

18 December 2023

Dr Therese Arseneau
Chair
ChristchurchNZ Holdings Ltd
P O Box 2962
Christchurch

Dear Therese

Enduring Statement of Expectations

In 2021, the Council issued an Enduring Statement of Expectations (SOE). Ahead of the 2024/25 Long Term Plan (LTP), we have taken the opportunity to update the document. The nature of the update is to provide more specificity on several areas in the 2021 SOE reflecting the passage of time.

The SOE is a stocktake of core governance expectations of an enduring nature. They will continue to be current until such time that the Council advises otherwise.

The expectations are not directives. Rather they reflect actions and behaviours that are important to the Council in providing transparency to stakeholders and the community. It is for a CCO board to determine whether it is appropriate to act on the expectations, and whether to include them in the CCO's annual Statement of Intent (SOI).

Council's strategic framework

The Council has reset its Community Outcomes and Strategic Framework which will underpin the LTP 2024-34. They are draft currently and will be confirmed as part of the consultation programme with the community on the draft LTP in early 2024.

The framework provides an articulation of the Council's commitment to delivering outcomes for the community that are aligned to the LGA's four well-beings – economic, social, cultural and environmental wellbeing of communities now and into the future. It is attached to this document.

Christchurch Economic Ambition, Destination Management Plans and City Narrative

The Council has formally endorsed these key strategy documents which underpin its commitment to delivering economic wellbeing for Christchurch communities. The Council expects CCOs to align their activities to these strategic documents.

These documents can be found at the following sites:

- Economic Ambition: [Our Economic Ambition - ChristchurchNZ.com](https://www.ChristchurchNZ.com)
- City Narrative: www.Christchurchnz.com/brand
- Destination Management Plans [Destination Management Plans - ChristchurchNZ.com](https://www.ChristchurchNZ.com).

Taking action on climate change – emissions reduction target

The Council is fully committed to addressing climate change within its group and to demonstrating leadership in doing so. Weather events throughout New Zealand during 2023 are reminders of the importance of building resilience to climate change risks. The Council expects CCOs to take meaningful actions to reduce greenhouse gas emissions, increase resilience to more frequent and extreme weather events and reduce the community's overall vulnerability to the impacts of climate change.

The Council continues to target net zero emissions (excluding methane) for the district by 2045 and a 50% reduction by 2030 (excluding methane). For methane, at least a 25% reduction by 2030 and 50% reduction by 2045.

For the Council and its organisations a goal of net carbon neutral for operations by 2030 is targeted. The importance of the Council showing leadership by achieving this target cannot be overstated.

The Council expects CCOs to have a good understanding of the drivers of their emissions, and the possible ways in which they can be reduced.

For small CCOs with modest footprints, complex emission reduction plans and certification is not needed. However, you should be able to identify significant measures you will take to reduce emissions, and report progress against them to the Council.

To the extent that a CCO generates carbon credits through, for example tree planting those credits must first be used to reduce the CCO's own emissions, with only the excess being traded for value.

A line of sight to current and future risks is also required in the face of climate change risks. Understanding how climate change will affect your assets and activities and people, and options for managing the risks must be considered.

The Council's Team Leader Climate Resilience, Dr Lisa Early can provide guidance on this matter. She can be contacted on 027 256 7579 or at lisa.early@ccc.govt.nz.

Value for money

One of the Council's strategic priorities is to ensure rates are affordable and sustainable. CCOs can contribute to this by focusing on value for money, exercising restraint on discretionary expenditure including remuneration levels for senior executives and effective balance sheet and risk management.

Many CCOs have been very successful in attracting third party funding to leverage Council funding. The Council encourages CCOs to continue to seek these opportunities.

Health and Safety

The Council considers the health and safety of its staff, and those within its wider family of entities to be of utmost importance. Please continue to ensure this remains a top priority. The Council would like to be advised of any health and safety events that are required to be notified to WorkSafe, those for which a WorkSafe investigation is to be undertaken and the outcomes of that.

Most industries have their own benchmarks of what constitutes acceptable levels of health and safety 'events' and these should be reflected in a CCO's SOI to the extent appropriate. The Council expects all CCOs to adopt a target of zero serious harm incidents.

