

19 December 2024

Ms Lauren Quaintance, Chair
ChristchurchNZ Holdings Ltd
By email: laurenquaintance@gmail.com

Dear Lauren

Christchurch City Council's Expectations for 2025/26

This letter sets out the Christchurch City Council's expectations of the ChristchurchNZ Holdings Ltd (CNZHL) board for the 2025/26 financial year. Please consider this letter and reflect the expectations as appropriate in CNZHL's Statement of Intent (SOI) for 2025/26. This letter is to be read in conjunction with the Enduring Statement of Expectations dated 18 December 2023.

Lauren – welcome to the role of Chair of CNZHL. We look forward to maintaining the strong working relationship developed with the outgoing Chair and the CNZHL board.

This letter of expectations (LOE) was approved by the Finance and Performance Committee at its meeting on 18 December 2024 (FPCO/2024/00087 refers).

Context and background to the Letter of Expectations

In June 2024 Council adopted its Long Term Plan 2024 – 34 (LTP) which identified six strategic priorities reflecting key issues for the city and district. Council also set four community outcomes as part of the LTP. The strategic priorities and community outcomes are aligned with the Christchurch Economic Ambition, adopted in October 2023, and collectively these documents set Ōtautahi Christchurch's pathway to multi-generational prosperity and well-being.

The Council requests CNZHL to record in its SOI its continuing commitment to supporting the Council with its focus on the strategic priorities and community outcomes in its LTP, and to the 10 key categories measuring our progress towards the goals set out in the Economic Ambition.

As you know Council asked ChristchurchNZ to develop an implementation plan to sit under the Economic Ambition. Council expects all its organisations to contribute to this work.

Focus on strong financial management

Council faces growing pressure to keep its rates increases low and is committed to meeting this expectation. CNZHL can contribute to this expectation by actively pursuing options to share services and facilities with other members of the Council family, looking at ways to increase third party revenue and exercising and evidencing fiscal restraint in all its expenditure decisions.

Council requests CNZHL to acknowledge the fiscally constrained environment it operates within and the imperative for exercising, and being seen to exercise restraint in the expenditure of public monies.

Economic development

The strategic direction outlined in the Economic Ambition and its 10 year priorities, supported by the Destination Management Plans and the Christchurch Brand are acknowledged. Council requests that you provide a briefing on progress and the future direction of this work during the year.

Council requests that the briefing covers the implementation plan which provides a roadmap for achieving the Four Objectives and 10 year Priorities and strategies. Meaningful measures that evidence and chart the progress of the implementation plan will be important for the Community to see and understand how success is being achieved. Council expects that these measures, to the extent they relate to CNZHL's scope of operations will be included in CNZHL's SOI.

Reporting

The Council would like your performance reporting to continue to include an annual estimate of returns on Council investment in CNZHL, including both quantified and unquantifiable/qualitative returns. This advice should include the approach you have taken to measuring the returns.

The Council would like Quarter 1 performance reporting to be at the same time as presentation of the annual results, while maintaining a clear distinction between the two. As CNZHL reports its annual results in late October and Quarter 1 ends on 30 September, we request that your annual results presentation includes a line of sight to performance in the first quarter of the new financial year, noting that there should be a clear distinction between the Annual Report material and the Quarter 1 update. It would be helpful if CNZHL identified in its SOI generally what information it intends to report on as part of the Quarter 1 line of sight update. Reporting against levels of service will still be required for all four quarters as it is currently.

Council notes that in respect of the Destination Management Plans, that Banks Peninsula has its own plan and has significant potential as a destination "within a destination" and as a hub for regenerative tourism. Council requests that, as part of its reporting to Council, that CNZHL reports separately on destination and attraction initiatives for Banks Peninsula.

Over the past year CNZHL has delivered reports to the Council on the Creative Arts Sector and Economic Inequality. The Council would like to receive CNZHL's advice as to potential next steps.

Contribution to supporting Council's leadership on emissions reduction

The importance of the Council and its family of organisations continuing to exercise leadership on reducing emissions (as a Council and a district) cannot be understated. The Council is requesting that its council-controlled organisations (CCOs) make clear for stakeholders the objectives underpinning climate change policies and milestones for achieving those objectives.

The Council expects CNZHL to include in its SOI acknowledgement of the Council's strategic policies to reduce emissions in Christchurch (emissions targets that were adopted by the Council in 2017 and 2019 and reaffirmed in the Ōtautahi Christchurch Climate Resilience Strategy).

Council requests that CNZHL include in its SOI a clear statement of its emissions targets, and pathways towards meeting those targets. CNZHL should continue to seek opportunities to reduce greenhouse gas emissions, and should include progress on how it is tracking towards achieving its emissions targets as part of its annual reporting to Council.

Council requests that CNZHL continues to support other organisations it works with to also develop emissions reduction targets, and that it shares with Council as part of its updates how those initiatives are progressing.

