

61. GOVERNMENT PROPOSAL - FINANCIAL ASSISTANCE PACKAGE FOR LEAKY HOMES



General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
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PURPOSE OF REPORT

1. The purpose of this report is to present to the Council the final details on the Government's Financial Assistance Package for Leaky Homes (see **Appendices 1 and 2**), provide information on unresolved issues with the package/consultation issues, and to seek Councils response on the package in order to respond to the Government (Department of Building and Housing (DBH)) before 8 October 2010.

EXECUTIVE SUMMARY

Background to the Financial Assistance Package

2. Preliminary details regarding a financial assistance package from the Government, in response to the leaky buildings issue, was presented to the Council at its meeting on 27 May 2010 (note that some information in the 27 May report has been repeated in this report, but for full details that report should be referred to in conjunction with this report).
3. The Council agreed in principle to the package: that 25% of the remediation cost be met by each of the Government and Territorial Authorities, leaving homeowners to fund 50% of the remediation costs with access to loan funding and the ability to make further claims against builders, developers or other parties. The Council delegated the Chief Executive to work with the Government officials and the Local Government sector to agree the details of the package for reporting to Council for final approval.
4. This issue has been before the Council and the Regulatory and Planning Committee a number of times. Reports in March and April 2010 on Weathertight Homes Claims in Christchurch, included the history of the problem, detail of the PricewaterhouseCoopers' report, the role of Council with weathertight claims, Council's weathertight insurance and Christchurch City Data. A subsequent report considered known aspects of the Government's proposal at that time to settle the matter of weathertight claims nationally.
5. In April 2010 Council resolved that in any negotiations with the Government on proposals to resolve weathertight home claims that the proposal reflects a level of contribution that is a fair and affordable contribution by all parties including the Government, Councils and the homeowner. Also, that the scale and nature of the issue in particular areas and exposure by individual Territorial Authorities is taken into account.
6. The package as announced in May addressed a number of concerns that LGNZ and the Council had previously raised, namely that the Government should make a contribution that reflects their contribution to the problem, that Councils are asked to contribute a realistic amount and only to claims made in their districts and that a 10 year eligibility criteria is maintained.
7. Currently Christchurch has 100 active claims involving 180 properties (98 active claims on the Weathertight Homes Resolution Service (WHRS) website and three in the District Court). This represents about 4% of the claims nationally. Council has previously resolved 143 claims, and is currently resolving approximately 20 claims per year. The average payout for the most recent claims (including legal costs) is \$50,494, which is 23.7% of the settlement. This is very close to the 25% that the Government is proposing the Council pay under the package.

Final Package Presented by GOVERNMENT

8. The Government's final version of the financial assistance package has been agreed by Joint Ministers (Finance, Building and Construction, Local Government), and DBH also note that it has been endorsed by senior territorial authority officials (subject to some minor operational details).

