

CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 23 APRIL 2009

9.30AM

COUNCIL CHAMBER, CIVIC OFFICES

CHRISTCHURCH CITY COUNCIL

**Thursday 23 April 2009 at 9.30am
in the Council Chamber, Civic Offices**

Council: The Mayor, Bob Parker (Chairperson).
Councillors Helen Broughton, Sally Buck, Ngaire Button, Barry Corbett, David Cox, Yani Johanson,
Claudia Reid, Bob Shearing, Gail Sheriff, Mike Wall, Sue Wells, Chrissie Williams and Norm Withers.

- | ITEM NO | DESCRIPTION |
|---------|--|
| 1. | APOLOGIES |
| 2. | CONFIRMATION OF MINUTES |
| 3. | DEPUTATIONS BY APPOINTMENT |
| 4. | PRESENTATION OF PETITIONS |
| 5. | REPORT OF THE HEARINGS PANEL APPOINTED TO HEAR SUBMISSIONS ON THE FUTURE FUNDING OF SOCIAL HOUSING |
| 6. | CHRISTCHURCH CITY HOLDINGS LTD - DRAFT STATEMENT OF INTENT FOR YEAR ENDING 30 JUNE 2010, SUBSIDIARY STATEMENTS OF INTENT FOR YEAR ENDING 30 JUNE 2010 AND COUNCIL OWNED SUBSIDIARY STATEMENTS OF INTENT FOR YEAR ENDING 30 JUNE 2010 |
| 7. | CHRISTCHURCH CITY COUNCIL ENFORCEMENT OF PARKING AND SPECIAL VEHICLE LANES ON STATE HIGHWAYS |
| 8. | CANTERBURY MUSEUM - DRAFT ANNUAL PLAN 2009/10 |
| 9. | RICCARTON BUSH ACT 1914 - PROPOSED AMENDMENT |
| 10. | STRENGTHENING COMMUNITIES GRANTS PROGRAMME EVALUATION 2008/09 |
| 11. | REPORT OF THE REGULATORY AND PLANNING COMMITTEE HEARINGS PANEL ON THE DRAFT SOUTH-WEST CHRISTCHURCH AREA PLAN |
| 12. | CHRISTCHURCH CITY COUNCIL PERFORMANCE REPORT AS AT 31 MARCH 2009 |
| 13. | REPORT OF THE REGULATORY AND PLANNING COMMITTEE:
MEETING OF 2 APRIL 2009 |
| | 1. Bylaw Review Process |
| | 2. Plan Change 6 – Residential Site Density |
| | 3. Appeal on the Decision Of Environment Canterbury on Proposed Change 3, Transitional Regional Plan |
| | 4. Proposed Christchurch City Council Commercial Sexual Services Signage Bylaw 2009 |
| | 5. Planning Administration Monthly Report (August 2008 to February 2009) |
| | 6. Proposed Approach for Considering the Review of Current Policies Related to the Public Places Bylaw |
| 14. | NOTICES OF MOTION |
| 15. | RESOLUTION TO EXCLUDE THE PUBLIC |

1. APOLOGIES

The Mayor.

2. CONFIRMATION OF MINUTES

(a) **COUNCIL MEETING OF 19.3.2009**

Attached.

(b) **COUNCIL MEETING OF 26.3.2009**

Attached.

(c) **COUNCIL MEETING OF 9.4.2009**

Attached.

3. DEPUTATIONS BY APPOINTMENT

(a) Representatives from the Riccarton Bush Trust will address the Council regarding item 9.

4. PRESENTATION OF PETITIONS

5. REPORT OF THE HEARINGS PANEL APPOINTED TO HEAR SUBMISSIONS ON THE FUTURE FUNDING OF SOCIAL HOUSING

General Manager responsible:	General Manager Community Services, DDI 941-8607
Officer responsible:	Catherine McDonald
Author:	Ian Thomson

PURPOSE OF REPORT

1. The purpose of this report is to present the findings of the Hearings Panel established to hear submissions received in respect of proposals for funding the Council's social housing portfolio.
2. The report also contains the recommendations of the Panel for resolutions to be passed by the Council.

EXECUTIVE SUMMARY

3. In recent years the Council has been grappling with the issue of the funding required to maintain and provide for the replacement of its social housing portfolio. Modest increases in rent have not generated sufficient income to enable the Council to properly maintain its units, nor has it been possible to accumulate funds for the purpose of rebuilding the portfolio when required.
4. As a result of court action taken against it, the Council was able to increase rents by only 2.3% for the 2008-09 year. This was insufficient to meet the demands of the service provided.
5. The proceedings highlighted the fact that in addition to rental increases there may be other ways in which to fund social housing. The result was that the Council resolved to seek the views of the community before making any further decisions on the matter.
6. A special consultative procedure was adopted. Two hundred and sixty-four submissions were received and of these 27 submitters wished to be heard. A Hearings Panel was established for this purpose and to consider all submissions received. The findings of the Hearings Panel are set out in this report.
7. Copies of written submissions have been previously circulated to all Councillors. A written record of oral submissions made where this has been provided by the submitter is **attached**. Also **attached** is an analysis of the consultation undertaken, together with the written responses to a number of questions asked by members of the Hearings Panel.
8. In summary, the Hearings Panel recommends that social housing rents increase by 14% for the year beginning 1 July 2009 and, if there are no alternative sources of funding the future replacement of the Council's housing units available and in place before 31 March 2010, by a further 16% for the year beginning 1 July 2010. The Panel also proposes that the Government be approached again for assistance and that the Council's Housing Working Party convene a meeting of elected members, Council staff and community representatives to further examine long-term options for funding.
9. The Hearings Panel makes it clear that should one or more of these options be adopted then the recommended increases in rent must be reduced to take account of any additional funds secured. This includes assistance from the Government.
10. The consultation process did not identify any "magic solutions" to the issues faced by the Council with regard to its provision of social housing.

ANALYSIS OF CONSULTATION

11. At its meeting on 18 December 2008 the Council resolved to obtain the views and preferences of tenants and the wider community with regard to proposals for funding social housing. This was undertaken through a special consultative procedure that provided the opportunity for all reasonably practicable options to be considered as well as the Council's preferred option.

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12. On 19 December 2008 the Council approved a Statement of Proposal for distribution as part of the consultation process. A Summary of Information was also prepared and distributed.
13. A Hearings Panel comprising the Mayor and all Councillors was appointed to hear oral submissions made in respect of the proposal and to consider and report on the outcome of the consultation process. In the event, the Mayor was unable to participate in the hearings and took no part in the consideration of submissions. Although three Councillors left meetings of the Hearings Panel for short periods of time a quorum was maintained and the absence of these Councillors did not affect the Panel's hearing of submissions and its deliberations.
14. The period for consultation began on 26 January 2009 and ended on 2 March 2009.
15. The Statement of Proposal and Summary of Information were available to the public at the Civic Offices, Libraries, Service Centres and on the Council's website. Copies of the Summary of Information were sent to people and organisations that Council staff had identified as having a particular interest in the provision of social housing. In addition, nine public drop-in sessions were held. Council staff wrote to social housing tenants enclosing a copy of the Summary of Information and advising them of the opportunities available for consultation. They were invited to attend the drop-in sessions.
16. Opportunities were available on the website for questions to be answered and information provided when requested.
17. As noted in the attached analysis of the consultation process, 264 submissions were received. The Council's social housing tenants comprised the largest group of submitters (154). Thirty-two organisations responded with the remainder being mainly ratepayers and those identifying themselves as individuals.
18. The Hearings Panel heard oral submissions on 16 and 17 March 2009. The Panel then considered all submissions received and the recommendations that the Panel wished to make.

ANALYSIS OF SUBMISSIONS

19. The Statement of Proposal for funding the Council's social housing portfolio identified a number of options that were available to the Council. These were:
 - (a) External Funding. If funds were available from the Government to assist with the cost of providing the Council's social housing then the level of increase in rents would be significantly reduced.
 - (b) Joint Working Group. It was proposed that this comprise representatives of the Council, Maori groups, community trusts and community and voluntary organisations. The purpose of the group would be to support the Council in its efforts to define solutions to the funding challenges that it faces.
 - (c) Review of Strategies and Policies. This could include considering options such as using rates income to subsidise social housing, borrowing to meet capital costs, the sale of part of the Council's social housing portfolio with the reinvestment of proceeds, and the involvement of Housing New Zealand or other similar agencies.
 - (d) Review Current Projections of Cost. Council staff have used a "cost of consumption" model to calculate the future costs required to maintain and replace the Council's social housing portfolio. A review would determine whether or not there should be any change to the underpinning assumptions, the results the model produces and the impact on funding requirements that it generates.
 - (e) Increase Rentals. A number of options were identified that would increase rents to meet some or all of the funding issues. Details of these were provided in the Statement of Proposal.

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20. An analysis of submissions reveals that:
- (a) 76% of submitters supported the Council approaching the Government for assistance.
 - (b) 75% supported the Council forming a Joint Working Group.
 - (c) 59% of tenants and 73% of individuals supported the Council reviewing its strategies and policies. Organisations were less than enthusiastic, with 41% not supporting this option.
 - (d) 61% of submitters supported a review of the "cost of consumption" model, with the highest level of support again coming from tenants and individuals.
 - (e) Of the options for rent increases put out for consultation, 38% of submitters supported an increase of 14% for the 2009-10 year then annually in accordance with the Capital Goods Price Index (CGPI). 47% of tenants supported this option, whilst 53% of the organisations that submitted did not favour any of the options at all.
21. From comments made by submitters who were either tenants or ratepayers, the following themes were identified:
- (a) The Council needed financial assistance to provide social housing that was affordable and which included allowing for the replacement of units in the future. There was also a sense that such assistance was the Government's responsibility.
 - (b) Submitters noted a need for a broad input into addressing funding challenges, including the involvement of tenants.
 - (c) The review of the Council's strategies and policies was seen as providing an opportunity for more ideas to be considered in the face of changing circumstances, rather than any marked deficiency within them.
 - (d) Comments from submitters indicated a need to improve the "cost of consumption" model so that rents remained affordable and took into account changing economic and social circumstances.
 - (e) So far as the various options for increasing rents were concerned, submitters noted that rents should be affordable for tenants. This included keeping increases to the level of inflation and introducing income related rents.
 - (f) Those indicating a preference for a mix of ratepayer funding and the use of rental income to replace housing units were similar in number to those opposed to this.
 - (g) There was a view expressed that the Council's overall maintenance programme could be better targeted, with more focus on warmth and upgrading insulation.
22. A number of general observations can be made with regard to the submissions received from organisations. These are:
- (a) Community Boards did not favour the use of ratepayer funds for social housing, although the residents' associations that submitted had mixed views on this option. The associations were mainly in favour of a review of the "cost of consumption" model.
 - (d) Several of the larger non-Government organisations suggested that affordable thresholds should be established for the purpose of setting rents, based on income.
 - (c) Some of these organisations sought a review of the housing maintenance schedule and thought that any profits from contracts let for maintenance should be reinvested in the social housing portfolio.
 - (d) A review of the "cost of consumption" model for clarity and flexibility was supported.

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- (e) Several of the organisations supported the establishment of a Joint Working Group as well as an approach to the Government for funding.
 - (f) Whilst some supported separating maintenance costs from the cost of replacement, it was generally felt by the non-Government organisations that the future replacement of units should not be overlooked.
 - (g) The Canterbury District Health Board saw a need for affordable, healthy housing with universal design principles. It noted that large rental increases had negative health outcomes for tenants.
 - (h) Other themes identified were the need to keep housing affordable for tenants, to have an accurate "cost of consumption" model that did not have an impact on tenants and to review the maintenance schedule, including the City Care maintenance contract.
23. Two submissions were received from the private rental housing sector. These suggested that ownership of the Council's social housing portfolio be transferred to a separate asset holding company so that debt can be managed independently of elected members.
24. Generally speaking, there was support for the Council continuing to provide social housing but without using rates income to do so. However, there were no innovative solutions put forward by submitters that would enable the Council to achieve this, without including an increase in rents.
25. Of the 27 oral submissions heard, 15 were presented by organisations or agencies and 12 by individuals, including nine social housing tenants. Key issues arising from the hearings included:
- (a) A desire for income related rents.
 - (b) Exploring all possible funding options through an approach to the Government and/or a Joint Working Group for the maintenance and/or replacement of social housing units.
 - (c) Ensuring that social housing was kept at a healthy standard.
 - (d) The Council should take the opportunity, through a Joint Working Group, to include other groups and types of housing provision (Youth and Cultural Development Society, Christchurch Women's Refuge, for example).
 - (e) Any Joint Working Group should be independent and should carry out a social as well as financial audit of the Council's provision of social housing.
 - (f) Most submitters wanted rent levels that were affordable for tenants and did not want them to rise substantially.
 - (g) The Council should not put its provision of social housing at risk by not increasing rents enough in order to allow for the replacement of units.
 - (h) One submitter sought higher rents in the long term on the basis that they should be set in relation to market rents rather than operating expenses.
 - (i) Several submitters questioned whether the levels of service in the Council's funding model and asset management plan were set too high and therefore impacting too severely on tenants.
 - (j) Whether or not the Council was getting value for money from its maintenance contract with City Care and this was having an impact on rent increases.

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- (k) The Council should draw up a tenants charter.
- (l) Views were diverse on whether or not to use rates as a means to fund housing replacement, sell high value units to free up capital and seek additional funds through borrowing.

HEARINGS PANEL DELIBERATIONS

- 26. Once the oral submissions had been presented to the Hearings Panel, members then turned their minds to the consideration of all submissions received, written and oral. The panel agreed to accept and include a small number of anonymous and late submissions in their deliberations.
- 27. Individual submissions and issues raised were discussed, along with a summary document prepared by staff ("social housing portfolio funding options – consultation analysis"). The submissions were assessed against the options put out for consultation, with discussion around what each of the options meant and its potential impact on rental income, the Council and its social housing tenants.
- 28. The matter of the consultation process was also discussed. In particular the following concerns were expressed:
 - (a) Four submitters noted that people using the website were required to choose a preferred option before being able to go on and complete the online form. It was acknowledged by staff that this could have been a problem, although it was pointed out that once submitters had indicated a preference for one of the options for increasing rent this did not preclude them from commenting on any other options, not included in the proposal. Also, this issue arose only with regard to the online document.
 - (b) It was suggested that submitters did not understand the "cost of consumption" model. This is understandable given that there are a number of calculations and projections of cost that are involved. However, the ability to predict future income and expenditure is important when assessing rent levels and provided that the information produced by the model is accurate, its complexity should not affect the end result.
 - (c) There was some concern expressed by members that not all submitters understood each of the options or the process being used. Once again, it is acknowledged that it may have been a problem for some submitters, or people who may have wished to submit, notwithstanding that efforts were made to present the required information in an easily understood format. Graphs were used where appropriate and these should have been of assistance.
- 29. The Hearings Panel noted that a number of the issues raised in the submissions were either matters relating to the management of the social housing portfolio or were outside the scope of the consultation. Where appropriate, comments of this nature were passed on to Council staff to deal with.
- 30. As a general observation, the questions set out in the submission form accompanying the Statement of Proposal and Summary of Information may have given prospective submitters the impression that they were restricted to providing answers to them. There is a fine line between encouraging submitters to focus on options put out for consultation and not restricting the opportunity to express alternative views. On this occasion, the advice from staff was that the questions fairly reflected the Council's proposals for dealing with its social housing. The submission form allowed submitters to comment on options not included in the Statement of Proposal.
- 31. The fact that there were no immediately sustainable alternatives offered as a result of the consultative process more than likely means that the options identified by the Council are the only practicable options that are able to be considered. As indicated earlier, there were no "magic solutions" resulting from the process of obtaining the views and preferences of those people affected by or who have an interest in the provision of social housing.

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32. This is reflected by the fact that most of the recommendations made by the Hearings Panel reflect the Council's preferred option. Although a number of submitters suggested income related rents, members of the Panel considered that a funding mechanism based on the "cost of consumption" model and asset management plans was the preferred option, provided that both were the subject of regular reviews. The advice from staff was that income related rents would not cover the cost of providing social housing and that although this is the basis for Housing NZ rents, the Government makes up any shortfall.
33. The Council's proposal that it establishes a Joint Working Group to investigate whether or not other funding options may be available was clearly supported by submitters. The Panel recommends that the Council's Housing Working Party be the catalyst for this initiative and that it convenes a meeting with key stakeholders as soon as possible.
34. The Hearings Panel accepted the view of some submitters that it was not necessary to review the Council's Social Housing Strategy just yet, given that it was adopted only a matter of two years ago. However, it recommends that the policies relating to housing currently recorded on the Council's policy register are reviewed, mainly to ensure that they are up to date on key matters such as tenants eligibility.
35. The Council included in its Statement of Proposal a number of options for increasing rents to meet some or all of the issues that the Council faced. Its preferred option was to increase rents by 14% in the 2009-10 year and thereafter by an amount equal to the annual increase of the Capital Goods Price Index (CGPI). This would have the effect of covering maintenance and operational costs but would not enable the Council to fund the future replacement of its portfolio.
36. It is clear that submitters want the Council to pursue an application to the Government for financial assistance. The Hearings Panel's view is that this should be directed to the replacement costs not covered by the rent increase referred to in the previous paragraph rather than the maintenance of the existing units. Submitters wanted the Council to take replacement into account and not just provide for maintenance and operational costs.
37. If the approach to the Government is unsuccessful, or if no other alternative sources of funding for replacement costs have been secured, then in addition to an increase of 14% in 2009 the Hearings Panel recommends that the Council resolve to increase rents by a further 16% in the year beginning 1 July 2010. If that is the case, it is proposed that from 1 July 2011 rents be increased each year by an amount equivalent to the CGPI.
38. The Panel wishes to reiterate however that if the Government agrees to assist the Council in providing social housing then this must be reflected in a reduction of the rents set from 2010 onwards. Depending on the level of assistance received, it is possible that the rate of increase could be held to the annual CGPI with effect from 1 July 2010.
39. Likewise, if the meeting to be convened by the Housing Working Party was to identify and secure funds from any other source the effect may also be to reduce rent levels.
40. So far as the approach to the Government is concerned, the Council notes that in July 2008 Council staff worked with the Government MPs representing Christchurch constituencies to present a case for assistance to the Ministers of Housing and Finance. A detailed "Council Social Housing Information Memorandum" was prepared by staff and this formed the basis for the application.
41. The Hearings Panel understands that the matter went to a Cabinet meeting and was referred to the Treasury Department for a report. This did not recommend that financial assistance be given.
42. The Council has also been advised by the Chief Executive of Housing New Zealand that she has not received any instructions from the Government to pursue the possible purchase or leasing of the Council's social housing portfolio.
43. Nevertheless, Council staff will follow up the approach made last year in the hope that the new Government may take a different view.

