

# **CHRISTCHURCH CITY COUNCIL AGENDA**

**MONDAY 25, TUESDAY 26 AND WEDNESDAY 27 JUNE 2012**

**9.30AM**

**COUNCIL CHAMBER, CIVIC OFFICES,  
53 HEREFORD STREET**

## CHRISTCHURCH CITY COUNCIL

**Monday 25, Tuesday 26 and Wednesday 27 June 2012 at 9.30am  
in the Council Chamber, Civic Offices, 53 Hereford Street**

**Council:** The Mayor, Bob Parker (Chairperson).  
Councillors Peter Beck, Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen,  
Barry Corbett, Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid and  
Sue Wells.

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3.	<b>PROPOSED 2012/13 LEVELS OF SERVICE FOR CONSENTING ACTIVITY</b>	
4.	<b>ANNUAL PLAN 2012/13</b>	
	<b>APPENDIX A - SUMMARY OF SUBMISSIONS ON THE DRAFT 2012/13 ANNUAL PLAN INCLUDING THE MAYOR'S RECOMMENDATIONS</b>	
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**COUNCIL 25.6.2012, 26.6.2012 AND 27.6.2012**

- 1. APOLOGIES**
  
- 2. CONFIRMATION OF MINUTES – DRAFT ANNUAL PLAN HEARINGS PANEL MEETINGS OF 31.5.2012, 5.6.2012, 8.6.2012 AND 9.6.2012**

Attached.

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### 3. PROPOSED 2012/13 LEVELS OF SERVICE FOR CONSENTING ACTIVITY

<b>General Manager responsible:</b>	General Manager Regulation & Democracy Services, DDI 941-8462
<b>Officers responsible:</b>	Unit Manager Building Operations Unit Manager Resource Consents & Building Policy
<b>Authors:</b>	Ethan Stetson, Unit Manager Building Operations and Steve McCarthy, Unit Manager Resource Consents & Building Policy

#### PURPOSE OF REPORT

1. The purpose of this report is to propose alternate clarified 2012/13 levels of service for the Building and Resource Consenting Units of the Council (**Appendix 1**). The alternate levels of service have already been discussed by Council and are intended to be put into the draft 2013/22 LTP.

#### EXECUTIVE SUMMARY

2. The proposed changes in the level of service are targets which will deliver a level of response necessary to support the repair and rebuild of up to 40,000 buildings in the Christchurch rebuild. These targets represent levels of service that are expected by Government, Industry and Council in 2012/13.
3. We have existing levels of service for 2011/12 that have been extended until 30 June 2013 because of the earthquakes. These do not match expectations of the tougher new proposed levels of service for the LTP 2013/22. Broadly, these targets reflect changes designed as a result of a Department of Building and Housing Baseline Report which recommended changes in service level targets, the Resource Management Act Discount Regulations and proposed timeframes for processing Central City applications.
4. The processing of consents is a regulatory function of the Council, rather than one of its significant activities. There is no mandatory requirement to consult before the Council makes a decision with regard to that process.
4. However, under its significance policy the Council may consider whether or not it should do so.
5. For the reasons set out in this report it is the advice of staff that the Council can decide not to consult, or to undertake a special consultative procedure, without breaching the Council's statutory obligations.
6. **Appendix 1** details the proposed new levels of service that require Council resolution to change. These levels of service were not finalised when the draft annual plan went out for consultation but they are the same as those that Council worked through during the 13 June 2012 workshop for the 2013/22 LTP. There are a few matters that Councillors raised in relation to the 2013/22 LTP levels of service during the workshop that they wanted further work/clarification on. These matters will be addressed in the 2013/22 LTP, are relatively minor, and are not included in the proposed 2012/13 level of service detailed in Appendix 1. The proposed levels of service detailed reflect a more comprehensive level of service overall and deliver speedier timeframes, improved efficiency and a greater range of service offerings than those adopted in the 2009 LTCCP deliberations.

#### FINANCIAL IMPLICATIONS

7. There are no financial implications. The report proposes to simply amend the levels of service for 2012/13. These consenting services are mainly funded via fees and the proposed levels of service have been factored into the budgets prepared for 2012/13.

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

8. Yes

**3 Cont'd**

**LEGAL CONSIDERATIONS**

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

9. The Canterbury Earthquake (Local Government Act 2002) (No. 2) Order made in October 2011 modifies some of the decision-making processes in the Act.
10. Clause 10 of the Order applies to decisions to alter significantly the intended levels of service provision for any significant activity undertaken by the Council.
11. The effect of Clause 10 is that if the Council is proposing to significantly alter an intended level of service provision for a significant activity, it can do so by either including the proposal in its 2012/13 Annual Plan, or using a special consultative procedure before making its decision. In normal circumstances the Council would have been required to follow the more formal processes set out in sections 84 and 97 of the Local Government Act 2002.
12. The report from Department of Building and Housing was not received by the Council in time for the proposed changes to be included in the 2012/13 Annual Plan.
13. In determining whether or not the Council is required to undertake a special consultative procedure, the following matters are relevant:
  - (a) The processing of consents is a regulatory function of the Council, not one of the significant activities described in its current LTP. Regulatory approvals for activity and levels of services are contained in activity management plans.
  - (b) There are no financial implications for the Council.
  - (c) Therefore the proposed changes do not trigger the requirement in Clause 10 of the Order that a special consultative procedure must be used before the Council makes its decision.
  - (d) The Council may however wish to consider whether or not it should do so, under the Council's significance policy.
  - (e) It is the advice of the Legal Services Unit that the Council can decide not to consult, without breaching the provisions of the policy.
  - (f) The reason for that is that the proposed changes to levels of service must be made and implemented as a matter of urgency.
  - (f) This is one of the grounds in the significance policy that allow the council to decide not to consult before a decision of that nature is required to be made.
  - (h) Failure to make an urgent decision would affect the Council's ability to make a meaningful contribution to the timely and expedited recovery from the impact of the Canterbury earthquakes.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

