

**Draft Long Term Plan 2021-31**




**Activity Plan**

# **Performance Management and Reporting**

**(Internal Activity)**

**Adopted 4 March 2021**

## Approvals

Role	Position	Name	For Draft LTP	
			Signature	Date of sign-off
General Manager / Activity Manager	GM Finance & Commercial (Acting)	Diane Brandish		9 February 2021
Finance Business Partner / Business Partnership	Head of Business Partnership	Patricia Christie		29 January 2021
Performance Management	Head of Performance Management	Peter Ryan		28 January 2021
Financial Management	Head of Financial Management (Acting)	Bruce Moher		26 January 2021
Procurement & Contracts	Head of Procurement & Contracts	Jane O'Toole		28 January 2021

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# 1. What does this activity deliver?

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This activity plan covers four key areas:

## **Performance management**

For Council to deliver better performance in future years will mean creating and executing effective performance management. This means ensuring the implementation of the LTP by creating organisational targets around it, creating plans for execution around those targets and ensuring linkages to individual performance plans. This demands sophisticated performance monitoring mechanisms. Focus is on transparency and accountability for business results. Our planning, and reporting services include:

- Develop long term, annual and operational plans.
- Implement and monitor long term, annual and operational plans.
- Deliver organisational performance reporting, integrating financial reports from the Business Partnership team and Financial Management team.

The Council has surveyed residents for many years. Results are used by staff, Council and as levels of service in various plans, including the LTP. The Residents' Survey is based strictly on Council's products and services. Quality of Life survey is run across NZ cities, including Christchurch, to study high level demographic, environmental and other issues. This is separately funded and is not included our levels of service. Our monitoring services include:-

- Conduct Resident Surveys and provide results to Council and staff.
- Monitor and report on community outcomes indicators.
- Manage and maintain city monitoring datasets and household and business growth models.

## **Financial Management**

- Ensures that Council complies with its statutory financial obligations
- Manages all financial transactions including borrowing and calculating and collecting rates
- Manages tax compliance
- Delivers organisational financial reporting and forecasting
- Monitors investment in Council Controlled Organisations, (CCOs)
- Reduces risk by securing appropriate insurance cover.

## **Business Partnership**

- Supports each business area by partnering and supporting to achieve their financial and commercial outcomes.
- Annual and long term budgets are developed in conjunction with budget owners
- Financial, performance and commercial advice and support is provided to each business activity within Council, including monthly forecasts of financial performance
- Work with the other performance management activities to ensure managers understand their roles and responsibilities around compliance with Council's financial and performance frameworks, policies and processes
- Provision of financial reporting and self-service financial reporting tools for the organisation
- On-going development of new reporting tools and functionality to improve access and transparency to financial data

## Procurement

Procurement works in a collaborative manner with the business to achieve a return on investment against the Procurement operating budget in the form of cashable tactical savings and cost avoidance. Ensure appropriate processes are in place and applied to govern the expenditure of public funds.

- To ensure Council procurement is conducted in an open, transparent and accountable way consistent with the principles of the Council Procurement Policy and the Office of the Auditor General: procurement guidance for public entities. This is achieved through the Procurement Framework, Rules and Policy which is owned and managed by this activity.
- To provide efficient processes and professional advice for the procurement of goods, services and works and ongoing management of contracts to ensure 'total value' is achieved

## Snapshot of provision and use 2019/20

### 1. Performance Management

- Delivered Annual plan and updated plan post-COVID-19
- Commenced the LTP

### 2. Financial Management

- Manage borrowings of \$2.2 billion
- Collect \$0.5 billion of rates annually from 176 thousand ratepayers
- Pay salaries and wages to 2,900 employees
- Pay \$1 billion annually to Council's suppliers and employees
- Negotiate \$2.7 billion of insurance cover
- Monitor the results of nine CCOs with combined assets of \$2.728 billion
- Develop financial strategy to respond to COVID-19 including loss of revenue as a result of significant reduction in CCHL dividends, deferred rates and debtors schemes

### 3. Business Partnership

- Development of online financial reporting tools – Spendometer
- Ongoing face to face and online training of key finance processes
- Provision of month end financial reports to Performance Management Unit within 6 working days of month end
- Provision of financial forecasts and 20/21 budgets for all of operational, groups, units and team

### 4. Procurement

- Provide sourcing activity support by running tenders and advising
- Provide operational contract management support and/or advice
- Own and manage the procurement framework and rules
- Own and manage the procurement policy

## 2. Community Outcomes – why do we deliver this activity?

This Internal Service supports all the Community Outcomes through the organisational support provided by this Activity to the External Services of the Council.