9. The DBH letter of 8 September 2010 (see Appendix 2) refers to a letter of 7 September 2010 from the Minister for Building and Construction to Mayors (see Appendix 1) that invites councils to agree to participate in the financial assistance package for owners of leaky homes, conditional on the Government passing legislation or, if legislation is not able to be passed, an alternative method to “cap” council liability being agreed.
10. Three issues identified by DBH in discussions on the package design relate to the eligibility of Crown and council-owned dwellings; eligibility of retirement villages, and insurance issues for territorial authorities for existing WHRS claims that may transition into the financial assistance package.
11. The Department of Building and Housing notes that on the first issue, the Minister for Building and Construction has agreed to write to the Minister of Housing seeking a commitment from the Chair of the Board of HNZA, that it will not apply for assistance to repair any Crown owned leaky homes under the financial assistance package. He asks Councils to give a similar commitment. This appears to be a reasonable commitment for the Council to provide.
12. On the second point the department notes that the eligibility for retirement villages to the financial assistance package is consistent with eligibility criteria for retirement villages to existing WHRS mediation and tribunal services. Council staff, and other councils on the steering group that have been working with the government on this package, do not agree with this view. They consider that large commercial retirement villages should be excluded from the eligibility criteria under this package, but this may not be realistic given the comments from DBH that such claims would in any event be eligible under the WHRS. We do not have any evidence that there are weathertight issues with retirement villages in Christchurch at this stage.
13. In respect of the insurance issues, the Department says it is working with territorial authorities on an appropriate response on this issue. It was noted in the May 2010 report that Council has existing insurance against weathertight claims in respect of 81 of the remaining 100 claims. All claims have a \$50,000 excess. The insurance limit for multi-unit claims was set at \$500,000 in 2006 and from 2007, all Council weathertight claims have a limit collectively of \$500,000 per year. From 1 July 2009, all new claims for weathertightness are not covered by RiskPool and the Council is self insured. No insurance company today provides cover for Weathertight claims.
14. The May 2010 report noted that if the scheme is adopted Councils will have to clarify the position between themselves and RiskPool for any existing claimants which are covered by insurance and opt into the scheme where the settlement exceeds the excess of \$50,000. RiskPool (and their reinsurers) have advised that they would not cover us for payments made in the absence of liability at law. We will not be covered for claimants who opt into the scheme.
15. The Department of Building and Housing letter also notes another matter raised in relation to acceptance of the package by councils. It concerns the requirements under the Local Government Act 2002 in respect of Long-Term Council Community Plans (LTCCPs). Information from the Auditor-General on this point is attached to the Department's letter (see appendix 2) and is discussed in further detail below.
16. A further issue referred to in the letter to the Mayor (see appendix 1), and noted above, concerns the risk of third party litigation, that is, Councils being joined into litigation between the homeowner and other parties, which is identified as a potential barrier to Councils giving final approval of the package. The Government proposes to address this via legislation but also acknowledges that it cannot guarantee that the legislation will be passed, or passed in the format they provide. However, it appears that if legislation cannot be passed, an alternative method to “cap” council liability will be agreed.
17. This report makes recommendations below on whether the Council should now give final support to the Government's financial assistance package for owners of leaky homes.

FINANCIAL IMPLICATIONS

18. As noted in the May 2010 report, it is extremely hard to provide a reliable estimate of how much extra budget might be required if the Government's financial package for leaky homeowners is adopted. The proposal has significant and ongoing financial implications for the Council.
19. The Council currently has \$1 million pa in its 2010/11 to 2016/17 budgets to meet weathertight homes claims. This figure of \$7 million overall has been based on the Council's previous history of resolving claims under the WHRS Act 2006. The Council has also provided for the existing and new claimants that do not take up the Government proposal and instead decide to utilise the existing WHRS service.
20. The Government proposal estimates that the Council will incur \$20 million over the next five years if 50% of claimants take up the scheme. If 70% take up the scheme then the Council will incur \$28 million over the next five years. The following information is taken from the Department of Building and Housing's guidance document and was presented in the May 2010 report):

Government Estimated cost to Christchurch per year \$m

Take up	2010/11	2011/12	2012/13	2013/14	2014/15	Sub-total	WHRs and District Court Claims	Total
50%	4	6	5	3	2	20	7 (budgeted)	27
70%	6	8	7	4	3	28	7 (budgeted)	35

21. Council officers analysed the Government projections at paragraph numbers 41 to 49 of the May 2010 report. Their estimates were that there will be between 20-30% take up of the Government scheme. This would require a Council contribution of between \$8-12 million in the next five years. For the balance of the homeowners of 'at risk' homes, the Council does not expect to get any claim. In summary, the reasons are that owners are in denial, have already made or will make repairs, or cannot afford to contribute themselves.

Officers Estimated cost to Christchurch per year \$m

Take up	2010/11	2011/12	2012/13	2013/14	2014/15	Sub-total	WHRs and District Court Claims	Total
20%	1.6	2.4	2	1.2	.8	8	7 (budgeted)	15
30%	2.4	3.6	3	1.8	1.2	12	7 (budgeted)	19

22. With regard to the 2010/11 and future budgets, by the time the scheme commenced in 2011, there would be only a 6 month period for assessments of homes to be undertaken by the DBH weathertight homes assessors in 2010/11. Most impact will be where existing claimants who have already had assessments done opt for this scheme rather than the WHRS scheme. Accordingly we do not expect that the proposal, if implemented, would impact fully in the 2010/11 budget.
23. Under this option the Council will require a further \$8-12 million, in addition to the \$7 million already included within the LTCCP. It is extremely likely that the settlement of claims will be spread over the remaining six years and therefore the additional annual commitment is not material and will not trigger a s97(1)(d) consultation requirement.
24. A report received from Melville Jessup Weaver, Actuaries, who work for major metro councils including Wellington and Auckland, suggest that there are likely to be further savings for Council for existing claims where claimants opt into the FAP (Financial Assistance Package) proposal. Their expectation is that the cost of existing claims will reduce from \$6,772,000 to \$4,241,000. This represents a reduction of \$2,531,000.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

25. No. The Government proposal, if adopted, would require Council to make some extra provision in its 2009-19 LTCCP and 2011/12 to 2014/15 Annual Plans for extra funding to meet the potential increase in claims. The projections are uncertain as the majority of extra claims are presently unknown.