Accountability mechanisms

Continual attention to building and maintaining relationships between the Council and CCO boards assists in creating trust and confidence. The Council values its CCOs being proactive in seeking to engage as and when the boards consider it appropriate, and for those engagements to be open and collaborative.

The Council invites all CCO boards to present to it annually on the organisation's goals and objectives, linkages to the Council's strategic directions, activities and/or services to be delivered to meet the strategic objectives, opportunities and challenges it faces and how the CCO thinks about value for money in its business planning and activities.

Statutory dates for reporting and accountability documentation are set out in the LGA. In the event these dates cannot be met please advise the Council's External Reporting and Governance team as early as possible. With advance notice, the Council can usually accommodate delays.

The Council would gratefully receive early delivery of statutory documents and reporting. Draft documents would be accepted and kept on a secure and confidential basis, and staff advice to the Council on them will be reserved until final documents are submitted.

Statement of Intent

The linkages between the CCOs' and the Council's revised strategic directions should be reflected throughout CCOs' accountability documentation from 2024/25. As a matter of priority, CCOs should always:

- consider what is best for Christchurch when planning activities and services;
- align activities and services to deliver outcomes for the community with the LGA's four well-beings – economic, social, cultural and environmental benefits, the Council's wider strategic directions and community outcomes and the Economic Ambition, City Narrative and Destination Management Strategy;
- be clear about the outcomes that activities and services are designed to deliver and set targets that demonstrate progress; and
- collaborate with the community, iwi/Māori, central Government and other partners.

The Council considers the quality of its CCOs' SOIs to be reasonably high. The Council would like CCOs to look to continually review content to ensure the SOI is concise and provides clarity of the CCO's strategic objectives and how they meet the Council's strategic directions. They should provide meaningful performance targets and measures that cycle back to the CCO's objectives.

Key components of a SOI are:

- the definition of 'Nature and Scope of Activities', outside of which a CCO may not carry out business. A CCO must seek Council approval if it is proposing to conduct activities that fall outside the nature and scope of its business as recorded in its SOI. This is a legal requirement, and consultation with the Council needs to be done in advance of the activities being undertaken; and
- a clear performance reporting framework which reflects strategic goals, the impacts the CCO is expecting to have, what it is planning to provide and what resources it will apply. It should clearly demonstrate the rationale for, and relationships between these components.

Shareholders of a CCO can, by written notice extend a deadline relating to the SOI timetable by one calendar month. In the event an extension to any of the deadlines is sought, a request should be made to the Council in writing to ensure the record reflects the approved extension.

Performance Reporting Framework

Good performance reporting allows ratepayers (and other stakeholders) to be informed of the use of public funding. CCOs should report on both the costs of delivery of activities and services and their impacts/outcomes in the context of the entity's strategic objectives.

Measures of performance should be meaningful and reliable and address quality, quantity, timeliness and cost of delivery. They should be concise (short in number; high in quality) but be accompanied by commentary that addresses, for example impacts on outcomes from non-controllable factors.

There are many ways in which performance can be demonstrated. The Council encourages CCOs to consider periodically undertaking and reporting longer term trend analysis, supplement written analysis with graphical representations of performance and undertake benchmarking against comparable organisations.

There are a wealth of resources available to guide the development of performance objectives and reporting performance. In the first instance, you may find the Office of the Auditor-General's good practice information to be useful ([Good practice in reporting about performance – Office of the Auditor-General New Zealand \(oag.parliament.nz\)](http://oag.parliament.nz)).

Transparency

The Council is very conscious of the community's appetite for information relating to its decision-making and, in particular how that leads to the expenditure of public monies. The release of information to the public is governed by the Local Government Official Information and Meetings Act 1987 which permits in limited circumstances the withholding of certain information until it is no longer prejudicial to the CCO, the Council or any member of the public.

The Council's policy is to review reports in public sessions of its meetings wherever possible. However, from time to time a CCO may have information that it wishes to share but which will potentially compromise it if it became publicly known. In these cases, the Council can hear the matter in a public excluded session of a Council or Committee meeting. The reasons for doing so are published on the public agenda of the meeting.