## 3. Strategic Priorities – how does this activity support progress on our priorities?

This Internal Service supports all the Strategic Priorities through organisational support provided by this Activity to the External Services of the Council.

Strategic Priorities	Activity Responses
Enabling active and connected communities to own their future	Application of the social equity and fostering local business Procurement Principles. Annual Plan / Long Term Plan and community surveys
Meeting the challenge of climate change through every means available	Applying the Environmental enhancement principle from the Procurement framework
Ensuring a high quality drinking water supply that is safe and sustainable	This is supported through end to end procurement activity
Accelerating the momentum the city needs	Providing commercial and financial analysis support to initiatives as they are developed Promoting opportunity, innovation and participation in key procurement activities
Ensuring rates are affordable and sustainable	In supporting the development of all organisational budgets we are mindful of the need to ensure value for money spend and ensuring that rates are affordable and sustainable  Through performance analysis and section 17A service delivery reviews we monitor and advise on value for money  By monitoring the Council’s Long Term Planning, and actual operating results and providing appropriate financial advice as required.  By ensuring appropriate funding policies are in place and Council’s credit rating is maintained.  For this strategic priority the Procurement Objective is ‘Value for money’ in procurement activities and contract management  We lead and manage organisation saving initiatives e.g. AP21 Post-COVID-19 and cost efficiency review.

## 4. Increasing Resilience

As an internal activity we support the other activities with regards to resilience in key areas.

The financial strategy is developed to maintain or improve the Council’s financial resilience by ensuring that sufficient headroom in LGFA covenants and funding facilities are maintained within the LTP to allow additional borrowing in the event of a disaster. In addition, we monitor current and future borrowing requirements and ensure that, where appropriate, hedging contracts are in place to eliminate exposure to future interest rate volatility.

We work closely with our insurance broker to ensure that reinsurers are aware of the increased resilience of the Council’s assets and that we continue to move from a transactional insurance approach to one with a more strategic focus to ensure adequate insurance coverage and cost effective premiums.

To ensure Council procurement is conducted in an open, transparent and accountable way consistent with the principles of the Council Procurement Policy which specifically includes wider sustainable outcomes. The wider sustainable outcomes include Council ensuring a ‘Resilient’ supply chain through contracting activity. The Procurement Policy also covers how Council will react efficiently and effectively to genuinely unforeseen urgent circumstances.

## 5. Specify Levels of Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
Ensure Christchurch City Council has high quality plans and plan monitoring in place (Long Term Plan, Annual Plan, operational plans)										
13.1.1	C	Implement the Long Term Plan and Annual Plan programme plan	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved		Critical path milestone due dates in programme plans are met.	Critical path milestone due dates in programme plans are met.	Critical path milestone due dates in programme plans are met.	Critical path milestone due dates in programme plans are met.	Based on LTP and Annual Plan programme plan milestones.	Internal Service
13.1.2.2	C	Implement and evolve CCC	2019/20: Achieved 2018/19: Achieved		Performance Framework in place	Performance Framework in place	Performance Framework in place	Performance Framework in place	There is a CCC performance framework in place at all times.	Internal Service

<sup>1</sup> C/M – Community or Management level of service (LOS)

Community LOS - Previously known as LTP LOS. These are LOS that are community facing and will be published in our Statement of Service Provision.

Management LOS - Previously known as Non-LTP LOS. These are LOS that are measured in the organisation to ensure service delivery.

