



Review of the development of the Christchurch Replacement District Plan

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Preface

1. This report was prepared for Christchurch City Council. It is based on interviews and reviews of material conducted during June 2015. A draft of the report was provided to Christchurch City Council in July. Feedback on the draft was sought from key Christchurch City Council staff. Some feedback was received by the reviewers at the end of July. Further feedback was provided up to 24 August 2015.
2. The feedback that was received includes both information that has been used to address some factual inaccuracies in the initial draft and differences in interpretation and viewpoint. The final report reflects changes made in response to the feedback from key staff.
3. Throughout the period of the review work on the Replacement District Plan has continued. During the period that feedback was provided considerable progress has been made. Indeed the further feedback from staff included a statement that the Independent Hearings Panel has praised some Christchurch City Council staff for the quality of their work. This report has not been revised to consider what has happened since the draft report was produced. It is based on the original review work undertaken in June. Readers are advised to consider what has happened in the intervening period when addressing the report's recommendations.

Introduction

4. Christchurch City Council (CCC) is in the process of developing its City Plan under the truncated process provided for in the 7 July 2014 Order in Council (OIC) made under the provisions of the Canterbury Earthquake Recovery Act 2011. The OIC sets out a more streamlined approach than the normal Schedule 1 process under the Resource Management Act 1992 (RMA), with final decisions being made by an Independent Hearings Panel (IHP) rather than the Council. The OIC outlines a Statement of Expectations that the replacement Plan must have regard to (while it must also be not inconsistent with the Greater Christchurch Land Use Recovery Plan). The OIC also sets out a timetable for the review, including a requirement to complete hearings and decision-making by 9 March 2016.
5. Substantial parts of the replacement City Plan have already been notified and the further parts are about to be notified. The work undertaken by Christchurch City Council and the nature of the City Plan provisions that have been notified to date have been the subject of considerable criticism by members of the community, the Independent Hearings Panel, and Ministers.
6. Christchurch City Council now wishes to test the hypothesis that:

“The City Council has not adequately addressed the intent of the Land Use Recovery Plan (LURP) action to review its District Plan, and has failed to put in place the process and procedures necessary to produce an effective plan for the Independent Hearings Panel to consider.”
7. McGredy Winder & Co has been engaged by the CCC to test the hypothesis. The scope of the work is focused on an assessment of CCC's performance and guidance on its capability and capacity. Particular attention is to be paid to:
 - the expectations placed on Council and other parties through the Land Use Recovery Plan, the Order in Council and Statement of Expectations



- the robustness and adequacy of the processes Council put in place to undertake the review of the City Plan
 - the nature of the decisions undertaken by Council and the adequacy of the advice provided to assist Council to make these decisions
 - the action and process changes undertaken to address both the Statement of Expectations and the Order in Council, in the light of the matters raised by the Independent Hearings Panel in its decision
 - the capacity and capability of the resources applied by the Council to the review in the context of the timeframe and expectations
 - any further recommendations as to process, resourcing and documentation changes required to support Council and its staff and consultants through the Independent Hearings Panel process.
8. This report has been informed by interviews with key CCC staff and elected representatives, as well as some representatives from strategic partners, a number of other external stakeholders and some members of the Independent Hearings Panel (IHP). In order to protect the privacy of all involved and respect the on-going deliberations of the IHP, the report does not attribute comments to any of those who were interviewed.
9. This report has also been informed by the agendas, reports and advice that were prepared for the Council by CCC staff, the comments that have been made by Ministers as required by the OIC process, the evidence that has been presented to the IHP and the decisions that the IHP has already released. However, the volume of material is substantial. In order to complete the report within the time available the assessment of the adequacy of advice has focused on the overall approach, the strategic directions chapter and the residential and commercial chapters of the plan.
10. Ultimately the quality of the proposed plan will be judged by the IHP. Once it has weighed all of the evidence and the statutory requirements under which it operates it will make the decisions that shape the final operative plan. It would be wrong for this review to second-guess the IHP or to stray into the debate over the correct, or most appropriate planning approach. However, the decisions by the IHP to date provide clear guidance on what it considers to be appropriate. The review relies in part on the nature of those decisions and the commentary that the IHP has made over the adequacy of the CCC's work.

Criticisms of the Notified Chapters

11. The notified City Plan chapters have been through, or are still going through, the process of scrutiny by the IHP. Submitters have highlighted provisions they support, and the IHP is recording many parts of the notified chapters and supporting evidence that it considers are sound. The chapters have also been subject to considerable criticism from the community, submitters (including the Crown) and the IHP. To some degree this is a normal part of the submissions and hearings process. However, given the importance of the District Plan in the recovery and rebuild of Christchurch, some of the criticisms are significant enough to require this review and so they are outlined here.
12. Several of the criticisms are about drafting, including structure, length and complexity, and language. Drafting is very important because the resource management process relies on plans being implemented through conformity by a separate group of planners. For this to be effective and efficient, the plan needs to convey clearly what is expected and be easy to use. Clarity and ease of use is also valued by affected parties, including developers. This is crucial in the Christchurch situation given the scale of activity and change that it faces over the next ten years. To the extent that the plan's drafting creates uncertainty and inefficient process, it may discourage investment necessary for the rebuild and future of Christchurch.



13. In its first decision on the Plan, the IHP noted “confusion and misdirection” in the structure of the Strategic Directions chapter. It found that the chapter excluded some strategic matters while it included other non-strategic matters, and that it confused some objectives and policies. The IHP also highlighted the lack of internal hierarchy between the Strategic Directions chapter and other parts of the plan, and between objectives in the Strategic Directions chapter. This meant the chapter provided no indication of priorities or guidance in making trade-offs.
14. The IHP also echoed Ministers’ pre-notification comments about structure of the other draft chapters. While noting that overall the chapters were simpler and easier to use than the operative plans, Ministers said that some are still difficult to navigate due to their length, complexity and the inclusion of long lists of assessment provisions. They also noted that internal linkages between objectives, policies and rules were unclear and sometimes non-existent.
15. Ministers and the IHP have also criticised the language used in the notified chapters. While the wording of some objectives and policies is clear, the language used in others is vague and open to interpretation. Ministers said that overall there was not clear enough articulation of the outcomes for Christchurch through the rebuild, recovery and into the future. The IHP identified poorly defined goals and objectives and the absence of measures, limiting the ability to monitor achievement of the plan.
16. The main criticism of the content of the proposals, is that they are much too prescriptive and do not strike the right balance between regulation and flexibility. Ministers’ comments express concern that the number and complexity of consenting and notification requirements and development standards may have adverse impacts on recovery. They questioned whether some of the proposals would be effective or the most efficient way of achieving outcomes. Overall, they consider that the extent of the development controls would:
 - impose unnecessary costs on developers and limit choice and innovation for the rebuild
 - place a burden on the Council, and contribute to delay, frustration and uncertainty
 - create additional costs and constraints for residents and businesses
17. In addition, Ministers commented that the chapters did not provide sufficient residential and commercial development capacity, and that there was insufficient provision for temporary and transitional activities.
18. Overall, the notified chapters were viewed as too embedded in the existing District Plans, and as not making the step change needed to support recovery. The inadequacies of the operative plans led the Council to commence a review of them five years ago. The earthquakes added further impetus to this review and created additional expectations of it, many of which were documented in the LURP and Canterbury Regional Policy Statement (CRPS). As the IHP noted, these directives “*effectively ask for a new sort of plan to meet the unique circumstances of Christchurch*”. However, the Council delivered notified chapters that rolled over very many of the operative plan provisions.
19. The IHP and ministers considered that together, the above criticisms also represent a failure to have adequate regard to the OIC statement of Expectations, particularly expectations (a) and (i) that:

“...the replacement district plan-

 - a) *Clearly articulates how decisions about resource use and values will be made, which must be in a manner consistent with an intention to reduce significantly (compared with the existing plans)-*
 - (1) *Reliance on resource consent processes; and*



(2) *The number, extent and prescriptiveness of development controls and design standards in the rules, in order to encourage innovation and choice; and*

(3) *The requirements for notification and written approval...*

i) *Uses clear, concise language and is easy to use.*"

20. The IHP devoted significant space to the OIC Statement of Expectations in its first decision, on the Strategic Directions chapter. The IHP argued that in failing to have adequate regard to the Statement of Expectations, the chapter also misinterpreted provisions of the CRPS and LURP that are consistent with OIC Statement of Expectations. The IHP sought to make the Plan more consistent with these directives, by inserting in the Strategic Directions chapter a new objective for "Clarity of language and efficiency", which echoes the wording in the OIC Statement of Expectations. The IHP paired this "process" objective with the outcome objective "Enabling recovery and facilitating the future enhancement of the district", and has given the two objectives primacy over all the objectives and policies in all other chapters of the Plan.
21. Overall, from the criticisms it seems that the Plan chapters notified by CCC wouldn't be considered "best planning practice". More importantly, they may fail to deal with the unique challenge facing Christchurch. It appears that as notified, the proposals would not adequately facilitate recovery from the earthquakes, guide the transition from temporary to more permanent activities, and ensure enhancement of what will be a new District.
22. Criticism and the contest of ideas is always a part of the normal process for developing a district plan. However, this is not a normal situation and it is not following the normal process. The time period and process within which the review is operating mean that achieving best practice would always be challenging. There are also differing views on the best way to manage the rebuild of Christchurch.

