

We listened – changes from draft to final

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Christchurch City Council's Annual Plan 2019-20 reflects the wishes and needs of the city's residents. This final version of the Plan, published after many months of preparation and community consultation, sets out a budget for the next year.

In line with its obligations under the Local Government Act, the Council adopted a draft Annual Plan on 12 February 2019. Residents were then asked to give their feedback on what was included in the draft, or what they wanted to have added.

The full draft Annual Plan was available for download from the Council website, and in hard copy format from Council libraries and service centres. As the draft Plan is a large and complex document, an easy-to-read consultation document was also developed to highlight the key changes and this too was available for download or in hard copy.

An email letting people know about the draft Annual Plan and consultation process was sent to more than 350 stakeholders and community groups. Advertising, social media and Newsline articles also helped inform people about the consultation, while Community Boards managed engagement out in their local communities.

Over a five-week consultation period, beginning 1 March and running until 5 April 2019, we received 246 submissions. This was a smaller number of submissions than in recent Annual Plan and Long Term Plan consultations. Across all the submissions, approximately half the comments related to social, cultural and community elements. These were typically in relation to a range of local facilities and amenities and less to do with the central city and its associated projects. About one quarter of submission comments were on environmental topics, including planning for climate

change and moving to net zero carbon emissions. Another quarter of the comments were on economic or efficiency matters, especially to reduce rates rises and costs to businesses.

From an analysis of submissions by Community Board area, there was a clear theme that the eastern Boards had more specific comments relating to their areas than other Boards. There were 122 comments on matters in the Banks Peninsula, Linwood-Central-Heathcote and Coastal Burwood Boards, compared with 30 comments for the other four Board area combined.

Staff reviewed all the submissions and responded with additional information as appropriate, before they were sent to the Mayor and Councillors for consideration. More than 95 people chose to present their submission over four days of public hearings.

The council discussed the wide range of issues raised and deliberated over changes to the draft Plan before adopting the final Annual Plan on 25 June 2019.

Changes from draft to final

The final Annual Plan largely adopts the activities and budgets proposed in the draft Plan. The changes outlined below stem from public submissions made to the draft Plan and adjustments to the timing and scope of some projects.

Planned borrowing for 2019/20 has decreased by \$157.2 million from the draft Plan, largely due to the retiming of the capital programme.

Forecast debt at 30 June 2020 is \$1.885 billion compared with \$2.062 billion in the draft Plan – a reduction of \$177 million.

The Net Debt to Revenue ratio is 144% in 2019/20, which is well within the Council's limit of 250%. The forecast peak of 223.1% in 2022/23 in the draft Plan has reduced to 220.9% in 2024 currently. This is largely a reflection of the retimed capital programme.

Rates

Financial changes between the Draft and Final 2019/20 Annual Plan have resulted in a decrease in the rates increase to existing ratepayers from 4.96% to 4.79% (excluding the Akaroa Health targeted rate). This is due to rating base growth during 2018/19 that is higher than was expected.

Fixed charges normally paid by households for 2019/20 include an increase to the Uniform Annual General Charge to \$130. Other fixed charges include the Waste Minimisation Charge, the Active Travel rate, and the Special Heritage (Cathedral) rate.

All outer year increases remain comparable with the LTP.

Targeted rate for Akaroa ratepayers

We have agreed to a request from the Akaroa Community Health Trust for a one-off Council grant of up to \$1.3 million in 2022/23 for additional services at the new Akaroa Community Health Centre. After consulting with the Akaroa and Bays community, in particular the affected ratepayers, the amount of the grant will be collected through a fixed charge targeted rate of \$129.07 over a four year period commencing on 1 July 2019.

Multicultural Recreation and Community Centre

During public submissions leaders of Christchurch's ethnic communities advocated that a multicultural centre is needed now more than ever in the wake of the 15 March terror attack and we have taken that on board. Council has approved funding towards the development of a Multicultural Recreation and Community Centre, with \$3 million funded over two years.

Regeneration funding

Reallocation of some funds previously granted to Regenerate Christchurch for the next two years has made \$3 million available in each year for other regeneration projects as we transition back to local leadership. In 2019/20 the funds will be used as follows:

- \$1.3 million for Southshore and South New Brighton Regeneration funding, including planning work (for earthquake legacy issues and long term adaptation work) and the operating component (non-capitalisable) for any physical works.
- \$900,000 will be reallocated to maintain our parks, roads and footpaths.
- \$350,000 seed funding in 2019/20 for activation projects within the Ōtākaro/Avon river corridor.
- \$60,000 for a predator free Banks Peninsula initiative.
- \$50,000 towards restoration of the Governors Bay jetty with a further \$350,000 in the following year. This is matched dollar for dollar by the Trust.
- \$21,000 to support the Akaroa Design and Appearance Advisory Committee and Lyttelton Urban Design Advisory Committee.
- A further \$20,000 of funding for the Central City Business association (CCBA).

The remainder is allocated to regeneration and climate change initiatives.

Global Stormwater Consent costs

We have committed significant resource over the past five years to gaining a global stormwater consent across the city. An additional \$347,000 of operating expenditure has been added to the 2019/20 Annual Plan to cover the conditions of the new consent.

Beyond wellheads

We continue to implement our update programme to our drinking water network and monitor the reforms to drinking water being signalled by Government. To support our commitment to providing safe drinking water that is good to drink, Council has allocated an additional \$1.5 million capital and \$0.5 million operating expenditure to install pressure and acoustic monitoring devices to detect pressure changes and pinpoint leaks in the water supply network. A further \$0.2 million of operating expenditure has been allocated for the auditing and inspection of back flow devices to help prevent any possible contamination of the water supply network.

Major works projects

Due to national funding constraints, the NZ Transport Agency has withdrawn its Targeted Enhanced Funding Assistance Rate and is unlikely to fund its 51% share on a number of our key transport projects. Consequently, we have significantly rephased the transport component of our capital programme. This rephasing has also enabled projects to be more realistically programmed, taking into account things like granting of resource consents, land purchases, funding constraints, consultation periods and detailed design timetables.

Rating Base growth

We agreed to use additional rates generated from an increase in the Rating Base during 2018/19 (over and above that estimated for the draft Plan) in the following ways:

- \$850,000 for further reduction in glyphosate use in public areas.
- \$1.17 million for growth-related operating expenditure and contingencies.
- The balance to be allocated to reducing rates.

Rates Remissions Policy

A sentence was added to “remission 6 - earthquake affected properties” that this remission does not apply where insurance claims on the property have been settled with the relevant insurance company.

Reports for more information

Councillors asked staff to prepare a number of reports in coming months to outline more information on issues raised as part of the Annual Plan. These include:

- Advice on how the implementation of the multi-cultural strategy can be prioritised and aligned to other strategies.
- A review of the rating policy.
- Advice on how climate change work can be prioritised.
- Advice on the use of the Capital Endowment Fund.