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RENTAL INCREASES

44. As indicated earlier, the Hearings Panel recommends that social housing rents increase by 14% for the year beginning 1 July 2009 and if no alternative sources of funding for replacement costs have been secured in the meantime, by 16% for the year beginning 1 July 2010. Thereafter, rents will be linked to the annual increase in the CGPI.
45. The panel also asked staff to provide it with figures that reflected lower levels of increase over periods of up to five years. As the attached tables indicate, if rents were increased by 14% and 16% in 2009 and 2010, and then by the annual increase in the CGPI, tenants would be paying less in 2014 than if the rate of increase was more gradual over the previous five years.
46. The matter of affordability is relevant to any increase in rents. At present the Council uses the model adopted by the Ministry of Social Development, which measures the proportion of the population spending more than 30% of their disposable income on housing. Under this model, a rent increase of 14% in 2009 would result in an estimated maximum of 39% of social housing tenants being above the 30% threshold. Nationally in 2007, 26% of all New Zealand households exceeded this same threshold.
47. If rents were to increase by a further 16% in 2010 then the proportion of tenants above the MSD threshold would be determined by the movements in benefit levels from April 1 2010.
48. Calculating affordability is not an exact science. It is difficult to define and there is no consensus on the best method of measuring it. The Council does not at present know how many of the Council's tenants are in receipt of benefits as their only income. In considering affordability the Council must also have regard to its ability to continue to provide the current level of social housing.
49. The Hearings Panel notes however that the financial cost of the recommended rental increases is heavily subsidised by way of the accommodation supplement paid by the Government to eligible beneficiaries.

LEGAL CONSIDERATIONS

50. Notwithstanding the observations made by the Hearings Panel in respect of the consultation process, the Legal Services Unit is of the view that the Council has complied with the statutory obligations imposed on it by the Local Government Act 2003. There is no evidence that potential submitters were not able to make their views and preferences known to the Council as a result of the steps required before access could be gained to the online submission form, a perceived lack of clarity and understanding of the "cost of consumption" model and a concern that not all submitters understood the options contained in the Council's Statement of Proposal. Given that 264 submissions were received indicates that people and organisations that wanted to could, and did, respond.
51. The fact that submitters were unable to suggest new and innovative options not previously considered by the Council is more likely to be an indication that there aren't any that are readily identifiable than a difficulty with understanding either the process or the information contained in the Statement of Proposal.
52. The recommendation that the Council increase rents by 14% and 16% in the next two years is not an option that was included in the Statement of Proposal distributed for consultation. There was a concern raised during discussions that if the recommendation was adopted by the Council it might have to undertake further consultation.
53. The Legal Services Unit's advice is that this is not the case, for the following reasons:
 - (a) Section 82 of the Local Government Act 2003 states that the Council should receive the views of others with an open mind and give those views due consideration. In the present case, given the need to fund both maintenance and future replacement costs without a clear and certain source of finance from other sources it is reasonable for the Council to adopt a solution that will ensure the ongoing sustainability of its social housing portfolio.

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- (b) It is clear that the majority of submitters wish the Council to continue to provide social housing without using rates income for that purpose. This can be achieved if the option recommended by the Hearings Panel is adopted.
- (c) One of the Council's external legal advisers, Simpson Grierson, has advised on a previous occasion that it is a logical component of consultation that proposals may change in response to submissions, provided that the magnitude of the change must not be so great that it would warrant a new consultation (because people who might have wanted to submit did not get an opportunity).
- (d) The Hearings Panel's response to the submissions received and the issues faced by the Council is reasonable in the circumstances. The Panel has made it quite clear that if alternative sources of funds develop from the efforts of the Council's Housing Working Party, key stakeholders and/or the Government then the funds will be reflected in reduced rent increases.

CONCLUSIONS

- 54. The outcome of the consultation process is that there have been no options suggested that would enable the Council to continue providing social housing, without increased rents contributing to the cost. Whilst one of the Panel's recommendations will be that the Council's Housing Working Party meets with key community representatives to continue the search for alternative sources of finance, there were no new or innovative ideas suggested by submitters.
- 55. There is no doubt that the community wants the Council to continue to provide social housing. Also, that it be self sustaining. The only way in which this can be achieved is for rents to increase to cover the cost of the service provided, or alternative sources of funding becoming available.
- 56. With this in mind, the hearings panel endorses the Council's preferred option of increasing rents by 14% for the year commencing 1 July 2009. This will be sufficient to ensure that an appropriate maintenance programme can continue.
- 57. If either a meeting of the Housing Working Party with key stakeholders comes up with another solution or the Government provides assistance then the rate of annual increases from 1 July 2010 may be restricted to CGPI levels.
- 58. If not, then in order to generate sufficient income to meet future replacement costs, the best way of achieving this is for social housing rents to increase by 16% in 2010 and thereafter at CGPI levels.
- 59. An approach has already been made to the Government for assistance and this has been unsuccessful. The Hearings Panel recommends that the detailed information provided by Council staff to local Government MPs last year be updated and sent to the new Ministers of Housing and Finance.
- 60. The brief to the proposed meeting of the Council's Housing Working Party and key stakeholders should be to explore all alternatives, including a sustainable borrowing programme, the sale of part of the social housing portfolio and joint venture opportunities. This will mean that such options, which have already been identified in the course of dealing with this matter, can be thoroughly evaluated.
- 61. The "cost of consumption" model and the asset management plan that is in place for the social housing portfolio should be reviewed by the Council's Housing Working Party.
- 62. The Housing Working Party should also undertake a review of current housing policies listed in the Council's policy register. This will include looking at whether or not the Council has the right to require tenants to provide evidence of their continued eligibility for social housing.
- 63. The Panel does not see a need at this stage to carry out a major review of the Social Housing Strategy. The consultation process focussed more on ways in which the Council's provision of social housing could be funded, rather than on any major concerns with regard to the strategy.

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HEARINGS PANELS RECOMMENDATIONS

The Hearings Panel recommends that the Council resolves to:

- (a) Seek financial assistance from the Government for the future replacement of the Council's social housing portfolio.
- (b) Instruct the Council's Housing Working Party to convene a meeting with key stakeholders, for the purpose of exploring possible funding options.
- (c) Instruct the Housing Working Party to carry out the following reviews, to be completed by 30 November 2009:
 - (i) The social housing policies currently listed in the Council's policy register. This review is to include the criteria for determining the eligibility of social housing tenants, and the ability of the Council to obtain information about eligibility from tenants.
 - (ii) The "cost of consumption" model, the assumptions underpinning it, the results it produces and the impact on funding requirements that the model generates.
- (d) Provide for the ongoing maintenance of the Council's social housing portfolio by increasing rents for all existing housing tenants (except Whakahoa Village tenants) by 14% from the beginning of the first rental period in July 2009 and for all new tenancies (except Whakahoa Village tenancies) beginning on or after 1 May 2009.
- (e) Increase rents for Whakahoa Village tenants by an amount equal to the 2008 increase in the Capital Goods Price Index (CGPI) from the beginning of the first rental period in July 2009 and for all new tenancies beginning on or after 1 May 2009.
- (f) If there are no alternative sources of funding the future replacement of the Council's housing units available and in place before 31 March 2010, increase rents for all existing housing tenants (except Whakahoa Village tenants) by 16% from the beginning of the first rental period in July 2010 and for all new tenancies (except Whakahoa Village tenancies) beginning on or after 1 May 2010.
- (g) Increase rents for Whakahoa Village tenants by an amount equal to the 2009 increase in the Capital Goods Price Index (CGPI) from the beginning of the first rental period in July 2010 and for all new tenancies beginning on or after 1 May 2010.
- (h) Apply any alternative funding received to reducing the rental increases (except for Whakahoa Village) referred to above.
- (i) Where tenants choose to rent garages or carports at any of the Council's social housing complexes, increase rents for these facilities at the same levels referred to above.

6. CHRISTCHURCH CITY HOLDINGS LTD - DRAFT STATEMENT OF INTENT FOR YEAR ENDING 30 JUNE 2010, SUBSIDIARY STATEMENTS OF INTENT FOR YEAR ENDING 30 JUNE 2010 AND COUNCIL OWNED SUBSIDIARY STATEMENTS OF INTENT FOR YEAR ENDING 30 JUNE 2010

General Manager responsible:	General Manager Regulation and Democracy Services DDI 941-8462
Officer responsible:	Peter Mitchell
Author:	Peter Mitchell

PURPOSE OF REPORT

1. The purpose of this report is to:
 - present the Christchurch City Holdings Ltd (CCHL) Statement of Intent (Sol) for the year ending 30 June 2010.
 - receive the draft Statements of Intent for the CCHL subsidiary and associate companies.
 - receive the draft Statement of Intents for the Council owned subsidiaries.
 - decide whether or not to make any informal comments to CCHL regarding its draft Statements of Intent.
 - decide whether or not to make any informal comments to CCHL regarding the draft Statements of Intent for the CCHL subsidiary and associate companies.
 - decide whether or not to make any formal comment on the Statement of Intent for the three Council owned subsidiary companies.
 - if the Council does not wish to make any formal comment, then the Council agree to the Statements of Intent.

2. The Council has received a number of documents from the Chief Executive of Christchurch City Holdings Ltd which are listed below:
 - (a) Christchurch City Holdings Ltd (CCHL) Statement of Intent for the year ending 30 June 2010 (Attachment A - separately circulated).
 - (b) Draft Statements of Intent, for the year ending 30 June 2010, for the CCHL subsidiaries and associated companies (Attachment B - separately circulated). CCHL is the shareholder of these companies. Those companies are:
 - Orion Group Limited
 - Christchurch International Airport Limited
 - Lyttelton Port Company Limited
 - Red Bus Limited
 - City Care Limited
 - Christchurch City Networks Limited
 - Selwyn Plantation Board Limited
 - (c) Draft Statements of Intent, for the year ending 30 June 2010, for the Council owned subsidiaries (Attachment C - separately circulated), of which CCHL has a monitoring role on behalf of the Council:
 - VBase Limited
 - Civic Building Limited
 - Tuam Limited

3. The Local Government Act provides that the Council, as 100% shareholder of CCHL, must make any comments on the Sol to CCHL by 30 April 2009. CCHL must then consider these comments and deliver its completed Statement of Intent to the Council by 30 June 2009.

4. With regard to the statement of intent for CCHL subsidiaries and associate companies the Council has been asked to provide comment to CCHL which has the statutory role under the Local Government Act 2002 of providing comments, or not as the case may be, to those subsidiary and associate companies by 30 April 2009. The Council's role with those companies is in the nature of providing informal comment to CCHL.

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5. With regard to the three Council owned subsidiaries the Council itself as the shareholder is entitled to formally make comments on the draft statements of intent for those three companies by 30 April 2009 and those companies must deliver the completed statement of intent to the Council by 30 June 2009.
6. The CEO of Christchurch City Holdings Limited will be at the meeting to answer questions. Further background information is attached (Appendix 1).

STAFF RECOMMENDATION

It is recommended that the Council:

1.
 - (a) Receive the Christchurch City Holdings Ltd (CCHL) Statement of Intent (SoI) for the year ending 30 June 2010.
 - (b) Receive the draft Statements of Intent for the CCHL subsidiary and associate companies.
 - (c) Receive the draft Statement of Intents for the Council owned subsidiaries.
2.
 - (a) Decide whether or not to make any formal comments to CCHL regarding its draft Statement of Intent.
 - (b) Decide whether or not to make any informal comments to CCHL regarding the draft Statements of Intent for the CCHL subsidiary and associate companies.
 - (c) Decide whether or not to make any formal comment on the Statement of Intent for the three Council owned subsidiary companies.
3. Agree to the Statements of Intent if it does not wish to make any formal comment.

7. CHRISTCHURCH CITY COUNCIL ENFORCEMENT OF PARKING AND SPECIAL VEHICLE LANES ON STATE HIGHWAYS

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Inspections and Enforcement Unit Manager
Author:	Kirsten Mahoney, Project Manager, Capital Programme Group

PURPOSE OF REPORT

1. The purpose of this report is to recommend that the Council give its support in principle to accepting the delegation of enforcement of parking and special vehicle lanes on State Highways from the New Zealand Transport Agency (NZTA).

EXECUTIVE SUMMARY

2. On 1 July 2008, the Christchurch City Council Traffic and Parking Bylaw came into force. This replaced the Traffic and Parking Bylaw 1991.
3. In 1991, Transit New Zealand delegated to the Christchurch City Council, for the purposes of the Christchurch City Traffic and Parking Bylaw 1991, control of all state highways other than those declared as motorways, within the Council's district. That delegation is now out of date because of its reference to the earlier 1991 Bylaw.
4. At its meetings held on 15 May 2008 and 12 June 2008, the Council approved the Papanui / Main North Road, Colombo Street / City South and Queenspark bus priority projects to proceed to detailed design, tender and construction. The key to success of the implementation of these bus priority projects is education and enforcement.
5. Following these first three Council corridors, a further seven Council corridors are also recommended for development. These are:
 - Hornby Mall to / from Exchange, via Riccarton Road
 - New Brighton to / from Exchange, via Pages Road
 - Sumner to / from Exchange, via Ferry Road
 - Oaklands to / from Exchange, via Lincoln Road
 - Main North Road to / from Exchange, via Cranford Street
 - Orbiter
 - MetroStar
6. In September 2008, the Parking Enforcement Team had nine officers trained and warranted by the NZ Police to undertake enforcement of moving violations in special vehicle lanes, in addition to the parking enforcement duties already carried out by this team.
7. In November 2008, NZTA received approval for three bus priority projects to proceed from the NZTA Board. These three bus priority projects are the Main North Road Bus Priority Project (QEII Drive – Factory Road), Main South Road Bus Priority Project (Sockburn Roundabout to Parker Street), and the Travis / Bassett Intersection improvement.
8. **Attachment 1** is a map that details all Council bus priority routes and the proposed NZTA routes as outlined in the Transport Regional Implementation Plan (Canterbury Regional Land Transport Strategy 2008-2018).
9. In a letter dated 10 February 2009, shown in **Attachment 2**, NZTA requested that the Council undertake enforcement of parking and special vehicle lanes on State Highways. As the general public do not differentiate between travelling on a Council controlled road and an NZTA controlled road, it was considered important that a consistent approach to enforcement is applied to ensure the successful operation of the bus priority projects.

7 Cont'd

10. A meeting was held between Council staff and NZTA staff on 18 March 2009 to discuss a proposed delegation, proposed enforcement process and associated costs and revenue. As a result of this meeting, the following was agreed:
 - The General Manager Regulation and Democracy Services would seek Council support for accepting a delegation to undertake enforcement of parking and special vehicle lanes on State Highways.
 - NZTA staff will draft bylaws for the special vehicle lanes on State Highways and seek the approval of the NZTA Board for these bylaws.
 - If this approval is given by the NZTA Board, NZTA will give delegation to the Council to undertake enforcement of special vehicle lanes on State Highways.
 - When this delegation is accepted by the Council, the Council will need to apply for amended warrants for its enforcement officers from the Commissioner of Police to undertake enforcement of special vehicle lanes on State Highways.
11. The first NZTA bus priority project, Main North Road (QEII Drive to the Motorway), is anticipated to be operational in October 2009. Note this is the first known instance where NZTA has sought to delegate the enforcement of parking and special vehicle lanes on State Highways to another road controlling authority.

FINANCIAL IMPLICATIONS

12. Subject to formal confirmation from NZTA there is agreement in principle that the Council will retain the revenue collected from undertaking enforcement on the State Highways, and on this basis it will be a cost-neutral operation for the Council. If it appears that the enforcement operation on State Highway is going to run at a loss, then the Council will need to advise NZTA early on of this situation. It is envisaged that the Council and NZTA will share the loss in a proportion that matches the length / ownership of the road. If substantial profits are realised the additional education will be undertaken in an attempt to achieve a higher level of compliance.
13. It is proposed that the agreement that accompanies the delegation from NZTA addresses these financial implications detailed in paragraph 11 above.
14. The cost of enforcement of special vehicle lanes along the first three Council bus priority corridors is approximately \$320,000 p.a. (FTE costs and equipment) Council staff have investigated the enforcement process undertaken in Auckland and have forecast a revenue from non-compliance of approximately \$800,000 p.a. As the levels of non compliance are unknown at this stage, any additional cost of providing enforcement services on the NZTA bus routes cannot be accurately determined. It should be noted, however, that as the additional Council bus routes become operational, any decision by Christchurch City Council to enforce NZTA bus routes will likely result in the need for additional enforcement staff sooner than we would otherwise have been needed

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

15. The delegation to enforce parking and special vehicle lanes on State Highways is not included in the 2006-2016 LTCCP budgets.

