27 inflation provision from 2.0% to 3.1%.	0.01%	0.00%	0.00%
Draft 2026/27 Annual Plan	7.96%	8.64%	6.60%

- 4.5 Since the adoption of the Draft 2026/27 Annual Plan there have been further changes with financial impacts based on Council direction, external operating environment changes and updated information becoming available. These have reduced the average current rates increase to existing ratepayers for the Annual Plan 2026/27 to 7.82%. Material changes include:

	2026/27	2027/28	2028/29
Draft 2026/27 Annual Plan	7.96%	8.64%	6.60%
Fuel escalation provision	0.15%	0.00%	0.00%
Libraries Electronic resources (Saas) – move from capex to opex	0.13%	(0.01%)	(0.02%)
CWTP Activated Sludge – 95% aeration	0.09%	0.00%	0.00%
Customer closure – Loss of Trade Waste revenue	0.08%	0.00%	0.00%
Canterbury Museum – additional capital grant	0.00%	0.01%	0.00%
One NZ Stadium at Te Kaha – maintenance	0.00%	0.13%	(0.01%)
One NZ Stadium at Te Kaha – License revenue	0.00%	(0.11%)	(0.01%)
Red Bus site – Transferred from CCHL to Council	(0.12%)	0.00%	0.00%
Treasury adjustments (opening debt and interest rates)	(0.40%)	0.17%	(0.02%)
Other minor changes	(0.07%)	0.01%	0.00%
Current 2026/27 Annual Plan Rates Position	7.82%	8.84%	6.54%

- 4.6 The breakdown of the current proposed rates increase to existing ratepayers is as follows:

Major Drivers	2026/27	
Rating for Renewals	3.38%	Increase in rating for renewals to achieve fully funded renewals by 2032 per the Financial Strategy.
Cost changes – inflation	2.96%	Based on BERL 3.1% Opex, 3.4% Capex for 2026/27.
Capital Programme	2.11%	Planned capital programme expenditure of \$585.1m in 2026/27.
Use of 2024/25 surplus	2.06%	\$17.0m of surplus applied to 2025/26 (only) rates reduction in 2025/26 AP.
Climate Resilience Fund	0.25%	Additional \$2.1m fund contribution (total 2026/27 contribution \$4.1m).
Operational expenditure	(0.64%)	
Corporate revenues & expenses	(2.25%)	Updated subventions receipts, opening debt and onlending requirements.
Rating growth	(1.07%)	1% city capital value growth and 2024/25 late growth.
Base	6.80%	
One New Zealand Stadium at Te Kaha	1.02%	Debt repayment & interest expense resulting from borrowing to fund One New Zealand Stadium at Te Kaha.
Current Rates Position	7.82%	

- 4.7 The affordability of rates will always be a key concern for the Council. When considering how rate increases can be moderated it is appropriate to recognise and consider the legal and logistical mechanisms around the Annual Plan, such as changes to levels of service and their implementation.
- 4.8 Since adoption of the Draft Annual Plan 2026/27 on 10 February 2026 (through the Finance and Performance Committee) Council has undertaken consultation with the community (27 February 2026 - 27 March 2026), received written submissions and listened to oral submissions (dates for Hearings were 31 March, and 2, 7, 9, 11 and 14 April 2026).
- 4.9 Workshops have been held with the Mayor and Councillors on 5 May 2026 (public and public-excluded) and 12 May 2026 (public) to receive their guidance towards development of the final Annual Plan 2026/27.
- 4.10 Staff presented a range of options to manage rates increase while still meeting (1) the decisions made by Council in the LTP24-34, (2) the fixed costs which must be met, and (3) the Council guidance on an Annual Plan process.

Capital Programme Deliverability

- 4.11 Staff have reviewed the capital programme to ensure it reflects realistic delivery capacity and addresses growing infrastructure demands. The proposed adjustments reduce the Annual Plan 2026/27 capital budget from \$778.8 million to \$585.1 million, with a focus on key projects

such as transport upgrades, water supply renewals, wastewater improvements, and stormwater flood reduction.

- 4.12 This approach balances affordability² and deliverability, lowering the rates impact by 0.71% and reducing borrowing pressures, while continuing to invest in essential infrastructure and community facilities.

