

# **Vertical Capital Delivery**

## Activity Management Plan

**Amended Long Term Plan 2016 – 2025**  
*As amended through the Annual Plan 2017/18*

1 July 2017

## Quality Assurance Statement

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## 1 Key Issues for the Vertical Capital Delivery Activity

The Canterbury earthquakes and the need to rebuild Christchurch have irrevocably changed the Council operating paradigm. The Council has entered a period that we need to describe it as the “new normal”. At some point the future of Council may need to examine how to evolve from this new normal into a sustainable and resilient redesigned operating environment. However the reality of the Christchurch rebuild means that the redesigned state is a considerable distance away and Council will learn things over the next five years in terms of doing things differently that it will want to embed in its future thinking.

The critical task facing the Council and the city is quite clearly the rebuild of Christchurch. Current estimates are that this involves at least \$40 billion of investment, shared between the government, the ratepayers of Christchurch, insurance and private investment making it the biggest and most complex project in New Zealand’s history. Christchurch CBD has been brought to its knees, and many residents are still struggling to locate and afford suitable housing. Council has a large number of assets affected by the earthquakes that will need rebuilding, demolition and/or strengthening.

After three years from the last major earthquakes it was clear that the rebuild will not happen overnight. However Christchurch’s ratepayers and residents as well as the Council feel that rebuild needs a strong sense of urgency, a robust emphasis of priority on rebuild and tangible progress is being made.

To deliver on rebuild Council established the Vertical Capital Delivery Group. The Council has significant horizontal and vertical infrastructure and assets that need rebuilding and strengthening. The rebuild of major horizontal infrastructure (Roading and Three Waters) is governed, managed and funded by a government/council agreement. This along with the major anchor projects, the major facilities and Council’s myriad of community facilities creates significant big ticket item for Council.

This rebuild focus distinguishes what this activity delivers from the Assets and Networks activity. It is expected that as the rebuild work concludes responsibility for the assets will be handed back to the asset owners and will be then managed by Assets and Networks. As projects progress opportunities are also taken to enhance the projects, if funding is available with elements for normal replacement or provision for growth. Due to the expertise held within rebuild, certain day to day projects are also delivered through rebuild.

Allied to the rebuild challenge is the need for the Council to strengthen relationships, trust and confidence it warrants from its key stakeholders. As an expert on disaster recovery notes, post disaster there are an “expanded array of actors –citizens, businesses, non-governmental and community organizations, government agencies, utilities, financiers, investors, insurers, owners, and rebuilders – with a stake in recovery outcomes”. The management of Stakeholder relationships is another key outcome for the Vertical Capital Delivery Group.

The Council has already made a number of important financial decisions, and it will need to make many more over the years to come. The Rebuild will place significant pressure on the financial sustainability of the Council as an organisation, and there are limits to what both ratepayers and tax payers will be willing and able to contribute. Priorities will need to be revisited, and the Council will need to invest in its financial and commercial capabilities at a senior level. There are some immediate financial issues that require attention, including the cost-sharing agreement with government, resolving insurance issues satisfactorily, creating the financial capacity to sustainably invest in the rebuild, working to encourage private investment in the City, and building strong (and relatively independent) business case capability. The Vertical Capital Delivery Group will play a significant role in resolving a number of these issues particularly around the cost-sharing agreement and insurance.

Devolution of decision making responsibility into the third and fourth tier managers, along with supporting them with the appropriate resources, will enable the Vertical Capital Delivery Group to deliver Rebuild effectively and efficiently while still managing strategic relationships.

The Vertical Capital Delivery Group was established to develop and deliver a suite of programmes and projects that contribute almost entirely to the rebuild of the city as a result of the earthquakes. This results in the Rebuild Activity getting the sharp focus it needs to deliver this ambitious programme. In delivering these programmes, the Rebuild Group will also pursue opportunities to align rebuild activities with longer term plans and strategies developed by the city to ensure that opportunities to future-proof and build in resilience to the modern city that has been envisioned. This objective also extends into leveraging new technology and

employing best practice to improve the outcomes that are sought to make Christchurch a vibrant, 21st Century smart city.

## 1.1 Community Outcomes

Everything that the Council does in its day-to-day work is focused on achieving community outcomes. All activities outlined in this plan aim to deliver the results required to achieve these outcomes, contribute to Council strategies and meet legislative requirements. Likewise, all Council capital and operating expenditure is directed towards a level of service that moves the community closer to these outcomes now or at some future point.

The effective management of Vertical Capital Delivery for Christchurch will contribute to the following community outcomes:

- Liveable City
  - Christchurch has a strong central city
    - § • The central city is a vibrant and prosperous business centre
    - § • More people, including families, live in the central city
    - § • The central city has a distinctive character and identity
    - § • The central city is used by a wide range of people and for an increasing range of activities
  - An attractive and well-designed urban environment
    - § • Urban areas are well-designed and meet the needs of the community
    - § • Streetscapes, public open spaces and public buildings enhance the look and function of the city
  - The transport system meets the needs of the community
    - § • There is a range of travel options that meet the needs of the community
    - § • The transport system provides people with access to economic, social and cultural activities
    - § • An increased proportion of journeys is made by active travel and public transport
  - Development is focussed on well-defined urban areas
    - § • New urban areas are integrated with the existing urban land uses and towns
    - § • Suburban centres provide the focus for services, employment and social interaction
    - § • Household location and increased housing density is in line with urban development strategy targets.
- Strong Communities
  - Christchurch's culture and heritage are valued
    - § • The city's identity is enhanced by its buildings and public spaces
    - § • The city's heritage and taonga are conserved for future generations
    - § • The garden city image and garden heritage of the district are enhanced
    - § • Sites and places of significance to tangata whenua are protected
    - § • Cultural and ethnic diversity is valued and celebrated
    - § • Arts and culture thrive in Christchurch
  - People have a sense of connection to and participate in their community
    - § • People have strong social networks
    - § • Services are available locally within the urban areas
    - § • People have the information and skills to enable them to participate in society
    - § • People are actively involved in their communities and local issues
  - People participate in a wide range of recreational activities
    - § • People have equitable access to parks, open spaces, recreation facilities and libraries
    - § • There is increasing participation in recreation and sporting activities
    - § • The public has access to places of scenic, natural, heritage, culture and educational interest
  - Communities are safe
    - § • Risks from natural hazards, including earthquakes, flooding, tsunami and rock fall, are minimised
    - § • People are safe from crime
    - § • Injuries and risks to public health are minimised
    - § • Transport safety is improved
- Healthy Environment
  - Christchurch's unique landscapes and indigenous biodiversity are protected and enhanced