LEGAL CONSIDERATIONS

16. On 1 July 2008, the Christchurch City Council Traffic and Parking Bylaw came into force. This replaced the Traffic and Parking Bylaw 1991. Clause 3(1) provides that the Bylaw applies generally to all roads under the care, control and management of the Council. Clause 3(2) states that the Bylaw does not apply to roads under the care, control and management of Transit New Zealand (now NZTA) unless the Council and NZTA have entered into an agreement providing that the Bylaw applies to those roads.

7 Cont'd

17. In 1991, Transit New Zealand subsequently resolved pursuant to section 62 of the Transit New Zealand Act 1989, that it delegate to the Christchurch City Council, for the purposes of the Christchurch City Traffic and Parking Bylaw 1991, control of all state highways other than those declared as motorways, within the Council's district. That delegation is now out of date and it would be preferable for a new delegation to be put in place that refers to the Traffic and Parking Bylaw 2008 with respect to parking enforcement.
18. Any such delegation by NZTA must be made under the Government Roading Powers Act 1989 (GRPA) (formally the Transit New Zealand Act 1989). Section 62(1) provides that all or any of the functions, duties, and powers of construction, maintenance, and control conferred on NZTA by the GRPA with respect to any State highway or portion of a State highway may be delegated by NZTA to the territorial authority in whose district the State highway or portion of it is situated. Section 62(3) provides that any delegation under section 62(1) may be made only with the consent of the territorial authority concerned.
19. Section 61 of the GRPA sets out the powers and duties of NZTA in relation to State highways. Section 61(1) states that NZTA has the sole powers of control for all purposes, including construction and maintenance, of all State highways, and any such powers are exercisable only pursuant to the GRPA. Section 61(3) states that NZTA may from time to time, by notice in the Gazette, make bylaws with respect to any State highway on the subject-matters referred to in paragraphs (13) to (20) and (38 to 41A) of section 684(1) of the Local Government Act 1974.
20. NZTA also has the bylaw-making powers of a local authority in relation to roads as set out in section 72 of the Transport Act 1962.
21. Section 63 of the GRPA sets out further details about delegations. It should be noted that once made, a delegation may at any time be revoked or varied by resolution of NZTA (section 63(2)). While the powers of NZTA are delegated to the Council, the Council must exercise the delegated powers in its own name and is liable accordingly. Neither NZTA nor the Crown are answerable for any act or default of the Council in the exercise of any powers so delegated. NZTA does not have power to exercise any of the powers so delegated without first revoking that delegation pursuant to section 63(2).
22. Section 64 provides that the Council may surrender all or any of such delegated functions, duties, or powers to NZTA by giving notice in writing to that effect not later than six months before the end of the financial year of NZTA. This notice takes effect on the commencement of the following financial year.
23. In terms of enforcement, the Transport Act 1962 provides that parking wardens have the power to enforce any offence involving parking in any portion of a road in breach of any Act or regulation, or of any bylaw made under the authority of section 72.
24. If a person is appointed as an enforcement officer under the Land Transport Act 1998, then that person also has the power to enforce moving vehicle offences specified in bylaws and rules made under the Land Transport Act 1998. Enforcement officers (who are not sworn members of the Police) under the Land Transport Act 1998 must hold a warrant from the Commissioner of Police. Under section 208(4) of the Land Transport Act 1998, only persons who, in the opinion of the Commissioner, are qualified by knowledge or experience to undertake enforcement of the functions specified in the warrant of appointment may be appointed under section 208. The warrant must specify the functions that the person holding the warrant is entitled to undertake.
25. With respect to infringement fees collected for parking enforcement, section 43 of the Transport Act 1962 provides that generally all infringement fees are payable to the Crown. However, the Council is entitled to retain-
 - (a) All infringement fees received by it in respect of offences involving:
 - (i) Parking in breach of a bylaw of the Council in any portion of a road where parking is for the time being governed by the location of parking meters placed pursuant to a bylaw of the Council; or

7 Cont'd

- (ii) Parking in any other portion of a road in breach of a bylaw of the Council prohibiting parking for a period in excess of the period fixed by the bylaw where the infringement notice in respect of the offence was issued by an officer or other person appointed by the Council; and
 - (b) All towage fees received by it; and
 - (c) Such portion of all other infringement fees received by it as the Minister of Finance from time to time approves.
- 25. With respect to infringement fees collected for breaches of the Land Transport Rules relating special vehicle lanes, section 141 of the Land Transport Act 1998 again provides that generally all infringement fees are payable to the Crown. However, under section 141(3A), the Council is entitled to retain the portion of the infringement fees received by it under the Land Transport Act:
 - (a) that the Minister of Finance from time to time approves; and
 - (b) that are fees received in respect of an infringement offence in relation to the use of a special vehicle lane.

Have you considered the legal implications of the issue under consideration?

- 27. Yes. Once a new delegation has been put in place, applying parking restrictions to State Highways will be relatively straightforward under the Traffic and Parking Bylaw 2008. Clause 5 of the Traffic and Parking Bylaw sets out the powers of the Council in relation to parking, stopping and standing restrictions. Clause 5 is authorised under section 72 of the Transport Act 1962. The powers in clause 5 may be exercised by resolution.
- 28. The Council's special vehicle lanes are provided for under clause 13 of the Traffic and Parking Bylaw 2008 and are recorded in the Second Schedule to the Bylaw. Clause 13 and the Second Schedule are authorised by section 72 of the Transport Act 1962. Any amendments to the Second Schedule must be undertaken by special consultative procedure because the Schedule is part of the Bylaw. However, NZTA have indicated that it will not require the Council to amend the Traffic and Parking Bylaw to refer to the special vehicle lanes on State highways. NZTA will make the necessary bylaws in due course and delegate the enforcement of the special vehicle lanes under the GRPA.
- 29. In September 2008, the Council obtained from the Commissioner of Police a number of warrants for Council parking officers. The warrants authorise the named persons to be enforcement officers with the right to exercise certain powers under the Land Transport Act 1998 solely in order to enforce the Christchurch City Council bylaws and the Land Transport (Road User) Rule 2004 relating to special vehicle lanes and in particular, bus lanes. These powers are exercisable only while the named persons are employed by the Christchurch City Council.
- 30. If the delegation from NZTA to the Council proceeds in terms of the special vehicle lanes, the Council will need to obtain, in due course, amended warrants from the Commissioner of Police that will authorise the named persons to be enforcement officers with the right to exercise certain powers under the Land Transport Act 1998 in order to enforce the NZTA bylaws and the Land Transport (Road User) Rule 2004 relating to special vehicle lanes and in particular, bus lanes on State highways.
- 31. Any agreement between the Council and NZTA will take into account the Council's obligations to comply with section 43 of the Transport Act 1962 and section 141 of the Land Transport Act 1998 in terms of the amounts of infringement fees remitted to the Crown. It should be noted that in terms of section 141(3A)(b) of the Land Transport Act 1998, it appears that the Council as an enforcement authority is entitled to retain all of these infringement fees.

7 Cont'd

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

32. The enforcement of parking and special vehicle lanes aligns with the Regulatory Services Activity Management Plan and the Enforcement and Inspections Services provided by the Council, page 149, Our Community Plan 2006-2016.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

33. The recommendations of this report support a level of service associated with the Bus Priority Routes project of the Capital Works Programme, page 85, Our Community Plan 2006-2016.

ALIGNMENT WITH STRATEGIES

34. The enforcement of parking is currently undertaken in accordance with the Christchurch City Traffic and Parking Bylaw 2008. An amendment to the Traffic and Parking Bylaw to enable enforcement of special vehicle lanes is due to be presented to Council for approval in late March 2009.
35. The monitoring of parking offences is carried out in accordance with the CCC's Parking Strategy 2003.
36. The bus priority projects being implemented by both the CCC and NZTA are listed in the Regional Land Transport Strategy 2008-2018 and the Transport Regional Implementation Plan 2008-2038 (TRIP). TRIP lists seven further bus priority corridors to be investigated and developed by CCC and eight further bus priority corridors and intersections to be investigated and developed by NZTA.
37. The bus priority project is consistent with the National Land Transport Strategy, as well as key regional and local Council strategies, including the Regional Land Transport Strategy, Metropolitan Christchurch Transport Statement, Public Passenger Transport Strategy, Metro Strategy 2006-2012 and the Greater Christchurch Urban Development Strategy.

Do the recommendations align with the Council's strategies?

38. As above.

CONSULTATION FULFILMENT

39. Consultation on the bus priority projects has been undertaken by CCC and NZTA on their respective routes prior to approval from the respective authorities to proceed to implementation. Consultation did not specifically include discussion of which body would be enforcing the special vehicle lanes. This was considered to be an operational matter to be determined by the Council and NZTA in due course.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Accept a delegation from the New Zealand Transport Agency to undertake enforcement of parking and special vehicle lanes on State Highways.
- (b) Authorise the General Managers Regulation & Democracy Services and City Environment to sign an agreement with NZTA to give effect to:
- (i) Accepting the delegation, and
 - (ii) Clause 3(2) of the Council's Traffic & Parking Bylaw 2008.

8. CANTERBURY MUSEUM - DRAFT ANNUAL PLAN 2009/10

General Manager responsible:	General Manager Regulation & Democracy Services, DDI 941-8462
Officer responsible:	General Manager Regulation & Democracy Services
Author:	Peter Mitchell

PURPOSE OF REPORT

1. The purpose of this report is to submit to the Council the Draft Annual Plan of the Canterbury Museum Trust Board (**Attachment A**) for the year ending 30 June 2010 to enable the Council to consider the plan to make, if it wishes to do so:
 - (a) submissions on the draft annual plan.
 - (b) an objection to the levies proposed in the draft plan.

EXECUTIVE SUMMARY

2. The increase in the levies proposed to be made in the 2009/10 draft annual plan from contributing local authorities are the same increases as those forecast in the 2008/09 Annual Plan. Christchurch City Council's share of the increase in levies is \$250,092, and this has been factored into the 2009/10 Draft LTCCP. The increase will bring the Council's levy to \$5,431,934.
3. The Canterbury Museum has requested a \$15,223,335 capital grant from the Council for the capital costs associated with its redevelopment project. These costs are spread over 2011/12, 2012/13 and 2013/14. These amounts have been included in the 2009/10 Draft LTCCP as aspirational capital.

FINANCIAL AND LEGAL CONSIDERATIONS

4. The Canterbury Museum Trust Board Act 1993 requires the Canterbury Museum Trust's Board to prepare and adopt an annual plan for each financial year. The plan includes the levies to be paid by the contributing local authorities.
5. The draft annual plan is referred to the four contributing local authorities (Christchurch City Council, Selwyn District Council, Hurunui District Council and Waimakariri District Council) for a period of consultation which concludes on 24 April 2009.
6. The levies proposed in the draft Annual Plan may be objected to by the Christchurch City Council or two or more of the remaining contributing authorities and if an objection is received the Board must convene a meeting. The Christchurch City Council, or not less than three other contributing authorities, may resolve that the levy be reduced to an amount which is not less than the total levy made in respect of the previous year. The proposed levies are binding on the four contributing authorities, unless the Council or three of the other contributing authorities resolve to hold the levies. (Section 16 of Canterbury Museum Trust Board Act 1993)
7. Submissions may be made to the Museum requesting them to amend the plan.
8. Given that the operating levies are the same as forecast in the 2008/09 year it is recommended that the Council advise the Canterbury Museum Trust Board that it does not wish to make a submission to the Trust Board's 2009/10 Annual Plan.

STAFF RECOMMENDATION

It is recommended that the Council consider what submissions it wishes to make on the Board's draft 2009/10 Annual Plan.

8 Cont'd

BACKGROUND ON CANTERBURY MUSEUM - 2008/09 DRAFT ANNUAL PLAN

9. The draft Annual Plan sets out in broad outline the mission, vision and core values of the Museum together with detail on the organisation structure, performance objectives, financial summaries and an outline of the proposed operating, capital and revitalisation budgets.
10. The plan is available for consideration by the contributing local authorities until Friday 24 April 2009.

OPERATING BUDGET

11. This Council considered the Board's financial forecasts at Council meetings considering the draft LTCCP during February 2009, and supported the Museum's proposed 2009/10 operating levies for inclusion in the Council's draft 2009/10 LTCCP. The Council also considered the capital grant for the redevelopment project during these meetings and supported its inclusion in the draft 2009/10 LTCCP as aspirational capital.
12. While there are rights of objection if the levies have increased, it is considered inappropriate to object as those levies are the same as those in the Council's Annual Plan.

ANNUAL LEVY AND GRANTS

13. The annual levy on local authorities is distributed according to an agreed formula based primarily on population. The share of the total operating levy for this Council is estimated at \$5,431,934.

OTHER CONTENT OF THE PLAN

14. The general content of the 2009/10 annual plan is largely the same as the previous year's plan.

9. RICCARTON BUSH ACT 1914 - PROPOSED AMENDMENT

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Legal Services Manager
Author:	Robert O'Connor, Solicitor, Legal Services Unit

PURPOSE OF REPORT

1. The purpose of this report is to seek a resolution from the Council formally approving the proposed Riccarton Bush Amendment Bill ("the Bill") prepared by the Riccarton Bush Trustees in the form **attached** to this report and supporting its enactment into law.

EXECUTIVE SUMMARY

2. Riccarton Bush, Deans Cottage, Riccarton House, and the associated grounds, are vested in the Riccarton Bush Trustees ("the Board") pursuant to the Riccarton Bush Act 1914 ("the Act").
3. Under the Act, the Council appoints the majority of the members of the Board and accordingly the Board is a 'Council-controlled organisation' for the purposes of the Local Government Act 2002. Councillors Wall and Shearing are the current councillor representatives on the Board. Tony Gemmill and Pam Wilson are also Council appointees to the Board. In addition, the Riccarton/Wigram Community Board has appointed community board members Mike Mora and Beth Dunn to the Board.
4. The Council also provides significant funds to the Board, supplying in the 2008/09 financial year by way of levy the sum of \$108,310 and by way of grant for operational expenses the additional sum of \$145,563.00. Additional grants for capital expenditure are also made by the Council from time to time as and when required and agreed to.
5. The Board has identified a number of areas where the Act requires amendment to reflect current circumstances and practice. In promoting a Bill to amend the Act the Board intends to achieve the following (listed in order in which they are dealt with in the draft Bill, not necessarily in order of importance):
 - (a) To update the constitution of the Board to reflect the reform of local government which took place in 1989; and
 - (b) To update the statutory functions of Board; and
 - (c) To amend the existing power of the Board to impose on the Council an annual levy to reflect the reform of local government which took place in 1989 and to align the levy arrangements with current practice and the Council's planning processes; and
 - (d) To require the Board to undertake better financial budgeting through the preparation of a 'Ten-Year Financial Plan' to be approved by the Council; and
 - (e) To extend the Board's existing limited leasing powers and to permit the imposition of hire charges for the use of Riccarton House, Deans Cottage, the grounds and the Bush (but preserving free public entry to those facilities); and
 - (f) To increase the fine that the Board may impose for a breach of a by-law made by the Board under the Act from the existing maximum level of \$40 to a new maximum level of \$1000; and
 - (g) To make specific reference, for the first time, to the restoration, maintenance and conservation of the Category 1 heritage buildings Riccarton House and Deans cottage in the statutory trusts which govern the activities of the Board; and
 - (h) To authorise the Board to own and manage the property known as 30 Kahu Road.

9 Cont'd

- (i) To authorise the Board to own and acquire any other land purchased by the Board or gifted to the Board (but not to take on debt to purchase any additional land).
 - (j) To require the Board to adopt a management plan (akin to a formal Reserves Act management plan).
6. The draft Bill has been prepared by the Council's Legal Services Unit working closely with a Working Party appointed by the Board.
 7. The Board has completed a comprehensive consultation process in respect of the draft Bill. Details of that consultation are provided under the heading 'Consultation Fulfilment' below.
 8. Council staff in the Corporate Finance, Legal, Heritage and Reserves areas have had detailed input into the development of the draft Bill and support it in its current form.
 9. Before the Parliamentary procedure to have the draft Bill enacted can commence it is necessary for the Board to formally consult with the Council and for the Council to approve the draft.

