

12. CITY PLAN WORKLOADS, PRIORITIES AND BUDGETS

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PURPOSE OF REPORT

1. The purpose of this report is to describe current City Plan workloads, introduce a system of priorities and assess resources to complete the workload, as requested by a resolution of the Council in September 2004.

EXECUTIVE SUMMARY

2. Existing Workload

The City Plan existing workload at present comprises:

- Existing Environment Court cases
- Existing Council statutory processes under the RMA, not before the Environment Court
- Existing commitments the Council has made during the City Plan process
- Essential Council projects under investigation by the City Plan Team or by other teams with City Plan assistance
- Other existing investigations.
- Discussions with various parties on possible private plan changes
- Discussions with Transit NZ and Transpower over possible future requirements to designate land.

This workload can be categorised as:

- Projects of wide strategic importance to the Council & community
- City-wide generic issues
- Site-specific or topic-specific matters.

This is useful as a guide to prioritising workload but is not a completely definitive approach because some of the matters in the second two categories are already in the Environment Court and timing is outside the Council's control. Also, new issues are likely to arise with statutory timeframes across all three categories, such as requirements for designations or private plan changes. Some of the matters in category 3 have existing Council commitments to particular dates, some of which have already passed.

Potential Projects

Potential projects that have not yet been commenced include:

- A database of minor corrections and alterations has been maintained for several years and awaits the opportunity to be addressed. This contains approximately 500 items.
- New Brighton: an investigation into height limits in response to requests from developers and a perception that there may be opportunity for revitalisation and redevelopment at New Brighton if there were higher height limits in place.
- Height limits in the Business 4 zones, especially at Ferrymead.
- An investigation of the need for protection of the Estuary Environs.
- Private plan changes - The opportunity will shortly be available for people and organisations to request changes to the City Plan. A number are known to be in preparation and while the Council can attempt to defer these for up to two years from the date the City Plan becomes operative, this cannot be assured and may in some cases be undesirable. Costs of processing and reporting on these are recoverable, so the work could be contracted out, or if carried out by staff then other work could be contracted out.
- Requirements to designate land for various public purposes, arising from the Council itself, central government and other organisations.

A way needs to be found to prioritise the existing and potential workloads in order to decide which needs to proceed, which could be deferred and which new projects can be commenced.

City Plan Team Resources

The City Plan Team is fully committed to the existing projects and has only limited capacity to commence any of the potential projects unless either existing work is reprioritized or existing projects are completed.

Attachment A contains 60 current projects in three categories. Thirty-six of these are being actively progressed, 24, including several of major importance are not commenced. In addition there is a list of up to 500 minor matters requiring attention and an unknown number of potential private plan changes, which are also not allocated to anybody.

In recent years there has been a budget for professional fees (external consultants) of \$120,000 per annum, and legal fees of \$330,445, comprising \$184,000 for external legal fees and \$146,445 internal charges.

For most of the past 3-4 years, all these budgets for external advisers have been fully or overspent on the references against the City Plan in the Environment Court. Although most of these cases are now finished, it is likely that these budgets will be fully expended in the next 1-2 financial years owing to the retail variation, the floodplains variation and possible ongoing airport issues. It is possible there will be an under spend of up to \$25,000 in the professional fees and \$50,000 in the combined legal services budgets in the current financial year but expenditure is likely to rise again in the following two years due to the major variations.

Priorities

A suggested approach to prioritising workload is as follows:

Priority 1

- Existing Environment Court processes
- Existing Council statutory processes
- Existing Council commitments
- Essential projects
- Existing investigations involving matters with either significant environmental effects or significant community or public benefits

Priority 2

- Private plan changes
- Other investigations

Priority 3

- Database of potential plan changes (approx 500 items)

Assessment of Capacity

The City Plan Team is fully committed to the current work programme. It is estimated that the projects in Attachment A will not be completed for at least three years. Some staff time, up to one full-time equivalent person, is likely to come free in approximately 12 months as existing City Plan references are finalised. There may be a window of opportunity for some new work in the current financial year only.

Conclusions

There are sufficient items in Priority 1 to keep all of the City Plan Team fully engaged for the next 12 months, and most of the team for at least three years. Some existing cases will be concluded within 12 months, but are likely to be replaced by future as yet unknown projects. The majority of the team and all of the budget for external advisers is likely to be fully engaged on the existing caseload for at least 24 months, apart from a small window of opportunity in the current financial year. There will be difficulty in meeting statutory deadlines that occur within that period in some cases. A number of important projects have not yet been assigned to any staff resources.