- § • Existing ecosystems and indigenous biodiversity are protected
- § • A range of indigenous habitats and species is enhanced
- § • Landscapes and natural features are protected and enhanced
- Water quality and quantity are protected and restored
  - § • Water quality in rivers, streams, lakes and wetlands is improved
  - § • Ground water is safeguarded from the effects of land use
  - § • Stream and river flows are maintained
- The community values natural resources and uses them sustainably
  - § • Earthquake demolition waste is safely disposed of with minimal adverse effects
  - § • There is a reduction in waste
  - § • Water is used efficiently and sustainably
  - § • Energy is used more efficiently
  - § • Christchurch is prepared for the future challenges and opportunities of climate change
  - § • A greater proportion of energy used in the city is from renewable sources
- Good Governance
  - Clear vision, strategic direction and leadership
    - § • The Council provides leadership on issues affecting the community
    - § • The Council has effective relationships with central government and other key partners
    - § • The opportunities given by the earthquakes to rethink the shape of the city are fully taken
    - § • The special position of Ngāi Tahu is recognised
  - The public understands and has confidence in decision making
    - § • The Council's goals and activities are clearly communicated to the community
    - § • Decisions are transparent and informed by timely, accurate and robust information and advice
    - § • Decisions take account of community views
    - § • Māori have opportunities and the capacity to contribute to decision-making processes
  - Effective stewardship of Council resources
    - § • City assets, financial resources and infrastructure are well-managed, now and in the future
    - § • Statutory obligations are met by the Council

There are a number of other key outcomes need to be factored into the Rebuild. It has to be recognised that Rebuild is not replacing like with like and we are taking the opportunity to integrate positive change to the Rebuild. Some of the concepts that are trying to be captured in Rebuild include but are not limited to the following;

- developing a more resilient city
- build a city where anything is possible
- developing a city which is a great place to live, work, raise a family, go to school and eventually retire
- using Rebuild as an opportunity to change

## 1.2 Effects of growth, demand and sustainability

The Vertical Capital Delivery Group is responsible on behalf of Council for the rebuilding and managing delivery of infrastructure and facilities to support the future growth of the City. Growth model data and strategic planning documents set the scene, quantifying and spatially locating future growth areas.

### Population Growth and Demand:

A forecast of population growth and living/working location have been utilised to map out future infrastructure demands such as traffic, water services, waste water requirements as well as provision of social facilities such as community halls. This information has been used to determine where and when Council infrastructure needs to be developed and at what capacity. Council has considered the influence of changing demographics, community expectations, industrial/commercial demand, technology and legislation on the demand for this service. As a result of the earthquake there has been a significant shift in the demographics of Christchurch. In response to this, the Council with its strategic partners has developed the Land Use Recovery Plan (LURP) which identifies and articulates the expected level of growth, the spatial distribution of this growth and the expected timing over which the growth may be expected to occur. Key outcomes from the LURP that influence the provision of infrastructure and facilities are:

- Household and business growth in greenfield areas will require the extension of the infrastructure network, while intensification of household and business activity within existing areas of the city need to be assessed to ensure that the network can accommodate additional capacity pressures placed on it by preferred intensifications patterns.

A result of the earthquakes and the LURP has meant that expected long term growth demands/expectations have been accelerated especially in greenfield areas. More greenfield areas have been released sooner than pre-earthquake expectations placing increased demand/pressure on infrastructure provision. In addition post-earthquake movement of people in the city has resulted in additional uncertainty moving forward.

In regard to demand that is important that the community recognise that the Vertical Capital Delivery Group will be looking at these key points as it delivers Councils Rebuild programme;

- Christchurch is made up of a number of distinct communities and therefore one solution does not fit all
- financial constraints will encourage collocation of services will not only minimise capital cost but also the future operating costs strategic partners will be sought where ever possible to reduced costs or to increase value
- increasing resilience will be considered the cornerstone of the project alongside affordability, community needs and a healthy dose of impatient urgency

### Sustainability:

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business. The purpose of the Council's Sustainability Policy 2008 is to clarify what the City Council means by the term sustainability and enable policies and strategies to adopt a consistent point of reference for the term, and for the related concepts and principles to be incorporated with more consistency into Council activities and decision making.

The Council defines sustainability as:

A dynamic process of continual improvement that enables all people, now and in the future, to have quality of life, in ways that protect and enhance the Earth's life supporting systems.

To be sustainable, Council recognises that our society must be Efficient, Cyclic, Solar, Safe and Social. The Council recognises that quality of life means all people can meet their needs, both now and in the future.