14. These levels of service and targets have been considered by Council in preparation for the 2013/22 LTP. They are more comprehensive and detailed than previous measures and reflect a higher level of service, without financial implications for Council.

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

15. As above.

**3 Cont'd**

**ALIGNMENT WITH STRATEGIES**

16. Not applicable.

**Do the recommendations align with the Council's strategies?**

17. Not applicable.

**CONSULTATION FULFILMENT**

18. Council staff have discussed with relevant parties changes to levels of service that would assist recovery efforts. In particular the advice of the Department of Building and Housing has been acted upon.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Note that the proposed levels of service for inclusion in the 2012/13 annual plan are the same as those that the Council considered during the 13 June 2012 workshop for the LTP 2013/22.
- (b) Note that these changes to levels of service reflect what is expected by the Community, Government and Industry as part of the Christchurch Rebuild.
- (c) Does not undertake further consultation before making its decision.
- (d) Approve the change in levels of service for 2012/13 as detailed in Appendix 1.

**3 Cont'd**

**BACKGROUND**

The council has previously resolved to have a series of building consent and resource consent related targets and measures for the services detailed within the 2011/12 Activity Management Plans.

There has been ongoing dialogue between Unit Managers and the Planning and Performance Manager on new targets for the Long Term Plan 2013/23. These new targets have also been discussed with the Department of Building and Housing with specific consideration given to the appropriateness of tougher new levels of service to motivate and encourage the rebuild of Christchurch.

The rebuild of Christchurch is here and now and so the Council is undertaking a wide array of works and initiatives to enable itself for the significant challenges it faces. We propose that these new targets and measures are not delayed but in fact should be brought forward for immediate inclusion in the Annual Plan for 2012/13.

The impact of this is the challenge of familiarising our teams with these new and very tough targets and measures. The timing is appropriate now as we are near the start of a new year and we have new technology being developed for delivery before December 2012.

Given the circumstances in Christchurch there is already a high level of awareness and desire for change of this nature across all stakeholders.

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### 4. DRAFT ANNUAL PLAN 2012/13

<b>General Manager responsible:</b>	Paul Anderson, General Manager Corporate Services, DDI 941-8528
<b>Officer responsible:</b>	Peter Ryan, Manager, Planning & Performance, DDI 941-8137
<b>Author:</b>	Peter Ryan, Manager, Planning & Performance, DDI 941-8137

#### PURPOSE OF REPORT

1. To report on the special consultative procedures undertaken in respect of the draft 2012/13 Annual Plan and Major Facilities Projects; and
2. To seek approval of the recommendations made by the Mayor and staff contained in the report.

#### EXECUTIVE SUMMARY

3. In early 2012 Council prepared its draft 2012/13 Annual Plan. This was distributed for public consultation in April 2012, along with a parallel procedure around the rebuilding of major community facilities. Included in the latter Statement of Proposal was information about the following major facilities, including options for rebuilding or repairing them and the Council's preferred option in respect of each:
  1. Town Hall
  2. Convention Centre
  3. Art Gallery
  4. AMI Stadium
  5. & 6. QEII Stadium and Centennial Pool
  7. Central Library
  8. & 9. Lichfield Street and Manchester Street Carparks
  10. Sockburn Service Centre.
4. Written submissions were received and opportunities given for individuals and organisations to appear before Councillors to express views on both the Annual Plan and Major Community Facilities proposals. The result of these processes is set out in the following appendices:
5. **Appendix A:** A summary of the written and verbal submissions made in response to the draft 2012/13 Annual Plan and Major Facilities rebuild. This includes a brief analysis of the submissions and the Mayor's recommendations with regard to them.
6. **Appendix B:** A summary of financial changes to the Draft Annual Plan should the Mayor's recommendations be adopted.
7. **Appendix C:** A schedule containing the rates information required to give effect to the 2012/13 Annual Plan.
8. **Appendix D:** Comments on some major issues arising from the consultative procedures:
  - Rates Remissions
  - Health Licensing Charges
  - Swim Coaching Fees & Charges
9. **Appendix E:** Staff comment on submissions received on the Annual Plan and Major Facilities rebuild.