It would be desirable to recover costs to the maximum extent possible on any private plan changes, as this will enable such work to be either contracted out or performed by staff and other work contracted out.

An increase in City Plan resources would enable most or all of the current workload to be completed within three years and enable new incoming work to be commenced.

FINANCIAL AND LEGAL CONSIDERATIONS

3. An increase in City Plan budgets to the extent of \$270,000 is recommended to enable the identified workload to be carried out effectively and in a timely manner. This would enable additional staffing and specialist technical reports to be obtained, or contracting out of projects to planning consultants.
4. Failure to achieve the workloads could see the Council in breach of statutory timelines, and with insufficient response to the Environment Court such as deadlines and quality of evidence and submissions.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Adopt the following priority system for City Plan workloads:

Priority 1

- Environment Court processes
- Council statutory processes
- Existing Council commitments
- Essential projects
- Investigations involving matters with either significant environmental effects or significant community or public benefits

Priority 2

- Other investigations
- Private plan changes

Priority 3

- Database of potential plan changes (approx 500 items)

- (b) Adopt the City Plan workloads and priorities set out in the attached schedule.
- (c) Receive a further report prior to the preparation of the 2006/2007 budget, summarising and recommending priorities for all the projects in the City Plan miscellaneous changes database on the same basis as (b) above.
- (d) Make provision in the 2005/06 budget round, for an increase in the City Plan budgets of \$270,000, this to be reviewed in the following year after consideration of the report referred to in (c) above.
- (e) In the current financial year, allocate available staff time to items 51, 52 and 20 in the attached schedule in that order, being the review of the Ferrymead Special Purpose Zone (at Bridle Path Road), the review of zoning of the Musgrove's site in Wigram and the review of Special Amenity Areas.
- (f) In the current financial year allocate any available uncommitted funding to items 53 and 56 in the attached schedule, being the review of height limits in the Business 4 zones and the review of land use controls in the vicinity of the Estuary.
- (g) Advise the parties interested in high density development at New Brighton that if they make a privately requested plan change application after the City Plan becomes operative, the Council will not defer consideration of it for two years.

BACKGROUND

5. Existing Workload

Attached in Appendix A is a list of existing projects being undertaken by the City Plan Team at present. It comprises:

- Existing Environment Court cases, including remaining references on the 1999 City Plan decisions, and some matters arising out of variations. Cases include airport matters, urban growth at Belfast, Masham, Halswell and Cashmere, the former saleyards, floodplains and ponding areas, Living 4 zone issues.
- Existing Council statutory processes under the RMA, not before the Environment Court but which may be taken there. These are mainly variations but also includes work on Environment Canterbury's NRRP. There are also a handful of submissions on the City Plan that have never been heard by the Council.
- Existing commitments the Council has made during the City Plan process to investigate further changes to the City Plan. Some of these include dates included in the City Plan itself that have not been achieved, such as the Awatea and Bridle Path Road variations, and some new commitments with dates that were entered into during negotiations with referrers that have resulted in Environment Court consent orders, such as Wigram rezoning. The possible Clearwater variation is included here.
- Essential Council projects under investigation by the City Plan Team or by other teams with City Plan assistance. This includes the Urban Development Strategy, Area Plans programme, stormwater management issues, and a review of the urban growth objectives policies and rules in the light of Environment Court decisions on urban growth and experience with major subdivisions.
- Other existing investigations, such as design and appearance of Central City and suburban commercial buildings, improvements to the heritage buildings provisions, improvements to rules on higher-density housing, and some new environmental compensation proposals on the Port Hills that have the potential for some significant public and community benefits.
- Discussions with various parties on possible private plan changes, including proposals at South Halswell, Shirley (the Palms) and Kennedy's Bush (a continuation of the former Environment Court s293 case).
- Discussions with Transit NZ and Transpower over future requirements to designate land.
- A database containing approximately 500 miscellaneous potential amendments to the City Plan that have been noted for future investigation.

Appendix A contains priorities which reflects the way they are being treated by the City Plan Team at present.

6. New Projects

Appendix A contains, as part D, a group of projects, which have not been commenced and have had no priority assigned to them. Suggested priorities are shown in parentheses.

These potential projects include:

- Height limits in the Business 4 zones, especially at Ferrymead.
- New Brighton - an investigation into height limits in response to requests from developers and a perception that there may be opportunity for revitalisation and redevelopment at New Brighton if there were higher height limits in place.
- Protected trees - Additions and deletions, and a review of the rules relating to tree protection and street trees within the subdivision process.
- An investigation of the need for protection of the Estuary environs.
- Review of the City Plan provisions relating to transport and parking issues, to simplify the resource consent process and produce better outcomes.
- A database of minor corrections and alterations that has been maintained for several years and awaits the opportunity to be addressed. This contains approximately 500 items, some of which may not be required or have already been dealt with.