FINANCIAL IMPLICATIONS

10. In the 2008/09 financial year the levy imposed under the existing provisions of the Act on the Council by the Board amounts to \$108,310.00. In addition, the Council will pay an annual operating grant of \$145,563.00 to support the Board's activities over and above the amount of the statutory levy. The total sum which will be paid to the Board by the Council in the 2008/09 financial year will therefore amount to \$253,873.00.
11. One of the significant drivers of the Bill for the Board has been the low level of the existing statutory levy payable by the Council, relative to the total sum paid by the Council, and the uncertainty, in terms of the Board's budgeting, created by the fact that the balance of the Council's funding is currently provided by way of annual grant. In addition, the current funding arrangements between the Council and the Board do not encourage the Board to plan or budget in the long term.
12. The draft Bill does not propose to alter the total level of funding support provided by the Council to the Board. However, the Bill, if enacted, will alter the process or mechanism by which the level of funding is arrived at and will encourage the Board to plan or budget on a more long-term basis.
13. Currently, section 10 of the Riccarton Bush Amendment Act 1947, provides that the Board may levy "upon the contributories [i.e. the local authorities existing prior to local body amalgamation] an annual contribution not exceeding \$30,000 or such higher amount as all the contributories agree to with the consent of the Minister of Local Government, such contribution to be apportioned pro rata among the contributories upon the basis of total rateable values..." This Council has previously agreed to increases of the levy under section 10 and the current levy is \$108,310 per annum. It is proposed that the levy power under section 10 be repealed and replaced.
14. Section 5 of the Bill recognises that the old contributories have been abolished and replaced by the Christchurch City Council alone. It also proposes that the Board will be required to adopt a Ten-Year Financial Plan, which must be approved by the Council. Each Ten-Year Financial Plan is required, in a similar fashion to the Council's LTCCP, to be for a term of three years and to be renewed at the end of each three year period. Each Ten-Year Financial Plan is required to contain the proposed annual operational budget (including revenue and expenditure) for the Board for the first three years of the ten-year period to which it relates. If the Council approves the Ten-Year Financial Plan then the Council will then be bound to pay to the Board the levy detailed in that plan for the ensuing three year period. Provision is made in the draft Bill for adjustment to the levy amount if that should be required after the adoption of a Ten-Year Financial Plan.

9 Cont'd

15. Effectively, this mechanism creates a compromise between the Board's desire to have certainty of income through an ability to levy the Council and the Council's desire to control and plan for its obligations to the Board. This arrangement will give the Board the certainty of knowing the level of its income (expressed as a levy) from the Council for each three year period, but will also allow the Council the ability to control the amount of the levy through the mechanism of Council approval of the Ten-Year Financial Plan.
16. The inclusion of the requirement to adopt a Ten-Year Financial Plan will also have the benefit of imposing a planning and budgeting obligation on the Board, which is currently not present under the existing statutory regime.
17. The draft Bill specifically aligns the timing of the Board's preparation and adoption of its Ten-Year Financial Plan to the Council's preparation of its LTCCP, with the first Ten-Year Financial Plan being required to be in place by the commencement of the 2012/2015 LTCCP on 1 July 2012.
18. As it is not expected that the Bill would be enacted until later this year or in 2010, and as the Bill does not require the adoption of the first Ten-Year Financial Plan until the year commencing 1 July 2012, the existing funding arrangements between the Council and the Board will continue until the year ending 30 June 2011.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

19. Yes, the enactment of the proposed Bill will not have the effect of altering the level of financial support provided to the Board by the Council.

LEGAL CONSIDERATIONS

20. As the constitutional provisions governing the management and operation of Riccarton Bush and Riccarton House are contained in the Riccarton Bush Act 1914 any change to these provisions require the enactment of an amendment bill by Parliament.
21. As the Board is a 'Council-controlled organisation' for the purposes of the Local Government Act 2002 it will be necessary for the Council to approve the form of the draft Bill.
22. The Board adopted the view that the better approach to this task was to leave the current Act substantially in place, but to promote an amendment bill. The alternative approach would have been to repeal the Act in its entirety and to enact a new statute in its place.
23. As summarised in paragraph 4 of this report, the purpose of the draft Bill is to achieve a range of specific objects. The succeeding paragraphs of this part of the report discuss each of those objects on detail.
24. **Object 1 - To amend and update the constitution of the Board to reflect the reform of local government which took place in 1989.**

The current Act provides that there are nine members of the Board who hold office for five years and who are appointed as follows:

- (a) by the Christchurch City Council – 2 members
- (b) by the family of John Deans – 2 members
- (c) by Waimairi County Council – 1 member
- (d) by Heathcote County Council – 1 member
- (e) by Paparua County Council – 1 member
- (f) by Riccarton Borough Council – 1 member
- (g) by the Royal Society of New Zealand, Canterbury Branch – 1 member

Since the reorganisation of local government in 1989 the Christchurch City Council has, pursuant to the 1989 order-in-council giving effect to that reorganisation, exercised the power of appointment of the 6 members previously appointed by the old local authorities. Since that time the Council has appointed four trust board members and the Riccarton/Wigram Community Board has appointed two trust board members

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Section 2 of the draft bill, recognising the impact of the local body amalgamation process that was implemented in 1989, proposes that the nine members of the Board are to be appointed as follows:

- (a) 5 persons by the Christchurch City Council (2 of whom are to be elected members of the Council, 2 of whom are to be elected members of the Riccarton/Wigram Community Board or an adjacent Community Board and 1 of whom is to be an additional appointee who need not be, but could be, an elected member).
- (b) 2 persons by the family of John Deans.
- (c) 1 person by the Royal Society of New Zealand, Canterbury Branch.
- (d) 1 additional person by the Board (to enable the Board to engage specific expertise as required from time to time).

Whilst the number of Council appointees on the Board are proposed to reduce from 6 to 5, the Council will still continue to appoint a majority of trustees and accordingly the Board will continue to be a 'Council-controlled organisation' for the purposes of the Local Government Act 2002.

Section 3 of the draft bill also proposes that the members of the Board appointed by the Council (including community board appointments) hold office for three years or for so long as they hold office as a councillor or community board member, whichever is the lesser. It is proposed that other board members will hold office for five years, although the additional Board member may be appointed for a different period as required. All board members may be re-appointed at the expiry of their term of office.

25. **Object 2 - To update the statutory functions of Board.**

The functions of the Board are not currently specified in the Act and accordingly section 4 of the draft Bill specifies these in general detail. In addition, the draft Bill proposes that the Board shall have the express power to delegate some of its functions and to appoint committees. These powers are not contained in the existing Act.

26. **Object 3 - To amend the existing power of the Board to impose on the Council an annual levy to reflect the reform of local government which took place in 1989 and to align the levy with current practice and the Council's planning processes.**

Please see the discussion above under the heading 'Financial Implications'.

27. **Object 4 - To require the Board to undertake better financial budgeting through the preparation of a 'Ten-Year Financial Plan' to be approved by the Council.**

Please see the discussion above under the heading 'Financial Implications'.

28. **Object 5 - To extend the Board's existing limited leasing powers and to permit the imposition of hire charges for the use of Riccarton House, Deans Cottage, the grounds and the Bush (but preserving free public entry to those facilities).**

Under the existing Act the current leasing powers of the Board are limited to leasing Riccarton House for periods of not exceeding one year for "committee rooms, charity bazaars, fairs, or flower shows, or art or other cultural exhibitions, or for purposes concerned with the pursuit of health, instruction, or recreation, or for use for all or any of the following purposes – namely, community centre, creche, kindergarten, tea-kiosk, museum, or art or culture centre".

The draft Bill proposes, in sections 8(1)(b) and 10, that the power to lease be extended to include all of the property vested in the Board, not just Riccarton House, and that such power not be restricted to specific stated purposes as currently.

The draft Bill expressly preserves the right of the public to free entry to Riccarton Bush and the other lands vested in the Board.

9 Cont'd

29. **Object 6 - To increase the fine that the Board may impose for a breach of a by-law made by the Board under the Act from the existing maximum level of \$40 to a new maximum level of \$1000.**

Section 15 of the current Act authorises the Board to make by-laws for certain purposes and permits the imposition of a fine of up to \$40 for breaches of any such by-laws. It is proposed in section 8(1)(d) of the draft Bill to increase the maximum possible fine to \$1000 to reflect inflation.

30. **Object 7 - To make specific reference, for the first time, to the restoration, maintenance and conservation of Riccarton House and Deans cottage in the statutory trusts which govern the activities of the Board.**

The current Act specifies that the lands vested in the Board are held upon trust for:

- (a) the preservation and cultivation of trees and plants indigenous to New Zealand (except, recognising the existing predominance of exotic species, the grounds around Riccarton House which may also be used for the planting and cultivation of trees, shrubs, and plants whether indigenous to New Zealand or otherwise); and
- (b) the use and enjoyment of the public for the purposes of health, instruction and recreation.

The current Act makes no reference in the statutory trusts to the buildings known as Riccarton House and Deans Cottage. Accordingly, section 9 of the draft Bill proposes to include "the restoration, maintenance and conservation of the buildings known as Riccarton House and Deans Cottage and the grounds around those buildings" as one of the Board's statutory trusts.

31. **Object 8 - To authorise the Board to own and manage the property known as 30 Kahu Road.**

In 1975 the then five contributing local authorities (Christchurch City Council, Waimairi County, Heathcote County, Paparua County and the Borough of Riccarton) agreed to fund the purchase of an additional property to form part of Riccarton House and Bush known as 30 Kahu Road. This property, comprising 3339m² and situated on the northern side of the main driveway adjacent to the Avon River, was purchased from the Estate of R.L. Deans for the then market value of \$90,000. As the Act did not, and does not, authorise the Board to hold this property, it was, and continues to be, held subsequent to purchase in the name of the Christchurch City Council. None of the various amendments to the Act that have been enacted have dealt with this issue and consequently the property remains in the legal ownership of the Christchurch City Council, albeit within the de facto management responsibility of the Board.

It is clear from the records associated with the purchase of this property that it was the intention that this property was transferred to the Board when the Act permitted it. Section 11 of the draft Bill therefore contains express provisions vesting this property in the Board and making it subject to the same statutory trusts as apply to the other lands vested in the Board.

The application of section 138 of the Local Government Act 2002 to this proposed vesting is discussed in paragraphs 44 to 46 of this report.

32. **Object 9 - To authorise the Board to own and acquire any other land purchased by the Board or gifted to the Board (but not to take on debt to purchase any additional land).**

The way that the Act has been crafted is such that it only authorises the Board to own such land as is expressly authorised in the Act. The Board, however, wishes to have the power to accept by way of gift or bequest any other land and also the power to purchase other land. It should be noted that neither the Act, nor the draft Bill, authorise the Board to borrow money. Accordingly, in practical terms, the only way that the Board could fund the purchase of any additional land would be from its own accumulated cash resources or with the assistance of the Council.

9 Cont'd

33. **Object 10 - To require the Board to adopt a management plan (akin to a formal Reserves Act management plan).**

As the lands vested in the Board are held under the Act, and not under the Reserves Act 1977, the Board currently has no statutory obligation to prepare a management plan in respect of the lands vested in it.

Section 12 of the draft Bill therefore proposes that the Board be required to adopt a Reserves Act type management plan. Section 12 has been modelled on the relevant provisions of section 41 of the Reserves Act 1977.

Have you considered the legal implications of the issue under consideration?

34. Yes, see detailed discussion above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

35. Yes, the enactment of the proposed Bill will not have the effect of altering the level of financial support provided to the Board by the Council or the delivery of any of the Council's activities.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

36. Yes.

ALIGNMENT WITH STRATEGIES

37. Yes.

Do the recommendations align with the Council's strategies?

38. Yes.

CONSULTATION FULFILMENT

39. The Board has completed a comprehensive consultation process in respect of the draft Bill, including consultation with the following:

- (a) neighbouring property owners
- (b) the general public
- (c) New Zealand Historic Places Trust
- (d) Department of Conservation
- (e) Te Runanga o Ngai Tahu
- (f) Environment Canterbury
- (g) the Deans family
- (h) The Royal Society of New Zealand, Canterbury Branch.
- (i) Fendalton/Waimairi Community Board
- (j) Riccarton/Wigram Community Board
- (k) Fendalton Scout Group (which occupies part of the grounds)
- (l) Taste Catering Limited (which tenants part of the House)
- (m) Audit New Zealand
- (n) Inland Revenue Department
- (o) Charities Commission

40. The consultation process was commenced on 30 September 2008 with the Board forwarding a summary of the proposed Bill, together with a full copy of it, to all of the organisations listed above. Recipients were invited to make written submissions on the proposal to the Board by 5 December 2008 and asked to indicate whether they wished to be heard by the Board in support of their submissions. In addition, a public notice was published in the 'Christchurch Press' newspaper on two separate occasions (Saturday and Wednesday) seeking public submissions on the proposal by the same date. Further, approximately 95 summaries of the proposed Bill were delivered by the Board to all neighbouring property owners seeking public submissions on the proposal by the same date.

9 Cont'd

41. The Fendalton/Waimairi Community Board received a detailed briefing on the draft Bill from the Board's Manager, Rob Dally, and subsequently acknowledged general support for the draft Bill in writing to the Board. The Riccarton/Wigram Community Board did not take up the offer of a briefing, but indicated in writing to the Board its general support for the draft Bill.
42. In response, 10 submissions or letters were received by the Board. Nine of those submissions took the form of letters stating general support for the draft Bill and were received from New Zealand Historic Places Trust, Ngai Tahu, Department of Conservation, Fendalton/Waimairi Community Board, Riccarton/Wigram Community Board, Inland Revenue Department, Charities Commission, The Royal Society of New Zealand Canterbury Branch and the Deans Family. One submission was received from a member of the public, and he was provided with an opportunity to personally present his submission to the Board appointed Working Party responsible for the draft Bill. That submitter was generally supportive of the draft Bill.
43. It is not considered that the Council's decision to approve the draft Bill and to support its enactment would constitute a matter of significance in terms of the Council's Significance Policy.
44. The proposal in section 11 of the draft Bill to vest the property known as 30 Kahu Road in the Board raises the question of the relevance of section 138 of the Local Government Act 2002. Section 138 requires the Council to consult on any proposal "to sell or otherwise dispose of a park" before it agrees to such sale or disposal. On the basis that the 30 Kahu Road property would certainly constitute a "park" for the purposes of that section, the question is therefore whether the Council approving the draft Bill and supporting its enactment would constitute a "sale or a disposal".
45. Research has revealed that at the time of the original acquisition of the land in 1975 the Council resolved on 15 September 1975 *"that when in a position to do so, the territorial local authorities concerned arrange to have the land transferred to the Riccarton Bush Trust"*. The land has not been transferred to the Board before now as the Act has not permitted the Board to own it. Enactment of the draft Bill will allow that to occur and indeed, section 11 of the draft Bill will vest the land in the Board. Notwithstanding the passage of time, it is therefore arguable that given that the Council has already resolved to transfer the land to the Board in compliance with the law as it then stood, and before the enactment of section 138, that a new resolution to approve the draft Bill and support its enactment will not constitute a "disposition" of the land requiring compliance with section 138. Essentially, the resolution of the Council to dispose of the land was made in 1975 before section 138 came into existence.
46. In any event, the draft Bill containing the vesting provision in relation to 30 Kahu Road, has been comprehensively consulted on by the Board as detailed above. In view of this, and given that "the views and preferences of the persons likely to be effected by, or likely to have an interest in, the matter" are therefore known, it is considered that the Council need not undertake any further consultation on this point, or indeed on the draft Bill generally for the same reason. Further the process of the Bill going through the Parliamentary process will involve the opportunity for the public to make submissions on the Bill.

STAFF RECOMMENDATION

It is recommended that the Council resolves:

- (a) To approve the draft Riccarton Bush Amendment Bill and to support its enactment into law.
- (b) To authorise Council staff to make a submission in support of the Bill to the Select Committee considering the draft Bill.

9 Cont'd

BACKGROUND

47. Riccarton House and Riccarton Bush are vested in the 'The Riccarton Bush Trustees', a board constituted by the Act.
48. The land known as Riccarton Bush (15 acres) was gifted to the "the Mayor of the City of Christchurch as the representative of the people of Canterbury" by members of the Deans family in 1914. The Act was passed by Parliament in that year to constitute the Board and to provide for the preservation and management of Riccarton Bush.
49. In 1947, the Christchurch City Council joined with Waimairi County, Heathcote County, Paparua County and the Borough of Riccarton to purchase for market value an additional area of 13 acres (being Riccarton House and the associated grounds) for the Board's purposes. To authorise the acquisition and management of this additional area of land by the Board the Act was amended by the Riccarton Bush Amendment Act 1947.
50. Subsequently, the Act has been the subject of minor technical amendments enacted by Parliament in 1949, 1964, 1972 and 1979.
51. In 1975 the then five contributing local authorities (Christchurch City Council, Waimairi County, Heathcote County, Paparua County and the Borough of Riccarton) agreed to fund the purchase of a further additional property known as 30 Kahu Road. This property, comprising 3339m² and situated on the northern side of the main driveway adjacent to the Avon River, was purchased from the Estate of R.L. Deans for the then market value of \$90,000. As the Act did not, and does not, authorise the Board to hold this property, it was, and continues to be, held subsequent to purchase in the name of the Christchurch City Council. None of the various amendments to the Act have dealt with this issue and the property remains in the legal ownership of the Christchurch City Council, albeit within the de facto management responsibility of the Board.

10. STRENGTHENING COMMUNITIES GRANTS PROGRAMME EVALUATION 2008/09

General Manager responsible:	General Manager Community Services, DDI 941 8607
Officer responsible:	Community Development Manager
Author:	Matthew Pratt - Community Grants Funding Team Leader

PURPOSE OF REPORT

1. The purpose of this report is to update the Council on the work of the Councillor Working Party, established to review issues around the Strengthening Communities Grants Funding Programme, and to make recommendations about changes to the programme for the 2009/10 funding round.