LGA requirements for the publication of accountability documentation on an internet site maintained by or on behalf of the local authority shareholder are noted as follows:

- section 64(9)- SOIs within one month of formal adoption by the CCO board;
- section 64B - SOE (no time constraint stipulated);
- section 66(5)- quarterly and half year reports within one month of receipt by the local authority; and
- section 67(4) - annual reports within one month of receipt by the local authority.

All reports that are lodged on the public agenda of Council or Committee meetings are available to the public on the Council's website. However, the Council encourages CCOs to also publish these documents on their websites. Statutory accountability documents and performance reports are also required to be maintained on a website for a period of no less than seven years.

The Council considers publication of the SOE alongside the SOI on CCOs' websites would be appropriate.

Living wage

The Council expects CCOs to comply with its living wage policy for all staff employed within the Council group and for regular and ongoing suppliers of goods and services to the CCO to be living wage employers.

The Council is an accredited Living Wage employer, and would like its CCOs to consider becoming accredited also.

Governance

The Council encourages CCO boards to exercise governance that reflects contemporary best practice in New Zealand and internationally. This includes holding senior executives to account for performance, developing board succession plans, ensuring appropriate skills and competencies are represented by board members as a whole and that boards are diverse in their membership, stakeholder governance, treaty partnership considerations, climate change risk and response planning and others.

In accordance with section 59 of the LGA, the Council expects its CCOs to:

- achieve the objectives of the Council, both commercial and non-commercial as specified in the SOI;
- be a good employer;
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- if the CCO is a CCTO, conduct its affairs in accordance with sound business practice.

CCO boards should be represented at all formal Council and committee meetings in which its organisation's reports are being considered and attendance has been sought. Not all reports require attendance. Staff from the Council's External Reporting and Governance team will advise you if attendance is required.

The Council expects its CCOs to comply with all statutory and regulatory obligations including the LGA, Companies Act 1993, Health and Safety at Work Act 2015, Resource Management Act 1991, and the Public Records Act 2005.

CCOs that own and manage high value physical assets should have 10-year asset management plans in place to underpin capital budgets.

The Council expects its CCOs to always consider what is best for Christchurch, for example procuring services or purchasing supplies locally, where commercially viable.

Appointments to boards

Section 57(2) of the LGA provides that a local authority may appoint a person to be a director of a CCO only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to guide the organisation, given the nature and scope of its activities and contribute to the achievement of the objectives of the organisation. Section 57(3) provides that the local authority must consider whether knowledge of tikanga Māori may be relevant to the governance of the CCO.

In 2023 the Council updated its Policy for the Appointment and Remuneration of Directors which can be found at [Appointment-and-Remuneration-of-Directors-Policy-2017.pdf \(ccc.govt.nz\)](#).

This policy sets out the requirements for appointments, including terms of appointment and re-appointments, skills, knowledge and experience required of CCO directors.

Diversity

Diversity in board membership is important to the Council. It can be created through a number of characteristics, including gender, age, ethnicity, cultural, disability, economic background, education, geographic background, religious beliefs, gender identity, sexual orientation.

The Council would like proposals for appointments and re-appointments of CCO directors/trustees to include analysis of the board's current diversity, whether the proposed appointment adds to that, and if not, what the board's plan is for creating diversity as current directors/trustees retire.

While making no apology for favouring board diversity, the Council acknowledges the primary consideration continues to be the core competencies recorded in section 7.12 of the Policy for the Appointment and Remuneration of Directors.

Succession planning is also an important requirement for all CCO boards. The Council is aware of the significant work that voluntary members of the CCO boards commit to. This is in an environment where volunteering in general is waning. Early attention to both succession planning and activating candidate searches is strongly encouraged.

The Council expects that CCOs provide incoming directors with an induction programme as part of their on-boarding. Council staff are willing to contribute to such a programme if required. If this is useful to you, please contact the Council's External Reporting and Governance team in the first instance.

Reporting

The annual reporting calendar is shown in the following table:

Item	Due Date
Draft SOI	By 1 March
Shareholder comments (if any)	By 1 May
Final SOI	By 30 June
SOI to be published to website	By 31 July
Half year report ending 31 December	By 28 February
Annual Report (and audit report) ending 30 June	By 30 September
Quarterly performance reports (if applicable)	Q1 by 30 November Q2 by 28 February Q3 by 31 May Q4 by 30 September

Engagement and consultation

There is a wealth of talent, competency, experience, skills and knowledge held throughout the wider Council group. CCOs are encouraged to work closely with other members of the Council family of entities to ensure strong strategic alignment across the family and to leverage outcomes for the benefit of Christchurch's residents where possible.