- Private plan changes - The opportunity will shortly be available for people and organisations to request changes to the City Plan. A number are known to be in preparation and while the Council can attempt to defer these for up to two years from the date the City Plan becomes operative, this cannot be assured and may in some cases be undesirable. Costs of processing and reporting on these are recoverable, so the work could be contracted out, or if carried out by staff then other work could be contracted out.
- Amendments to the City Plan to implement the Urban Development Strategy, Regional documents and central government directives.

7. **City Plan Team Resources**

Budget for external advisers

In recent years there has been a budget for professional fees (external consultants) of \$120,000 per annum, and legal fees of \$330,445, comprising \$184,000 for external legal fees and \$146,445 internal charges to the Legal Services Unit.

For most of the past five years, all these budgets for external advisers have been fully or overspent on the references against the City Plan in the Environment Court. Although most of these cases are now finished, it is likely that these budgets will be fully expended in the next two financial years due to the retail variation, the floodplains variation and possible ongoing airport issues. It is possible there will be an under spend of up to \$25,000 in the professional fees and \$50,000 in the combined legal services budgets in the current financial year only.

Other Council Units

Assistance, both staffing or budget, for some of the City Plan projects is being provided by other Teams, particularly the Area Plans Team, the Urban Design and Heritage Team, the Greenspace Unit, the City Transport Unit and the Water and Waste Unit. In return City Plan provides considerable assistance to the Area Plans programme.

8. **Priorities**

A suggested approach to prioritising workload is as follows:

Priority 1

- Environment Court processes
- Council statutory processes
- Existing Council commitments
- Essential projects
- Investigations involving matters with either significant environmental effects or significant community or public benefits

Priority 2

- Other investigations
- Private plan changes

Priority 3

- Database of potential plan changes (approx 500 items)

Projects having importance to the private sector do not achieve a top priority under this system. For these matters however, the private plan change procedure will soon be available, although at a cost to applicants.

9. **Assessment of Capacity**

Attachment A contains 60 current projects in three categories. Thirty-six of these are being actively progressed, 24, including some of major importance are pending input from outside City Plan or simply not commenced and not allocated to anybody. In addition there is a list of up to 500 minor matters requiring attention and an unknown number of potential private plan changes, which are also not allocated to anybody.

This report does not attempt to estimate in detail the time likely to be required for each project, because it is virtually impossible to do accurately. However, based on observation of difficulties meeting time limits where these exist, the necessity to work extra hours from time to time to meet milestones and lack of progress on some matters, it can be stated that this team is fully committed to the existing projects and has only limited capacity to commence any of the potential projects unless either existing work is reprioritised or existing projects are completed. Some staff time should start to become available in about 12 months time as existing references are completed. However the bulk of this programme is estimated to take three years to complete. Many of the projects will require substantial input within the three year period and there is likely to be difficulty addressing these in a timely manner.

Uncommitted resources in current financial year

Items 13 central city design and amenity, and 14 heritage, are currently waiting technical studies by the Urban Design and Heritage Team. Item 15 higher density housing is almost ready for a public consultation phase. This creates a period in which the planner assigned could commence a new project.

As noted above there is likely to be up to \$25,000 in the professional fees budget and \$50,000 in the legal budgets in the current financial year that will not be required. This is not likely to recur in the next two years. Further projects could therefore be commenced using these resources. It would be preferable for these to be limited in scope so that they can be carried out promptly. Using the recommended priority system should enable suitable projects to be selected.

Within Priority 1 there are 16 projects either pending or not started, as follows:

6.	Southern Arterial designation	Pending
8.	Surface water Management hot spots	Pending
12.	Suburban Commercial Areas design & Appearance	Not started
13.	Central City design & amenities	Pending
14.	Heritage	Pending
19.	Hazardous substances provisions	Not started
18.	Non-residential activities in residential zones	Not started
20.	Special Amenity Areas	Not started
31.	Variation 90	Pending
34.	Opawa Road	Pending
39.	State Highway designations	Pending
51.	Ferrymead Special Purpose zone	Not started
52.	Musgroves land, Wigram	Not started
53.	Ferrymead & Business 4 height issue	Not started
56.	Estuary Environment	Not started
60.	Implementing UDS, Regional documents, Ministerial directives, Urban Design Protocol, Area Plans.	Pending

Of these, No's 6, 8, 13, 14, 34, 39 and 60 are not ready to proceed, and 12 and 31 would be best left to staff already familiar with the cases, and 19 Hazardous Substances, can be left pending amendments to the RMA and progress on the NRRP. That leaves No's 18 Non-Residential Activities, 20 Special Amenity Areas, 51 The Ferrymead Special Purpose zone, No. 52, the Musgroves' land, 53 Ferrymead Height Issue and 56 Estuary Environs. 51 and 52 have dates by which the Council has committed to producing section 32 reports.