LEGAL CONSIDERATIONS

26. The decision made by Council at this time needs to be done in accordance with the requirements of the Local Government Act 2002 and may have to be taken into account as part of Council's LTCCP process next year.
27. The insurance issues, and risk of third party litigation are also all legal considerations but there is ongoing work being done by the Government to address those matters. The Government proposes to address the litigation risk issue via legislation but also acknowledges that it cannot guarantee that the legislation will be passed, or passed in the format provided for.

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

28. Appendix 2 includes a letter from the Auditor-General outlining matters for Councils to consider in making the final decision to participate in the scheme. The Auditor General was asked to consider the impact of a decision by a Council to opt into the scheme on Councils and their LTCCPs. He notes that advice had been obtained from both the Department of Internal Affairs and Simpson Grierson, but that neither leads to a conclusive position that could be implemented by all Councils. The Auditor-General highlights a number of points that Councils should consider in coming to a conclusion about whether or not to consult on opting into the scheme, including:
- The Government's scheme is not an "activity" of Council, but its liability for leaky homes is related to its regulatory processes "activity". That means section 97(1)(d) of the LGA02 may be relevant⁵, particularly if the effect of opting into the scheme is substantial eg it has to make choices about funding existing or new services in order to meet its liability.
 - If liability under the new scheme is similar to that already provided for/funded then there is no need to consult on any amendment.
 - Annual report disclosure figures for 2009 could still require adjustment for leaky homes liability, as the full effect may not have been reflected
 - The costs of funding an amendment to the LTCCP should be considered.
29. In light of the provisions and funding of leaky homes liability the Council has already made (and discussed in this report), and Councils expected "share" to be paid in any weathertight homes claim (close to the 25% it would pay under the financial assistance package), there does not appear to be any trigger of section 97(1)(d) in this instance and therefore no need for the Council to conduct a special consultative procedure.
30. In terms of Council's general obligations under the Local Government Act 2002 for decision-making, an assessment is needed as to whether Council has sufficient information on the options in this instance, and for the purposes of considering community views. In making this decision the following points are relevant.
31. An increase in the budget to fund weathertight claims has been part of the Council's Annual Plan proposals this year. There has already been an opportunity to consider community views on this matter (see paragraphs 38 and 39 below).

⁵ S97 - Certain decisions may only be taken if provided for in the LTCCP – (1)(d) "a decision that will, directly or indirectly, significantly affect the capacity of the local authority, or the cost to the local authority, in relation to any activity identified in the long-term council community plan."

32. Given the recent earthquake in Christchurch, the Council's scheduled meetings, the election and the deadline set by the Government for a response it is not feasible to carry out any other consultation. This type of urgent situation is provided for in the Council's Policy on Significance and also in section 79 of the Local Government Act 2002. In making judgments about achieving compliance with sections 77 and 78 of the Act the Council is able to consider "*the extent to which the nature of a decision, or the circumstances in which a decision is taken, allow the local authority scope and opportunity to consider a range of options or the views and preferences of other persons*" (see s79(2)(c)).

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

33. Aligns with LTCCP page 89, administration of laws around building and development leading to safe buildings and reduction in environmental hazards plus page 187 LTCCP, developing our urban environment and sustainable use of buildings.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

34. Yes.

ALIGNMENT WITH STRATEGIES

35. The Council has historically provided for claims and has an ongoing legal responsibility imposed by the Weathertight Resolution Service Act 2006.

Do the recommendations align with the Council's strategies?