Criticisms of the Notified Chapters: Key Findings

The key criticisms of the notified chapters, as expressed by the IHP and/or foreshadowed in the Ministers comments pre-notification, are that:

- a. Drafting deficiencies in the structure and language of the proposals would create uncertainty for implementers and affected parties, and reduce the likelihood of intended outcomes being achieved.
- b. The proposed development controls are far too prescriptive and may discourage the investment required for Christchurch's recovery and future.
- c. The proposals provide insufficient residential and business development capacity, and cater inadequately for temporary and transitional activity.
- d. There is too little change from the operative plans.
- e. The provisions do not have adequate regard to the OIC Statement of Expectations.
- f. The notified provisions fail to address the unique circumstances facing Christchurch and will not adequately facilitate recovery, transition and enhancement of the District over the next ten years.

Background and Context

23. Well before the earthquakes of September 2010 and February 2011 the staff of the CCC knew that the operative Christchurch City and Banks Peninsula District Plans needed to be re-written. The Christchurch City District Plan was a first generation plan that had evolved since becoming operative through a large number of plan changes. The CCC planners knew that many of the provisions of the District Plans were either ineffective, or counter-productive, or did not achieve the outcomes



anticipated by the plan's policies. In a June 2014 report to Council it was noted that prior to the earthquakes the operative plans needed to be changed:

- in light of changing information & research
 - to rectify complexity and uncertainty resulting from a significant number of plan changes, the effect-based approach of the plans, and the plethora of zones with little difference between them in the plans
 - to address matters raised in the s35 report on monitoring for effectiveness and efficiency of the plans.
24. In the period 2007 to mid 2010 CCC worked with Environment Canterbury, Selwyn District Council, Waimakariri District Council, the New Zealand Transport Agency (NZTA) and Te Rūnanga o Ngāi Tahu to develop and refine the Greater Christchurch Urban Development Strategy (UDS). This collaborative, non-statutory strategy provided the strategic plan for managing Christchurch's growth. The UDS clearly intended a series of plan changes or reviews that would give effect to the strategy and its principles through both the Regional Policy Statement and District Plans under the Resource Management Act (RMA). Several plan changes were initiated to give effect to the UDS. The UDS was a sound piece of work and presented a comprehensive strategy for the long-term development of Christchurch. However, the thinking and analysis that underpins the UDS all pre-dates the earthquakes.
25. The CCC made budgetary provision for the review of the District Plans in 2010 and staff began working on the review in that year. This work was disrupted by the February 2011 earthquake.
26. Understandably the elected representatives of the CCC and staff of were under considerable pressure following the 2011 earthquake. People were directly and personally affected by the loss of friends and loved-ones as well as by the loss of property and much of what they valued about their city and community. The operations of the CCC were significantly affected. In addition to dealing with the immediate response to the emergency and the longer-term recovery and rebuild many staff were relocated and systems and support was disrupted.
27. The challenges of the response, recovery and re-build of Christchurch have been many and varied. Identifying what land can be built on, what remediation is necessary, repairs to horizontal infrastructure, the need to provide temporary facilities, the need to relocate businesses and families, changes in ground and water levels, uncertainties over land stability and rock fall, and the need to facilitate re-development have all placed significant demands on the CCC – both councillors and staff.
28. Following the earthquakes the Christchurch Earthquake Recovery Act and Christchurch Earthquake Recovery Authority (CERA) were established, and worked with the local authorities to progress planning for the re-build of Christchurch. In addition to the city-centre plan, the Greater Christchurch Land Use Recovery Plan (LURP - gazetted Dec 2013) sets out the direction for the recovery and urban development of Christchurch. The overlapping plans and governance arrangements introduced a new level of complexity to the context for developing the Replacement District Plan.
29. Throughout work on the LURP and the Replacement District Plan and indeed through the whole of the rebuild there have been different views on the most appropriate way to approach a challenge that is almost unprecedented in New Zealand. There have been on-going tensions between:
- those that would like to get back the Christchurch that they know, love and are grieving for, and those who see an opportunity to build something new and exciting
 - the need to provide certainty for investment and the significant uncertainties over where it is safe to re-build and what remediation would be required



- the changes to urban form that have come from the relocation of activities across and beyond the city, and the need to reinforce a long-term pattern of land use that is functional, coherent, attractive and efficient
 - the imperative to provide immediate opportunities for private sector investment and ensure that capital does not leave the city, and the importance of making sound decisions about the sequence and duration of work to re-build infrastructure, institutions and signature projects that will shape the city
 - the drive to make short-term decisions that will let people get on with their lives, and the longer-term aspirations to make the most of the re-build to drive energy efficiency, sustainable design, and a strong sense of community
 - the expectations and values of different sections of the Christchurch community
 - the views of the government and the views of the council over both who should pay for what and who is in control of decision-making.
30. The LURP establishes a framework for addressing these tensions, and goals for the recovery. It sets out a range of actions that are required to implement it. The LURP recognises that the planning provisions and rules in plans under the RMA that affect land use and the location of activities are critical to the rebuild of greater Christchurch. They establish the climate for investment and the framework under which re-development will take place. Their provisions will guide many billions of dollars of investment and the re-building of a city. It is vital that the relevant plans governing greater Christchurch are effective and fit for this purpose. Accordingly, the LURP requires Environment Canterbury to make significant changes to the Regional Policy Statement, and Selwyn and Waimakariri District Councils and CCC to make changes to their District Plans. The LURP requires these changes to be completed by April 2016.
31. Despite the framework of the LURP all of the tensions noted above are still at play and have come into sharp relief through the development of CCC's replacement District Plan.
32. Any District Plan review is a complex and substantial undertaking. Most local authorities now undertake rolling reviews of parts of their District Plans in order to avoid the cost, uncertainty and enormous workload associated with a complete review. A council conducting a complete review of a District Plan under the normal RMA processes would expect it to take between 5 and 10 years from commencement to the plan becoming fully operative and all appeals having been resolved.
33. A normal plan review process includes a two-stage hearings process, with all matters initially heard by the Council (or Council appointed commissioners) and all council decisions subject to potential appeal and de novo hearings in the Environment Court. The streamlined process that has been made available to CCC is a one-stage process that removes appeal rights other than on points of law. Without this streamlined process the CCC could not have delivered the changes that are required by the LURP. However, the timetable has meant that CCC had to commence work on the substance of the review while the streamlined process was still being developed - a design as you go approach.
34. The Christchurch streamlined process is still complex and demanding. The CCC must consider and address all of the same matters as are normally required under the RMA. It must also meet specific obligations with respect to the LURP and the stated expectations of Ministers. Most importantly the CCC must prepare for the IHP, evidence and justification for all of its policies and rules to a standard that would under normal circumstances only be prepared for those parts of a plan that are appealed to the Environment Court. This is demanding of both the CCC and all the submitters that take part in the process.
35. The review of the City Plan is an ambitious, complex and demanding project. Not only does the new Plan need to manage activities in a city that would normally be growing and changing relatively slowly over the next ten years; it also needs to facilitate a rapid rebuild and transition to a more



permanent state. It will establish the framework of controls that will guide many billions of dollars of investment and the re-building of a city. It is vital that the CCC District Plan is effective and fit for purpose.

Background, Context and Approach: Key Findings

- a. The full review of the CCC District Plan was needed, even before the earthquakes.
- b. The CCC District Plan establishes the framework of controls that will guide many billions of dollars of investment and the re-building of a city. It is vital that the CCC District Plan is effective and fit for purpose.
- c. There are multiple significant expectations of this District Plan. It must find the right balance of regulation to: give effect to the RMA and the LURP; provide impetus to investment; respond to the new dynamics of changes in urban form and the relocation of major activities; give certainty to property owners and investors; and support the character and nature of the Christchurch communities and their values.
- d. The District Plan review is being undertaken in a unique and complex governance context, where there is on-going political debate and tension between Government, CCC and others over the best way to facilitate the re-build and the necessary roles and responsibilities of the public agencies.
- e. There are different views on the best way to approach the re-build and the right balance between enabling investment and regulating for good outcomes, and these views are expressed in every stage of the re-build process.
- f. The streamlined process made possible by the OIC made a full review possible within a short period of time – but it is a demanding process.
- g. The full review of the District Plan in the time that is available is an ambitious project. The tight timeframe has undoubtedly affected the quality of the notified chapters and the process to produce them.