The levels of service and the performance measures that flow from these form the basis for the achievement of sustainable outcomes to which the Vertical Capital Delivery Group contribute as set out in this Plan



In addition to the Council's Sustainability Policy 2008 the following strategies also contribute towards sustainability of the projects that will be delivered by the Vertical Capital Delivery Group:

- The Biodiversity Strategy;
- Surface Water Strategy;
- City Transport Strategy Plan;
- Christchurch Transport Strategic Plan
- Water Supply Strategy
- Wastewater Strategy.

### 1.3 Key Challenges and Opportunities for Vertical Capital Delivery

In working towards the community outcomes and influenced by population growth and demand, earthquake recovery initiatives and plans, together with the legacy of damaged assets not likely to be repaired or replaced as part of the rebuild programme following the earthquake, the Council faces significant challenges the likes of which no Council in New Zealand has faced before. The key challenges and opportunities that have been prioritised by the Unit are set out below in Table 1-1.

**Table 1-1**

Key Issue	Discussion
Finance	<ul style="list-style-type: none"> <li>• undertaking the rebuild within the funding available</li> <li>• delivering the anchor projects and horizontal infrastructure within the terms of the cost share agreement</li> <li>• working with the funding partners to maximise our opportunity for external funding</li> <li>• matching project expenditure with councils budgets</li> <li>• assessing the impact on funding constraints on the provision of levels of service particularly in the short to medium term.</li> </ul>
Insurance settlements	<ul style="list-style-type: none"> <li>• ensuring that the insurance settlements are equitable for ratepayers of Christchurch and are settled in a timely manner which will enable the rebuild programme to be delivered efficiently and effectively</li> </ul>
Managing community expectations	<ul style="list-style-type: none"> <li>• balancing expectations with Council's ability to fund, construct and commission based on a city wide priorities</li> <li>• Balancing expectations regarding roading being repaired to a standard equal to or higher than pre-earthquake</li> <li>• Managing community expectations within the constraints of the Council's funding strategy</li> </ul>
Stakeholder management	<ul style="list-style-type: none"> <li>• ensuring Council's reputation with its residents and ratepayers is maintained throughout the rebuild</li> <li>• ensure all stakeholders are all aware of councils programme and its delivery milestones</li> <li>• ensuring that Council is seen as a competent, trustworthy, effective and efficient partner across the whole spectrum of external interests</li> <li>• delivered to internal customers needs and expectations</li> <li>• working with our partner organisations to deliver outcomes acceptable to all (e.g NZTA, CERA/CCDU, ECan)</li> </ul>
Recognising the true timetable for rebuild	<ul style="list-style-type: none"> <li>• ensuring that the partners such as SCIRT are maintained, supported, recognised and appreciated right through, until the useful end</li> <li>• ensuring that rebuild is not re-integrated into the new council operating paradigms prior to the bulk of the work being completed</li> <li>• maintaining appropriate structures and learning the appropriate lessons ensure a more resilient, efficient and effective Council evolves</li> </ul>
Independent horizontal infrastructure assessment	<ul style="list-style-type: none"> <li>• Ensuring that any outcome from this assessment is appropriately integrated into the rebuild programme</li> <li>• ensure the outcome from the Independent horizontal infrastructure assessment is appropriately communicated to our stakeholders</li> </ul>

Key Issue	Discussion
The development of commitment, trust, delegation and recognition of the Rebuild Group in order to deliver the necessary outcomes	<ul style="list-style-type: none"> <li>Need to communicate the importance of why the rebuild is a focussed activity working alongside business as usual activities with staff, residents and ratepayers. Relationships must be supported by appropriate delegations and empowerment of staff to deliver.</li> </ul>
Community Engagement	<ul style="list-style-type: none"> <li>During the rebuild and increased focus on appropriate consultation and engagement with the community is expected. This needs to be conducted effectively within efficient timeframes to maintain the pace of the programme. Influence our partner organisations to do this as well</li> </ul>
Earthquakes legacy	<ul style="list-style-type: none"> <li>Maintaining an appropriate structure to deal with the legacy issues moving into the long term recovery</li> <li>Understanding the legacy issues following the earthquake events on both infrastructure and facilities</li> <li>Having sufficient funding over the long term horizons to meet the increased level of investment required</li> <li>Understanding and quantifying the damage that will not be repaired during the initial rebuild programme</li> <li>Understanding the impact of the earthquakes on the short and medium term levels of service and ongoing operational and maintenance expenditure</li> </ul>
Supporting Central City Recovery Plan	<ul style="list-style-type: none"> <li>Significant investment identified within the cost share agreement for Transport, including Accessible City projects, Public Transport improvements and the construction of a new Bus Interchange, these projects and associated investment puts pressure on the Council's overall financial strategy and may lead to increased operating costs.</li> <li>Many of the initiatives to support recovery require planning and investigations, these are seen as a high priority and can disrupt normal work programmes and take away finite resources</li> <li>Understanding the timeframes over which recovery will occur</li> <li>ensuring that the central city compliments as per the recovery which is already occurred across a number of areas of the city</li> </ul>
Industry capability preparedness and capacity	<ul style="list-style-type: none"> <li>The Council rebuild and recovery programme together with its normal business as usual capital programme may over heat the local market and drive costs upwards.</li> <li>Council needs to work with strategic partners particularly those in the public sector and ensure that workflow the market is managed</li> <li>critical construction partners are fully aware of the Council Programme of works including key suppliers</li> </ul>
Governance arrangements for the City.	<ul style="list-style-type: none"> <li>Uncertainties continue during the recovery and rebuild phases until long term future of CERA is provided</li> <li>lessons from rebuild and recovery are being and are positively integrated into the new council</li> </ul>
Staff	<ul style="list-style-type: none"> <li>The recovery and rebuild will provide opportunities and a competitive environment which could impact on staff retention</li> <li>Good succession planning is needed to ensure continuity and securing experience and expertise given the current age profile of unit</li> <li>Council recognises the need to pay competitive wages to ensure appropriate staff are available to retaining councils smart buyer requirements</li> <li>Provide a pathway for staff back into whatever structure is implemented post – Vertical Capital Delivery Group</li> </ul>