EXECUTIVE SUMMARY

2. The Council adopted the Strengthening Communities Strategy on 12 July 2007. The strategy incorporated the Community Group Grants Review which provided the framework, principles and funding outcomes for the new Strengthening Communities Grants Funding Programme.
3. Implementation of the new grants funding programme commenced in January 2008. The Council received 941 applications in total through the Strengthening Communities and Small Projects Funding schemes in the 2008/09 funding round.
4. Following an evaluation process, completed in October 2008, changes to the Strengthening Communities funds were identified and a number of these changes were implemented following a report to the Council in November 2008.
5. As part of the evaluation process, the Council also established a Councillor Working Party to review the criteria used for assessing applications for Strengthening Communities funding and to consider any other issues that might arise as part of the ongoing funding process.
6. The Councillor Working Party comprises Councillor Ngaire Button (Chair), Councillor Barry Corbett, Councillor Bob Shearing and Community Board member Yvonne Palmer, as well as staff representatives. The Councillor Working Party has met four times since its establishment and plans to continue meeting on an as needed basis.
7. The Councillor Working Party has so far identified a number of changes that need to be implemented. The recommendations from the Councillor Working Party include:
 - (a) Review the membership of the Councillor Working Party.
 - (b) Allow applications to the Strengthening Communities Grants Funding Programme from School Boards of Trustees, for eligible community based projects.
 - (c) Adopt the policy statement that the Small Grants Fund Assessment Committees do not visit applicants to the Fund as part of the assessment process.
 - (d) Allow money that remains unallocated for the Fendalton/Waimairi 2008/09 round of the Strengthening Communities Fund to be used for applications received for the Fendalton/Waimairi Discretionary Response Fund, where the application meets the criteria of the Strengthening Communities Fund.
8. The recommended changes will come into effect immediately and will impact on the 2009/10 funding applications assessment process that is currently underway. Recommendation (d) may impact on current applications that could be funded from remaining 2008/09 funding.

FINANCIAL IMPLICATIONS

9. None.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

10. Yes.

10 Cont'd

LEGAL CONSIDERATIONS

11. Recommendation (b) proposes that applications from School Boards of Trustees, which are recognised as a Crown Entity under the Crown Entities Act 2004.

Have you considered the legal implications of the issue under consideration?

12. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

13. Yes, Community Support.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

14. Yes, Community Grants.

ALIGNMENT WITH STRATEGIES

15. Strengthening Communities Strategy.

Do the recommendations align with the Council's strategies?

16. Yes, Strengthening Communities Strategy

CONSULTATION FULFILMENT

17. Not applicable.

STAFF RECOMMENDATION

In accordance with the recommendations of the Councillor Working Party, it is recommended that the Council:

- (a) Review the membership of the Councillor Working Party.
 - (b) Allow applications to the Strengthening Communities Grants Funding Programme from School Boards of Trustees.
 - (c) Adopt the policy statement that the Small Grants Fund Assessment Committees do not visit applicants to the Fund as part of the assessment process.
 - (d) Allow money that remains unallocated for the Fendalton/Waimairi 2008/09 round of the Strengthening Communities Fund to be used for applications received for the Fendalton/Waimairi Discretionary Response Fund, where the application meets the criteria of the Strengthening Communities Fund.
18. The recommended changes will come into effect immediately and will impact on the 2009/10 funding applications assessment process that is currently underway.
19. Recommendation (d) may impact on current applications that could be funded from remaining 2008/09 funding.

10 Cont'd

BACKGROUND (THE ISSUES)

20. The Council adopted the Strengthening Communities Strategy on 12 July 2007.
21. The Strengthening Communities Grants Funding Programme comprises three funding schemes. The schemes are:
 - I. Strengthening Communities Fund
 - II. Small Grants Fund
 - III. Discretionary Response Fund
22. At the Council meeting of 14 August 2008, staff were asked to formally evaluate the Strengthening Communities Grants Funding Programme and report back findings and recommendations to improve the process.
23. In November 2008, staff reported to the Council the findings of the formal evaluation process as well as informal feedback from other Council units and stakeholders.
24. The Council agreed to implement a number of changes that would address issues raised in the feedback. Many of these issues were addressed in a report to the Council in November 2008, in which the Council agreed to introduce a number of changes.
25. In November 2008, the Council agreed to 'Establish a working party, consisting of Councillors and staff, to review criteria for all schemes that make up the Communities Grants Funding Programme'.
26. The Councillor Working Party comprises Councillor Ngaire Button (Chair), Councillor Barry Corbett, Councillor Bob Shearing and Community Board member Yvonne Palmer, as well as staff representatives. The Councillor Working Party has met four times since its establishment and plans to continue meeting on an as needed basis.
27. The Councillor Working Party has to date identified three changes that need to be implemented. The recommendations from the Councillor Working Party are discussed in detail below.

Changes to be Considered by the Council

28. The Councillor Working Party recommends:
29. **Recommendation A** - That Council review the membership of the Councillor Working Party.
30. Currently, the Councillor Working Party comprises Councillor Ngaire Button (Chair), Councillor Barry Corbett, Councillor Bob Shearing and Community Board member Yvonne Palmer, as well as staff representatives.
31. Councillors are able to attend any meeting of the Working Party as an observer. However, they would need to be appointed by the Council in order to be an official member of the Councillor Working Party.
34. **Recommendation B** - That Council:
 - 'Require that all applicants to the Strengthening Communities Fund and Community Organisation Loans Scheme be incorporated under the Incorporated Societies Act 1908 or the Charitable Trusts Act 1957 or be School Board of Trustees, which are recognised under the Crown Entities Act 2004'
 - 'Require that all applicants to the Small Grants Fund, applying for more than \$2,000, be incorporated under the Incorporated Societies Act 1908 or the Charitable Trusts Act 1957 or be School Board of Trustees, which are recognised under the Crown Entities Act 2004'
35. Prior to November 2008, the Council had required that all applicants to the Council's community funds be a 'legal entity'. However, 'legal entity' was not defined.

10 Cont'd

36. In November 2008, the Council agreed that 'all applicants to the Strengthening Communities Fund and Community Organisation Loans Scheme be incorporated under the Incorporated Societies Act 1908 or the Charitable Trusts Act 1957'; and that 'all applicants to the Small Projects Fund (as it is currently known), applying for more than \$2,000, be incorporated under the Incorporated Societies Act 1908 or the Charitable Trusts Act 1957'.
37. This change unintentionally excluded School Boards of Trustees, which are recognised as a Crown Entity under the Crown Entities Act 2004, from applying to the various funds for eligible community based projects.
38. **Recommendation C** - That the Council adopt the policy statement that the Small Grants Fund Assessment Committees do not visit applicants to the Fund as part of the assessment process.
39. In the November 2008 report to the Council, staff recommended 'that the Council adopt the policy statement that the (currently named) Small Project Fund Assessment Committees do not visit applicants to the Fund as part of the assessment process'.
40. Councillors did not agree to this recommendation and referred the issue to the Councillor Working Party for consideration.
41. Following discussions, the Councillor Working Party recommends that Small Project Fund Assessment Committees do not visit applicant groups as part of the assessment process and recommends that the Council adopt a policy statement to that effect.
42. The Councillor Working Party has clarified that this policy would not prevent elected members from visiting groups. However, these visits cannot form part of the consideration of the groups' applications.
43. The Councillor Working Party believes that it is an important part of an elected member's role to visit the groups in their community and that elected members should be visiting groups as part of their ongoing work. However, these visits should not be used to evaluate groups' application/s to the Council for funding, nor should they coincide with the application assessment period.
44. The issues surrounding visits were outlined in detail in the November 2008 report to the Council, and include:
 - 44.1 Funding processes have a high public profile. It is essential that Council processes are **seen** as fair and transparent.
 - 44.2 A report from the Auditor General states that funding from public entities needs to be based on fairness. "**Public entities have a general public law obligation to act fairly and reasonably. Public entities must be, and must be seen to be, impartial in their decision-making**".
 - 44.3 Visits to applicants by elected members do not take place for other Council funding schemes as part of the assessment process. Adopting the above policy statement will ensure consistency across all the Council's Strengthening Communities Grants Funding Programme.
 - 44.4 Current processes around visits to applicants by members of decision-making Committee are inconsistent i.e. not all applicants are visited, inconsistent questions are asked and visits are made by different Committee members.
 - 44.5 This process creates a number of potential risks for Council, including:
 - That the process is seen to be unfair, that one group get favourable treatment over another
 - That advice tabled after visits could be inconsistent and of varying quality.
 - That applicants may challenge funding decisions due to perceived unfairness.

10 Cont'd

- 44.6 Advice from Legal Services is that it is best practice not to visit applicants, unless it is indicated in the funding application form that an applicant will be visited. This is currently not the case.
- 44.7 Advice from Legal Services states that a decision should be made on the information provided to the Committee, together with any additional reports from staff, not in conjunction with additional information obtained from visiting an applicant.
- 44.8 Visiting applicants means that in effect applications are assessed twice, once by staff and once by Committee members.
- 44.9 It is the role of staff to provide enough information for decision makers to make a sound decision. Should Committee members require more information, a request should be made to staff who will provide additional information for the benefit of all Committee members.
- 44.10 If visits to applicants are to continue then all applicants would need to be visited, rather than just some. Preferably the whole Committee would visit an applicant at the same time. From a staff point of view, implementing this process would be difficult and inefficient.
- 44.11 Implementing this process would also have major implication in terms of the time that would be needed to assess applications and then arrange visits. For example, in 2008/09 there were 540 applications for Small Projects Funding. Community Board areas had between 40 and 70 applicants to the Small Projects Fund. At a metropolitan level, there were 190 applications. All 540 applicants would need to be visited.
46. **Recommendation D** - That the Council allow money that remains unallocated for the Fendalton/Waimairi 2008/09 round of the Strengthening Communities Fund to be used for applications received for the Fendalton/Waimairi Discretionary Response Fund, where the application meets the criteria of the 2008/09 Strengthening Communities Fund.
47. In the 2008/09 funding round, the Fendalton/Waimairi Community Board did not allocate all of the funds available via their Strengthening Communities Fund. This was due to the fact that an ineligible application was removed from the Decision Matrix at the last minute..
48. There is \$20,000 unallocated in the Fendalton/Waimairi Community Board Strengthening Communities Fund. The Fendalton/Waimairi Community Board is the only Board with unallocated funds still remaining.
49. Currently, the Programme Operational Procedures for the community grants programme state that another contestable funding round is to be held to allocate any remaining funds in the Strengthening Communities Fund.
- 'Any Strengthening Communities Grant funds still with Community Boards in fiscal month seven (7) of the financial year (January), whether by way of funding not being allocated at the time of the meeting or not being uplifted by grant recipients, without good reason, will remain in the Strengthening Communities Fund and a further allocation round shall be convened.'
50. The Councillor Working Party believes that it is not logistically feasible to hold another open contestable round, given both staff and time constraints.
51. As a result, the Councillor Working Party recommends that if an application received from this point forward (in the 2008/09 funding year) satisfies all the criteria for the Strengthening Communities Fund and, if it is likely that (had the application had been received in time for the annual funding round) it would have been approved, then the Fendalton/Waimairi Community Board should be able to recommend that the application be funded from the remaining 2008/09 Strengthening Communities Fund.

11. REPORT OF THE REGULATORY AND PLANNING COMMITTEE HEARINGS PANEL ON THE DRAFT SOUTH-WEST CHRISTCHURCH AREA PLAN

General Manager responsible:	General Manager Strategy & Planning, DDI 941-8281
Officer responsible:	Sarah Oliver, Senior Policy Planner, Strategy and Planning Group

PURPOSE OF REPORT

1. This is a report of the South-West Area Plan Hearings Panel (the Panel). It addresses the 209 submissions received during the public consultation process and contains recommendations from the Panel altering the draft South-West Area Plan (draft Area Plan) in certain respects.
2. This report includes a brief summary on specific areas of interest to submitters resulting in recommended changes to the draft Area Plan. Those issues raised that have not resulted in recommended amendments to the draft Area Plan have not been included in this report. The Hearings Panel have deemed that most of the latter submissions required only further explanation of the Council's proposed approach to managing growth (for example referring them to the South-West Integrated Catchment Management Plan) and/or reference to other future decision making processes (such as the Plan Change process).
3. This report recommends the adoption of the draft Area Plan (with the recommended changes highlighted) as separately circulated. This report will be considered by the Riccarton/Wigram and the Spreydon/Heathcote Community Boards on 7 and 14 April 2009 respectively. Community Board recommendations and comments will be provided at the Council meeting.

EXECUTIVE SUMMARY

4. A draft Area Plan for the South-West Christchurch has been prepared following four years of investigations and assessments in regard to existing and future urban growth issues. The draft document contains significant detail in regard to how urban growth can be managed over the next 35 years. There are 13 goals contained in the draft Area Plan, each being supported by number of objectives and plans. The draft Area Plan was publicly notified on 1 September 2008 and a six week period was provided to the community to provide feedback (submissions).
5. On 9 October 2008, the Regulatory and Planning Committee decided that:

"... a hearings panel comprising of Councillors Sue Wells, Helen Broughton, Yani Johanson, Bob Shearing and Chrissie Williams be appointed to consider and, where necessary, hear any submissions on the draft South-West Area Plan, and report back to the Council with its recommendations thereon."
6. The Council adopted the recommendation from the Regulatory and Planning Committee on 30 October 2008.
7. A public consultation process took place between 6 August 2008 and 10 September 2008 and 209 submissions were received. One hundred and twenty-two submissions generally supported the Draft Area Plan, 65 did not support the Plan, and 22 did not indicate whether they did or did not support the document. Of the 65 submitters who did not support the Draft Area Plan, 48 specifically opposed the annotation of a recreational walkway along the section of the Heathcote River between Halswell Road and Cashmere Road (which extends through an existing residential developed area). Other opposing submitters raised specific concerns in regard to the following:
 - level of traffic congestion which will arise from further urban growth;
 - the scale of urban development proposed resulting in a loss of rural land and increased flood risk; and
 - the possible realignment and extension of Cashmere Road.

11 Cont'd

8. The Panel understands that other Council approved documents and directives have already determined the Council's position in respect to the extent of urban development signalled and the provision of major infrastructure to service urban growth in the South-West. These include the Greater Christchurch Urban Development Strategy; the Heads of Agreement that outline the package of transportation projects for the South-West area (in particular the works associated with the Christchurch Southern Motorway extension); the South-West Integrated Catchment Management Plan; and the major sewer upgrade. The purpose of the draft Area Plan is to guide future decisions in regard to the development of the South-West and the final details (such as local reserves, land-use pattern, zoning and road delineations) will be determined through other processes, in particular changes to the City Plan and expenditure under the Long Term Council Community Plan.
9. Similarly, the consultation process does not end at the adoption of the South-West Christchurch Area Plan. Changes to the City Plan and the development of the Long Term Council Community Plan must also be consulted on. Consultation will occur as areas are rezoned, scheme assessments for infrastructure projects are developed, and as Council seeks community feedback on options for community facilities and services (for example the Halswell library and aquatic facility). Goal 13 of the draft Area Plan sets out how the Council intends to keep the community informed about future projects and progress on the implementation of the Plan.
10. The Hearings Panel recommends that some minor changes to the draft Area Plan are however necessary to address the points raised by submitters.

SUMMARY OF CHANGES MADE TO THE DRAFT AREA PLAN

11. The Hearings Panel deliberated on the issues raised in submissions, and as a result, made changes to the draft Area Plan now being recommended to the Council. The majority of submissions received are in support of the draft Area Plan and the Council providing strong leadership in the development of the area. In particular submitters agreed with the following directions of the draft Area Plan:
 - the proposed water management scheme; planning for infrastructure;
 - enhancement of the amenity values;
 - restoration of indigenous flora and fauna
 - fostering attention to community spirit and strong community values;
 - restoring tangata whenua values;
 - protecting heritage
 - establishing a network of cycle and pedestrian routes; and
 - initiatives to reduce the need to travel by car.
12. The Hearings Panel having considered the submissions, consider that some minor changes to the draft Area Plan document are appropriate to provide better clarification on the following matters:
 - the basis for the extent of residential and business development signalled, more specifically in regard to Plan 7 Residential Neighbourhoods and Plan 9 Business Development;
 - the status of the esplanade reserve requirement (under the City Plan) along the upper reaches of the Heathcote River;
 - the level of development signalled around Hendersons Basin and proposed methods to manage the effects of further urbanisation within the area;
 - the delineation and status of future potential new roads;
 - proposed directions for establishing a cycle way network;
 - the road hierarchy and function to provide for commercial road transport growth;
 - the basis for the proposed staging of land development; and
 - the land development and approval process.

11 Cont'd

13. A number of submissions have not resulted in any recommended changes to the draft Area Plan. The Hearings Panel considers that these submissions only require further explanation of the Council's proposed approach to managing growth in the draft Area Plan and South-West Integrated Catchment Management Plan. Furthermore, it is to be explained to submitters that the draft Area Plan is a strategic level document and the final land-use plans will be determined through other planning processes.

FINANCIAL CONSIDERATIONS

14. The adoption of this report and as a consequence adoption of the draft Area Plan, does not commit the Council to any activity it has not agreed to undertake and/or fund under the Long Term Council Community Plan. The draft Area Plan is not a statutory document. However, it creates a framework for planning in both the City Plan and the capital works programme of the LTCCP. Both these latter processes have full public consultation, submission and appeal rights that remain to be exercised.

CONSULTATION FULFILMENT

15. The draft South-West Christchurch Area Plan is not a statutory document and therefore the method and timeframes for the consultation process have not been required to follow any legislative requirements. The process undertaken, however, is considered to have met the guiding principles for meaningful consultation as set out under sections 78 to 82 of the Local Government Act. The community and other key stakeholders have been consulted on a number of occasions throughout the development of the draft Area Plan. The feedback provided has helped to improve the draft Area Plan document; direct Council staff to further consider some matters raised by the community and commit to addressing them in the future; and provide an avenue to better explain the directions in the Area Plan.