Process

Timeframe

36. Through the development of the LURP it became increasingly apparent to CCC staff and to CCC's strategic partners that the scale of change to the District Plan that was required was so large that the complete review of the plan was a more sensible approach than initiating a series of plan changes. This was ultimately reflected in the decision to call the new plan the "Replacement District Plan".
37. It was also generally accepted that time was of the essence and a new plan needed to be in place by April 2016. To meet this timetable CCC had to commence substantive work on the replacement District Plan well before the final LURP was gazetted on 6 December 2013. In anticipation of the final version of the LURP the Council considered and approved the timeline and process for the review of the District Plan on April 24 2013. The official start of the District Plan Review project was 1 July 2013. However, actual work on parts of the plan had begun well before this.
38. It appears that from mid 2013 there was general acceptance by government agencies and a general understanding by CCC that some form of shortened process would be available to facilitate the complete review of the District Plan. However, this was not confirmed for some time. Indeed debate over the form of the streamlined process continued after the 2013 elections. While it was clear that a streamlined process would be implemented through an Order In Council (OIC) process there were a number of aspects of the proposed process that CCC did not support. The CCC saw the review of the District Plan as a full, council-driven review of the plan under the RMA. The way in which the OIC



process shifted decision-making and control away from the council caused significant concern for both staff and elected representatives of CCC.

39. In parallel with discussions and work on a shortened decision-making process CCC staff progressed the review and re-writing of the District Plan. The project was set up with a defined project management structure, team leaders, a project manager, and the quite complex process of decision-making was mapped out. The project structure included an external reference group for strategic partners.

Order In Council

40. During 2013 there was discussion between CCC, the CERA and the Ministry for the Environment (MfE) over the potential for a fast-track planning process modelled on the approach to the Auckland Unitary Plan. In order to meet the April 2016 deadline the CCC needed to commence work before any fast-track process could be agreed. Whilst there was a high level of shared understanding of what the fast-track process would involve there was always a risk that work done by CCC before the process was finalised would need to be reviewed or changed.
41. Quite late in the development of the OIC the government included provision for a 'Statement of Expectations' by Ministers. This presented a new overlay of expectations that was to have statutory effect. By the time the final form of the Statement of Expectations was completed CCC staff were well advanced in the development of the first wave of chapters for the replacement plan.
42. The final form of the streamlined planning process was set out in the Canterbury Earthquake (Christchurch Replacement District Plan) Order in Council of 7 July 2014. The OIC requires that when making decisions the IHP must have particular regard to the statement of expectations. The OIC also requires that the IHP must have made decisions on all of the matters of priority by 28 February 2016.
43. The OIC was gazetted almost a month after the Council considered the public feedback on the pre-notification versions of the first set of chapters for the District Plan. At that meeting the Council considered the feedback and resolved to send the amended chapters to the Minister (as would be required by the OIC).
44. One of the risks in progressing work on the replacement plan before that fast-track process was finalised was that some, or all of the work that CCC had already undertaken needed to be reviewed, reconsidered, or changed in some way. At one level there was nothing in the OIC's Statement of Expectations that had not been repeatedly expressed to the CCC staff by government officials over many months. At another level the statutory weight of the expectations was new. The CCC interpreted the Statement of Expectations as having lesser role, standing and effect than most of the other matters that decision-makers were required to have particular regard to under the RMA. As has subsequently transpired, the IHP has considered the Statement of Expectations to have significantly more weight than that. As a consequence the approach that CCC took in the development of the replacement District Plan is significantly at odds with what the IHP expects.
45. When the OIC was finalised the CCC staff did consider the Statement of Expectations and whether or not they needed to make revisions or change direction with respect to the content and nature of the plan. They decided that they did not and proceeded. A significant driver of this decision was the very tight timeframes for the overall process.

Political Engagement

46. Christchurch City Council's elected members were engaged in the development of the LURP and in working with their community to understand what they sought in the re-build. However, despite the decision to allocate funding for the review of the District Plan and approve the timeline and process



for the review in April 2013, it appears that the Council itself had little further engagement with the review of the District Plan prior to the 2013 local government elections.

47. During this period CCC staff developed considerable parts of a new plan without any input from the Council or any of its committees. This is significant because it was during this period that the direction for the review was set, and the drafts of the eight “first stage” chapters (and their section 32 evaluations) were prepared.
48. There was consideration given to trying to have the Council adopt the draft plan prior to the election so that a draft plan could be notified in 2013. This did not take place and therefore the consideration of all work relating to the review of the District Plan fell to the in-coming Council.
49. There was considerable change in the Council as a result of the 2013 elections. Only four councillors were re-elected: the rest, including the Mayor, were new to the council. The incoming council faced a large number of quite immediate issues. The organisation had just been through a significant re-structure and councillors needed to appoint a new Chief Executive. CCC’s financial position was very challenging and they needed to work through a new financial strategy. Serious flooding added challenges to the recovery and diverted resources and attention back into making immediate responses to emergencies. There was also work to establish a development authority.
50. In the context of these and others pressures the content of the District plan review struggled to compete for attention. There was a high level briefing of the Council on the process in January 2014. This was accompanied by a request to approve for pre-notification consultation drafts of the first suite of chapters. This appears to be the first substantive engagement with the Council on the content of the District Plan. There were then workshops during April and May 2014, which provided informal opportunities for Councillors to suggest amendments to draft chapters. However, they did not make any formal decisions on the content of the Plan until the Council meeting in June, when they agreed to send the first chapters to ministers. Apart from agreeing to proceed to ministers for comment, Councillors approved a small number of amendments to wording. The meeting took an hour and a half.
51. The Council considered Ministers comments, and decided to notify amended drafts of the chapters, at its August meeting. This point marked an increase in the level of political engagement. After this the Council established a District Plan Review committee “*to ensure the District Plan meets the requirements and timeframes of the Order In Council.*”
52. It is clear that officers did not engage elected members sufficiently right from the beginning of the review and this continued through to the new Council; and that the nature of the engagement that did happen was most unlikely to result in effective decision-making.
53. Councillors that provided input into this review expressed frustration with the process and the very limited opportunities that they have had to make meaningful decisions. The process was described by some as disingenuous and they felt disenfranchised. This was attributed in significant part to the impact of the requirements of the OIC, the RMA, the Regional Policy Statement and the LURP, which, when combined, constrained the choices and control that could be exercised by councillors. Their frustration was also attributed to the way in which material was presented to them. In the absence of a stronger strategic framework it was not possible for them to meaningfully engage with the different versions of the detailed rules and provisions of the District Plan. As a consequence it appears the elected representatives have a low level of ownership of the final product.

Officer Assumptions

54. In the absence of an agreed strategic direction from Council, officers made several assumptions that profoundly affected the analysis and resulting product. These assumptions are probably more implicit than explicit in the process and have been articulated in different ways by members of the CCC



project team and by strategic partners that were engaged in the process. The assumptions appear to have driven the scoping of the programme, the design of the work and research that the project teams undertook, and the way in which decisions have been made about content and approach from the very beginning. Broadly they appear to be judgements that:

- the pre-earthquake Greater Christchurch Urban Development Strategy and related research provides a sound basis for planning
 - there is a degree of conflict or competition between the recovery of Christchurch and its longer term needs – and the long term should not be compromised
 - the timeframe is very tight and resources are limited so the emphasis should be on carrying over, or building on, operative plan provisions unless changes are absolutely necessary
 - the Canterbury Regional Policy Statement and Land Use Recovery Plan predetermine District Plan provisions and leave little discretion or choice
 - Christchurch needs certainty and clarity more than it needs flexibility - and certainty is best provided through clear regulation
 - the number of consents that are required can be reduced by widening the scope of permitted activities and removing controlled activities from the plan, but this should be offset by new requirements to meet specified standards.
55. Government officials questioned some of these assumptions early on (and they later proved to be at odds with the OIC Statement of Expectations and decisions of the Independent Hearings Panel). These assumptions appear to have had the effect of narrowing the scope of the review and its analysis.
56. There is a question as to whether CCC staff relied too much on the Greater Christchurch Urban Development Strategy (UDS) and supporting research and investigation, which was not developed for the post earthquake recovery environment. One of the key challenges facing Christchurch is how to facilitate the level of immediate investment that is necessary to secure the long-term urban form of the city. The longer that temporary arrangements and relocations exist the more likely they are to become permanent. The longer it takes to rebuild the CBD to accommodate high value and highly productive activities the less likely it is that they will choose to locate there. Whilst the UDS may well provide the vision for the long term shape and nature of the city, what is less clear is whether the reliance on that strategy and its evidence base provides the right grounding for policies which may need to have a far more immediate timeframe. This debate is evident in the IHP's decision on the Strategic Directions chapter and in particular the new outcome objective of *"Enabling recovery and facilitating the future enhancement of the district"*.