Other matters - potential disposal of Council-owned properties

- 4.13 The following provides a summary of the consultation on potential disposal of Council-owned properties. It sets out the background and context for a series of recommendations, which when confirmed with Council through this report, will inform the preparation of the Annual Plan 2026/27 adoption report for decision making.
- 4.14 Council sought community feedback through the Draft Annual Plan on whether identified surplus properties should proceed to disposal or be retained. Submitters expressed a broad range of views.
- 4.15 In general, submitters supported the sale of non-strategic land where there is no clearly identified future need, particularly where disposal proceeds can reduce debt, limit rates increases or be reinvested in priority areas. At the same time, some submitters opposed land sales in principle. These submitters raised concerns about short-term financial drivers, the potential loss of future opportunities, and the need for greater transparency in disposal decisions. Others suggested alternative uses, including leasing and community housing, or requested that specific sites be retained or transferred to recognise historical, cultural, or community value.
- 4.16 Several submitters requested that the properties at 156 McCormacks Bay Road and 124A Main Road be retained as reserves due to archaeological and cultural significance. Staff have reviewed available archaeological information. While significant finds were recorded historically, the most recent assessment (2017) indicates that the sites have been extensively modified through long-term residential use and did not identify archaeological material, noting that some areas were not accessible at the time. Cultural advice has been provided but further investigation and clarification is being sought. On this basis, staff consider that there is insufficient information to support a definitive decision at this time and recommend that both properties be withdrawn from the current disposal process pending further assessment.
- 4.17 A submission requested that the properties at 4 and 6 Balmoral Lane be retained for ecological reasons. Council's Parks' ecologists have assessed the sites and advise that the ecological values present are limited and do not justify retention. No additional factors have been identified that would support an alternative outcome. On that basis, staff recommend that these properties be confirmed as surplus and progress through the disposal process.
- 4.18 A submitter requested that 274A Main Road, Clifton be added to the disposal list. This property has previously been considered for disposal but was not included due to identified risks. To ensure that elected members have a complete understanding of these matters, staff will provide a separate report outlining the relevant risks, opportunities, and options for this property prior to 23 June 2026.
- 4.19 The Community Board requested that, in progressing the potential disposal of 59 Farnborough Street, Aranui, Council consider community housing providers. This approach aligns with existing Council practice and delegated authority, which already provide for

² Capital (Capex) spending/borrowing of approximately \$112m = 1% on rates over 2 years (year 1 - 0.26%, year 2 - 0.74%).

engagement with community housing providers where appropriate. Staff support this approach and will apply it as part of the disposal process.

- 4.20 Officers have identified that 13 Mundy's Road, Dallington is located within the Ōtākaro Avon River Corridor (ŌARC). Decisions regarding land within the ŌARC are managed through specific programme frameworks. To ensure consistency with those processes, staff recommend that this property be withdrawn from the current disposal programme and considered through the appropriate ŌARC governance arrangements.
- 4.21 A submitter requested that 8 Martindales Road be retained for community gardening purposes. Staff have reviewed this request and have not identified a compelling reason to retain the property. Alternative opportunities exist locally for community gardening activities, and retention would result in ongoing maintenance costs without a clear strategic benefit. Disposal would reduce these costs and may realise a modest capital return. On that basis, staff recommend no change to the current status and that the property proceed through disposal.