Within Priority 2 there are six projects pending or not started, as follows:

49.	Templeton Hospital site, private plan change	Pending
41.	Living Hills minimum lot size, inconsistency with subdivision rules	Not started
50.	Quarry Zone rules	Not started
54.	New Brighton Height Issue	Not started
55.	Protected trees	Not started
57.	Transport related rules	Not started

Within Priority 3 there is one project not starting or pending, as follows:

58.	500 Miscellaneous Amendments	Not started
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Items 51 and 53 are separate items in different locations, both relating to the wider Ferrymead area. The Special Purpose Zone is a large area bounded by the Heathcote River, Railway line and Bridle Path Road, much of it now owned by Council.

It is suggested that the next available staff time be allocated to items 51, 52 and 20 in that order, as these are the Priority 1 projects most suited to be handled by staff and that any available funding be allocated to items 53 and 56, as these require specialist technical reports and are well suited to being contracted out.

It is noted that this will leave no current resource available for project 54, the New Brighton High-rise issue. Under the recommended priority system, this has not achieved a higher priority because there are no particular adverse public or environmental costs with the status quo, and any benefits would largely be received by the private sector. However it is suggested that the developers could proceed with this as a private plan change once the City Plan becomes operative in part if the Council gave it an assurance that it would not invoke the year opportunity to decline private plan changes within the first two years. The Council was previously advised it could not do this prior to the recent election because it could not fetter the discretion of a future Council. That no longer applies, provided the change proceeds in the current term of Council.

Except for the two exceptions noted in the current financial year the City Plan Team is fully committed to the current work programme. Adoption of new projects would result in existing projects being either deferred or delayed. It is estimated that the projects in Attachment A will not all be completed for approximately three years. Some staff time, up to one full-time equivalent person, is likely to come free in approximately 12 months as existing City Plan references are finalised.

10. Private Plan Changes

When the City Plan becomes operative there will be the opportunity for parties to apply for privately requested plan changes. If accepted by the Council these must be processed according to a timeframe laid out in the RMA. There are a limited number of circumstances in which the Council may decline to process these, one being that the City Plan has been operative for less than two years.

It is recommended that the Council does not routinely defer these for the two year period, and does not assign these cases to a low priority. Reasons for this include:

- Christchurch considers itself a business friendly city. This opportunity is supposed to be available under the RMA. It has not been available since 1995.
- A decision to defer an application is appealable to the Environment Court. Defending such appeals would consume valuable resources, rather unproductively.
- Deferring applications would produce a "bow wave" of applications, which could all arrive together on the second anniversary of the operative date and overwhelm the resources at that time.
- Deferring applications would give potential applicants a disincentive to discuss them with the Council at the early formative stage and they could arrive fully developed, with fixed ideas and applicants with little remaining patience. In general developers prefer and expect to consult with the Council from the outset and this should be encouraged as that is the best time to influence projects, before ideas become fixed.
- After the two year period the Council will have to learn to work this way anyway and may as well do so from the outset.
- All of the costs, except for initial consultation prior to lodgement, are recoverable from the applicant.

11. Conclusions

There are sufficient items in Priority 1 to keep all of the City Plan Team fully engaged for the next 12 months, and most of the Team for at least three years. Some existing cases will be concluded within 12 months, but are likely to be replaced by future as yet unknown projects. The majority of the team and the entire budget for external advisers is likely to be fully engaged on the existing caseload for at least 24 months. There will be difficulty in meeting statutory deadlines or other needs that occur within that period in some cases. A number of important projects have not yet been assigned to any staff resources. There is capacity for one limited term project to commence using existing staff time and another using unallocated budget in the current financial year. It is suggested that the Business 4 heights issue section 32 investigation and report is a project that could be contracted out in full.

Although it is stated most of this programme can be achieved in three years, that will not be satisfactory in many cases. There will be difficulties carrying out all the Priority 1 projects in a timely manner, meeting existing commitments and providing highly desirable early input into private plan changes.

An increase in City Plan resources would enable most or all of the current workload to be completed within three years and enable new incoming work to be commenced.