36. Yes.

CONSULTATION FULFILMENT

37. The requirement to consult fully with the community on this matter has not been possible, given the recent earthquake in Christchurch, the Council's scheduled meetings, the election and the deadline set by the Government for a response on the final package.
38. A submission has previously been heard by the Regulatory and Planning Committee from a group representing some owners of homes with weathertightness issues. Their submission explained the effect owning a leaky home had on them and their families. They supported a Canadian solution very similar to the package presented by the Government.
39. There were seven submissions to our Annual Plan on the proposal to include \$1 million for Weathertight Homes claims. The submissions were mixed. Five submissions supported the inclusion of the funds but suggested the amount was too small. Two submissions opposed the Council and ratepayers having to make any contribution to weathertight homes claims.
40. A NZ Herald "on line" poll on whether ratepayers should contribute to the fixing of leaky homes had a result of 90% opposing and 10% supporting the contribution.
41. There has been internal consultation on this report between the finance, legal and environmental and policy approvals groups.

STAFF RECOMMENDATION

It is recommended that the Council:

1. Agree to participate in the financial assistance package for owners of leaky homes, conditional on the Government passing legislation to address the litigation risk for Councils by third parties, or, if legislation is not able to be passed, that an alternative method to "cap" council liability is found, and agreed by the Council.

2. Note that the decision in (1) does not come within section 97(1)(d) of the Local Government Act 2002, for the reasons outlined in this report.
3. Agree that the Council will not apply for assistance to repair any Council owned leaky homes under the financial assistance package.
4. Advise the Government of its decisions in (1) and (3) above.
5. Delegate to the Chief Executive to continue to work with Government officials and the Local Government sector to agree any final details of the financial assistance package including on the litigation risk, insurance issues and lobbying further to exclude commercial retirement villages from eligibility under the package.
6. Further considers the necessary financial commitment to support the scheme in successive year's Annual Plans, once the demand is better known.

BACKGROUND (THE ISSUES)

Government Proposal

42. The Government's proposed financial assistance package released in May is designed to help homeowners repair their leaky homes faster. The package provides for the Government to meet 25% of homeowners' agreed repair costs, local authorities contributing 25% and homeowners funding the remaining 50%, with a loan guarantee underwritten by the Government, provided claimants meet bank lending criteria. The package offered by Government is dependent on local authorities and banks agreeing to be involved.
43. The package will be voluntary and in addition to the current disputes and litigation process for owners of leaky homes. It is also conditional on homeowners foregoing the right to sue local authorities or the Crown in relation to the claim. Homeowners would still have the option to pursue other liable parties such as builders, developers and manufacturers of defective building products.

Council resolution on 27 May 2010

44. At the Council's meeting on 27 May 2010 the following resolutions were made, that the Council:
 1. *Agree to advise the Government that the Christchurch City Council supports the financial assistance package subject to working with the Government and reaching agreement on the details of the package.*
 2. *Agree to delegate the Chief Executive to work with the Government officials and the Local Government sector to agree the details of the financial assistance package for reporting to Council for final approval.*
 3. *Further considers the necessary financial commitment to support the scheme in successive year's Annual Plans once the demand is better known.*
45. In the last few months a territorial authority steering group has been working on the details of the scheme, and receiving advice, in order to reach agreement on the package. The members of that group have included representatives from a number of councils, including a representative from Christchurch City Council (Steve McCarthy). The elements of the scheme are contained in the appendix 2 documents.

Key Issues arising under the Scheme

46. As noted in the May 2010 report, the key issues of concern identified in previous reports to the Regulatory and Planning Committee and Council appeared to be largely addressed in the Government's proposal. These issues were:
 - Determining the scale of the issue in particular areas and exposure by individual Territorial Authorities.
 - Determining a fair and affordable contribution by parties including the Government, Councils and the homeowner.
 - Ability for the homeowners to claim against other parties including builders, developers and tradesmen.
 - Loans by Government for homeowners to undertake repairs.
 - Management of any scheme to address the problem.
 - Eligibility to participate in the scheme.
 - Assessment of the claim.
 - Approving actions in the repair process.
 - Administration of the loan scheme.

47. The proposals in May have led to other concerns being raised by the Councils:

- **Protection from third party litigation:** The Councils want to ensure they will be protected from paying twice; once a Council has paid via the 25% in the package, it does not want to pay a second time by being brought back into litigation by third parties.

The Government has indicated it will address this issue through legislation, but if that legislation is not able to be passed it will find an alternative method to "cap" Council's liability. The staff recommendation above provides for Council to agree to participate in the package subject to this issue being appropriately addressed.

- **Eligibility to join the scheme:** The proposal is to exclude Housing New Zealand and council developed buildings from the scheme, and the staff recommendation suggests that Council agree to this.