Other matters – consultation on restoration of four heritage buildings

- 4.22 As part of the consultation for the Draft Annual Plan, the community was asked: *How important is completing the restoration of these four heritage buildings (Canterbury Museum, Te Matatiki Toi Ora The Arts Centre, ChristChurch Cathedral and Canterbury Provincial Chambers) to Christchurch's future?*
- 4.23 It was made clear in consultation that with Christchurch continuing to grow and evolve, there is a view that leaving these buildings unfinished may limit cultural and economic opportunities for the city.
- 4.24 It was also made clear that to close the total funding gap between the projected restoration costs and all confirmed contributions would require funding from multiple sources, including central government.
- 4.25 When the draft Annual Plan was prepared for consultation it was thought that any contribution the Council makes would also have an impact on rates increases.
- 4.26 However, increasing certainty around Council's operating surplus since that time means that Council may be in a position to support these buildings without adding to the rates increase. The forecast year end cash operating surplus is currently \$46.2 million.
- 4.27 Submitters were asked to provide an indication of how important they think completing the restoration of the four buildings is to Christchurch's future. They were not asked for feedback on a funding proposal, or to rank the importance of each building.
- 4.28 Seventy percent of submitters said the restoration of the four buildings is critical to Christchurch's future. A further 20 percent said it is important, 5 percent said it is somewhat important, and 5 percent said it is either not very important or not important.
- 4.29 Feedback varies between the four buildings with support for the Provincial Chambers frequently ranked lowest by submitters.
- 4.30 This overall feedback, combined with a significant operating surplus, mean that there is now an opportunity to provide certainty around the restoration of these buildings, and to progress the city in ways that were not feasible when the draft Annual Plan was prepared.
- 4.31 These opportunities were considered by councillors in workshops. The result is set out in the Chair's Recommendations.
- 4.32 It should be noted that Council's support for these buildings does not extend beyond a percentage of the projected Council surplus and would be contingent upon co-funding from other partners.

Detail of Options Ngā Kōwhiringa

4.33 The following options were considered prior to the Draft 2026/27 Annual Plan, but not incorporated into the 2026/27 Annual Plan, with feedback being sought from the community via the Consultation Document.

4.34 **Option:** Pausing the 0.25% rates increase for the Climate Resilience Fund in 2026/27, which will then recommence from 2027/28.

4.34.1 **Consideration:** In the 2024-34 Long Term Plan the Council resolved to establish and fund a Climate Resilience Fund, with the intention of accumulating a pool of funding which could be utilised to assist with future capital infrastructure requirements resulting from climate adaptation plans, without increasing the Council’s borrowing requirements.

The Council agreed that from 2025/26 rates would increase by 0.25% each year, with the collected rates being set aside in the Climate Resilience Fund, for future application.

In 2025/26 \$1.96 million was collected and applied to the Climate Resilience Fund. Rates of \$4.10 million are currently planned to be collected and applied to the Climate Resilience Fund in 2026/27.

4.34.2 **Financial Impact:** Pausing the 0.25% rates increase for the Climate Resilience Fund in 2026/27, which will then recommence from 2027/28, will have the following rates impact:

2026/27	2027/28	2028/29
(0.25%)	0.00%	0.00%
(\$2.14m)	(\$2.27m)	(\$2.39m)

Rating for the Climate Resilience Fund improves the Council’s balanced budget benchmark, as Council is collecting revenue without expenditure in the same period, however the reduction in the Climate Resilience Fund will deteriorate the balanced budget benchmark.

The forecast balance of the Climate Resilience Fund in 2034 would be reduced by \$22.9 million, and as noted above will reduce the estimated total of the Fund from approximately \$127 million (dependent on interest rates) to approximately \$104.1 million by 2034.

4.34.3 **Community Feedback:** Of the 828 respondents to the Consultation Document question:

- 59% favoured continuing with the planned 0.25% rates increase.
- 29% favoured pausing the planned 0.25% rate increase.
- 12% were unsure.

Submitters expressed differing views on continuing the planned 0.25% rates increase for climate resilience.

Supporters emphasised the urgency of preparing for climate change, citing recent weather events and the need to continue prioritising adaptation.

Those favouring a pause focused on current household financial pressures and saw a temporary pause as a way to ease costs.

Some preferred winding down the fund entirely and integrating climate work into general Council funding, while others supported a larger annual increase to strengthen preparedness.

4.34.4 **Staff Recommendation:** Council continues with the planned 0.25% rates increase for the Climate Resilience Fund in 2026/27, as per the Draft 2026/27 Annual Plan.

4.35 **Option:** Apply a permanent 5.0% pro-rata reduction to the contestable community grants, which will reduce grant funding by \$0.36 million in 2026/27 onwards.

4.35.1 **Consideration:** The draft 2026/27 Annual Plan details that \$85.67 million of funding is planned to be made available via grants, of which \$7.12 million is for contestable grants (excluding the Strengthening Communities Fund and Environmental Partnership Fund).

A pro-rata reduction on contestable community grants could be applied equally across all grants, excluding the Strengthening Communities Fund and Environmental Partnership Fund.