**4 Cont'd**

**BACKGROUND**

10. The requirement to prepare and adopt an Annual Plan for each financial year is contained in section 95 of the Local Government Act 2002. In accordance with that section the Council has:
  - (a) used the Special Consultative Procedure
  - (b) included the following information:
    - (i) the proposed 2012/13 annual budget and funding impact statement
    - (ii) variations from the financial statements and funding impact statement included in the Council's Long Term Council Community Plan (LTCCP) in respect of the year ending 30 June 2013
    - (iii) financial statements and a funding impact statement in accordance with the principles and procedures that apply to the preparation of the financial statements included in the LTCCP
    - (iv) appropriate references to the LTCCP in which the Council's activities for the year ending 30 June 2013 are covered by the 2012/13 Annual Plan.
11. The 2012/13 Annual Plan makes provision for a range of key community facilities, infrastructure and support programmes that are critical elements in the recovery of the Central City.
12. The Government through the Central City Development Unit (CCDU) is undertaking a more detailed analysis of the interventions needed to support the Central City. The proposed Blueprint will influence the scope, timing, location, and cost of the current projects. It will also have an effect on the timing and location of infrastructure, above and below ground and development of public spaces, park and streets, by Council, to support the recovery of the Central City.
13. The CCDU Blueprint will form part of the Recovery Plan for the Central City, and as such the Council cannot make decisions which may be inconsistent with an approved Recovery Plan. In adopting the Annual Plan and budgets, the Council has considered the priority and affordability of investing in the recovery of the Central City. It is acknowledged that once the Recovery Plan is adopted, the range of projects, their timing, location and scope may need to be amended, and future funding arrangements agreed. The Council, and the Government acknowledge that this may require the Council to make decisions and or vary its Annual Plan and budget to ensure that the Plan does not become inconsistent with the adopted Recovery Plan. Similar changes may need to be considered by the Council where other Recovery Plans are adopted by the Government during the life of the Annual Plan.
14. The Draft Annual Plan proposed an overall rates increase to existing ratepayers of 7.50 per cent including the Special Earthquake Charge of 1.76 per cent and the one-off charge of 2 per cent for the rebuild of Major Community Facilities. If adopted by the Council, the Mayor's recommendations in response to the submissions made to Council would increase rates by 0.13 per cent, leaving the overall rates increase to existing ratepayers at 7.63 per cent. Appendix B summarises the financial impact of the Mayor's recommendations. Appendix D provides further commentary from Council staff on several of the major issues raised by submitters, those being rates remissions, health licensing charges and swim coaching fees. Appendix E contains staff responses and the Mayor's recommendations on all the issues raised in both written and verbal submissions.

**RATES ORDER IN COUNCIL**

15. The Council has sought an Order in Council to enable it to reassess rates on those properties which have an increase or decrease in capital value during the year. The requested Order has now been made and will come into force on 1 July 2012.
16. The Canterbury Earthquake (Rating) Order 2012 requires the Council to make a decision either to continue to use the unmodified powers of the Local Government (Rating) Act 2002 or to apply the powers set out in the Order.

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### 4 Cont'd

17. Should the Council choose to apply the powers set out in the Order it will be able to reassess rates during the rating year if the capital value of a property changes because of either (1) demolition, (2) subdivision, or (3) the creation of new building improvements. If a property's capital value changes as a result of one of these three events, rates for the property must be reassessed on the first of the month following the date on which the Rating Information Database is updated. The reassessed rates will then apply for the remainder of the rating year.
18. The effect of the Order, if adopted by the Council, will be to allow the Council to reduce rates on a demolished property to land value once demolition is complete. It will also allow the Council to increase the rates on a property once construction is complete and the property is in use or when land is subdivided. Staff consider that the ability to reassess rates within the rating year improves the equity of the rating system by ensuring that, regardless of an arbitrary date in legislation, rates are not paid on demolished buildings but on the full value of any building that is occupied and which is accessing Council services.
19. It is therefore proposed that the Council resolves to adopt the power to reassess rates during the year as provided for in the Canterbury Earthquake (Rating) Order 2012.

### STAFF RECOMMENDATION

It is recommended that Council:

- (a) Adopt the Mayor's recommendations in Appendix A;
- (b) Adopt the 2012/13 Annual Plan consisting of the draft 2012/13 Annual Plan and the changes adopted by resolution above;
- (c) Set the rates for the financial year commencing on 1 July 2012 and ending on 30 June 2013 as set out in Appendix C;
- (d) Authorise the General Manager Corporate Services and the Corporate Finance Manager (jointly) to borrow in accordance with the Liability Management Policy to enable the Council to meet its funding requirements as set out in the 2012/13 Annual Plan;
- (e) Authorise the General Manager Corporate Services to make any necessary amendments required to ensure the published 2012/13 Annual Plan is in accordance with the Council's resolutions of 25-27 June 2012;
- (f) Note that the Canterbury Earthquake (Rating) Order 2012 has been made and it enables the Council to reassess rates during the rating year on properties which have a change in capital value as a result of either (1) demolition, (2) subdivision, or (3) the creation of new building improvements; and
- (g) Resolve to adopt the power to reassess rates within the 2012/13 financial year as set out in the Canterbury Earthquake (Rating) Order 2012.