Key Issue	Discussion
SCIRT legacy	<ul style="list-style-type: none"> <li>· Council has state-of-the-art and robust information systems into which the legacy data can be captured and utilise for the future benefits of Christchurch City Council</li> <li>· More knowledge on asset condition is available and this can be brought back to the Council's asset system to provided better and more robust data from which to make future investment decisions</li> <li>· Opportunities exist to develop and improve Council systems by learning from the systems and processes developed by the SCIRT alliance.</li> <li>· The SCIRT rebuild programme has exposed and enhanced external consultants' knowledge and understanding of CCC.</li> <li>· Robustness and accuracy of information from SCIRT</li> </ul>
Aligning transport budgets to NZTA requirements	<ul style="list-style-type: none"> <li>· Opportunity to improve council process and systems to better align funding applications and financial reporting to NZTA</li> <li>· Maximise funding opportunities</li> </ul>

## 2 Proposed changes to activity

Table 2-1 summarises the proposed changes for the management of the Vertical Capital Delivery activity since the Three Year Plan 2013-16 Activity Management Plan.

**Table 2-1 Proposed changes to activity**

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement
The integration of the design, technical input and delivery of the day to day Capital Programme and Capital Projects	To better align and confirm roles and responsibilities for the planning of new assets, the management of existing assets and the delivery of the investment programmes for both Infrastructure and Facilities	This is an internal activity where the changes made are to the organisation staff structure only, all of the activities previously provided continue to be provided	None required as this is an internal activity
The integration of Project and Contract Management of the day to day Capital Programme and Capital Projects	To better align and confirm roles and responsibilities for the planning of new assets, the management of existing assets and the delivery of the investment programmes for both Infrastructure and Facilities	This is an internal activity where the changes made are to the organisation staff structure only, all of the activities previously provided continue to be provided	None required as this is an internal activity
The integration of Facilities Asset Management and Planning	To better align and confirm roles and responsibilities for the planning of new assets, the management of existing assets and the delivery of the investment programmes for both Infrastructure and Facilities	This is an internal activity where the changes made are to the organisation staff structure only, all of the activities previously provided continue to be provided	None required as this is an internal activity
Provision of technical support for the Facilities and Infrastructure Rebuild programme as required for efficiency, knowledge and expertise.	To better align and confirm roles and responsibilities between the Operations Group and the Facilities and Infrastructure Rebuild Group	This is an internal activity where the changes made are to the organisation staff structure only, all of the activities previously provided continue to be provided	None required as this is an internal activity

## 3 Activity description

### 3.1 Focusing on what we want to achieve

Council undertakes activities in order to deliver on the community outcomes for Christchurch. The outcomes that relate most directly to the management of the city's Vertical Capital Delivery are that:

#### Liveable City

- Christchurch has a strong central city
  - § The central city is a vibrant and prosperous business centre
  - § More people, including families, live in the central city
  - § The central city has a distinctive character and identity
  - § The central city is used by a wide range of people and for an increasing range of activities
- An attractive and well-designed urban environment
  - § Urban areas are well-designed and meet the needs of the community
  - § Streetscapes, public open spaces and public buildings enhance the look and function of the city
- The transport system meets the needs of the community
  - § There is a range of travel options that meet the needs of the community
  - § The transport system provides people with access to economic, social and cultural activities
  - § Suburban centres provide the focus for services, employment and social interaction

#### Strong Communities

- Christchurch's culture and heritage are valued
  - § The city's identity is enhanced by its buildings and public spaces
  - § The city's heritage and taonga are conserved for future generations
  - § Cultural and ethnic diversity is valued and celebrated
  - § Arts and culture thrive in Christchurch
- People have a sense of connection to and participate in their community
  - § Services are available locally within the urban areas
  - § People are actively involved in their communities and local issues
- People participate in a wide range of recreational activities
  - § People have equitable access to parks, open spaces, recreation facilities and libraries
  - § There is increasing participation in recreation and sporting activities
  - § The public has access to places of scenic, natural, heritage, culture and educational interest
- Communities are safe
  - § Risks from natural hazards, including earthquakes, flooding, tsunami and rock fall, are minimised
  - § People are safe from crime
  - § Injuries and risks to public health are minimised
  - § Transport safety is improved
- Healthy Environment
  - Christchurch's unique landscapes and indigenous biodiversity are protected and enhanced
    - § Existing ecosystems and indigenous biodiversity are protected
    - § A range of indigenous habitats and species is enhanced
    - § Landscapes and natural features are protected and enhanced
  - Water quality and quantity are protected and restored
    - § Water quality in rivers, streams, lakes and wetlands is improved
    - § Stream and river flows are maintained
  - The community values natural resources and uses them sustainably
    - § Earthquake demolition waste is safely disposed of with minimal adverse effects
    - § Water is used efficiently and sustainably
    - § Energy is used more efficiently
    - § Christchurch is prepared for the future challenges and opportunities of climate change
- Good Governance
  - Clear vision, strategic direction and leadership
    - § The Council has effective relationships with central government and other key partners
    - § The opportunities given by the earthquakes to rethink the shape of the city are fully taken
    - § The special position of Ngāi Tahu is recognised