Of greater concern is the desire of the Councils to exclude from eligibility commercial retirement villages (eg undertaken by a major corporation, not a small-scale owner-operator), on the basis that these are more akin to commercial operations than residential developments. The recommendation above provides for the Chief Executive to continue to lobby on this issue.

- **Insurance:** A number of councils have insurance cover for weathertightness issues and there are a number of historic claims where if a council enters this scheme it will lose its insurance cover. That means ratepayers may end up paying twice; having bought the insurance cover they are not able to use it and still pay the 25%. Councils want to address this by allowing for a determination to be made on whether pre-existing claims would qualify for the programme.

It appears that Government has not yet found an appropriate resolution as the letter from DBH signals that it is still working with territorial authorities on an appropriate response to this issue.

- **Statutory consultation on the package:** The Department of Internal Affairs considered that the councils might need to consult over the proposed government scheme. However, the Auckland City Council on behalf of the Steering Group obtained an opinion from Simpson Grierson that provided Councils may not have to do so. There were two grounds put forward, but in particular, if the difference for Councils in opting in to the scheme compared to not being in the scheme was not substantial then section 97(1)(d) of the LGA02 would not be triggered. The two opinions were put to the Auditor-General for his view on the matter and he also advised that if liability under the new scheme is similar to that already provided for/funded then there is no need to consult on any amendment.

This matter is addressed for the Council in the legal considerations section of this report.

Support or Otherwise for the Financial Assistance Package for Leaky Homes

48. It is worthwhile repeating the following paragraphs, included in the May 2010 report, as they are important considerations for the Council.

Council

49. For Council the decision to support or not support the Government's financial package needs to be considered with regard to both social and economic considerations. The underlying issue is to balance the needs of claimants with the affordability for ratepayers of any solution.

50. The advantages of the scheme for Council:

- Enables Council to assist homeowners with leaky homes to repair their homes.
- Maintains Councils overall housing stock.
- Limits Council liability to 25% of the agreed repair cost. This is important as the amount Council is required to contribute over time increases as other parties fail and Council becomes jointly and severally liable for faults that they would have been responsible for. This known liability figure also provides greater certainty than a court process. The Government contribution of 25% also helps to meet the overall cost of the repair and further limits our liability.
- The eligibility criteria is such that liability is also limited to only circumstances in which Council would be liable in a WHRS claim (subject to the third party litigation risk issue being addressed).
- All of Council's contribution goes to the homeowner rather than being involved in lengthy and costly litigation. As noted in the May 2010 report, at present 40% of settlements made by the Council go to lawyers, not homeowners.

51. The disadvantages for Council are:

- The existing WHRS scheme is relatively certain and we have only 100 claims still current. There has also been a fall off in claims recently.
- This proposal is difficult to budget for and may lead to an escalation in the number of new claims and potential cost to the Council.
- Presently many homeowners with more minor leaks undertake repairs themselves. This proposal will make it more attractive for them not to do this and to claim from Council and the Government.

Homeowners

52. The psychological and economic consequences for owners of leaky buildings are high. They face a lengthy battle to obtain funds to commence repairs and invariably other parties - builders, tradesmen, developers and designers do not make any contribution to repairs. This leaves the homeowner facing a large bill and also wanting to better the property to present day standards to avoid any future problems. The advantages of this scheme if adopted, goes some way to helping these homeowners. It is a quicker solution and they incur no legal costs. The homeowner also receives the full benefit of any Council contribution. They also receive a guaranteed Government 25% contribution, access to loan funding at competitive rates and can separately pursue other parties - builders, tradesmen, developers and designers, if they choose.

53. The disadvantages are that they only get 50% of the repair cost guaranteed and have to pursue other parties to gain more than this. Their home is also recorded as having been a leaky home.

OPTIONS

54. Two options have been identified. The options are to either agree to participate in the financial assistance package for owners of leaky homes or not.

THE OBJECTIVES

55. To balance the needs of claimants with the affordability of any solution and the ability of ratepayers to make a contribution in a way that is acceptable in social and economic terms.

THE OPTIONS

Option 1

56. Agree to participate in the financial assistance package for owners of leaky homes.

Option 2

57. **Not** participate in the financial assistance package for owners of leaky homes.