HEARINGS PANEL RECOMMENDATIONS

16. There are three parts to the recommendations of the Hearings Panel, the first part being the recommended changes to the Area Plan document. The second part is a recommendation to review the Council's position on the growth pocket known as CPH1 (Kennedys Bush) under Plan Change 1 to the Regional Policy Statement. The third part includes recommended actions for the SWAP Implementation Plan.
17. It is recommended that the Council adopt the Area Plan as amended by the following:
- a. Include the esplanade reserves as they exist in the City Plan on Plans 1 and 4.
 - b. Remove the annotation on Plan 4 of the proposed recreational route between Halswell Road and Cashmere Road.
 - c. Include a definition of "esplanade reserve" in the definition section as follows:
*"...An esplanade reserve has one or more of the following purposes:
(a) To contribute to the protection of conservation values by, in particular,—
(i) Maintaining or enhancing the natural functioning of the adjacent sea, river, or lake; or
(ii) Maintaining or enhancing water quality; or
(iii) Maintaining or enhancing aquatic habitats; or
(iv) Protecting the natural values associated with the esplanade reserve or esplanade strip; or
(v) Mitigating natural hazards; or
(b) To enable public access to or along any sea, river, or lake; or
(c) To enable public recreational use of the esplanade reserve or esplanade strip and adjacent sea, river, or lake, where the use is compatible with conservation values."*

11 Cont'd

- d. Include an explanation of the land-use assumptions made in the creation of Plan 7 (Residential development), including the following statement.

“The area of proposed residential development shown around the periphery of Hendersons Basin is based on the 19 metre contour which is deemed to be the extent of the 200 year flood level. It is assumed that the level of flood risk beyond the 200 year flood level is acceptable, however future land development proposals will need to further assess the level of risk from flooding.”

- e. Include a note on Plan 11.1 that the alignment of proposed new Collector and Arterial Roads is indicative only. Further assessments and consideration of alignment options will be undertaken as required.
- f. Annotate Cashmere Road as an existing recreational cycling route on Plan 11.3.
- g. Insert a cycle network plan as Plan 11.3 (drawn from Plans 4 and 11.1).
- h. Include an explanation of the land-use assumptions made in the creation of Plans 7 (Residential development) and 9 (Business development), including the following statements:

“The extent of residential development depicted in this Area Plan is based on the household distribution and densities promoted under the Greater Christchurch Urban Development Strategy (UDS); and achieving consistency with the Urban Growth objectives and policies under the Christchurch City Plan. The UDS adopts the medium to high household growth projections for Christchurch over a 35 year period (2007-2041) and promotes a household distribution where 60 per cent of new development occurs in existing urban areas (as zoned for urban purposes under the City Plan in 2006) and 40 per cent is accommodated in new Greenfield areas.

South-West Christchurch is signalled to provide for a large proportion of the Greenfield growth due to the area’s ability to be serviced by existing and planned improvements to infrastructure under the Long Term Council Community Plan. Some 10,000 households are signalled to be required in the South-West to provide for anticipated growth to 2041. Other assumptions which underpin the extent and pattern of land-use activity depicted in the Area Plan are as follows:

- i. *The land areas signalled for urbanisation are free from known land development constraints.*
- ii. *The land requirement to accommodate 10,000 new households correlates to approximately 660 hectares based on a net residential density of 15 households per hectare. Net density is the number of lots or household units per hectare and is promoted through the UDS as a critical target for residential density in Greenfield areas if consolidation growth objectives are to be achieved. The net area includes land for, or which could be:*
- *residential purposes, including all open space and on-site parking associated with residential development;*
 - *local roads and road corridors, including pedestrian and cycle ways, but excluding State Highways and major arterial roads;*
 - *local (neighbourhood) reserves; but excludes land that is*
 - *stormwater retention and treatment areas;*
 - *geotechnically constrained (such as land subject to subsidence or inundation);*
 - *set aside to protect significant ecological, cultural, heritage or landscape values;*
 - *set aside for esplanade reserves or access strips that form part of a larger regional or sub-regional reserve network;*
 - *identified for commercial or business use, or for schools, hospitals or other district, regional or sub-regional facilities.*

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- iii. *The 660 hectares is to be contained within a well defined boundary of urban development in accordance with Policy 6.3.10 of the Christchurch City Plan. The boundary defined in the Area Plan takes the form of natural or physical features, including future arterial roads (namely Quaifes Road and the potential extension of the Christchurch Southern Motorway), Knights Stream, and required stormwater management facilities. The land area that is provided for under the Area Plan is larger than the land area promoted under the UDS to accommodate the household yield in South-West Christchurch. The additional land area provided for in the Area Plan is able to be serviced by existing and planned infrastructure, located within a well-defined urban boundary and will achieve a consolidated urban form. The inclusion of the additional land area is therefore considered to be justified for the purpose of the Area Plan.*
- iv. *Future residential development on the hills beyond that zoned in the City Plan is limited due to servicing and resource management constraints.*
- v. *New business areas are extensions of existing business areas and are suitable for development due to their accessibility to the airport, port and other supporting centres via major transportation routes including the Main South railway line and the Christchurch Southern Motorway.*
- vi. *Rural zoned land is able to be subdivided to four hectare minimum area allotments, as permitted under the Christchurch City Plan.*
- vii. *Rural-residential development is limited to existing allotments less than four hectares and no new rural-residential development is provided for due to uncertainties with regard to servicing and resource management limitations.”*
- i. Amend Plan 12 to include an alternative urban limit for the Kennedys Bush area that follows the existing boundary of the Living Hills B Zone.
- j. Amend Plan 1: Water Environment to include a note which reads as follows:
 - “1. *The facilities shown represent the preliminary stormwater management scheme set out under the South-West Christchurch Integrated Catchment Management Plan.*
 - 2. *Refer to the Area Plan definitions section for an explanation of the function of the facilities indicated on this plan.”*
- k. Amend Goal 9 and Objectives 9.7 to read as follows (changes underlined):

“High-quality business environments are critical in attracting business investment to support a thriving economy. A competitive economy is important for the economic development of the region, and to meet the growing demand for places of work, retail, community facilities and services. In the South-West, existing business centres need to be expanded, and new centres created, to meet demand and respond to changing market trends. Balancing the distribution and scale of these businesses across the area is central to achieving a healthy business environment.

Activity Centres (Hornby and Halswell) continue to be major clusters of commercial and retail businesses, co-located with community facilities and services. These centres are developed as transport hubs, providing for large-scale retail and to service the sub-regional catchment. Neighbourhood Centres, including new centres at Springlands, Hendersons and Wigram will support a smaller catchment and may include a small supermarket, small-scale retail, and community facilities and services. They are located on major roads and along public transport routes. Local Centres within residential areas will cluster a few small business opportunities that support their immediate neighbourhood. These will be located to provide for communities not within walking distance of Activity or Neighbourhood Centres.

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As well as retail and commercial centres the South-West has a large industrial sector which is expected to be redeveloped and expanded to meet future demand. To be successful, industrial businesses need efficient transport links that are appropriate to the scale and type of development. The South-West is well located on major transportation routes to the north, south and west, including direct links to Christchurch International Airport and the Port of Lyttelton. Connections from existing and future business areas to the strategic transport network will need to be managed and improved, in particular at key intersections. Achieving good accessibility between business and residential areas is also important to support the local labour market and encourage business growth.

Industrial areas benefit from being closely located to other allied or supporting industries, as transport costs are reduced and networks are more easily established with suppliers and buyers. Good access to community and retail activities also helps service the needs of employees and can help reduce car trips.

Business areas should be designed based on the functional requirements of the core activities being provided for. Areas must also be developed in a manner that is appropriate to the character of the surrounding locality, primarily in terms of height, scale and building design. Providing high-quality business environments in suitable locations supports the sub-region's economic competitiveness. Quality business environments encourage high value and resource efficient businesses to establish in the area. They are good places to work in and live near, and benefit the community through investment and job creation.

Objective 9.7

Locate new industrial zones in areas that:

- promote the efficient use of land and resources;
- avoid compromising residential amenity and local character;
- are adjacent to the strategic transport network;
- are accessible to and from residential areas; and
- are accessible to retail centres."

- I. Include an explanation of the land-use assumptions made in the creation of Plans 7 (Residential development) and 9 (Business development), including the following statement.

"The development of business (industrial) activity around Carrs Reserve is based on the assumption that the Christchurch Kart Club activity is not able to be relocated. Should an alternative location be secured for the Kart Club prior to the development of the land and within sufficient time to enable the necessary resource consents and rezoning proposals to be processed, it is likely that the subject land area will be reconsidered for residential use."

- m. Amend Objective 9.8 to read as follows (changes are underlined):

Objective 9.8

Create high-quality industrial areas through:

- the consideration of the core functional requirements of businesses in the layout and location of roads, accesses, cycleways, footpaths, parking, loading areas, waste management and storage areas, sections, public open space, and ancillary services;
- high-quality building design through architectural treatment of main elevations;
- active rooms positioned to the street to maximise passive surveillance;
- planting trees of a species, height and calibre to achieve a high quality landscape outcome and mitigate the adverse visual effects and scale of business activities;
- planting complementary tree species consistently along the street and within the frontage area of private properties;
- positioning security fencing to reduce the dominance on the streetscape and avoid compromising landscape areas;
- landscaping features that reflect the local cultural context and area character;

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- *landscaping in preference to sealed surfaces and solid fencing and walls along road boundaries;*
 - *providing public space for workers and visitors; and*
 - *the design of signage to integrate with architectural details of buildings, remain consistent with the scale of buildings, and maintain an overall design continuity.*
- n. Amend Goal 6 to read “*Conserve and protect European and other emerging cultural heritage values.*”
- o. Add a sentence at the end of the first paragraph to the explanation of Goal 6 to read “*other cultures will create their own heritage associations with the area and these can also be recognised.*”
- p. Amend Plan 5 to include a note that the identified vegetation is historical and is no longer present.
- q. Amend Plan 8 Community Facilities to show all existing schools and the new primary school located on Milns Road.
- r. Amend Plan 12 as follows:
- (i) Amend the title to read “*Land Development and Major Infrastructure Improvements*”
 - (ii) Amend the notes on Plan 12 to read as follows:
 - “1. *The urban limit is drawn from the Greater Christchurch Urban Development Strategy; Plan Change 1 and Variation 4 to the Regional Policy Statement; and Variation 48 to the Christchurch City Plan.*
 2. *The alternative urban limit is the existing urban boundary as set out in the Christchurch City Plan.*
 3. *The urban limit and final land-use pattern is subject to confirmation under the Regional Policy Statement and the rezoning process under the Christchurch City Plan.*
 4. *The staging shown is in general accordance with the Greater Christchurch Urban Development Strategy 2007. The actual staging of land development will be determined by the delivery of major infrastructure as directed under the Long Term Council Community Plan 2009-19 and through the rezoning process under the Christchurch City Plan.*”
 - (iii) Include details of the proposed major improvements to wastewater disposal and water supply infrastructure.
- s. Insert the figure contained in Attachment F of this report in the Implementation section of the final Area Plan document and the following text preceding the figure:
- “The Area Plan provides a high-level framework for considering future land development proposals. The detail and final outcomes for the land-use pattern and urban form will be determined through other planning process, in particular the rezoning, and resource and building consent processes. Figure 18 sets out the documents most relevant to the development process and identifies the opportunities for public involvement to influence the development outcome.”*
18. The Hearings Panel’s preferred option is the alternative urban limit as identified on Plan 12 and recommend that the alternative urban limit be promoted by Council through the Regional Policy Statement, Plan Change 1 process.

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19. The South-West Area Plan Implementation Plan include the following actions:
- Require pedestrian, cycle and bus routes and associated facilities to be identified in Outline Development Plans as part of all rezoning proposals.
 - Undertake a detailed assessment (including a cost-benefit analysis) of the proposed improvement and extension of the cycle lanes as set out in Plan 11.3, in particular along key recreational routes, connections between existing and future residential areas, and along key routes to major employment centres.
 - Investigate options for designated cycle parking and other supporting services and facilities in existing and future key facilities/destinations.
 - Review of the Public Transport Priority Corridors Plan, including the inclusion and funding of potential key routes through the South-West in accordance generally with Plan 11.2.
 - Promote the creation of Travel Plans, in particular for key community facilities such as schools, libraries, business centres including commercial freight operators, and all new developments employing over 50 staff.
 - Assess and provide options for car sharing and pooling schemes.
 - Investigate opportunities for Park and Ride facilities.
 - Undertake a Scheme Assessment for Cashmere Road and the new collector road in conjunction with the development of a Plan Change for Hendersons Basin. This assessment will include consideration of potential protection areas along Cashmere Road to maintain existing high quality landscape amenity values.
 - Review the Cycle Network Strategy to ensure the South-West Area Plan cycle related objectives are supported and cycle links between the study area and adjoining areas are promoted.
 - Undertake an area-wide and a local level open space and recreation needs assessment, including sports grounds, local parks, active recreation opportunities and dog park(s), and potential locations for sight-lines to support Objective 3.3 of the Area Plan.
 - Undertake and Issues and Options report on the location of a new Aquatic Facility for the South-West.
 - Review the Halswell Domain Management Plan with regard to the provision of all weather pathways through the domain, and where possible providing for the future growth of existing activities and other activities desired by the community. The review is to be preceded by a local community needs analysis and will be carried out in conjunction with a Community Infrastructure Plan for the Halswell area.
 - Undertake an assessment of existing residential areas of high need for improvement, including a prioritised list of future potential works.
 - Prepare a Monitoring Programme to measure progress towards achieving the objectives of the South-West Area Plan.
20. Most of the actions recommended to be included in the South-West Area Plan Implementation Plan are provided for under the draft LTCCP. Those actions that are not provided for, for example the Cashmere Road Scheme Assessment, will need to be included in future LTCCP's.

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RICCARTON/WIGRAM COMMUNITY BOARD RECOMMENDATION

The Riccarton/Wigram Community Board passed the following recommendation at its meeting on 7 April 2009:

- (a) That the Board accept the Hearings Panel's recommendations 1 to 20.
- (b) Item 21 is to read as follows:
 - 21. (a) That the Community Board receives and endorses the report and congratulates staff for the work in producing the report.
 - (b) That the Riccarton/Wigram Community Board recommend to the Council to adopt the South-West Area Plan Hearings Panel recommendations.

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BACKGROUND

21. The main areas of issue raised by submitters resulting in recommended changes to the draft Area Plan are summarised below. A more detailed report including responses to all submissions supports this report and is separately circulated and is available on the South-West Area Plan website (www.ccc.govt.nz/AreaPlans/SouthWest/).

SUMMARY OF SUBMISSIONS

22. The submissions focused on the following matters:
- support for the Area Plan (122)
 - Heathcote River recreational route through an existing residential area (48)
 - level of urban development around Hendersons Basin (24)
 - traffic congestion (17)
 - travel demand management and public transport (9)
 - proposed alignment of new collector and arterial roads (7)
 - Cashmere Road extension through to Halswell Road (20)
 - safety along and crossing Halswell Road (3)
 - upgrading of Lincoln Road (4)
 - a proposed collector road link through Country Palms Drive (2)
 - adequate provision of cycle and pedestrian routes (25)
 - urban limit and the proposed level of urban development (18)
 - level of and density of urban development proposed in Sutherlands Road area (3)
 - request for rural-residential development in Kennedys Bush and Lansdowne Valley area (2)
 - loss of versatile soils (2)
 - further urban development on Kennedys Bush spur (10)
 - the development of Wigram Airfield and loss of the aerodrome (4)
 - the potential for further urbanisation to exacerbate flooding and the need for better stormwater management (28)
 - various requests for new parks and open space, and recreational facilities (29)
 - inadequate provision for commercial freight and industrial development (3)
 - the effects of the proposed business area surrounding Carrs Road reserve and impact on residential amenity (6)
 - the requirement for interface treatment to be the responsibility of new business development (1)
 - requests for a change in the location and/or size of a particular new local centre (2)
 - lack of enforcement action taken by Council to control effects from Business 7 Zone (1)
 - the effect of further industrial development on air quality (1)
 - higher residential density impacting on the quality of existing neighbourhoods (9)
 - need for better integration and building standards (1)
 - need for more social housing (1)
 - poor solar orientation of the Kennedys Bush growth area (2)
 - proposed residential development around Hendersons Basin and its impact on existing views (3)
 - various cultural and heritage matters, including not using promoting the use of Māori names, extending the scope of Goal 6 to include other cultures, retention of Aidanfield farm buildings, and relevance of the historic vegetation shown on Plan 5 (8)
 - various landscape and ecological matters, including opposition to the use of exotic vegetation, request for landscape plans to be prepared for all rezoning proposals and the use of predator proof fencing (7)
 - questioned the future provision for new schools (9)
 - questioned when the new Halswell library was to be established (2)
 - lack of facilities for youth (3)
 - need to rejuvenate existing residential areas, namely the Rowley Avenue area (2)
 - concerned that the Area Plan will fail at the implementation stage and questioned the justification for staging land development (13)
 - the use and purpose of Outline Development Plans (2)

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- land developers should be required to keep building sites tidy (1)
- questioned the reason for the Council's acquisition of in Hendersons Basin (1)
- need to monitor progress on the Area Plan (1)
- need to ensure new development is well integrated with existing (1).