- The public understands and has confidence in decision making
  - § The Council's goals and activities are clearly communicated to the community
  - § Decisions are transparent and informed by timely, accurate and robust information and advice
  - § Decisions take account of community views
  - § Māori have opportunities and the capacity to contribute to decision-making processes
- Effective stewardship of Council resources
  - § City assets, financial resources and infrastructure are well-managed, now and in the future
  - § Statutory obligations are met by the Council

### 3.2 How we will know we are achieving the outcomes

We will know we are achieving the above outcomes when we see the following results:

- Infrastructure and facilities rebuild in the communities needs both now and in future
- rebuild projects happen in a timely and efficient and effective manner
- all opportunities to rebuild back better and more resilient within the constraints are taken
- the community recognise the value added through the rebuild projects and recognises the values and opportunity they present to the resilience and future of the community
- Christchurch is praised for its ability to recover in an innovative and visionary manner
- stakeholders recognised Council as a collaborative, innovative, outward looking and inclusive deliverer of recovery projects
- All of Christchurch's communities of facilities and infrastructure that meets their unique needs and requirements
- Council ensures that it expends capital funding efficiently in planning, managing and supporting the completion of capital-funded rebuild projects. Efficient capital funding expenditure is required for core infrastructure, Anchor projects and facilities, for community use now and in the future.
- A number of recovery programmes relating to the creation, repair, replacement or renewal of facilities and infrastructure are formulated and delivered by the Group. The programmes include anchor projects, major facilities, community facilities, 3 waters infrastructure, flood defences and transport networks.

The activities that follow in section 4 and the levels of service within them are all linked to the above results to ensure the Council stays focused on moving towards the community outcomes. This link aims to confirm why we are doing the activities – that they will realistically move us closer to our goals – and that service delivery remains relevant to strategic direction.

### 3.3 What services we provide

This activity includes the following services:

1. Manage and deliver new and replacement infrastructure and facilities.
2. Community Facilities Rebuild includes 2700 Social Housing Units, 62 Heritage Assets and 1022 Commercial Assets. Covers facilities within the Christchurch Metropolitan area as well as Banks Peninsula. The upper limit of value of repairs and rebuild in this Unit is capped at \$10M.
3. Major Facilities Rebuild is responsible for the rebuild of all major Council-owned facilities including responsibility for the planning of rebuild projects, with input from asset owners in Operations. Project Directors and or Programme/Project Managers will report through the Unit structure. The projects under the Major Facilities Rebuild Programme include CAG, CBS, Our City, CPC, Eastern Pool, South Library, Nga Puna Wai, South West Hub Library and Halswell Library. This Unit undertakes work from \$10M up to the Anchor projects.
4. Provide technical and professional advice on matters relating to infrastructure and facilities assets.

There are no assets associated with this activity.

### 3.4 Benefits and Funding Sources

#### 3.4.1 Who Benefits?

Who benefits?	
Individual	
Identifiable part of the community	
Whole community	Full

Key:
Full
Majority
Some

**Explanatory Comments:**

The services covered in this activity management plan are a direct benefit to the whole community.

**3.4.2 Who pays?**

Funding - Fees / User Charges	Other revenue Grants & Subsidies	General rate	Targeted rate
0%	0%	100%	0%
		Full	

Note, Funding Split % is derived from the 'Summary of Cost for Activity' (Section 13).

Key:		Typically
Full	All or almost all the cost is funded from that source. If the comment is made in the general or targeted rate columns it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the fund.	95%+
Majority	The majority of the activity is funded from this source.	50%+
Some	Some revenue is derived from this source.	<50%

Does this Activity generate surplus funds that can be applied to other areas? **No**

**Explanatory comments:**

The majority of the cost of this service is funded by Earthquake related borrowing, which in turn is covered by the General Rate. However, insurance recoveries received will be used to offset these costs.

**3.5 Our key customers**

The key customers of Vertical Capital Delivery are the people of Christchurch: both those that live there now in those that will come in the future. Other Customers include Councillors, Community Board members, Central Government, SCIRT, CERA, ECan, NZTA and other Units and teams within Council including the Operations Group, the Strategy and Planning Group, the Building Control and City Rebuild Group, .

**3.6 Key legislation and Council strategies**

- Resource Management Act 1995;
- Local Government Act 2002;
- Government Policy Statement on Transport;
- Health Act 1956
- Reserves Act 1977,
- Land Transport Act 1998

- Land Transport Management Act 2003;
- Canterbury Earthquake Recovery Act 2011 and plans;
- National and Regional Land Transport strategies and programmes;
- Public Works Act 1981;
- Waste Management and Minimisation Plan 2013
- Water Supply Strategy 2009-2039
- Wastewater Strategy 2013
- Council Bylaws
- Health and Safety in Employment Act 1992 and amendments
- Christchurch Transport Strategic Plan 2012
- Greater Christchurch Transport Statement 2012
- Land Use Recovery Plan 2013
- Christchurch Central Recovery Plan 2012
- CCC City Plan
- An Accessible City 2013
- Health and Safety Reform Bill – due 2015

Councils Insanitary and earthquake prone building policy, which requires a target for strengthening of 67% NBS.



## 4 Levels of service and performance measures

Table 4-1 summarises the levels of service and performance measures for the Capital Delivery activities listed in Section 3.3. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan. Non-shaded rows are non-LTP management level measures, agreed with and reported to Council but not included as part of the community consulted document.