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
		performance framework	2017/18: Not achieved 2016/17: Not achieved						Preserve integrity of CCC Performance Framework – all Performance Framework (Big Picture) linkages and key components functional.	
13.1.26	C	Deliver Organisational Performance Reporting and Analysis	New level of service		At least 95% of governance, corporate, group and unit performance reports and analyses, based on organisational performance targets. delivered to agreed deadlines	At least 95% of governance, corporate, group and unit performance reports and analyses, based on organisational performance targets. delivered to agreed deadlines	At least 95% of governance, corporate, group and unit performance reports and analyses, based on organisational performance targets. delivered to agreed deadlines	At least 95% of governance, corporate, group and unit performance reports and analyses, based on organisational performance targets. delivered to agreed deadlines	Every month, organisational Performance Reports are published on the intranet, and are sent to ELT and Governance.	Internal Service
13.1.3	C	Conduct Resident Surveys, analyse and provide results to Council and staff	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved	All major councils in NZ conduct resident surveys of some kind	Maintain two surveys per year, by the end of May	Maintain two surveys per year, by the end of May	Maintain two surveys per year, by the end of May	Maintain two surveys per year, by the end of May	Points of Contact Survey and a General Satisfaction Survey on Council's products and services only.  Two surveys per year, by the end of May : General Satisfaction Survey and Points of Contact Survey.	Internal Service



