

## Briefing - Council

### NOTES – LTP 2024-34 JOINT DEVELOPMENT

Date: Tuesday 25 July 2023  
Time: 1.30pm  
Venue: Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

Principal Advisor  
Dawn Baxendale  
Chief Executive  
Tel: 941 8999

#### 3. LTP 2024-34 - Joint development briefing

Council Briefing, Seminar or Workshop Recommendation

Present; Deputy Mayor Pauline Cotter (briefing chair), Councillor Melanie Coker, Councillor Celeste Donovan, Councillor Tyrone Fields, Councillor James Gough (online), Councillor Victoria Henstock, Councillor Yani Johanson, Councillor Jake McLellan, Councillor Andrei Moore, Councillor Mark Peters, Councillor Tim Scandrett, Councillor Tyla Harrison-Hunt, Councillor Sam MacDonald (arrived 1.36pm), Mayor Phil Mauger (arrived 1.47pm), Councillor Sara Templeton (arrived 2.39pm) Councillor Aaron Keown (online).

Absent; Councillor Kelly Barber

Principal Advisor; Dawn Baxendale - Chief Executive

Please Note: This forum has no decision making powers and is purely for the purpose of information sharing.

Cllr Cotter opened the briefing on behalf of Councillor MacDonald at 1.34pm.

Welcome

Long-term Plan 2024-34 joint Development briefing

Introduction from staff. Joint development briefings are being recorded, and will be made available publicly.

Outline of the today's briefing. All LTP content is very much in draft - this is somewhat raw, as requested. The Council Letter of Expectation asked for this. Joint development will involve all the moving parts of an LTP.

Format for today, staff presentations, with councillors questions to follow:

- Draft Financial Strategy
- Draft Infrastructure Strategy
- Draft Capital Programme

#### Draft Financial Strategy presentation

The draft FS does not provide an answer – it provides a focus on things for Council to consider.

FS goes together with the IS, both in terms of affordability and deliverability.

Starting point for 2024-25 is a total rates increase of +11.7%.

#### FS Questions

Cllr Harrison-Hunt - What is the level of return expected for Te Kaha, and by when?

Staff – Te Kaha is less about direct economic benefit, more about indirect benefit into the community.

Cllr Harrison-Hunt - What umbrella does Te Kaha sit under, it is presently excluded in a number of places.

Staff - there is an operational budget, and will sit with Venues Otautahi. Will come back to Council with update.

Cllr MacDonald - do the rates projections factor in capital requests in progress? What is the capital number it's modelled on?

Staff – current projections are modelled on \$800M

Cllr MacDonald - what are staff doing to reduce the capital to a deliverable level?

CE - today you are getting the unconstrained position, for activities and assets and capital. As we go through joint development and prioritise, this will be brought down.

Cllr MacDonald - in LOE there was a direction to present a deliverable programme, so feedback to staff is to continue this. So that councillors can have debate around the margins.

Cllr Cotter - as long as we can see what happens, for transparency purposes.

CE – staff will continue deliverability work on the programme, with future joint development sessions already scheduled to specifically discuss capital.

Cllr Johanson - Te Kaha, what can be done short term to offset the costs, given designs are still settling? Work around who benefits and who pays? For instance levies from surrounding councils.

Staff - like us other councils are working now on their LTP, and this is the right time to talk with them about their contributions. VO are working through the commercial side of things, such as rights.

CE - resolving these financial matters will involve pulling on a number of levers. This is one of those levers.

Cllr Fields - question about the 'pink' capital current request level? See question below with Capital presentation.

Cllr Fields – regarding Te Kaha, if this project was reduced by \$150m, what impact would this show?

Request for information to inform this question – cost implications of 150m, at a high level, including operational impacts.

Cllr Coker – what happens with carry fwds, where do they go?

Staff – depends on what the carry forward it relates to as to where it lands in future years. Capital carry fwds will be reviewed by Council, who are involved in making these decision.

Mayor – have any dividends been factored in?

Staff - yes, some dividend is factored in, but the level of investment is flat to declining. Options are in the Financial Strategy provided to council to consider – should this be used to reduce debt, or for another purpose.

Staff – given historic reasons, dividends should be used to off-set rates. Assets should be income generating, not just for paying down debt.

## Draft Infrastructure Strategy presentation

### Questions

Cllr Harrison-Hunt, question regarding IS Significant Issues.

DM Cotter - How can we be sure the right hand knows what the left hand is doing?

Staff – Efficiencies have been made to reduce future rework across programmes.

CE – this remains front of mind for staff as capital programme is defined. Will come back to councillors to priorities to ensure this is done according to their priorities.

Cllr Johanson – The IS is to inform the community, but in its current form it is not accessible. Could consideration be given to a digital twin, to show people what different scenarios are, and their impacts on their community?

Also, what is the timeframe and cost of returning to a pre-EQ level of infrastructure? If this is not possible, then we need to be letting the community know. How does the IS present those scenarios?

Staff – the purpose of the IS is to inform Council and guide council in decision making.

CE – it is a valid point to consider the historical context (earthquake) and how this is incorporated into current and future programmes.

Staff - Affordability – short term and long term - will be explicit through the LTP. In the on the FS presentation it was said that affordability means something different to different people.

CE – Affordability is the right conversation for Council to be having through the development.

Mayor – We need to consider what's necessary in the programme, as well as what's affordable.

Staff – Feedback from current early engagement process can also inform the draft IS.

Cllr Keown – Climate Resilience infrastructure – is it more expensive to build this type of infrastructure, if so, why, and what timelines inform the programme?

Staff - this will be seen in the activity and asset management plan briefings to come.

Cllr Keown – we should be showing people what we are intending to do and what people would expect to get, so they can understand how much is being spent and why.

## Draft Capital Programme presentation

### Questions

Cllr Harrison-Hunt - Years 2025-2028 show a big hump, why is this?

Staff - this is as a result of Council re-phasing decisions from the last couple of Annual Plans, plus impacts of Covid.

CE - the LTP provides the opportunity to review and reset the future programme.

Cllr Templeton – Suggested including reference to long term affordability , rather than reference simply to rates increases.

CE – this a valid challenge for Council.

Cllr Coker – Asked about predictability consequences – is there an option available for contingency?

Staff – The programmes that are still at concept phase (final graph shown) provide opportunity for Council to shape future programme as needed.

Cllr Harrison-Hunt – the principle slides talked to productivity. Is 100% deliverability reasonable to aim for? If we hit 100% would that mean we could have done more?

Staff – over time the programme has become more deliverable, and so deliverability has come much closer to 100%.

CE - this is reasonable, we have made good progress in recent years, to achieve in the 90s (90%).

CE - OPP not for discussion with this meeting.

Cllr Fields – Some graphs show bulk of Te Kaha spend in 2025, others shows bulk of spend in 2024. Which is correct? Staff response to be sought.

CE – These recorded sessions will give the community a chance to understand the decisions in front of Council.

Briefing closed, 3.30pm.