4.35.2 **Financial Impact** applying a 5.0% pro-rata reduction to the contestable community grants will have the following rates impact:

2026/27	2027/28	2028/29
(0.04%)	0.00%	0.00%
(\$0.36m)	(\$0.36m)	(\$0.36m)

4.35.3 **Community Feedback:** Of the 828 respondents to the Consultation Document question:

- 56% favoured continuing to provide \$7.12 million in funding for contestable community grants in 2026/27.
- 31% favoured reducing the amount available for contestable community grants by 5%.
- 13% were unsure.

Submitters held a range of views on the proposed funding for community grants.

Organisations receiving funding highlighted the critical role Council support plays in maintaining services amid rising demand and increasing community need, noting that reductions would significantly impact service delivery.

Many individuals supported maintaining the full \$7.12 million in funding, emphasising the social value of grants and their role in supporting community cohesion, connectedness, and resilience.

Others supported a reduction due to household financial pressures, and a small number questioned whether providing community grants should be a core Council function at all.

4.35.4 **Staff Recommendation:** Council continues to provide the planned \$7.12 million in funding for contestable community grants, as per the Draft 2026/27 Annual Plan.

4.36 **Option:** Pausing the 2026/27 \$0.30 million increase to the Environmental Partnership Fund, maintaining the 2025/26 funding of \$0.70 million in 2026/27.

4.36.1 **Consideration:** In the 2024-34 Long Term Plan the Council resolved to increase the grant provided for the Environmental Partnership Fund to a total grant of \$1 million in 2026/27, to achieve this the Environmental Partnership Fund would increase by \$0.30 million in 2026/27. Consideration should be given to pausing the \$0.30 million increase, thereby maintaining the Environmental Partnership Fund grant at \$0.70 million for 2026/27.

4.36.1 **Financial Impact:** Pausing the \$0.30 million increase to the Environmental Partnership Fund, thereby maintaining the grant at \$0.70 million for 2026/27 would have the following rates impact:

2026/27	2027/28	2028/29
(0.04%)	0.04%	0.00%
(\$0.30m)	-	-

4.36.2 **Community Feedback:** Of the 807 respondents to the Consultation Document question:

- 48% favoured proceeding with the \$300,000 increase in the Environmental Partnership Fund.
- 39% favoured retaining the funding at \$700,000 per year.
- 13% were unsure.

Submitters expressed mixed views on the Environmental Partnerships Fund.

Supporters of the \$300,000 increase emphasised the value of the funding for environmental outcomes and the importance of continued investment, particularly in the context of climate change.

Others supported retaining funding at current levels, citing household financial pressures, while a small number questioned whether the fund should continue at all.

4.36.3 **Staff Recommendation:** Council continues to provide the planned \$0.30 million increase in funding for the Environmental Partnership Fund, as per the Draft 2026/27 Annual Plan.

5. Financial Implications Ngā Hiraunga Rauemi

- 5.1 Financial implications of each option have been set out in sections 4.34 – 4.36 of this report.
- 5.2 Councillors should note a rating revaluation occurred in calendar year 2025 and will be effective for the 26/27 financial year.
- 5.3 In relation to the Financial Prudence Benchmarks, the Council will not meet the balanced budget benchmark in 2026/27 (as was indicated in the LTP).

6. Considerations Ngā Whai Whakaaro

Risks and Mitigations Ngā Mōrearea me ngā Whakamātautau

- 6.1 Key risks for the Annual Plan include:

- 6.1.1 Failure to achieve Annual Plan project milestones. Mitigation: currently on track but obtaining clear direction at this meeting is critical to the continued development of the documents and budgets required in a fit for purpose Annual Plan.
- 6.1.2 Attempting to amend the LTP with insufficient time to do so. Mitigation: clear communication of Council guidance to date, legal and logistical constraints.
- 6.1.3 Deliverability of the Capital Programme. Mitigation: this risk has been mitigated by the recommended re-phasing of the capital programme. Historically, average annual capital expenditure has been approximately \$500 million, while the proposed 2026/27 programme is \$585.1 million— a 17% increase. This increase includes \$42 million for the Activated Sludge project at the Wastewater Treatment Plant, which is now under contract.
- 6.1.4 These delivery risks will be managed by focussing on key/critical projects, strengthening oversight through regular performance reviews and working with contractors to explore ways to increase delivery capacity.
- 6.1.5 Looking ahead, there is still a delivery risk for capital projects for future years (2028–2034) that will need to be addressed as part of the upcoming Long-Term Plan.