23. The Hearings Panel considered that a number of the submissions did not require any specific action and/or changes to the draft Area Plan document. Most of these submitters did not request a specific change to the Area Plan and/or the Panel considered that the most appropriate response was a more detailed explanation of the goals and objectives of the draft Area Plan and the information that underpinned the Area Plan (such as the South-West Integrated Catchment Management Plan). Those submissions the Hearings Panel considered a change to the draft Area Plan document or other response was required, is summarised below.

OVERALL SUPPORT OF THE DRAFT SWAP

24. The majority of submissions received are in support of the draft Area Plan and in particular agreed with the following directions of the Area Plan:

- the proposed water management scheme; planning for infrastructure;
- enhancement of the amenity values;
- restoration of indigenous flora and fauna
- fostering attention to community spirit and strong community values;
- restoring tangata whenua values;
- protecting heritage
- establishing a network of cycle and pedestrian routes; and
- initiatives to reduce the need to travel by car

Hearings Panel response

25. Given the extent of general support for the draft Area Plan, the Panel recommends that the main body of the draft Area Plan document forms the basis of a final Area Plan document for the Council's consideration for adoption, with the exception of some minor amendments. The recommendation to Council is set out in **paragraph 17** to this report.

HEATHCOTE RIVER RECREATIONAL ROUTE

26. Forty-eight submitters discussed a possible Heathcote River Recreational Route (see Plan 4). A considerable proportion of these submitters included property owners along the Heathcote River. They are concerned that the proposed walkway along the Heathcote River will have a negative impact on security, privacy, and ultimately value of their properties.

Hearings Panel response

27. The Panel were advised that the basis for the proposed recreational route has been derived from the esplanade reserve provision under the Christchurch City Plan and the vision for the Heathcote River under the Waterways & Wetlands Asset Management Strategy. An investigation in respect to the feasibility of a public walkway through the existing residential area has not, however, been undertaken and therefore the Council is not in a position to determine whether a recreational route is achievable and/or appropriate along the full length of the Heathcote River. Furthermore, given the strong opposition from landowners the annotation on Plan 4 should be changed along the portion of the Heathcote River from Halswell Road to Cashmere Road from "proposed recreational route" to "esplanade reserve as exists in the City Plan". Where a walkway already exists and/or the walkway is to be developed through the Aidanfield and Wigram areas (being recent and future Greenfield development areas) the "recreational route" annotation will be retained. A note should also be added to Plan 4 referring readers to the definitions section of the draft Area Plan where the purpose of an esplanade reserve will be described (the definition being adopted from Section 229 of the Resource Management Act). The recommendation to the Council is set out in **paragraph 17a, 17b and 17c** to this report.

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HENDERSONS BASIN

28. Twenty-four submitters discussed Hendersons Basin in the draft Area Plan. Submitters were concerned about future development of the Basin, especially in regard to flood risk and the level of urban development signalled around the periphery.

Hearings Panel response

29. The South-West Integrated Catchment Management Plan (ICMP, refer to the SWAP website) supports the Area Plan and incorporates a surface water management scheme that will guide any future land development proposals. The hydrological models that support the ICMP directions, specifies that the 19 metre contour to be the extent of the 200 year flood level. It is assumed under the ICMP that the land above the 19m contour can be considered for urban development based on a further assumption that the level of flood risk beyond the 200 year flood level is acceptable. Future land development proposals will, however, need to assess in more detail the level of risk from flooding. New development will also be required to provide stormwater mitigation facilities to hold back and treat stormwater run-off from the new subdivisions before being discharged into Cashmere Stream after peak flood levels in rivers and streams have subsided. A change to the City Plan to rezone the Hendersons Basin area will ultimately determine the extent of urban development that is appropriate, and the area to be retained as open space and for rural purposes. The Panel, however, acknowledged that the draft Area Plan document was not explicit in regard to the base assumptions made in the preparation of Plan 7 Residential Neighbourhoods, in particular with regard to the level of urban development shown for the Hendersons Basin area. The final Area Plan document should be amended to include a statement of the base assumptions to the land-use plans and the process for determining the final land-use pattern. The recommendation to the Council is set out in **paragraph 17d** to this report.

TRAFFIC CONGESTION, TRAVEL DEMAND, AND PUBLIC TRANSPORT

30. Twenty-six submitters were concerned about traffic congestion and that the Council needed to be more proactive in combating congestion. Some submitters mentioned the use of rail and need for improvements to the bus transport system.

Hearings Panel response

31. The need to manage traffic congestion is well recognised by local, regional and central government. Whilst the Council and Environment Canterbury can do much to try and change the way people choose to travel (i.e. through providing high quality pedestrian, cycle and bus networks), a degree of congestion is inevitable during peak periods. It will be unsustainable economically for the Council and ratepayers to continuously upgrade roads to reduce congestion. The draft Area Plan signals a shift in the approach to transport planning that will be reflected over time through the Council's prioritising funding for projects that demonstrate consistency with Goal 11. The Council will, however, continue to ensure safety standards are maintained and transport infrastructure and services are improved in key areas to achieve an efficient network. An Implementation Plan will be prepared in 2009 setting out specific actions to achieve the South-West's goals. The Panel recommends that a number of actions in respect to travel demand management be included within the Implementation Plan. The recommendation to the Council is set out in the **first seven bullet points in paragraph 19** of this report.

PROPOSED ALIGNMENT OF NEW COLLECTOR AND ARTERIAL ROADS

32. Four submitters commented on the proposed alignment of new collector and arterial roads. Their primary concern was that the draft Area Plan indicates proposed roads bisecting existing properties.

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Hearings Panel response

33. The draft Area Plan is a very high level document and the alignment of all new collector and arterial roads is indicative only. New roads are, however, required to provide access into new development areas and there are some limitations as to where such roads can be located, such proximity to existing intersections and environmental constraints. The final delineation of a new road and/or changes to existing roads will be determined through future planning processes including Changes to the City Plan (to rezone land) and Transport Scheme Assessments (to design and build roads). Plan 11.1 should be amended to include a note stating that the alignment of proposed new collector and arterial roads is indicative only; and that further assessments and consideration of alignment options will be undertaken as required. The recommendation to the Council is set out in **paragraph 17e** of this report.

CASHMERE ROAD

34. Twenty submitters commented on the proposed extension and alignment of Cashmere Road. Submitters' main concern is that the new road extending from Cashmere Road would draw traffic from other main corridors and result in unacceptable traffic congestion along the existing Cashmere Road. Particular concerns were the difficulty from existing the Penruddock Rise intersection and the potential reduced visibility issues at some existing corners. A number of submitters raised the existing value of Cashmere Road as a cycling route, and recommend that its rural character be preserved.

Hearings Panel response

35. The proposed extension and alignment of Cashmere Road is required to provide access to future potential homes and a safer alternative route. The current design of Cashmere Road is not adequate to deal with any significant increase in traffic levels and some corners restrict the visibility of approaching traffic, including cyclists. The road alignment shown in the draft Area Plan is purely indicative and a note will be added to Plan 11.1 indicating this point. Matters such as the road alignment, junction forms and location, and the design of the road corridor based on expected demands, are still to be decided. A number of preliminary options for the road alignment were considered and the option adopted in the draft Area Plan document is considered, in principle, to be a feasible option. All options will, however, be taken forward as part of detailed scheme assessment. The timeframe for undertaking this work has not been set and will largely be driven by the future Hendersons Basin Plan Change application. The Hearings Panel recommend that the SWAP Implementation Plan include an action to undertake a Scheme Assessment for Cashmere Road and the new collector road in conjunction with the development of a Plan Change for Hendersons Basin. This assessment will include consideration of potential protection areas along Cashmere Road to maintain existing high quality landscape amenity values. The Hearings Panel also acknowledge the value of Cashmere Road as a cycling route and recommend that Cashmere Road be highlighted as a key cycleway. The recommendation to the Council is set out in the **eight bullet point in paragraph 19** and **paragraph 17f** of this report.

CYCLE AND PEDESTRIAN ROUTES

36. Twenty-five submitters discussed cycle and pedestrian routes in the draft Area Plan. Most submitters supported the draft Area Plan's objective of promoting alternative green transport. They were concerned that the provision of a safe and comprehensive cycle and pedestrian network was not clear in the draft Area Plan.

Hearings Panel response

37. The Hearings Panel considered that the draft Area Plan document was not clear enough as to how a cycle network is to be achieved. A cycleway network plan will be included as Plan 11.3, being drawn from Plans 4 and 11.1 of the draft Area Plan document. The Panel also recommend that a review of the Cycle Network Strategy be undertaken to ensure the SWAP cycle-related objectives are supported and cycle links between the study area and adjoining areas are promoted. The recommendation to the Council is set out in **paragraph 17g** and the **ninth bullet point in paragraph 19** of this report.

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URBAN LIMIT AND PROPOSED LEVEL OF URBAN DEVELOPMENT

38. Eighteen submitters consider that the level of urban development signalled is not appropriate and will give rise to adverse effects such as increased traffic congestion, flooding, destroy the rural tranquillity of the local area, and remove the visual separation between Halswell and Hoon Hay and as a consequence impact on the sense of community identity of Halswell

Hearings Panel response

39. The Hearings Panel acknowledged that the draft Area Plan document was not detailed enough in respect to the reasoning and assumptions behind the extent of urban development signalled. The final Area Plan document therefore should be amended to provide an explanation of the land-use assumptions made in the creation of Plans 7 (Residential development) and 9 (Business development). The recommendation to the Council is set out in **paragraph 17h** of this report.

KENNEDYS BUSH AND LANSDOWNE VALLEY

40. Eight submitters object to the inclusion of the growth pocket in the Kennedys Bush area (Port Hills) as shown on Plan 12 (also known as CPH1 under Proposed Plan Change 1 to the Regional Policy Statement). One submitter has requested the urban limit be extended in this area to the 15m contour and another submitter (Environment Canterbury) has identified that Plan 7 does not appear to reflect Kennedys Bush as a growth pocket (namely CPH1) in accordance with Plan Change 1 to the Regional Policy Statement. The main reasons for submitters objection to the inclusion of this on Plan 12, is that the development of this block will seriously compromise the landscape character of the rural hills and Lansdowne Valley; exacerbate flooding in the Halswell Catchment; and has poor solar orientation.

Hearings Panel response

41. The area known as CPH1 was included in the draft Area Plan document, namely Plan 12, to be consistent with Proposed Plan Change 1 to the Canterbury Regional Policy Statement (RPS) and the Greater Christchurch Urban Development Strategy (UDS). Plan Change 1 to the RPS provides for up to 180 households within CPH1 and its development in 2017. The inclusion of CPH1 as a future potential growth pocket is derived from a decision by the Environment Court on an appeal by Kennedys Bush Developments (KBD), as part of the City Plan Review (1995). KBD proposed to extend the urban boundary south of the existing Kennedys Bush settlement subject to approximately 200 hectares of Port Hills land being provided to the Council as 'Environmental Compensation'. The Environment Court initially expressed some support for the package and allowed the appellants to bring forward a "section 293" application to test the merits of a more comprehensive rezoning package. Eventually the Court rejected the 293 proposal, but on technical grounds. It considered the south-west boundary of the proposal was arbitrary, not based on anything which would lead to long-term stability, and would be likely to encourage further applications on the adjacent land. It expressly avoided making any findings about the overall merits of the proposal. Instead it encouraged the landowners or the Council to consider a more comprehensive proposal. The Council supported the section 293 proposal and has continued to remain open to the possibility some further urbanisation on the Kennedys Bush spur may be acceptable. It was this position that resulted in CPH1 being included in the CPH1 in the Regional Policy Statement (RPS) Change.
42. There are some potential difficulties with the Council's current position. Firstly, there is virtually no likelihood of the proposed development being serviced with a reticulated sewer by 2017 (unless the developers pay to pump sewage over a significant distance to the nearest outfall). It is more likely that the development will occur in the 2027-2041 period. The Council has, however, not opposed the staging proposed in Plan Change to the RPS, although there will be further opportunities to do so through review processes incorporated in the Plan Change. Secondly, the Council has not opposed the submissions seeking an extension to CPH1. Thirdly, any past officer support for extending the urban boundary in this area has been dependent on the Council receiving 'environmental compensation' of such a value that the resource management 'benefits' outweigh the cost. Proposed Plan Change 1 does not provide for environmental compensation associated with CPH1. Fourthly, and of most concern to landowners who submitted on the draft Area Plan, are the merits of CPH1 as a future growth

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area. There are a number of complex issues affecting this area given its susceptibility to flooding, the high landscape value of the Port Hills, south facing perspective and its distance from infrastructure and community services.

43. The Hearings Panel is cognisant that there are no statutory rights associated with the SWAP (informal) process to uphold and/or amend what is in the document. There are procedural issues associated with resiling from the current position in SWAP without hearing all parties and evidence on all issues. The Area Plan should therefore be left substantially as it was released for public review, being consistent with other notified statutory documents. The Hearings Panel does, however, recommend that the Council reconsider its position on CPH1 through the RPS Plan Change 1 (RSPSPC1) process. The recommendation to the Council is set out in **paragraph 18** of this report. To a large extent this matter has already been progressed as the Environment Canterbury's Officers Report for RSPSPC1 (released in January 2009) recommends that development in CPH1 should not be pursued. Christchurch City Council officers have been part of the discussion to reach the RSPSPC1 recommendation. The Hearings Panel consider that given the level of uncertainty and concerns raised in regard to CPH1, that Plan 10 and 12 should be amended to include an alternative urban limit that follows the existing Living Hills B Zone boundary. The recommendation to the Council is set out in **paragraph 17i** of this report.

STORMWATER MANAGEMENT

44. Twenty-eight submitters were concerned in some manner about the potential for further urban development to exacerbate flooding and the need for the Council to adequately manage stormwater run-off.

Hearings Panel response

45. The Hearings Panel recognise that the draft SWAP did not make adequate reference to the South-West Integrated Catchment Management Plan (ICMP). A note should be added to Plan 1 indicating the relationship between the stormwater management facilities shown on Plan 1 and the ICMP. A further note should be added referring readers to the definitions of the various facilities shown on Plan 1. The recommendation to the Council is set out in **paragraph 17j** of this report.

PARKS, RECREATION, AND SPORTS GROUNDS

46. Twenty-nine submitters discussed the role of parks, recreation, and sports grounds in the draft Area Plan. Beyond the provision of community recreation and open space areas, specific areas of interest included:
- A swimming complex in Hornby
 - Halswell Domain
 - Ecological corridor from Cracroft to Westmorland
 - A district park in Wigram
 - Cashmere Forest Plantation
 - Halswell Bowling Club
 - Mountain bike access
 - Regeneration of indigenous forest in the upper Lansdowne Valley
 - A proposed 'local park' south of Halswell Shopping Centre

Hearings Panel response

47. The Hearings Panel considered that many of the issues raised by submitters were more appropriately dealt with through the SWAP Implementation Plan. The Panel recommends that actions be included under the Implementation Plan to assess and provide options to meet the local community needs for recreation and open space; assess alternative locations for the new aquatic facility; and review the Halswell Domain Management Plan. The recommendation to the Council is set out in **bullet points 10 to 12** in **paragraph 19** of this report.

11 Cont'd

PROVISION FOR COMMERCIAL FREIGHT AND INDUSTRIAL DEVELOPMENT

48. One submitter raised several good points and to amend Goal 9 and Objective 9.7 to better highlight the key issues for industrial areas and direction to recognise commercial road transport growth over the next 35 years.

Hearings Panel response

49. The Hearings Panel does not consider the Area Plan requires significant amendment to make more specific reference to commercial freight transport. The goals and objectives are sufficiently broad to lead to more detailed development plans for commercial freight facilities and services. However, some minor amendments to Goal 9 and Objectives 9.7 and 9.8 will better highlight the key issues for industrial areas and direction to resolve these matters. Objective 11.1, in particular bullet points 7 and 8, is considered adequate to ensure commercial road transport growth is provided for. The recommendation to the Council is set out in **paragraph 17k** of this report.

BUSINESS ZONING AROUND CARRS ROAD RESERVE – AWATEA

50. Six submitters were concerned about the proposed business development around Carrs Road reserve and impact on the amenity of adjacent residential properties.

Hearings Panel response

51. The future zoning of the land west of Wigram Road will be determined by whether the Christchurch Kart Club can be relocated. For several years the Council has been investigating suitable alternative locations, but unfortunately the options are very limited. Unless a new site can be secured for the Kart Club in the very near future, business development around the Kart Club must be promoted. Residential development adjacent to the Kart Club is not acceptable due to the noise effects from the go-karts on future residents. Given the uncertainty as to whether an alternative site could be found for the Kart Club, the business land-use option was adopted for the draft Area Plan. The Hearings Panel acknowledged that the draft Area Plan document was not explicit in explaining this reason and recommend that an explanation and supporting plan denoting this and other base assumptions is included. The recommendation to the Council is set out in **paragraphs 17l** and **17m** of this report.

CULTURAL AND HERITAGE MATTERS

52. Two submitters questioned whether Goal 6 was too narrow in its reference to only European cultural heritage and that other cultures may also over time warrant the protection of places, items and buildings of significance to their culture.

Hearings Panel response

53. The Hearings Panel agree that other cultures may also develop strong historical connections with the area that could also be recognised through interpretation. As such recommend that Goal 6 be amended to recognise emerging values of other cultures. The recommendation to the Council is set out in **paragraphs 17n** and **17o** of this report.
54. One submitter questioned why Plan 5 indicated the landowner's property and surrounding area as historic grasslands when the area was developed for industrial purposes.

Hearings Panel response

55. Plan 5 represents past land covers. However, the plan was not sufficiently clear on this point and should be amended. The recommendation to the Council is set out in **paragraph 17p** of this report.