**Table 4-1**

Performance Standards Levels of Service	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25	
					Year 1	Year 2	Year 3		
					2015/16	2016/17	2017/18		
<b>Manage and deliver new and replacement infrastructure and facilities</b>									
13.7.26	Delivery of the day to day facilities capital programme.	The completed capital programme meets stakeholder expectations and complies with adopted Council standards and guidelines.	Capital projects are delivered to time and budget as documented in the Capital Programme Management System (CPMS)	Capital programme expended from the approved annual budget including carry-overs.  FY2008 - FY2010 Average 75%  FY2012 – FY2014 Average 57%	Delivery of Capital Programme to budget as reported by equivalent NZ local authorities in their Annual Reports	That the adopted capital programme is well managed so that it is delivered to time, budget and quality  13.7.26.1 Every programme / project has a defined set of milestones, key performance measures and descriptions included in CPMS.  13.7.26.2 Percentage of approved milestones achieved 80%	That the adopted capital programme is well managed so that it is delivered to time, budget and quality  13.7.26.1 Every programme / project has a defined set of milestones, key performance measures and descriptions included in CPMS.  13.7.26.2 Percentage of approved milestones achieved 85%	That the adopted capital programme is well managed so that it is delivered to time, budget and quality  13.7.26.1 Every programme / project has a defined set of milestones, key performance measures and descriptions included in CPMS. (Manage and deliver new and replacement infrastructure and facilities)  13.7.26.2 Percentage of approved milestones achieved 85% (Manage and	That the adopted capital programme is well managed so that it is delivered to time, budget and quality  13.7.26.1 Every programme / project has a defined set of milestones, key performance measures and descriptions included in CPMS.  13.7.26.2 Percentage of approved milestones achieved 90%

Performance Standards Levels of Service	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
					Year 1	Year 2	Year 3	
					2015/16	2016/17	2017/18	
					13.7.26.3 Percentage of projects completed to approved budgets and timeframes 80%	13.7.26.3 Percentage of projects completed to approved budgets and timeframes 85%	deliver new and replacement infrastructure and facilities)  13.7.26.3 Percentage of projects completed to approved budgets and timeframes 85% (Manage and deliver new and replacement infrastructure and facilities)	13.7.26.3 Percentage of projects completed to approved budgets and timeframes 90%
					13.7.26.4 Percentage of capital programme expended from the approved annual budget including carry-overs 80%	13.7.26.4 Percentage of capital programme expended from the approved annual budget including carry-overs 85%	13.7.26.4 Percentage of capital programme expended from the approved annual budget including carry-overs 90%	13.7.26.4 Percentage of capital programme expended from the approved annual budget including carry-overs 90%
					13.7.26.5 Contracts supporting the Vertical Capital Delivery programme comply with council procurement policy 100%	13.7.26.5 Contracts supporting the Vertical Capital Delivery programme comply with council procurement policy 100%	13.7.26.4 Percentage of capital programme expended from the approved annual budget including carry-overs 85% (Manage and deliver new and replacement infrastructure and facilities)	13.7.26.5 Contracts supporting the Vertical Capital Delivery programme comply with council procurement policy 100%
							13.7.26.5 Contracts supporting the Vertical Capital Delivery programme comply with council procurement policy 100% (Manage and deliver new and replacement infrastructure and facilities)	
							13.7.26.6 Percentage of approved milestones	

Performance Standards Levels of Service	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
					Year 1	Year 2	Year 3	
					2015/16	2016/17	2017/18	
							achieved 85% (Major Facilities Rebuild)  13.7.26.7 Percentage of projects completed to approved budgets and timeframes 85% (Major Facilities Rebuild)  13.7.26.8 Percentage of capital programme expended from the approved annual budget including carry-overs 85% (Major Facilities Rebuild)  13.7.26.9 Contracts supporting the Vertical Capital Delivery programme comply with council procurement policy 100% (Major Facilities Rebuild)  13.7.26.10 Percentage of approved milestones achieved 85% (Community Facilities Rebuild)  13.7.26.11 Percentage of projects completed to approved budgets and timeframes 85% (Community	

Performance Standards Levels of Service		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
							Facilities Rebuild  13.7.26.12 Percentage of capital programme expended from the approved annual budget including carry-overs 85% (Community Facilities Rebuild)  13.7.26.13 Contracts supporting the Vertical Capital Delivery programme comply with council procurement policy 100% (Community Facilities Rebuild)		

Performance Standards Levels of Service	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25	
					Year 1	Year 2	Year 3		
					2015/16	2016/17	2017/18		
<b>Community Facilities Rebuild</b>									
13.7.21	Manage facilities earthquake damage assessment process		<i>Damage assessments and demolitions deliver to Council Facilities Rebuild assessments schedule</i>  <i>Detailed Engineering Evaluations (DEE) deliver to Council Facilities Rebuild evaluations programme schedule</i>  <i>Management of facilities earthquake damage information: Database information maintained and accurate 100% of time</i>	<i>Assessments done in line with insurance needs</i>	<i>New measure</i>	13.7.21.1  Damage assessments and demolitions deliver to Council Facilities Rebuild assessments schedule  13.7.21.2  Detailed Engineering Evaluations (DEE) deliver to Council Facilities Rebuild evaluations programme schedule  13.7.21.3  Management of facilities earthquake damage information: Database information maintained and accurate 100% of time	13.7.21.1  Damage assessments and demolitions deliver to Council Facilities Rebuild assessments schedule  13.7.21.2  Detailed Engineering Evaluations (DEE) deliver to Council Facilities Rebuild evaluations programme schedule  13.7.21.3  Management of facilities earthquake damage information: Database information maintained and accurate 100% of time	<del>13.7.21.1</del>  <del>Damage assessments and demolitions deliver to Council Facilities Rebuild assessments schedule</del>  <del>13.7.21.2</del>  <del>Discontinued</del>  <del>13.7.21.2</del>  <del>Detailed Engineering Evaluations (DEE) deliver to Council Facilities Rebuild evaluations programme schedule</del>  <del>13.7.21.3</del>  <del>Discontinued</del>  <del>13.7.21.3</del>  <del>Management of facilities earthquake damage information: Database information maintained and accurate 100% of time</del>  <del>Discontinued</del>	<i>To be reviewed for Long Term Plan 2018-28</i>