Chapter by Chapter Approach

57. CCC took a staged approach to the development, notification and decision-making on the replacement plan, and this had significant implications for process and content. From the development of the LURP and the decision to progress an entire replacement District Plan it has been recognised that some changes to the District Plan were more urgent than others. This is reflected in the OIC's provisions that require the IHP to deal with the urgent decisions first and that their decisions become operative and progressively replace the existing District Plan as they are made. We understand that CERA strongly advocated this approach.
58. There are sound reasons for this approach, but in practice it has proved very challenging for everyone involved. The Replacement District Plan chapters have been prepared, considered and heard in three stages. The Stage 1 chapters were notified on 27 August 2014. The Stage 2 Chapters were notified on 2 May 2015, and it is proposed to notify the Stage 3 Chapters on 25 July. The chapters are intended to interact and their policies are interrelated. However, it is not possible to see or understand fully how the policies and rules interact without seeing the whole of the Plan. The full Plan will not be available to either the public or the IHP until July 2015.



59. One of the significant public criticisms of the parts of the Plan that have been notified is that people can not see what they can and can't do with their properties. The way in which the rules have been drafted certainly contributes to this sentiment, but so too does the fact that the whole of the Plan is not yet available.
60. Considering the Replacement District Plan in stages has presented the IHP with particular challenges. It is dealing with parts of issues, and expected to make decisions about provisions when it has not seen and have not heard evidence on related and integral provisions in other chapters.
61. Making the IHP's decisions operative as they go means that either some decisions may have to be interim decisions until the later Chapters are heard, or that provisions that are meaningless (because they are not complete or their application depends on other provisions that are not yet operative).
62. Another early decision was that the Replacement District Plan would be an electronic plan rather than a paper-based plan. It is accepted that from an end user point of view being able to work with an operative plan on-line in robust electronic format is important. However, there are significant questions over the utility of this approach during the development of the Plan. It appears that the electronic plan format that has been used has required provisions to be repeatedly presented throughout the Plan in order for the full context of relevant rules to be clear to the user. Strategic partners and the IHP seem to have had real challenges in understanding the Plan when it is printed in paper-based versions. It is not clear to these key parties why the software that is being used requires such extensive duplication of text. Neither do they understand why the issue of related provisions cannot be dealt with through hyperlinks and cross-referencing. It is not practical for the IHP to work from the electronic version of the plan through the hearing process. The resulting volume of paper presents distinct challenges to all of those who engage in the IHP process.

Streamlined Hearings Process

63. It is also clear that there were differing expectations between CCC and the IHP about the way in which the OIC process would operate, and what this would mean for the CCC project team in particular. There have for instance been differences of view over the level of resourcing of the IHP, the level of independence that the panel requires from CCC planning staff, the location and adequacy of the IHP's accommodation, and who would prepare the summary of submissions. The lack of planning and agreement related to who would summarise submissions significantly contributed to work that was deficient and to significant problems with the accuracy and usability of the Council's database of submitters.
64. Perhaps one of the most significant differences in expectations was that the CCC staff clearly thought that the IHP would behave more like a Council hearings panel than a like a court. They thought they would have the sort of access to the IHP that Council officers have to elected members, and that the level of analysis and advice that they provided would be akin to that of a Council hearing. In practice the IHP is operating a lot more like a court. Its hearings are very formal and it expects and requires high quality evidence on all matters that it considers. This has impacted on all parties that are participating in the process.
65. For the CCC to be successful in this environment it needs to behave and prepare evidence on all matters to the standard that would normally be expected in the Environment Court on matters that are subject to appeal. The IHP's expectations of the evidential base for policies and rules reflect a level of scrutiny of plan provisions that is demanding, and has been absent from the internal processes that the CCC has used to develop the parts of the Replacement District Plan considered in this review. Meeting those expectations will continue to require the CCC to spend considerable effort to review and assemble evidence, and in all likelihood to change significant parts of the plan for which the evidence is not compelling.



66. The OIC fast-track process and the approach that the IHP has adopted also place considerable demands on all parties that are participating in the process. To be effective submitters need legal counsel and expert witnesses with credible evidence on large parts of a complex plan. The scale of change to the notified plan through the hearings process is significant. Participating effectively in mediation also requires considerable resources. Even for large enterprises this is a significant investment. It is a very high hurdle for lay submitters who have a legitimate interest but who lack the resources or expertise to engage.

Consultation

67. A number of major investors and umbrella groups that represent property owners and developers have strongly criticised both the content of the notified chapters and the process for developing them. One of their strong criticisms is that through the development of the plan CCC staff did not effectively engage with them, [REDACTED]
68. Pre-notification engagement with the public and key stakeholders is normal practice for a plan review process under the Schedule 1 of the RMA. One of the key functions of this process is to test the logic and the thinking of the Council before it formally adopts a position. Councils frequently modify their approach in response to the feedback that they receive from key stakeholders.
69. With the time constraints on this process public and stakeholder engagement was one of the areas that CCC curtailed. In the development of the Stage 1 Chapters there was very limited engagement with key stakeholders other than the strategic partners that sat on the Collaborative Advisory Group. Whilst there was pre-notification public engagement with the Stage 1 Chapters this was subsequently abandoned because the IHP needed more time to consider the Plan that would have been possible with a pre-notification engagement. The Council made this decision reluctantly. Engaging with and listening to the community are important priorities for the current Council.
70. It is very likely that wider engagement with key stakeholders would have resulted in earlier and more serious questioning of key parts of the CCC's approach. Broader engagement would have surfaced a range of perspectives and useful insights into the likely response to alternative forms of regulation. Whether this feedback would have resulted in changes to the notified chapters is a different question.

Process: Key Findings

- a. The streamlined process made possible by the OIC made a full review possible within a short period of time – but it is onerous and places significant demands on all those who participate.
- b. CCC needed to progress work on the review while the OIC that provides for a fast-track process was being developed by Government, and this may have contributed to misalignment between Government expectations of the review and the work that was undertaken.
- c. The Statement of Expectations as part of the OIC came late in the process, but CCC misjudged its importance and did not adequately respond to its requirements.
- d. CCC did not appreciate the demands of the OIC process, and in particular the high expectations of the IHP with respect evidence.
- e. Engagement with the Council was weak and did not provide strategic direction for the review of the plan. Councillors describe feeling disenfranchised through the process.
- f. In absence of an explicit strategic approach agreed by elected members, some critical (implicit) officer assumptions have driven the process, and some of these have proven to be questionable.



- g. Developing the Replacement District Plan in stages has made it difficult for staff to develop integrated content and for the IHP and public to fully understand the provisions.
- h. The CCC's electronic plan implementation has caused significant challenges for both the IHP and submitters.
- i. There have been significant differences between the expectations of CCC and the IHP about the OIC process, roles and responsibilities. CCC did not appreciate the demands of the OIC process, and in particular the high expectations of the IHP with respect evidence. Differences in expectations also contributed to significant problems with the accuracy and usability of the Council's database of submissions.
- j. Broader engagement with affected parties during the development of the notified chapters would have been helpful.

Adequacy of advice

Form

71. From the commencement of the District Plan through to the point of notifying the first chapters, it appears that advice to the Council comprised:
 - Committee reports seeking approval for the review process, during 2013
 - **Workshop presentations on content in the first half of 2014.** The written records of these are necessarily limited to headings, bullet points, maps and visual images.
 - **The eight draft chapters and Section 32 evaluations of each chapter themselves** (with revisions in track changes). This material comprised over two thousand pages of technical District Plan provisions, detailed information and analysis.
 - The June 2014 Council report recommending the draft chapters to send to ministers
 - The August 2014 Council report covering ministers comments
 - **Ministers' comments and recommended responses to these comments.** This comprised hundreds of pages of detailed argument and wording changes presented in tabular form.
72. In summary, the form of advice was either very high level (and verbal), or incredibly detailed and lengthy. There was no written advice to elected members that fell between this, summarising the most important District Plan issues and key choices, the results of the analysis, and recommendations on content. The June 2014 report to Council that covered the first chapters to be sent to ministers came closest, in that it summarised some of the core policies driving these chapters. However it did not identify content choices for Councillors and indeed by this time this would have been too late. Both the process and the form of the advice meant that Councillors could not exercise their governance role to input to the review at a strategic level. And they would have had to read through large volumes of material to input at a detailed level.
73. The lack of a politically agreed strategic direction, and assumptions made by officers, had various consequences for the review as identified above. One consequence was to narrow the analysis in the Section 32 reports underpinning the notified chapters.