Trading CCOs are subject to the Companies Act 1993 and are therefore bound under section 129 of that Act to seek shareholder approval for major transactions, as defined in the Act. However, the Council expects all CCOs to formally engage with it on any transactions that are material to the organisation. Materiality could be measured in a number of ways, including impacts on the CCO's balance sheet (and therefore the Council's consolidated balance sheet), the Council's reputation, third party rights, potential for adverse media attention or any other matter the CCO considers the Council should be informed of.

Any transaction involving the purchase or disposal of land must be notified to the Council in advance of any legal agreement or undertaking being finalised.

The Council would like CCOs to demonstrate the significant regard and respect that the Council itself holds for the Christchurch community. This could be reflected in well thought through stakeholder management plans that seek to ensure key interested or potentially affected parties are well informed of both the benefits that the CCO is delivering, and any potential incursions into the rights, or perceived rights held by those individuals or groups.

At times CCOs may provide written submissions on issues such as to central government on proposed legislative changes or policy reviews. The Council would appreciate being informed of the nature of a proposed submission or a draft of the submission itself. In addition, the Council would like to be in a position to consider joining its own submission on any particular issue with those of its CCOs.

Mana whenua

Te Tiriti o Waitangi forms the fundamental basis of Council engagement with Iwi and mana whenua within the Ngāi Tahu takiwā. Engagement is further complemented by the LGA, the Te Rūnanga o Ngāi Tahu Act 1996, and the Ngāi Tahu Claims Settlement Act 1998. Additional legislative reform to the Resource Management Act, Taumata Arowai, Local Government Act as well as the likely effects of climate change provide a complex environment ahead and where the Crown expects local authorities to partner and better engage with Māori to address the combined social, economic, cultural, and environmental challenges.

Mana whenua are a recognised strategic partner of the Council. We are shaping new ways of working together through co-governance and partnership opportunities – a strong and positive relationship between the Council and Māori is fundamental to our combined growth in the future. The Council expects its CCOs to apply the principles of Te Tiriti o Waitangi across everyday practices of the organisation whether this be in its internal operations, or externally through positive engagement with mana whenua. What this looks like in action is a matter for each CCO however the Council expects that CCOs will adhere to legislative requirements where applicable, and, in particular in relation to establishing environmental parameters of operations that take account of the intrinsic connections that mana whenua maintain to place, land, water (the environment).

This may extend to incorporating or assimilating matauranga Māori into the business, and/or across business solutions at the discretion of strategic and operational intent of the business. Regardless, in acting on this guidance, Council expects CCOs to establish and maintain high levels of engagement with mana whenua in areas of mutual interest.

The Council's Treaty Relationship Team seeks to foster the working and strategic relationships between the Council and the six Papatipu Rūnanga who hold mana whenua status in their respective rohe in Canterbury. The team provides policy and strategic advice within the Council and supports engaging with Rūnanga. The Council encourages CCOs to seek advice from the Principal Advisor Treaty Relationships, to further enable understanding of Council intent and how this might apply within the CCO context.

Naming policy

The Council has updated its Naming Policy, which relates to the naming of roads, parks and facilities. The Council expects that CCOs will take this policy into account if and when considering issuing naming rights and will keep the Council informed or seek its approval as appropriate. The Policy can be found on the Council's website at [Naming-Policy-2023.pdf \(ccc.govt.nz\)](https://ccc.govt.nz).

No surprises policy

All CCOs should have a 'No Surprises' policy that provides for the board to notify the Council as soon as possible of any issues and risks that might impact on the Council in any material way. These could be financial risks, asset value (ownership) risks, operational performance risks, organisational risks and/or reputational risks.