PREFERRED OPTION

Option 1

58. To support the proposed Financial Assistance Package for Leaky Homes. This option given owners of leaky homes the option to access 25% of the repair cost from Government, funding not currently available. The Council contribution of 25% is fixed and it all goes to the homeowner without any party incurring legal costs. Homeowners have access to loan funding at competitive rates. This options leads to the likelihood of additional claims which are not currently provided for in the LTCCP or the 2010/11 Annual Plan.

ASSESSMENT OF OPTIONS

The Preferred Option

59. Option 1 - Agree to participate in the financial assistance package for owners of leaky homes.

	Benefits (current and future)	Costs (current and future)
Social	Helps homeowners to repair unhealthy and unsafe leaky homes which has significant health benefits for all the occupants.	Financial hardship for owners better able to be managed.
Cultural	Improvement in amenity of houses and retention of housing stock.	Christchurch perceived as having a good housing stock and maintenance of values of properties overall.
Environmental	Homes fit for purpose and safe to live in.	Avoids need for Council intervention if homes become not habitable.
Economic	Enables homeowners of leaky homes to fund necessary repairs with a portion of the costs guaranteed and loan funding available for the remainder of the costs.	An extra \$8-28 million cost for Council over the next 5 years but access to Government funding for homeowners.
<p>Extent to which community outcomes are achieved: Primary alignment with Community Outcome A Safe City, particularly, <i>Risks from hazards are managed and mitigated and People feel safe at all times in Christchurch City.</i></p> <p>Also contributes to An Attractive and Well-designed City, particularly, <i>Christchurch is attractive and well-maintained.</i></p> <p>Impact on Council's capacity and responsibilities: The Council already meets its legislative responsibilities in responding to WHRS claims. It is likely that claims resolution will require additional regulatory oversight to ensure repairs meet acceptable standards.</p> <p>Effects on Maori: None specific to this issue.</p> <p>Consistency with existing Council policies: This option is in line with the Council's statutory responsibilities under the Weathertight Homes Resolution Services Act 2006 and is consistent with current approach for dangerous and insanitary buildings.</p> <p>Views and preferences of persons affected or likely to have an interest: Takes into account matters raised during consultation with some affected homeowners and a Christchurch Leaky Buildings Group. Submissions to the 2010/11 Annual Plan overall supported the increase of the budget to meet weathertightness claims. Some ratepayers submitted in opposition to ratepayers having to contribute anything to the repair costs for leaky buildings. This option likely to be less favoured by majority of ratepayers who do not want to see a rates rise.</p>		

Other Options

60. Option 2 - To not participate in the financial assistance package for owners of leaky homes.

	Benefits (current and future)	Costs (current and future)
Social	Increased risk to health of occupants. Leaky homes either fixed by owners or not fixed and gradually deteriorate.	Psychological pressure on owners who have to litigate to secure financial help. Financial hardship for some owners.
Cultural	Less improvement in amenity of houses and maintenance of housing stock.	Christchurch not perceived as having a good housing stock and the values of some styles of homes diminish.
Environmental	A number of homes not fit for purpose and some become unsafe to live in.	The community becomes risk adverse and unwilling to buy some types of houses.
Economic	Some owners of leaky homes unable to fund necessary repairs without lengthy litigation and no guarantee of contribution from Council or Government. No Government loan funding available for the repairs.	Owners undertake repairs without Government or Council help. Existing Council budget provision meets WHRS claim costs.
<p>Extent to which community outcomes are achieved:</p> <p>There is less alignment with Community Outcome A Safe City, particularly, <i>Risks from hazards are managed and mitigated</i> and <i>People do not feel safe at all times in Christchurch City - when living in a leaky home</i>.</p> <p>Less aligned to contributing to An Attractive and Well-designed City, particularly, <i>Christchurch is attractive and well-maintained</i>.</p> <p>Impact on Council's capacity and responsibilities:</p> <p>The Council already meets its legislative responsibilities in responding to WHRS claims. This option does not change the existing situation.</p> <p>Effects on Maori:</p> <p>None specific to this policy.</p> <p>Consistency with existing Council policies:</p> <p>This option is in line with the Council's statutory responsibilities under the Weathertight Homes Resolution Services Act 2006 and is consistent with current approach for dangerous and insanitary buildings.</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>Submissions to the 2010/11 Annual Plan overall supported the increase of the budget to \$1 million to meet weathertightness claims. Some ratepayers submitted in opposition to ratepayers having to contribute anything to the repair costs for leaky buildings. This option is likely to be the one most favoured by the majority of ratepayers who do not want to see rates rise.</p>		