Analysis

74. The Section 32 reports for each chapter appears generally to have complied with RMA requirements, in that these reports:



- Examine the extent to which the objectives of the proposals are the most appropriate way to achieve the sustainable management purpose of the Act, and whether the provisions are the most appropriate way to achieve the objectives;
 - Identify other reasonably practicable options for the provisions;
 - Assess the efficiency and effectiveness of the provisions, by looking at the benefits and costs of their environmental, economic, social and cultural effects (including opportunities for economic growth and employment)
 - Assess the risk of acting or not acting, if information about the subject matter of the proposal is uncertain or unavailable.
75. However, the quality of the analysis varies between and within the reports. The IHP said that the Strategic Directions Section 32 report “*demonstrates a disappointing lack of rigour and thoroughness in its testing of its proposed objectives and policies by reference to what s 32 specifies*”, both because it does not provide alternative options and because the proposals are subject to only cursory evaluation. The Section 32 reports for the Commercial and Residential chapters are more comprehensive.
76. However, all the reports are underpinned by relatively weak problem definition and insufficient information about the scale and relative significance of issues. For example, the reports contain limited description of the damage caused by the earthquakes, and no information about the number of dwellings that need to be rebuilt, the quantum of investment required and where this will need to come from. There is also no analysis of the Christchurch economy, its role within the wider region and South Island, and which sectors were most affected by the earthquakes. The IHP noted that even for the Strategic Directions chapter, the section 32 report did not demonstrate that the Council had undertaken any substantive analysis of the issues.
77. This resulted in several key resource management issues or objectives being left out of the notified chapters, and others being poorly drafted. For example, the Commercial chapter did not identify recovery and growth of commercial activity in Christchurch as an issue or objective. Instead, the chapter articulated issues such as: “*The current policy framework does not provide clarity on the function of different centres and their place in a hierarchy of centres.*” Because the operative plans and generic planning approaches were the starting point for defining the issues, this led to the development of objectives, policies and methods that do not fully address the current needs of Christchurch.
78. In addition, alternative options were not considered for the policies in the Strategic Directions chapter because they were regarded as “being equivalent to CRPS policies”, and:
“Consideration was given as to whether alternative policies would more appropriately achieve the objectives, taking into account efficiency and effectiveness in the circumstances of the district. No district issues have been identified that make any other policy more appropriate”.
79. The other Section 32 reports generally provide two or three alternative practicable options for each of the policies and methods in the chapters. These options tend to comprise different degrees of intervention, including the status quo (operative plans), less regulation (“rules that achieve lower standards”), and sometimes, greater regulation than the proposal. The Section 32 report for the Residential chapter also considers a non-regulatory option (“voluntary approaches including incentives”) to encourage housing development that achieves high quality residential environments.
80. Most of these options seem appropriate to the objectives. However, the reviewers consider that greater effort should have been made to examine non-regulatory options given the extent of private investment required to rebuild Christchurch. In its decision on the Strategic Directions chapter, the IHP said that zoning capacity alone will not be enough to facilitate the building of the dwellings



needed, and that incentives, stimulation and regulation are required. The IHP also noted that for recovery and stimulation of commercial and industrial activities “we see this is an area where plan methods will extend beyond regulatory ones to proactive initiatives and incentives to secure the confidence of investors to invest.”

81. The reviewers understand that the Council made a decision to exclude non-regulatory measures from the Plan itself. This is understandable because the Plan is in essence a set of regulatory interventions. The Council has also adopted a number of non-regulatory measures (including changes to its development contributions regime) to facilitate re-development. However, broader consideration of the non-regulatory options within the Section 32 process would have provided either a stronger case for the proposed regulatory approach, or would have highlighted the limitations of the regulatory framework and provided a case for other initiatives.
82. Different approaches were used to evaluate the proposals in different chapters, but all these approaches generally fall short of a rigorous assessment of effectiveness or impact. The Strategic Directions proposals were evaluated only in terms of whether or not they are consistent with the CRPS, LURP and Mahaanui Iwi Management Plan. The Commercial proposals were all evaluated relatively extensively. Meanwhile, the section 32 report for the Residential Chapter notes that because of the truncated timeframe for the review, less extensive evaluation had been undertaken of objectives, policies and rules that:
 - have not substantively changed from provisions in the operative District Plans
 - are largely reflective of the provisions contained with the CRPS, or
 - reduce rules.
83. Those evaluations that were undertaken of Residential and Commercial proposals are comprehensive, in that they discuss a long list of matters. However, there is a lack of measurement or sense of relative scale of the different matters.
84. One exception to this is the analysis of development capacity included in the section 32 report for the Residential chapter. This states that the areas currently zoned for medium to high density development under the operative Christchurch City Plan provide a theoretical total potential household yield of 39,000hh and “this appears sufficient to meet the required intensification 2028 target of 20,742 new households...” However, the Ministers comments questioned whether the “theoretical maximum” referred to in this analysis was realistic, and recommended the analysis be reviewed.
85. Evidence was prepared on a wide variety of issues for the section 32 reports. However, as alluded to above, there are some key gaps in evidence, particularly on matters such quantum and sources of investment required for recovery, and the realities of the residential and commercial property markets.

Responsiveness

86. Each section 32 report includes a summary of consultation feedback received via online surveys, public meetings and emails; and officer responses to this. Unfortunately these summaries do not identify how many people provided feedback and anything about them (e.g., age, residents or developers), so it is not possible to tell how representative the consultation feedback is of the community or of affected parties. The section 32 analysis sometimes draws on the consultation results. However, officer responses often recommend no change to the draft proposals.
87. Throughout the review, Council officers have clearly been focused on responding to the directives in the CRPS and the LURP. These statutory documents are referenced in all the advice to councillors and throughout the analysis in the section 32 reports. Indeed, the reports refer to provisions being “largely predetermined by higher order documents (the LURP and CRPS).” However, the IHP



considered this to be a misinterpretation of how best to “give effect to” the CRPS and “not be inconsistent with” the LURP, and that the Council did insufficient work to translate the higher order directions into more specific district plan provisions in the Strategic Directions chapter. Some of the CRPS and LURP provisions are quite prescriptive, but the IHP argued that they “*left the Council ample capacity to determine how best they should be addressed.*”

88. Officer advice and analysis leading up to notification does not appear to have been particularly responsive to the OIC Statement of Expectations. CERA and MfE officials articulated the content of this Statement of Expectations several months before the OIC was gazetted. Council officers did not appear to take officials views on board in the content of the chapters or section 32 reports. Yet the report that recommended forwarding draft chapters to Ministers said that the chapters, maps and section 32 reports “*have general support from the Collaborative Advisory Group...which includes...CERA and the Ministry for the Environment...with no fundamental differences noted*”.
89. The Ministers comments then highlighted a number of ways in which the draft proposals fell short of meeting the Statement of Expectations, and made 29 recommendations for change. The Council report that covers these comments is a detailed table of specific clause-by-clause responses. It does not summarise for Councillors: how substantial the Ministers’ comments were; officers views of the comments; or the key areas of disagreement. However, in the detailed responses to the comments it appears that officers recommended rejecting 11 of the recommendations, and proposed amendments that only partially addressed the remainder.
90. The short time between receiving the Ministers comments and the date for notification would have severely limited the adjustments that could have been made to the drafts. But shortage of time was not given as a reason for minimal amendment. Rather, it seems that officers disagreed with many of the comments and recommendations.
91. CCC staff did make several changes to the review process in response to the IHP’s decisions on the Strategic Directions chapter. Staff have described these changes as including: further reviews of Section 32 processes, working with the IHP to map caucusing and mediation processes, and emphasising the need to avoid unnecessary regulatory interventions.

Adequacy of Advice: Key Findings

- a. The form and presentation of the advice did not support effective governance by councillors.
- b. The Section 32 reports generally comply with RMA requirements, but the quality of the analysis varies within and between reports.
- c. Weak problem definition contributed to gaps in the identification of resource management issues and objectives and some poor drafting.
- d. Reasonably practicable options were identified for most of the policies and methods.
- e. The evaluations of proposals cover a comprehensive range of matters but lack information about the relative significance of these, so do not provide a rigorous assessment of effectiveness or impact.
- f. The evidence underpinning the advice is patchy, with some important gaps.
- g. The use of consultation feedback is ambiguous.
- h. The advice responds to the CRPS and LURP, but did not support the Council to adequately address Ministers comments and have regard to the OIC Statement of Expectations.



Project Management and Control

92. The District Plan review is a large and complex project involving a large team of both CCC staff and a range of external consultants. There are complex interrelationships and interactions between the different workstreams in the project. The project management framework adopted by CCC reflects the scale and complexity of the project. It includes complex process mapping, and tracking of work, and a clear project framework with the roles and responsibilities of groups clearly established.
93. Like any large project there have been challenges. The OIC was finalised later than was expected and contained the Statement of Expectations (which was not originally proposed). The process originally intended by the CCC included time for pre-notification engagement with the public on all draft chapters. However, in order to complete the hearing and decision-making process on time the IHP required CCC to deliver notified chapters earlier than planned. This meant that the CCC had to remove the pre-notification engagement for stages 2 and 3. This decision impacted both on public perceptions of the process and the time that CCC had to complete quality control prior to the notification of the chapters.
94. The project framework provides for:
- a Governance Group – the Council
 - a Project Owner
 - a Project Manager
 - a Collaborative Steering Group (including CCC and collaborative partners)
 - a Project Control Group
 - a Collaborative Advisory Group (CAG – which includes CCC and collaborative partners)
 - a Technical Advisory Group (TAG)
 - Chapter Leaders and teams (who undertook the analysis and the development of each chapter).
95. The project adopted a three-phase process of initiation, development and final review. In Phase 1 Chapter Leaders and their teams established the scope, form and content of their chapters. This was reviewed by TAG before being referred to the CAG. In Phase 2 the Chapter Leaders and their teams developed and wrote the draft chapters before further reference to the TAG. In Phase 3 the Chapter Leaders and their teams were intended to complete final drafts reflecting the Phase 2 feedback from the TAG before a last reference to the TAG, followed by consideration by the CAG, the Steering Group, Independent Peer Review and Final Legal Review.
96. Overall the project structure, the suite of decision-making groups and the provision for external engagement seem fit-for-purpose and appropriate to a project of this scale and complexity. There are however issues with its implementation.
97. Phase 1 of the project began with Chapter Leaders and their teams establishing the scope, form and content of their chapter. [REDACTED] The approach would have been far more effective if Phase 1 of the process had begun with a strategic approach to: the requirements of the LURP; the imperatives of the re-build; the underlying values of Christchurch; and the measures that would be necessary to create the environment of certainty and the incentives necessary to drive the investment required to build the city. If the CCC and CERA had been able to reach agreement on this approach, with the political endorsement of the Council and Ministers, there would have been a stronger decision-making framework for the development of the whole plan.