Legal Considerations Ngā Hiraunga ā-Ture

- 6.2 Statutory and/or delegated authority to undertake proposals in the report:
 - 6.2.1 The Council must, at all times, have an LTP / Annual Plan in place (sections 93 and 95 of the LGA). The Annual Plan is required to be adopted prior to the year to which it relates (section 95(3) of the LGA).
- 6.3 Other Legal Implications:
 - 6.3.1 Independent legal advice has been received confirming that the Council may choose to operate with an unbalanced budget if it is deemed to be prudent and if it consults on the matter using its Consultation Document.

Strategy and Policy Considerations Te Whai Kaupapa here

- 6.4 The required decision:
 - 6.4.1 Aligns with the [Christchurch City Council's Strategic Framework](#) adopted with the 2024 Long Term Plan.
- 6.5 This report supports the [Council's Long Term Plan \(2024 - 2034\)](#):
- 6.6 Internal Services
 - 6.6.1 Activity: Performance, Finance, and Procurement
 - 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

Community Impacts and Views Ngā Mariu ā-Hāpori

- 6.7 This decision affects all existing citizens and ratepayers of Christchurch, and has implications for future citizens, ratepayers, and Councils.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 6.8 The LTP 2024 – 2034 saw consultation and engagement with Ngā Papatipu Rūnanga, which resulted in a wide range of initiatives being undertaken in the LTP. Those undertakings remained intact for Annual Plan 2025/26 and are not proposed to be affected by the Annual Plan 2026/27.

6.9 The decision will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

6.10 The decisions in this report may have an impact on Council's ability to continue to support funding climate related initiatives now or in the future, such as the Environmental Partnership Fund and the Climate Resilience Fund. The decisions do not directly affect how Council is currently operating to mitigate the impact of its own climate initiatives to reduce its greenhouse gas emissions.

7. Next Steps Ngā Mahinga ā-muri

- 7.1 Staff will use the information and direction provided by the Council through this meeting and preceding Workshops to develop the Annual Plan 2026/27 and its adoption report. This will be carried out during the latter part of May and early June 2026.
- 7.2 The Annual Plan (with supporting documents) is scheduled to be presented to Council at the adoption meeting of 23 June 2026.
- 7.3 Preceding the Council meeting, the Audit and Risk Management Committee (ARMC) will be asked to recommend to Council that, in the Committee's opinion, an appropriate process has been followed in the preparation of the Annual Plan and its supporting information (in line with its Terms of Reference). The ARMC meeting is scheduled for 15 June 2026.
- 7.4 Any delay, impediment, stoppage or indecision in this timeframe may result in the Annual Plan 2026/27 not being adopted before the end of June, preventing the striking of the new rates from 1 July 2026. This would result in a significant revenue gap, loss of revenue and reputational damage, until the new Annual Plan can be adopted.
- 7.5 After Council adoption of the Annual Plan, decisions of Council will be given effect into systems and records, and the Annual Plan 2026/27 publication will be prepared and distributed. By legislation, the plan is to be made publicly available within 1 month after the adoption.

Attachments Ngā Tāpirihanga

There are no attachments for this report.

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

Document Name – Location / File Link
Draft Annual Plan 2026/27 https://ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Plans/annual-plan/2026-2027/WEB-FRP8390-Draft-Annual-Plan-2026-27_Full-Plan.pdf
Annual Plan Thematic Analysis and Submissions Responses https://christchurch.infocouncil.biz/Open/2026/05/WCAP_20260505_ATT_11685_EXCLUDED.htm#PDF3_Attachment_51146_1

Signatories Ngā Kaiwaitohu

Authors	Boyd Kedzlie - Senior Corporate Planning & Performance Analyst Mitchell Shaw - Principal Advisor - Finance Paul Dadson - Manager Capital Programme
Approved By	Peter Ryan - Head of Corporate Planning & Performance Bruce Moher - Interim General Manager Finance, Risk & Performance / Chief Financial Officer

Item 3

Karakia Whakamutunga

Kia whakairia te tapu

Kia wātea ai te ara

Kia turuki whakataha ai

Kia turuki whakataha ai

Haumi e. Hui e. Tāiki e