It would be desirable to recover costs to the maximum extent possible on any private plan changes, as this will enable such work to be either contracted out or performed by staff and other work contracted out.

OPTIONS

1. Status Quo

Continue as at present, with no particular priority system in place, attempting to cover all present and incoming workload to the best of the Team's abilities. Most projects will be achieved but there will be likely to be significant delays to all projects including essential and important ones, poor environmental outcomes in certain cases, missed opportunities for public and private benefits, missed statutory timelines and poor results in the Environment Court from time to time.

2. **Defer privately requested plan changes for a period of two years after the City Plan becomes operative**

This would remove the distraction these cases create, but is not recommended for all the reasons set out in Section F above. It would not free up significant resources, given that these exercises are cost-recoverable

3. **Adopt the priority system set out in this report and receive further report extending priorities to miscellaneous plan changes database. Immediate start on some new projects**

This would ensure the most important projects received the most attention. However there are too many projects in Priority 1 for all to be achieved in the most timely and effective manner, there would still be delays and missed deadlines and missed opportunities. Lower priorities would receive little or no attention in the next three years.

4. **Increase City Plan resources**

An increase in resources of \$270,000 would enable additional planning staff to be recruited and allow for specialist technical reports to support their work, and some projects to be contracted out. All projects in the current workload schedule would be addressed or completed in the next three years, and attention given to incoming projects such as private plan changes.

PREFERRED OPTION

The preferred options are 3 and 4.

ASSESSMENT OF OPTIONS

The Preferred Option

Adopt the priority system set out in this report and receive further report extending priorities to miscellaneous plan changes database. Immediate start on some new projects

	Benefits (current and future)	Costs (current and future)
Social	Enables social opportunities to be provided for as set out in the Resource Management Act	None, costs will be addressed in any processes arising
Cultural	Enables cultural opportunities to be provided for as set out in the Resource Management Act	None, costs will be addressed in any processes arising
Environmental	Enables RMA processes and City Plan improvements allowing adverse effects of development to be addressed	None, costs will be addressed in any processes arising
Economic	Enables private and Council plan changes to be introduced with potential economic benefits, e.g. rezoning of land for urban development	Additional funding required for City Plan processes
<p>Extent to which community outcomes are achieved: Primary alignment with community outcome for a Sustainable Natural Environment. Also contributes to the Prosperous City and Well-Governed City outcomes</p> <p>Impact on Council's capacity and responsibilities: Increases capacity and ability to address responsibilities</p> <p>Effects on Maori: No adverse effects</p> <p>Consistency with existing Council policies: Likely to improvement alignment between City Plan objectives and Policies and the rules which implement them</p> <p>Views and preferences of persons affected or likely to have an interest: Not known. However improved capacity and resources are likely to be supported by many</p> <p>Other relevant matters:</p>		

Maintain The Status Quo (If Not Preferred Option)

	Benefits (current and future)	Costs (current and future)
Social	None	Some constraints to enabling social opportunities to be provided for as set out in the Resource Management Act
Cultural	None	Some constraints to enabling cultural opportunities to be provided for as set out in the Resource Management Act
Environmental	None	Some adverse effects arising from inability to improve City Plan provisions
Economic	Cost savings	Increased City Plan costs. Enables economic opportunities to be examined through plan change processes
<p>Extent to which community outcomes are achieved: Limited alignment with community outcome for a Sustainable Natural Environment. Also contributes to the Prosperous City and Well-Governed City outcomes</p> <p>Impact on Council's capacity and responsibilities:</p> <p>Effects on Maori:</p> <p>Consistency with existing Council policies:</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>Other relevant matters:</p>		

Option 3 : Defer private plan changes for 2 years

	Benefits (current and future)	Costs (current and future)
Social	none	People not able to promote potential benefits
Cultural	none	People not able to promote potential benefits
Environmental	none	People not able to promote potential benefits
Economic	Minor cost savings over 2 year period	People not able to promote potential benefits
<p>Extent to which community outcomes are achieved: Poor alignment with community outcome for Sustainable Natural Environment Poor alignment with outcome for Well-Governed City</p> <p>Impact on Council's capacity and responsibilities: Slightly improves Council's capacity to deal with issues identified internally</p> <p>Effects on Maori: Not known</p> <p>Consistency with existing Council policies: Contrary to Customer Service and business friendly principles</p> <p>Views and preferences of persons affected or likely to have an interest: Certain to be opposed by potential applicants and land developers.</p> <p>Other relevant matters: See clause 4.6 of report</p>		