98. The process scheduled engagement with the Council as the last step of Phase 3. Titled 'Governance Approval' this is the only time in the process that it was intended that material would be considered by the Council.
99. As is noted above, this approach meant that there was no council endorsed strategic approach or strategic framework that drove the design of the plan. This approach also meant that by the time draft chapters came to the Council it was so late in the process that they had little choice other than to proceed with what was presented to them. As is noted above, this approach, combined with the impact of the OIC process and the impact of the LURP and the Regional Policy Statement, resulted in councillors feeling disenfranchised.
100. Throughout the process Chapter Leaders have had significant responsibility. The reliance on them is a key point of risk. The success of the project depends on the performance of each Chapter Leader and their team. The relative independence of the chapter teams is reflected in such relatively minor matters as some teams opting not to use the templates for Section 32 analysis and other reporting. More importantly, the quality of the analysis and of the final notified chapters differs between teams. This raises the question of whether the process of testing and oversight through the TAG was adequate and early enough in the process to identify and rectify issues and problems. It also raises questions as to whether expectations and standards were clearly established.
101. Team Leaders and key managers described the decision-making process across the whole project as collegial and consensus-based. They described a competition between ideas. However it was less clear to the reviewers how (to the extent they existed) differences of opinion were resolved within the project team. It seems that the TAG adopted a collective responsibility approach, based on consensus decision-making. [REDACTED]
[REDACTED] Despite being the "Owner of all detail and information within the project, facilitating the flow of all information and providing over-arching responsibility for all content and quality of the documents recommended to Council for adoption" the Project Owner was not part of the TAG – which was intended to be the key control point for the content and quality of all chapters.
102. The reviewers have not investigated the agendas and decisions of the TAG or the CAG. However, from the interviews that we have conducted we are left with the impression that the overall decision-making framework is rather weak and exposed to potential capture by group thinking. This weakness could not be overcome by the formality of the project structure and the attention provided to the complex steps that must be followed.
103. The most serious testing of ideas prior to the notification of draft chapters has come from outside the CCC – through the CAG. Until the IHP's decision on the strategic direction chapter those ideas seem to have had little effect. The external members of the CAG appreciated the opportunity to engage and contribute but expressed considerable frustration with this process. The key criticism is that they provided feedback, which was often critical, [REDACTED]
Despite the feedback and criticism it seems that draft chapters were not significantly amended following consideration by CAG. The strongest feedback seems to have come from CERA and the government agencies. This feedback is then reflected in the comments made by Ministers on each set of chapters, and in the evidence that is presented to the IHP. It appears from the IHP's decisions to date that they are receptive to the arguments that CERA and the government have presented to them.
104. Some of the external partners have described their experience in the review of the district plan as if there were two parallel philosophies of planning at play, and that they continued in parallel worlds until the IHP brought about some meeting of the ways. CCC staff knew about the emphasis that CERA and government agencies brought to the review of plan from the very beginning. It was obvious through the development of the LURP that they place high priority on measures that provide



immediate incentives to invest, reduce regulation and encourage innovation. CCC planners disagreed with some or all of the approach advocated by CERA. They believed that, in the contest of ideas in front of the IHP their approach would prevail. This approach brought with it considerable risk, not just for the CCC and its reputation, but for Christchurch and the re-build. The project management framework adopted by the CCC provided no mechanism for this risk to be managed because it provided no effective way to resolve it, other than to end up in front of the IHP with two different arguments. From the IHP's decisions and comments at hearings to date it appears that significant elements of the CCC case will not convince the IHP that they are the most appropriate approach.

105. All collaborative partners interviewed noted a change in the approach adopted by the CCC after the decision on the Strategic Directions Chapter. They noted a more collegial approach and a greater willingness to listen and explore changes that can address the differences between them. All parties noted that the approach CCC adopted to the review of the Commercial and Industrial Chapters was a watershed change. [REDACTED]
106. As the decisions of the IHP are released it will become more and more apparent what sorts of changes will need to be made to the Plan as notified for the IHP to be convinced that proposed Plan provisions are the most appropriate and justified. To get to that point there will need to be considerable work by all parties. The way in which the CCC approaches that task will substantially impact on its reputation, [REDACTED] the cost that all parties face, and most importantly, the quality of the resulting District Plan.
107. It is also important to note that the notified Chapters are the result of both work by CCC staff and decisions by Council. There are a number of issues where the Council has adopted a policy position that is at odds with the advice that was provided to them by planning staff. [REDACTED]

Project Management and Control: Key Findings

- a. The project structure, the suite of decision-making groups and the provision for external engagement seems fit-for-purpose and appropriate to a project of this scale and complexity but here are issues with its implementation.
- b. The project is complex process, and is made more challenging by the tight timeframes. However, the process seems to be more strongly driven to meet the timelines for each chapter than to meet clear outcomes and objectives.
- c. If Phase 1 of the process had begun with a strategic approach and the CCC and CERA had been able to reach agreement on this approach there would have been a far stronger decision-making framework for the development of the whole plan.
- d. Despite the project structure the overall decision-making framework is rather weak and exposed to capture by group thinking.

Capability, Capacity and Culture

Capacity

108. To undertake the development of the replacement District Plan the CCC assembled a large team. The team includes a significant number of senior CCC staff and people from across the council as well number of well-respected consultants. The reviewers have been advised that a core team



comprises around 27 staff FTEs and 9 consultants that have worked on the Plan continuously. Of these around 5.5 FTEs are GIS and data specialists and just over 1 FTE reflects communications and public relations expertise.

109. All told around 185 people are recorded by CCC as having contributed as part of the process. Of these 116 are CCC staff and 69 are consultants. CCC has described the contribution made by people as either 'Substantial', 'Medium', or 'Limited'. Table 1 shows the nature of the contribution to the development of the replacement plan that has been made by both CCC staff and consultants. Whilst the description of the core team of 36 FTEs and the breakdown of the scale of contribution shown in Table 1 have come from different sources, it appears that those identified in Table 1 as making a substantial contribution most closely reflect those considered to be part of the core team.

Table 1: Scale of Involvement by Organisation

Organisation	Involvement			Total
	Substantial	Medium	Limited	
CCC	35	27	54	116
Other	5	23	41	69
Total	40	50	95	185

110. The CCC managers interviewed as part of this review all said that the staff working on the project have all been affected to some degree by the earthquake recovery. They saw that this presents particular issues and challenges for people. Clearly the demands of the District Plan process have also been considerable. All CCC staff interviewed noted the substantial work load and the stressful and pressured atmosphere in which they had to produce a quality product.

111. There is obvious pride amongst the CCC staff who have led the process and a strong sense of satisfaction about what they have achieved, and optimism for the future and the impact of the plan.

112. One of the strong features that CCC staff described was the ability to draw in expertise from across the organisation. Those who were interviewed all believed that they had had access to the expertise and resources that they needed to undertake their role. However they also realised that the project was now well over budget and that there was increasingly pressure on resourcing. They also noted that it was increasingly difficult to secure additional external resources because most of the major consulting firms were already involved in the process and were conflicted because of their engagement to other parties.

113. All told the project manager estimates that Replacement District Plan will cost more than \$40m. This estimate includes the costs of setting up and operating the IHP and its associated secretariat, legal support at the hearings, expert evidence, as well as GIS, IT and communications costs. Some of this cost will be able to be recovered from the Crown under the terms of the OIC.

114. For this level of expenditure the CCC should have been able to deliver a very sound District Plan that met the expectations of the stakeholders and the needs of Christchurch. The level of staffing that has been provided for this initiative should have been adequate for the task. [REDACTED]

Capability

115. Table 2 shows the breakdown of those who have been involved in the project by professional background and scale of involvement. Understandably, planners comprise the largest professional group. Their experience ranges from recent graduates to senior staff with many years of experience but they are generally quite an experienced group. Surprisingly, the second largest group of professionals are architects, urban designers and landscape architects, with 9 of the 40 people who



have had substantial involvement with the District Plan coming from this background. A range of engineers and transport planners have been used in a variety of chapters with experience that spans assets and structures, hydrology, geotechnical issues and transport and traffic engineering. A further large group of professionals has been classified by the authors as 'Other'. This includes professionals from diverse backgrounds and includes seven arborists.