Performance Standards Levels of Service	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25	
					Year 1	Year 2	Year 3		
					2015/16	2016/17	2017/18		
<b>Major Facilities Rebuild</b>									
13.7.22	Provide specialist technical advice to clients and stakeholders	<i>To actively manage client and stakeholders responsibilities including financial regulations and audit requirements through staged sign offs.</i>	<i>Scope investigated and captured in project Charter</i>  <i>Planned delivery via programme</i>  <i>Procurement report</i>  <i>Staged delivery of information</i>  <i>Regular Project Control group meetings agenda item (Monthly)</i>  <i>Controlled delivery – Project management plan approval</i>  <i>Stakeholder management</i>  <i>Customer satisfaction</i>	<i>Project Charter sign off</i>  <i>Project management plan</i>    <i>Milestone documents at key points in time</i>    <i>RASCI management undertaken</i>    <i>Post occupancy Survey</i>	<i>Charter in place</i>    <i>Monthly</i>	13.7.22.1  Services being delivered in line with Charters    13.7.22.2  90% clients feel informed and has ownership of project	13.7.22.1  Services being delivered in line with Charters    13.7.22.2  90% clients feel informed and has ownership of project    13.7.22.3  Services being delivered in line with Charters (Community Facilities Rebuild)  13.7.22.4  90% clients feel informed and has ownership of project (Community Facilities Rebuild)	13.7.22.1  Services being delivered in line with Charters (Major Facilities Rebuild)  13.7.22.2  90% clients feel informed and has ownership of project (Major Facilities Rebuild)  13.7.22.3  Services being delivered in line with Charters (Community Facilities Rebuild)  13.7.22.4  90% clients feel informed and has ownership of project (Community Facilities Rebuild)	<i>To be reviewed for Long Term Plan 2018-28</i>

Performance Standards Levels of Service		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
13.7.23	Manage all projects to a professional level.	<i>To actively manage projects using cost time and quality</i>	<i>Regular CPMS reporting (monthly)</i>  <i>Regular cost report (monthly- in most cases independent)</i>  <i>Regular Project Control group meetings (Monthly)</i>	<i>Monthly</i>  <i>Monthly</i>  <i>Monthly</i>	<i>Monthly</i>  <i>Monthly</i>  <i>Monthly</i>	Projects managed to budget, time and quality	Projects managed to budget, time and quality	13.7.23.1  Projects managed to budget, time and quality (Major Facilities Rebuild)  13.7.23.1  Projects managed to budget, time and quality (Community Facilities Rebuild)	<i>To be reviewed for Long Term Plan 2018-28</i>
13.7.24	Health and safety professionally managed to minimise clients to legal and statutory exposure	<i>To actively manage Health and Safety responsibilities from all angles including the clients</i>	<i>Regular reporting (monthly)</i>  <i>Regular Project Control group meetings agenda item (Monthly)</i>	<i>Monthly</i>  <i>Monthly</i>	<i>Monthly</i>  <i>Monthly</i>	95% Projects Control Groups agendas contain health and safety item	95% Projects Control Groups agendas contain health and safety item	13.7.24.1  95% Projects Control Groups agendas contain health and safety item (Major Facilities Rebuild)  13.7.24.1  95% Projects Control Groups agendas contain health and safety item (Community Facilities Rebuild)	<i>To be reviewed for Long Term Plan 2018-28</i>

Performance Standards Levels of Service	Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25	
					Year 1	Year 2	Year 3		
					2015/16	2016/17	2017/18		
<b>Provide technical and professional advice on matters relating to infrastructure and facilities assets</b>									
13.7.25	Deliver professional and technical support services.	Accurate and timely advice is provided on infrastructure and facilities issues to enable effective decision-making.  Technology improvements and innovation will be used to develop information tools for operational groups and the community.	Staff follow approved process and meet their customers expectations in the delivery of professional and technical support that arises outside of the capital programme delivery.	Respond to Request for Professional Services from Operational Units on an as required basis.	Measure number responded to and measure number delivered on time	Provide and review Council construction standards and specifications  13.7.25.1 Infrastructure design Standards and Council standard construction specifications are reviewed at least bi-annually.  Reacting to requests for assistance and support.  13.7.25.2 Define and agree briefs and key performance measures with the customer within 20 working days of request being received.  90% target  13.7.25.3 Deliver information within performance measure agreed with the customer  80% target	Provide and review council construction standards and specifications  13.7.25.1 Infrastructure design Standards and Council standard construction specifications are reviewed at least bi-annually.  Reacting to requests for assistance and support.  13.7.25.2 Define and agree briefs and key performance measures with the customer within 20 working days of request being received.  95% target  13.7.25 Deliver information within performance measure agreed with the customer  85% target	Provide and review council construction standards and specifications  13.7.25.1 Infrastructure design Standards and Council standard construction specifications are reviewed at least bi-annually.  Reacting to requests for assistance and support.  13.7.25.2 Define and agree briefs and key performance measures with the customer within 20 working days of request being received.  95% target  13.7.25.3 Deliver information within performance measure agreed with the customer  85% target	Provide and review council construction standards and specifications  13.7.25.1 Infrastructure design Standards and Council standard construction specifications are reviewed at least bi-annually.  Reacting to requests for assistance and support.  13.7.25.2 Define and agree briefs and key performance measures with the customer within 20 working days of request being received.  95% target  13.7.25.3 Deliver information within performance measure agreed with the customer  85% target