SCHOOLS

56. Nine submitters commented on the location of schools in the draft Area Plan. They recommend that all schools be located on the draft Area Plan, including the proposed school at Milns Road.

11 Cont'd

Hearings Panel response

57. The Hearings Panel acknowledges that Plan 8 regarding Community Facilities was not as clear as intended in regard to the provision of new schools. Plan 8 should be amended to show the location of all existing schools and the proposed school at Milns Road. Until such time, however, as the Ministry of Education confirms its position on education facilities in the Wigram and Springlands areas, the Council cannot provide any further clarification of future schools. The recommendation to the Council is set out in **paragraph 17q** of this report.

REJUVENATION OF EXISTING AREAS

58. Two submitters recommended that the draft Area Plan include the rejuvenation of existing areas in its scope, including transport, street, and residential improvement (for example additional parks).

Hearings Panel response

59. The Hearings Panel is aware of particular of issues in the Rowley/Hoon Hay area and that there is a need to establish a good relationship with community leaders to look at solutions. One action under the SWAP Implementation Plan should be to undertake a assessment of existing residential areas of high need for improvement, including a prioritised list of future potential works. The recommendation to the Council is set out in **bullet point 13** of **paragraph 19** of this report.

STAGING OF LAND DEVELOPMENT

60. Thirteen submitters raised matters in regard to the staging of land development and/or the delivery of infrastructure.

Hearings Panel response

61. The Hearings Panel considered that some minor amendments to the title and notation on Plan 12 will better clarify the basis on which Plan 12 has been prepared. The Panel also recommend that greater detail in regard to the major wastewater and water supply infrastructure should be shown on Plan 12. The recommendation to the Council is set out in **paragraph 17r** of this report.

FURTHER ASSESSMENT REQUIRED TO FINALISE LAND-USE PATTERN

62. Two submitters raised concern that the draft Area Plan was too prescriptive in respect of the land-use pattern and that the final land-use pattern is determined through statutory processes.

Hearings Panel response

63. The Hearings Panel agreed that the matter raised by submitters needed to be addressed in the Area Plan. The Panel recommends that a diagram be added to Implementation section of the Area Plan document describing the land development and rezoning process. It should also detail where the public can become involved in future decision-making processes. The recommendation to the Council is set out in **paragraph 17s** of this report.

MONITORING THE AREA PLAN

64. One submitter raised that the success and failure of the draft Area Plan should be closely monitored and measures specific to the Area Plan developed.

Hearings Panel response

65. The Hearings Panel understand that considerable work is required to evaluate how the current monitoring programmes need to be expanded and/or amended for the SWAP. This work should be a specific task under the Implementation Plan. The recommendation to the Council is set out in **bullet point 14** of **paragraph 19** of this report.

12. CHRISTCHURCH CITY COUNCIL PERFORMANCE REPORT AS AT 31 MARCH 2009

General Manager responsible:	General Manager Corporate Services, DDI 941 8528
Officers responsible:	Corporate Performance Manager, Corporate Finance Manager
Author:	Paul Anderson – General Manager, Corporate Services

PURPOSE OF REPORT

1. The purpose of this report is to update Council on service delivery and financial performance results for the 9 months to 31 March 2009. This report focuses on three of the Council's key organisational targets:
 - Deliver activities within +/- 3% of budget
 - Deliver greater than 85% LTCCP (2006-16 as amended) levels of service
 - Carry-forward less than 20% of the total capital programme by dollar value

EXECUTIVE SUMMARY

2. Attached are appendices showing summaries of:
 - Performance against organisational targets as at 31 Mar 2009 (Appendix 1)
 - Financial performance as at 31 Mar 2009 (Appendix 2)
 - Significant capital projects (>\$250k) as at 31 Mar 2009 (Appendix 3)
 - Housing development fund as at 31 Mar 2009 (Appendix 4)

Performance against Level of Service Targets

3. The attached report (Appendix 1) shows Council's forecast performance against the 2006-16 LTCCP levels of service.
4. Level of Service delivery. The current forecast is that 80.2% of levels of service will be delivered, with a further 5.8% currently under corrective action. Some 11.6% of the levels of service are forecast as likely to fail (red). In summary these include:

Democracy and Governance

- Measure: Percent of residents satisfied that the Council makes decisions in the best interests of Christchurch. Target: 75%.
Comments: Unlikely to achieve given previous score of 48%. The average of 5 major city councils with largest populations is 39% (Quality of Life Survey 2007).
Recommendations: A target of 48% has been proposed for 2009/10 onwards - maintaining current achievement while targeting improvement.
- Measure: Percent of residents satisfied with the way the Council involves the public in decision making. Target: 75%.
Comments: Unlikely to achieve.
Recommendations: This KPI will be replaced by others targeting the same issue in the next LTCCP.

Regulatory Services

- Measure: Percent of priority 1 complaints (wandering stock and aggressive behaviour by dogs) responded to within 2 hours. Target: 100%.
Comments: Target will not be achieved. Recommendation: A new 95% P1 target has been accepted in principle by Council through the 2009-10 LTCCP workshops.
- Measure: Percent of priority 2 complaints (all other complaints about dogs) commenced within 24 hours. Target: 100%.
Comments: Target will not be achieved.

12 Cont'd

- Measure: Percent of responses to complaints or requests for investigations completed: within 10 working days. Target: Simple 100% / Complex: 80%.
Comments: "Complex" by year's end likely to be achieved, "simple" is likely not to be achieved. Recommendations: Under review.
- Measure: Percent of all regulatory applications processed within statutory time frames. Target: 100%.
Comments: In March resource consents were 96% on time, building consents and subdivision consents 87% on time.

Streets and Transport

- Measure: Percent resident satisfaction with quality of cycleways. Target: >65%.
Comments: SCP requirements will delay implementation. Progressing within limits of available hearings. Recommendations: Review the needs for SCP re cycleways.
- Measure: Percent of vehicle travel on smooth roads (using LTNZ Smooth Travel Exposure measure). Target: >87%.
Comments: Likely to be about 82%.

Wastewater Collection

- Measure: Number of wet weather sewer overflows into rivers and waterways per year (10 year rolling average). Target: 4 or fewer.
Comments: It is likely this KPI will not be met due to number of overflows in July and August 08. Recommendations: improved containment associated with Major Sewer upgrade. Consent variation to alter timeframes for containment lodged with ECan.

Water Supply

- Measure: Water supply grade. Target: Maintain the highest grade possible without treatment.
Comments: The Ministry of Health have graded some NW zone wells 'Da' due to some wells graded as insecure. Recommendations: Proposal in LTCCP to install UV treatment or deeper wells to restore grading in NW zone to 'Ba'.

5. A further 5.8% of the levels of forecast are forecast as requiring corrective action to ensure the levels of service are met (amber). These are:

Economic Development

- Measure: Number of business start-ups per year. Target: 500 per year.
Comments: Global economic crisis impacts. Recommendations: continuing efforts.
- Measure: Growth in international visitor numbers. Target: Achieve national growth rate at all times. Exceed year end national growth percentage by 10%.
Comments: There is forecast to be a decline of approximately 10% in international visitor numbers in this financial year 08/09 (data from CCT) This target is flagged as yellow until specific figures are available for Christchurch. Recommendations: CCT to focus on Australian Market.
- Measure: Increase in domestic visitor numbers. Target: Will be determined as an outcome of Greater Christchurch Visitor Strategy.
Comments: Uncertain outlook for domestic tourism. Recommendations: CCT Autumn Campaign now in the market.

12 Cont'd

Refuse Transfer and Disposal

- Measure: Zero breaches of resource consents by the Council's solid waste facilities. Target: Number of infringement notices service by Environment Canterbury about the operation of the refuse stations or Kate Valley landfill: Zero breaches of resource consents by the Council's solid waste facilities. Comments: Contract remedies applied to Meta NZ for non compliant operations. Recommendations: New consent now operative for compost plant. Living Earth now running site.

Wastewater Collection and Treatment

- Measure: Progress of Ocean outfall project. Target: Each year the outfall project proceeds within the council's approved budget and time frame. Comments: Significant progress made in March 09 with all 7 marine strings in place and micro-tunnelling machine removed from tunnel and back in port. Connection of two pipelines allows pressure test and completion of diffuser work. Recommendations: Close monitoring. Expected completion date now Jun 09. Discharge to estuary to cease by 30 September 2009.

6. A further 2.3% currently have no measurement system in place (black). These are:

Streets and Transport

- Measure: Percent resident satisfaction with quality of pedestrian malls. Target: Resident satisfaction with quality of pedestrian malls: >65%. Comments: No measurement system in place Recommendations: A new measure is being developed for the 09/19 LTCCP.
- Measure: Percent resident dissatisfaction with general road congestion. Target: Resident dissatisfaction with general road congestion: Baseline measure to be established by 08/09. Comments: yet to be established. Recommendation: Measure will be replaced by 09/19 LTCCP.

Financial Performance

7. The key financials for the year to date are summarised in the table below. Full detail is in Appendix 2.

\$000's	Actual	Plan	Variance	Forecast	Plan Year	Variance
Financial Summary						
Operational Funding	-302,532	-309,183	6,651	-416,008	-417,339	1,331
Operational Costs	310,973	314,065	-3,092	414,769	416,951	-2,182
Operational Deficit (Surplus)	8,440	4,882	3,558	-1,239	-388	-851
Capital Programme	167,014	181,996	-14,982	261,399	285,527	-24,128
Capital Funding	-100,057	-102,873	2,816	-148,526	-153,277	4,751
Borrowing Requirement	66,957	79,123	-12,166	112,873	132,250	-19,377

The year-to-date operational deficit is due to an agreed timing variance in receiving the CCHL dividend. A \$0.9m surplus is currently forecast for year end, a \$3.1m improvement from the December forecast. This change largely results from a \$4.0m reduction in year-end operational cost, the benefit of which is spread across most of the Council's activities. (Note: plan figures shown are the annual plan amended for carry forwards and subsequent Council approved changes.) In terms of delivering activities within +/- 3% of budget, forecast revenue is 2.2% less than budget, and forecast expenditure is 0.7% less than budget.

12 Cont'd

Operational Funding

8. Fees and charges are forecast to be \$0.7m behind at year end, mainly due to reduced Housing rentals (\$2.7m), and a parking revenue shortfall of \$1.0m. Partially offsetting this however, is \$1.7m extra forecast revenue in the regulatory area and \$0.9m in the events area. Both these areas of extra revenue have associated extra costs.
9. Grants and Subsidies are forecast to be \$1.2m less than plan, of which \$1.1m relates to a NZTA subsidy shortfall mainly related to an under-spend in the road network and passenger transport planning areas.
10. Interest revenue is forecast to be \$3.9m less than budget, primarily due to lower rates and use of existing cash to delay borrowing. This is offset by reduced debt servicing costs (see 13)
11. Transfers to special funds are forecast to be lower than planned due to a reduced Housing cash operating surplus (\$2.9m), and reduced interest earned and credited to special funds (\$0.8m). The forecast net transfer from funds is therefore higher than planned.

Operational Costs

12. Operating costs are currently under budget by \$3.1m and are forecast to be \$2.2m under budget by year end. Excluding debt servicing, the forecast is a \$2.6m overspend. This is offset by additional revenue (see 8) in regulatory (\$2.0) and events (\$0.8m).
13. Included within operating costs are debt servicing costs which are currently \$2.4m below budget due to delays in borrowing for the Capital Programme, partially offset by unplanned borrowing for Central City properties. Debt servicing costs are forecast to be under budget by \$4.8m at year end due to a mix of lower interest rates, use of existing cash, and a forecast of \$40.9m of capital projects to be carried forward.

Capital Expenditure

14. The Capital Works Programme is currently \$25.3m behind budget and forecast to be a net \$44.5m behind budget at year end as shown in Appendices 2 and 3. This is a \$22.0m deterioration over the December forecast. The main changes are a \$10m reduction within Streets and Transport and a \$10m delay in the purchase of strategic land within City Development. Net carry-forwards are forecast to be \$40.9m. Net carry-forwards comprise of:

Projects proposed for carry-forward from 08/09 to 09/10	\$46.6m
Projects proposed to be brought back from 09/10 to 08/09	<u>\$ -5.7m</u>
Net	\$40.9m

15. Details of the status of significant capital projects are detailed in Appendix 3, including currently forecast carry-forwards to 2009/10. Gross carry-forwards of \$46.6m total 16.6% of the total capital programme. This is well within the target of less than 20%.

Final carry-forwards will be proposed for Council approval in the year-end performance report. The carry-forwards in Appendix 3 result from either slower or faster (for bring-backs) implementation of the Council-approved capital programme than what was planned. They are listed to provide Council with transparency on the timing changes that staff will propose at the end of the 08/09 financial year.

Capital Funding Sources

16. Capital grants and subsidies are \$3.4m behind budget and forecast to increase to \$5.4m behind budget at year end. \$5.8m relates to NZTA subsidies which are forecast to be lower following a review of qualifying expenditure in the current programme.

12 Cont'd

17. The current residual funding requirement for the capital programme is \$67m, of which \$33m has been borrowed. The balance is being temporarily covered by existing cash balances. Borrowing requirements for capital is forecast to be \$112.9m at year end, a net \$19.4m less than planned. This is primarily due to \$40.9m moved to 09/10 to fund capital carry forwards offset by the \$20m AMI Stadium underwrite forecast to be paid to Vbase.

Activities

18. City & Community Forward Planning – This activity is under spent by \$1.2m on consultants fees across all areas, in particular the Energy Strategy implementation which has not yet fully commenced. This under expenditure is forecast to continue for the remainder of the year due to the ongoing unavailability of resources.
19. Housing – The High Court decision has had a major impact on Housing's financial performance. The forecast cash result is less than budget by \$2.9m. Depreciation is forecast to be under budget by \$0.4m. Asset Expenses are \$375k over spent due to an increased maintenance programme early in the financial year following the initial rental increase. All non-essential maintenance has ceased but the year-end result is forecast to remain \$2.4m unfavourable due to lower than planned housing rental income.
20. Urban Parks – The unfavourable variance of \$1.2m lies mainly in the Local Parks area, driven by unbudgeted legal costs associated with the Harwood Land Case (\$310k), higher depreciation of \$280k, and an overspend on maintenance of \$670k. Steps have been taken with the contractor to help contain this over-expenditure which is forecast to remain at the same level at year end.
21. Pools and Leisure Centres – This activity is currently \$1.0m under budget, and forecast to be \$1.2m under by year end as a result of lower than planned depreciation costs. Revenue is forecast to be close to budget, despite some drop off in membership revenue.
22. Waste Minimisation – Currently this activity is \$1.3m under budget, driven by under spends on contracts (\$755k) and promotional activities (\$329k), however this favourable variance is forecast to reduce to \$712k by year end, due to promotions being timed to coincide with the final rollout of the 3 bin system.
23. Regulatory Approvals – While this activity is currently close to budget, a \$0.6m overspend is forecast for year end. This is primarily due to a forecast overspend on consultants fees to cover staff shortages (\$1.7m), coupled with lower than planned revenue for LIMs (\$0.6m). Offsetting this, revenue from building and subdivision consents is forecast to be \$1.7m higher than planned.
24. Off Street Parking – Revenue is forecast to be \$0.6m less than budget, due in part to a general increase in the use of public transport. Asset Expenses are forecast to be \$0.2m higher than planned, however this is partly offset by depreciation costs which are forecast to be \$0.6m less than plan.
25. Streets – This activity is currently \$2.5m below plan, due primarily to depreciation costs being \$2.6m less than budget, however other major variances include under spends on contracts and electricity (\$1.5m and \$0.3m respectively), offset by an over spend on consultants fees (\$0.7m), in addition to lower than planned NZTA subsidy revenue (\$0.9m). The result is forecast to remain similar.
26. Streets & Transport Capital Revenues – The NZTA Capital Subsidy is forecast to be \$5.8m behind plan (see 16). This is dependent on a positive outcome of the outstanding claim for subsidy on last year's land purchases for the Transport Interchange.
27. Corporate Revenues & Expenses – Currently behind plan by \$4.7m due to an agreed timing delay of the December dividend from CCHL (\$5.0m). Interest Expense is forecast to be \$4.8m less than planned, and rates income including penalties is forecast to be \$0.9m higher. Offsetting this, interest revenue is forecast to be \$3.9m less than planned.

12 Cont'd

FINANCIAL IMPLICATIONS

28. As above.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

29. Yes.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

30. Yes – there are none.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

31. Both service delivery and financial results are in direct alignment with the LTCCP and Activity Management Plans.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

32. As above.

ALIGNMENT WITH STRATEGIES

33. Not applicable.

CONSULTATION FULFILMENT

34. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Council receive the report.

23. 4. 2009

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**13. REPORT OF THE REGULATORY AND PLANNING COMMITTEE:
MEETING OF 2 APRIL 2009**

Attached.

23. 4. 2009

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14. NOTICES OF MOTION

15. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

THURSDAY 23 APRIL 2009

COUNCIL

RESOLUTION TO EXCLUDE THE PUBLIC

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

I move that the public be excluded from the following parts of the proceedings of this meeting, namely item 16.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
16. CONFIRMATION OF MINUTES) GOOD REASON TO) WITHHOLD EXISTS) UNDER SECTION 7	SECTION 48(1)(a)

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 16	Protection of Privacy of Natural Persons	(Section 7(2)(a))
Item 16	Conduct of Negotiations	(Section 7(2)(i))

Chairman's Recommendation: That the foregoing motion be adopted.

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.”