Events' planning and funding

The Council provides annual funding to support major events. Council's expectation is that this funding will be the direct investment in events.

Council appreciates that there is a high level of collaboration and co-operation that exists between CNZHL, VŌ, the Council and other stakeholders and recognises this is necessary to maximise strategic, economic and social outcomes for Ōtautahi Christchurch.

The City Partners Group (CPG) governance arrangement seeks to co-ordinate and maximise the opportunities for major events in Christchurch and allocate funding. The CPG will continue to be mandated to execute its responsibilities regarding best for city, best source of funding and opportunities to leverage the funding. Long Term Plan events funding will be held by the Council pending allocation decisions made by the CPG.

Council requests that CNZHL, as part of its quarterly reporting will use an established cost/benefit model to report the economic benefits, forecast and actual, associated with the events it supports.

Urban development

The Council acknowledges the review of the urban development and regeneration functions undertaken in 2024. While the review did not identify areas of duplication, it did recommend improved clarity of roles and responsibilities. To this end, the Council expects CNZHL's urban development programme to:

- work with Council to identify and allocate a pipeline work programme;
- demonstrate a clear value proposition and associated meaningful measures for projects undertaken in particular feasibility and deliverability; and
- be complementary and aligned to the urban planning and regeneration programmes undertaken by the Christchurch City Council.

The Council expects continued collaboration and demonstration of the above expectations with respect to setting CNZHL's work programme.

Mana whenua

Mana whenua are a recognised strategic partner of the Council. CCOs are expected to foster the working and strategic relationships between the Council and the six Papatipu Rūnanga who hold mana whenua status in their respective rohe in Canterbury by maintaining high levels of engagement in areas of mutual interest.

A broader expression of the Council's expectations is in the 2023 Statement of Expectations.

Governance

Council expects that CNZHL will at all times exercise contemporary best practice governance in the local government context, and it will continue its commitment to:

- strong and transparent governance at all levels including the board and executive;
- best practice human resource and organisational culture management;
- exercising restraint in the level of senior executive total remuneration and ensure that it is appropriately linked to performance; and
- show leadership in innovative practices.

The local government triennial election will be held in October 2025. Councillor-directors of CCOs are required to retire from the boards within three months after the election, or if not re-elected to the Council they must retire immediately. Council will run a process that will ensure that councillor-directors are appointed to CCO boards no later than January 2026. As Chair of the board, you will be expected to participate in the candidate evaluation process for appointments to the CNZHL board.

Living Wage

Council is an accredited member of Living Wage Movement Aotearoa New Zealand and would like all its CCOs to consider seeking accreditation. This will require (among other things) all indirectly paid workers employed by CNZ's contractors which deliver a service to the organisation on a regular and on-going basis to be either paid the current living wage or on milestones agreed as part of the contractual arrangement to pay the living wage. Council expects to be kept informed of CNZHL's progress towards living wage accreditation.

No surprises

The Council expects CNZHL to keep it informed of any material or significant events and issues relating to the company which would materially impact the Council's financial position or attract public interest.

Section 17A review

Councils are required to undertake section 17A reviews (pursuant to section 17A of the Local Government Act 2002) on the delivery of their activities on a regular basis, and generally not later than every 6 years since the commencement of an activity or its last review. The purpose of a section 17A review is to assess the cost effectiveness of the service delivery of their activities. The review evaluates both the funding and delivery of services to ensure they are meeting the needs of the communities in our city and district for good quality public services.

Council is proposing to undertake a section 17A review of its economic development functions commencing the first quarter of calendar 2025. Council would welcome CNZHL's participation in the review.

Timetable for 2025/26

Deliverable	LGA dates 2025	F&P meeting dates 2025
Half year / Quarter 2 performance report	February	March
Draft Statement of Intent for 2025/26	1 March	30 April
Quarter 3 (January-March) performance report	31 May	25 June
Final Statement of Intent for 2025/26	30 June	23 July
Annual report 2024/25, Quarter 4 and line of sight to Quarter 1 performance	30 September	October/November
AGM documentation	N/A	October

Briefings

The Council requests briefings to be provided during the year on the following (which can be included as part of the updates it provides when it presents to Council):

- Economic Ambition, Destination Management Plans and Christchurch Brand – achievements one year on;
- Climate change – objective, emissions reductions plan, progress to date, outlook to 2030;
- Urban development pipeline (including progress on the implementation of work in New Brighton and other suburban areas);
- Draft Statement of Intent for 2025/26; and
- Any other matters that may arise from time to time.

The Council looks forward to continuing to work collaboratively with CNZHL as we develop our Economic Ambition and implement the strategic priorities of the LTP to deliver on our community outcomes.

If you would like to discuss the content of this letter, please do not hesitate to contact Bede Carran, General Manager, Risk and Performance /CFO, Finance on 941 7686 or Linda Gibb, Performance Advisor on 941 6762.

Ngā mihi nui



Phil Mauger

Mayor of Christchurch City