Some situations that might trigger notification include:

- actual or potential for a material reduction in net profit or surplus against forecast;
- proposed CEO appointment or change;
- potential / actual conflicts of interest by directors or trustees;
- fraudulent acts by directors, trustees or employees;
- potential / actual litigation by or against CCO directors and/or employees;
- significant CCO or group restructuring and large-scale redundancies;
- industrial disputes;
- significant acquisitions and divestments;
- significant health and safety issues;
- engagement with central government or other third parties where views of the CCO may have significant weight in a decision-making process;
- release of significant or contentious information under the Local Government Official Information and Meetings Act 1987; and
- media coverage of any activities that could attract critical comment or those that could lead to shareholders being asked to comment on the CCO's activities or viewpoints.

If you would like to discuss the content of this letter and appended Enduring SOE please contact the Council's External Reporting and Governance team in the first instance.

We look forward to receiving draft SOIs by 1 March.

Ngā mihi nui

A handwritten signature in blue ink that reads "Phil Mauer". The signature is written in a cursive, flowing style.

Phil Mauer
Mayor of Christchurch

c.c. Ms Ali Adams, Chief Executive

Strategic Framework

On 5 April 2023, the Council adopted the new draft Strategic Framework for the purpose of informing the development of the 2024–2034 Long Term Plan.



The framework remains in draft as we continue to engage with Papatipu Rūnanga alongside the development of the Long Term Plan (LTP).

About the framework

The Strategic Framework provides the foundation for our long-term plan and guides the allocation of effort and resources. The new framework has changes to both the community outcomes and strategic priorities.

Community outcomes are required by the Local Government Act (LGA). This year they have been reshaped to show a clearer alignment to the four aspects of wellbeing as set out in the LGA (economic, cultural, social, environmental).

These high-level outcomes don't change greatly over time, but our immediate priorities can. Our Council has adopted a set of six strategic priorities it wants to focus on this term.

These priorities reflect key issues for our communities, where councillors want to see a change in approach or an increase in focus.

Tiriti partnership

The new Strategic Framework includes a new expression of our commitment to a Tiriti partnership with mana whenua and Māori.

The new Framework acknowledges Ngāi Tahu rangatiratanga over its takiwā and emphasises that our work with Ngāi Tahu is intended to bring about meaningful outcomes benefitting the whole community.

Ngāi Tahu rangatiratanga over the South Island lands within its boundaries was acknowledged by the Crown in its [Crown Apology\(external link\)](#) to Ngāi Tahu, given at Ōnuku Marae on 29 November 1997.

It formed part of the Deed of Settlement and settlement legislation which concluded Te Kerēme/the Ngāi Tahu Treaty of Waitangi claim.

The Council vision

Our vision is:

A place of opportunity for all...open to new ideas, new people, new investment and new ways of doing things – a place where anything is possible.

The vision statement sends a message of openness and opportunity to all who live here, to the wider region, to Aotearoa New Zealand and to the world. The vision aims to sum up what we value and what we aspire to as a city.

Draft community outcomes

The purpose of local government, as set out in the Local Government Act (LGA), is to enable local democratic decision-making and action and to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

The LGA requires councils to set community outcomes, identifying what we want to achieve for the community.

The new community outcomes in our draft framework are designed to show a clearer link to the four aspects of wellbeing in the LGA. Achieving these outcomes requires collaboration with the community, iwi/Māori, central Government and other partners.



A collaborative confident city

Our residents have the opportunity to actively participate in community and city life, have a strong sense of belonging and identity, and feel safe.



A green, liveable city

Our neighbourhoods and communities are accessible and well-connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, waterbodies and tree canopy.



A cultural powerhouse city

Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events 'powerhouse'.



A thriving prosperous city

Our city is a great place for people, business and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions.

Strategic priorities - key issues for Christchurch

While the high-level community outcomes we aim to achieve don't change greatly over time, our priorities for each Council term do, so our Council chooses to adopt strategic priorities in addition to the community outcomes.

The strategic priorities reflect key issues for the community where elected members want to see a change in approach or increase in focus this Council term. They don't refer to all Council activities, but they highlight issues many Council work programmes have scope to impact.

The Mayor and Councillors would like us to:

- Intensify work on the priorities.
- Align skills and resources according to the priorities.
- Collaborate across the Council on the priorities.

The strategic priorities in the new draft framework:



Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.



Champion Ōtautahi–Christchurch and collaborate to build our role as a leading New Zealand city.



Build trust and confidence in the Council through meaningful communication, listening to and working with residents.



Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our indigenous biodiversity, waterbodies and tree canopy.



Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.



Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.