116. Most notably, the team that has developed the Replacement District Plan includes only 5 economists. The one economist that has had a substantial involvement was focused on the transport chapter, as were two of those who had a lesser involvement. The others contributed to the Natural and Cultural Heritage Chapters and the Residential Chapter.

Table 2: District Plan Project Team – Professional Background by Level of Involvement

Profession	Involvement			Total
	Substantial	Medium	Limited	
Planners	21	10	14	45
Architects / Urban Designer / Landscape Architects	9	10	14	33
Engineer / Transport Planner	2	15	8	25
Economists	1	2	2	5
Other	7	13	57	77
Total	40	50	95	185

117. As noted above, individuals that are identified in Table 2 as having a substantial involvement in developing the Plan most closely reflect the core team of 36 FTEs that has driven the development of the plan.

118. Given the nature of the plan and the issues that Christchurch is facing the composition of the project team is surprising. Half of those identified as making a substantial contribution to the development of the Plan are planners, one quarter have a professional background in architecture, urban design or landscape architecture and only one in economics.

119. One of the key tensions through the re-build of Christchurch has been about the economics of the location of activities, and the financial challenges that businesses face in re-building and possibly re-locating. Despite this, the project team has had little access to economists. The large number of urban design, architecture and landscape architecture professionals suggests a strong focus on design issues. That focus is important, but design choices must be seen in the context of the costs that they may impose as well as the other benefits they bring.

120. Having reviewed the composition of the project team, the nature of the advice provided, and the decisions and criticisms of the chapters that have been notified to date, we have concluded that the project team needed far more senior input from disciplines other than planning and design. Most noticeably it needed senior team members with backgrounds in economics, urban systems, but also with commercial experience in property development and investment. These are the skill sets that could have more seriously challenged and tested the impact of policies and rules and the relative weighting of the matters that the Council needed to consider.

121. [REDACTED]

The implicit assumptions that have underpinned the development of the replacement plan appear to place too little emphasis on the immediate imperatives of the re-build and too much reliance on the pre-earthquake end-state vision of the UDS. The IHP clearly considers that the CCC has placed too little weight on the Statement of Expectations.



122. There have been several moments in the process to date where the CCC could have chosen to change direction, most notably:
- when the election delivered a very different council;
 - when the first draft of the Statement of Expectations arrived;
 - when the first set of feedback on draft chapters arrived from Ministers; and
 - when the decision on the Strategic Directions chapter was received.
123. At each of these points possible changes in direction have been considered and rejected. In each case there have been significant consequences of choosing not to change direction. These decisions have been made by both staff and council. Navigating the remaining process of hearings and decisions will require the careful exercise of judgement in many areas by both staff and council.

[REDACTED]

Quality Assurance

124. Each plan chapter has been the responsibility of a different leader with a specific team. The background, skills and strengths of each team varies. This is reflected in differences in the quality of the drafting and background analysis between the chapters. The IHP has noted differences in the quality and comprehensiveness of the Section 32 reports that support the notified chapters. They have also expressed concerns over the quality of the drafting of the plan as notified. These concerns include the use of weak adjectives, indirect and ambiguous writing, assessment criteria and rules that are not clear, and rules that can be interpreted in more than one way.
125. In part the varying quality of notified chapters is a function of the time that was available. The Stage 1 Chapters were subject to more intense scrutiny and the process of pre-notification public engagement. Staff say they used the pre-notification engagement period to address a number of consistency and quality issues between the draft chapters. Despite this there were still inconsistencies in drafting, style and approach between the Stage 1 Chapters.
126. At another level differences in quality are a function of the quality assurance process. Each chapter was subject to [REDACTED] review by the Technical Advisory Group before it was shared with external partners and before it went to the Council. The fact that the quality of the drafting of some chapters remains poor suggests that there were deficiencies in the quality assurance and review processes.

127. [REDACTED] Drafting rules is a particular skill. It requires very structured thinking, tight objectives, robust intervention logic, and rigorous trouble shooting and testing. It takes a very particular skill set to pick apart a draft rule to understand perverse consequences, unintended meanings, or ambiguity. [REDACTED]

[REDACTED]

128. [REDACTED]
- [REDACTED]
- [REDACTED] The adequacy of the Section 32 analysis is discussed above. The reviewers are left wondering if the balance of management effort and control was weighed in favour of managing a complex process in a short period of time; rather than the rationale for the regulations and assessing their impact and justification.



Capability Required Going Forward

129. CCC now faces the challenge of providing evidence to support the remaining chapters. Staff [REDACTED] must now prepare and present evidence, and convince the IHP of the credibility of their analysis. For staff with only limited, or no experience of the Environment Court this is a daunting prospect. Despite efforts to provide mentoring and support it leaves a fundamental question about who is best placed to present the council case. CCC's experience with the IHP to date is mixed. Some very senior staff have been roundly criticised and others praised for the work that they done.
130. It is clear from the decisions and hearings to date that the IHP will require changes to the chapters. This means that CCC now faces a different capability and capacity issue, which the managers in charge of the process recognise. [REDACTED] It is urgent and critical that the CCC appropriately resources the review of each chapter and the mediation and revision process. [REDACTED]
131. External stakeholders expressed concerns that although through the hearings and decision process the IHP will establish a sound plan, that plan may have a low level of ownership amongst CCC planning staff. They were concerned that this lack of ownership may manifest itself in either, administrative interpretations and consenting practice that frustrate the plan, or in an early initiative to review the plan and establish the framework sought by CCC staff at the outset. These concerns may well be unfounded, but perceptions held by key stakeholders impact on the reputation and credibility of the council. In order to address these perceptions and protect its reputation CCC will need to establish demonstrably fair and consistent consent processes and clear guidance notes for staff. Given the enormous investment that CCC and other stakeholders will have made in the Replacement District Plan once it is operative, it would be most unfortunate if CCC moved to undertake an early review of its provisions.

Culture

132. [REDACTED] A small number of external stakeholders with significant commercial interests in Christchurch, across both the residential and commercial sectors, were interviewed as part of this review. These parties described considerable difficulty in engaging with the CCC staff. [REDACTED]
133. Given the time constraints of this process it is to a degree understandable that the CCC staff had to limit the extent to which they could engage with stakeholders. There is also a question of natural justice that arises if some stakeholders are given preferential treatment. However, the stakeholders described a culture of exclusion that pre-dates the development of the Replacement District Plan. This culture needs to be seen to be overcome if the District Plan is to encourage and enable the commercial sector and property developers to invest in Christchurch to support the re-build of the city.
134. Given the CCC's focus on the long-term design, quality and aesthetic of the city it is perhaps even more important that the commercial and property development sectors understand and feel a sense of ownership of the urban design objectives for the city. CCC did seek to engage broadly with the community about its vision for the future. This included many community meetings and submissions. There may well be a broader acceptance of the CCC's design goals that has emerged through this process, but the stakeholders that were interviewed as part of this review did not share it.



135. The collaborative partners that were interviewed described a more effective process of access to key staff through the process of reviewing the plan. The challenges that they described were more that CCC staff listened to their concerns but did not accept them, and did not change their position in response. [REDACTED]
[REDACTED]
[REDACTED] If the issues raised through the CAG had been effectively addressed before chapters were notified the CCC would not be in its current position.
136. Effectively addressing the issues raised through the CAG could have involved either CCC staff or other CAG partners being convinced of the merits of the arguments being put forward by others. The issue is not so much who was 'right', or who had the best argument, as that significant differences were unresolved. Resolution of differences requires all parties to be open to changing their position. CCC staff would argue that some of the CAG partners were just as intransigent in their views as they have criticised the CCC staff of being.
137. [REDACTED]
[REDACTED]
[REDACTED]
138. [REDACTED]
[REDACTED]

Capability, Capacity and Culture: Key Findings

- a. The CCC devoted a large team and considerable resources to this task. The scale of the resources committed to the task should have delivered a quality product.
- b. All of the CCC staff working on the project have been affected to some degree by the earthquake recovery and this presents particular issues and challenges.
- c. The CCC was successful in establishing a effective cross-Council team and getting inputs to the plan from across the council.
- d. The CCC's team was dominated by planners and urban designers. The project team needed far more senior input from other disciplines, most noticeably economics, and urban systems, but also from commercial experience in property development and investment.
- e. [REDACTED]
[REDACTED]
- f. Differences in the quality of material produced by the project team reflects the tight timeframes, but also raises questions about the quality assurance process [REDACTED]
[REDACTED]
- g. It is both urgent and critical that the CCC appropriately resources the review of each chapter and the mediation and revision process. [REDACTED]
[REDACTED]
[REDACTED]
- h. CCC will need to establish fair and consistent consent processes and guidance notes for staff to give effect to the plan.
- i. [REDACTED]
[REDACTED]
[REDACTED]