Performance Standards Levels of Service		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
						Provision of innovation 13.7.25.4 At least three new information tools are developed and implemented each year.	Provision of innovation 13.7.25.4 At least three new information tools are developed and implemented each year.	Provision of innovation <del>13.7.25.4</del> <del>At least three new information tools are developed and implemented each year.</del> Discontinued	Provision of innovation <del>13.7.25.4</del> <del>At least three new information tools are developed and implemented each year.</del> Discontinued

## **5 Review of cost effectiveness - regulatory functions and service delivery**

Not Applicable

## **6 Long Term Infrastructure Strategy**

There are minimal assets involved with this activity.

## **7 Review of cost-effectiveness - infrastructure delivery**

There are minimal assets involved with this activity.

## **8 Significant Effects**

Not Applicable

## 9 Risk Management -

Table 9-1 Significant Risks and Control Measures

Risk Description	Current Control	Proposed Control	Target Risk Level
<b>Stormwater</b>			
Land drainage recovery and flood protection programmes not delivered to agreed time. At risk properties flooded in significant wet weather events, and damage to Council's reputation.	Develop delivery programmes and manage against agreed programmes	Ensure project programmes are sufficiently well planned and resourced to reduce risk of non-deliver	HIGH
<b>Funding:</b> Does not enable full and timely delivery of land drainage recovery and flood protection programmes. At risk properties flooded in significant wet weather events, and damage to Council's reputation.	Manage to HIGG agreed funding limits	Develop a prioritised, optimised programme with better developed cost estimates. Negotiate with funding partners to secure adequate budgets to manage risk and expectations.	EXTREME
<b>Water and wastewater</b>			
<b>Funding:</b> Insufficient to complete rebuild to necessary standard to support CWW LOS and expected asset lives	Negotiate repairs with funding partners to as close to DG43A1 as possible	Manage independent review of funding to achieve greater partner funding	EXTREME
<b>Earthquake (1:400):</b> significant damage to CWW assets where defects have not been repaired.	Design Guides provide for more resilient materials during rebuild	Provide legacy information to OP CWW for ongoing targeted renewal programme.	HIGH
<b>Pressure Waste Water (PWW):</b> Low level of acceptance of system by community leading to legal action or installation of alternative solutions impacting significantly on cost and Council reputation.	Review of areas where PWW is installed. Installation continuing where agreement with property owner has been achieved	Communication strategy well thought out. Acceptable solutions provided for property owners not in favour of PWW	HIGH
<b>Quality of Rebuild:</b> Alliance Delivery Team self assurance does not provide builds quality in accordance with specification.	Design standards. Non Conformance Report (NCR) process	Greater client review of work during construction and at completion.	HIGH
<b>SCIRT exit:</b> SCIRT process, data and systems are not fully transitioned to Council thereby losing opportunity to better manage council assets going forward.	SCIRT provide asset handover information at end of each project	SCIRT legacy PCG formed to manage process to maximise benefit to CCC	HIGH
<b>Transport</b>			

Risk Description	Current Control	Proposed Control	Target Risk Level
<b>Funding:</b> Is not obtainable from partner organisations (eg. NZTA , CERA)	Funding criteria is agreed	Continue to work to current funding criteria	HIGH
<b>Funding:</b> is not enough to complete transport rebuild	Maximise funding from partner organisations. Ensure funding is available in LTP	Maximise funding from partner organisations. Ensure funding is available in LTP	HIGH
Not enough resources in industry to design and construct horizontal infrastructure rebuild	Extra reliant on SCIRT	Maximise use and lifetime of SCIRT	HIGH
<b>Major Facilities</b>			
Market capacity	Market engagement and soundings	Market engagement and soundings	HIGH
CCC reputation	Good communication / diligent and professional staff	Good communication / diligent and professional staff	MEDIUM
Health and safety	Informed client position	Knowledgeable staff	MEDIUM
Key Partner relationships	Informed client position	Knowledgeable staff	MEDIUM
<b>Community Facilities</b>			
Insurance Settlements	Resources being directed to resolve any outstanding issues	Resources being directed to resolve any outstanding issues	HIGH
Ability to fund any short fall	Council has prepared a strategic funding programme in the LTP	Council has prepared a strategic funding programme in the LTP	HIGH
Managing Community Expectations	Regular updates on programmes and progress submitted to Council/Community Boards and the public	Regular updates on programmes and progress submitted to Council/Community Boards and the public	MEDIUM
<b>Anchor Projects</b>			
Non alignment between Council and CCDU	Regular meetings and briefings occur	Regular meetings and briefings occur	MEDIUM

Risk Description	Current Control	Proposed Control	Target Risk Level
Limitation on funding resulting in non-delivery of full scope of projects	Proactive procurement and management	Proactive procurement and management	HIGH

## 10 Improvement Plan

This plan will be modified and updated as information comes to hand. Specific key areas will be:

- LTP Financial Strategy
- Insurance Settlements
- Outcome from Independent Review
- EQC Settlement
- SCIRT Transition Plan
- CERA Transition Plan

## 11 Operations, Maintenance and Renewals Strategy

There are minimal assets involved with this activity.