Conclusions and Recommendations

139. The full review of the CCC District Plan was needed, even before the earthquakes.
140. The CCC Replacement District Plan establishes the framework of controls that will guide many billions of dollars of investment and the re-building of a city. It is vital that the CCC District Plan is effective and fit for purpose.
141. There are multiple significant expectations of this District Plan. It must find the right balance of regulation to: give effect to the RMA and the LURP; provide impetus to investment; respond to the new dynamics of changes in urban form and the relocation of major activities; give certainty to property owners and investors; and support the character and nature of the Christchurch communities and their values.
142. The District Plan review is being undertaken in a unique and complex governance context, where there is on-going political debate and tension between Government, CCC and others over the best way to facilitate the re-build and the necessary roles and responsibilities of the public agencies.
143. There are different views on the best way to approach the re-build and the right balance between enabling investment and regulating for good outcomes, and these views are expressed in every stage of the re-build process.
144. The full review of the District Plan in the time that is available is an ambitious project. The tight timeframe has undoubtedly affected the quality of the notified chapters and the process to produce them.
145. The IHP has made a number of key criticisms of the notified chapters. Those concerns are similar to those foreshadowed in the Ministers comments on pre-notification draft chapters. Those concerns are that:
 - drafting deficiencies in the structure and language of the proposals would create uncertainties for implementers and affected parties, and reduce the likelihood of intended outcomes being achieved
 - the proposed development controls are far too prescriptive and may discourage the investment required for Christchurch's recovery and future
 - the proposals provide insufficient residential and business development capacity, and cater inadequately for temporary and transitional activity
 - there is too little change from the operative plans
 - the provisions do not have adequate regard to the OIC Statement of Expectations
 - the notified provisions fail to address the unique circumstances facing Christchurch and will not adequately facilitate recovery, transition and enhancement of the District over the next ten years.
146. These concerns go to the heart of the intent of the LURP and the approach to post-earthquake regulation that has been sought by the government.
147. With respect to the process that has been followed we have found that:
 - The streamlined process made possible by the OIC made a full review possible within a short period of time – but it is onerous and places significant demands on all those who participate.
 - CCC needed to progress work on the review while the OIC that provides for a fast-track process was being developed by Government, and this may have contributed to



misalignment between Government expectations of the review and the work that was undertaken.

- The Statement of Expectations as part of the OIC came late in the process, but CCC misjudged its importance and did not adequately respond to its requirements.
- CCC did not appreciate the demands of the OIC process, and in particular the high expectations of the IHP with respect evidence.
- Engagement with the Council was weak and did not provide strategic direction for the review of the plan. Councillors describe feeling disenfranchised through the process.
- In the absence of an explicit strategic approach agreed by elected members, some critical (implicit) officer assumptions have driven the process, and some of these have proven to be questionable.
- Developing the Replacement District Plan in stages has made it difficult for staff to develop integrated content and for the IHP and public to fully understand the provisions.
- The CCC's electronic plan implementation has caused significant challenges for both the IHP and submitters.
- There have been significant differences between the expectations of CCC and the IHP about the OIC process, roles and responsibilities. CCC did not appreciate the demands of the OIC process, and in particular the high expectations of the IHP with respect evidence. Differences in expectations also contributed to significant problems with the accuracy and usability of the Council's database of submissions.
- Broader engagement with affected parties during the development of the notified chapters would have been helpful.

148. With respect to the adequacy of advice we have found that:

- The form and presentation of the advice to Councillors did not support them to exercise effective governance.
- The Section 32 reports generally comply with RMA requirements, but the quality of the analysis varies within and between reports.
- Weak problem definition contributed to gaps in the identification of resource management issues and objectives and some poor drafting.
- Reasonably practicable options were identified for most of the policies and methods.
- The evaluations of proposals cover a comprehensive range of matters but lack information about the relative significance of these, so do not provide a rigorous assessment of effectiveness or impact.
- The evidence underpinning the advice is patchy, with some important gaps.
- The use of consultation feedback is ambiguous.
- The advice responds to the CRPS and LURP, but did not support the Council to adequately address Ministers comments and have regard to the OIC Statement of Expectations.

149. With respect to project management and control we have found that:

- The project structure, the suite of decision-making groups and the provision for external engagement seems fit-for-purpose and appropriate to a project of this scale and complexity but here are issues with its implementation.
- The project is complex process, and the complexity is made more challenging by the tight timeframes. However, the process seems to more strongly driven to meet the timelines for each chapter than to meet clear outcomes and objectives.
- If Phase 1 of the process had begun with a strategic approach and the CCC and CERA had been able to reach agreement on this approach there would have been a far stronger decision-making framework for the development of the whole plan.



- Despite the project structure the overall decision-making framework is rather weak and exposed to capture by group thinking.

150. With respect to capability, capacity and culture we have found that:

- The CCC devoted a large team and considerable resources to this task. The scale of the resources committed to the task should have delivered a quality product.
- All of the CCC staff working on the project have been affected to some degree by the earthquake recovery and this presents particular issues and challenges.
- The CCC was successful in establishing a effective cross-Council team and getting inputs to the plan from across the council.
- The CCC's team was dominated by planners and urban designers. The project team needed far more senior input from other disciplines, most noticeably economics, and urban systems, but also from commercial experience in property development and investment.
- [REDACTED]
- Differences in the quality of material produced by the project team reflects the tight timeframes, but also raises questions about the quality assurance process and the way in which the organisation sets and expresses professional standards and expectations.
- It is both urgent and critical that the CCC appropriately resources the review of each chapter and the mediation and revision process. Failure to do this will result in significant further damage to the reputation of the council, and major cost to support the IHP to undertake comprehensive re-writing, and major costs to other parties.
- CCC will need to establish fair and consistent consent processes and guidance notes for staff to give effect to the plan.
- [REDACTED]

151. We were asked to test the hypothesis that:

“The City Council has not adequately addressed the intent of the Land Use Recovery Plan (LURP) action to review its District Plan, and has failed to put in place the process and procedures necessary to produce an effective plan for the Independent Hearings Panel to consider.”

152. On balance we find that the hypothesis is partly true. The CCC has devoted significant resources and considerable effort to address the intent of the LURP through the review of its District Plan. It has done so in a very tight time-frame through a quite demanding process. However, the CCC has not produced an effective plan for the IHP to consider. The IHP has made some significant criticisms of the parts of the draft plan that it has considered. CCC can expect that considerably more work will be required to refine and change the notified plan to meet the expectations of the IHP. This work is both critical and urgent.



Recommendations

153. The work-load that the CCC faces to complete the Replacement District Plan is considerable. It is important that any actions that are taken to address issues identified in this review do not disrupt that process. Indeed immediate actions should be aimed at doing what is possible to make the greatest favourable impact on the IHP's decisions and the quality of the Replacement District Plan. For this reason we have identified short-term recommendations and longer-term recommendations.
154. As the Plan becomes operative the CCC will need to redeploy expertise to ensure that the implementation of the Replacement District Plan is effective. However, once the Plan is fully operative the Council will need to consider the size of the planning resource that it needs for the next period of time. It is unlikely to undertake a review of this scale again. It is more likely that the Council will progressively move to a plan monitoring framework and rolling review of the effectiveness of the plan and changes as may be necessary. Given the scale of the investment in the Replacement District Plan, Council initiated changes should not be necessary for some years. The Council will however need to be able to respond to the dynamics of the market and the range of local issues or private plan changes that may emerge over time. On balance it seems that in the longer term, it is unlikely the Council would need to retain a complement of planners, urban designers and architects as large as the team of 56 that have contributed to this process.
155. **In the short term it is recommended that the Chief Executive:**
- a. Adopt and further encourage a consultative and engaging approach to working with stakeholders through the rest of the IHP process.
 - b. Strengthen the leadership and technical capacity of the District Plan project team by appointing a team of up to four very senior and experienced planning consultants and an economist to drive the completion of the plan through the balance of the hearings process.
 - c. Task the new team with developing a strategic assessment framework that would allow the Council to understand the issues that are being contested through the hearings process and focus efforts on the matters that are most important.
 - d. Develop an implementation plan and guidance notes for its consenting staff to ensure that as the plan becomes operative they can administer it fairly and effectively.
156. **In the longer term (beyond the immediate IHP hearings process) it is recommended that the Chief Executive:**
- e. Review the required size of the Council's planning team and the balance of skills and capabilities that are needed, in particular to strengthen its multi-disciplinary capability and expertise in economics, urban systems, property development and finance.
 - f. Implement a programme to improve the quality and nature of advice provided to the Council, including better consideration of strategic issues, better identification of options and stronger evaluation of relevant options.
 - g. Develop and implement a culture change process designed to improve the way in which the CCC engages with and supports council decision-making and the way in which the CCC engages with stakeholders.