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					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
13.1.24.1	C	Community outcomes monitoring and reporting programmes are maintained	2019/20: Achieved 2018/19: Achieved		85% of community outcomes monitoring indicators are up-to-date and reported publicly	85% of community outcomes monitoring indicators are up-to-date and reported publicly	85% of community outcomes monitoring indicators are up-to-date and reported publicly	85% of community outcomes monitoring indicators are up-to-date and reported publicly	Outcomes monitoring management database report. Maintained since 2004.	Internal Service
13.1.24.2	M	City monitoring datasets are maintained	2019/20: Achieved 2018/19: Achieved		85% of city monitoring datasets are up to date	85% of city monitoring datasets are up to date	85% of city monitoring datasets are up to date	85% of city monitoring datasets are up to date	Report from the Data Warehouse system. Maintained since 1991	Internal Service
13.1.24.3	M	Household and business growth models are maintained	2019/20: Achieved 2018/19: Achieved		Household and business growth models are kept up to date and are reviewed at least annually	Household and business growth models are kept up to date and are reviewed at least annually	Household and business growth models are kept up to date and are reviewed at least annually	Household and business growth models are kept up to date and are reviewed at least annually	Growth models review tracking spreadsheet. Maintained since the first Development Contributions Policy ~ 2004	Internal Service
<b>Business Partnership</b>										
13.1.4.2	M	Facilitate group and unit planning and budgeting	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved		Plans and budgets prepared within corporate timeframes- 100% of deadlines met within agreed timeframe	Plans and budgets prepared within corporate timeframes- 100% of deadlines met within agreed timeframe	Plans and budgets prepared within corporate timeframes- 100% of deadlines met within agreed timeframe	Plans and budgets prepared within corporate timeframes- 100% of deadlines met within agreed timeframe	Co-ordination of the detailed operational financial budgeting process to meet the corporate milestones and timeframes  Working with business owners to ensure milestones and timeframes are met.  100% of deadlines met within agreed timeframe.	Internal Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
13.1.5.1	M	Business Performance Reporting	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved		Monthly business unit and group financial reports prepared for integration with performance reports within agreed timeframes	Monthly business unit and group financial reports prepared for integration with performance reports within agreed timeframes	Monthly business unit and group financial reports prepared for integration with performance reports within agreed timeframes	Monthly business unit and group financial reports prepared for integration with performance reports within agreed timeframes	Monthly reporting on both operational & capital performance to General Managers and Unit Managers ensures financial and services delivery awareness is maintained to the highest level within the Council's Services.  This needs to be provided in a manner that is understandable to the managers to allow them to both relate and react to the information. This also provides the basis for performance commentary to Council.  100% of deadlines met within agreed timeframe	Internal Service
13.1.5.3	M	Business Performance Reporting	New innovative and automated reporting to meet business decision needs		Develop or make available at least three new self-service reports for business use, whether this be Power BI or Fiori based	Develop or make available at least three new self-service reports for business use, whether this be Power BI or Fiori based	Develop or make available at least three new self-service reports for business use, whether this be Power BI or Fiori based	Develop or make available at least three new self-service reports for business use, whether this be Power BI or Fiori based	Measured by a review of the self-service reports made available and the extent of the roll out of Fiori based tools to users.	Internal Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
Financial Management (including corporate and external reporting, financial policy, insurance, treasury and tax)										
13.1.6	M	Council and Group financial and treasury reporting	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved  Upgraded from A+ to AA- in 2019 and reaffirmed in 2020	Reports - OAG guidelines, Accounting Standards, Financial Prudence Benchmarks, Standard & Poor's credit rating	Provide Council and Group financial and treasury reporting within statutory or otherwise agreed timeframes.  100% of the time: Financial sections of LTP or Annual Plan	Provide Council and Group financial and treasury reporting within statutory or otherwise agreed timeframes.	Provide Council and Group financial and treasury reporting within statutory or otherwise agreed timeframes.	Provide Council and Group financial and treasury reporting within statutory or otherwise agreed timeframes.	Measured through: <ul style="list-style-type: none"> <li>• Monthly reports to CFO</li> <li>• Monthly forecasts to ELT</li> <li>• Quarterly reports to Treasury Committee</li> <li>• Quarterly financial performance report to Council</li> <li>• Budgets/ financial plans as part of the LTP and Annual Plan</li> <li>• Annual Council and Group forecasts to Standard &amp; Poor's</li> </ul>	Internal Service
13.1.7.1	M	Financial management – Asset valuation	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved	OAG guidelines, Accounting Standards	Assets classes are valued on a rolling basis	Assets classes are valued on a rolling basis	Assets classes are valued on a rolling basis	Assets classes are valued on a rolling basis	All fixed assets valued in a timely fashion to inform the annual report and insurance placement	Internal Service
13.1.7.3	M	Financial and Treasury management	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved	Accounting Standards Treasury Risk Management Policies Financial Prudence benchmarks	Ensure compliance with financial and treasury management policies 100% of the time	Ensure compliance with financial and treasury management policies 100% of the time	Ensure compliance with financial and treasury management policies 100% of the time	Ensure compliance with financial and treasury management policies 100% of the time	Financial Strategy is robust with all financial ratios well within policy guidelines or agreed parameters in Annual Plan / LTP  Treasury policy guidelines complied with	Internal Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
				Standard and Poor's Credit Rating						
13.1.7.4	M	Financial Management	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved	OAG guidelines, Accounting Standards  Treasury Risk Management Policies  Financial Prudence benchmark  Standard and Poor's Credit Rating	Review financial and treasury strategies and policies within statutory or otherwise agreed timeframes	Review financial and treasury strategies and policies within statutory or otherwise agreed timeframes  Ensure compliance with prudential ratios	Review financial and treasury strategies and policies within statutory or otherwise agreed timeframes  Ensure compliance with prudential ratios	Review financial and treasury strategies and policies within statutory or otherwise agreed timeframes  Ensure compliance with prudential ratios	Measured through:  Revised strategies and policies delivered and adopted as part of the LTP  Amended strategies and policies delivered and adopted as required as part of an Annual Plan  Compliance with policies and strategies in each Annual Plan and Long Term Plan	Internal Service
13.1.7.5	M	Council Annual Report	New level of service  2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved	OAG guidelines, Accounting Standards	Deliver annual report within statutory timeframe and with unmodified audit opinion with no emphasis of matter	Deliver annual report within statutory timeframe and with unmodified audit opinion with no emphasis of matter	Deliver annual report within statutory timeframe and with unmodified audit opinion with no emphasis of matter	Deliver annual report within statutory timeframe and with unmodified audit opinion with no emphasis of matter	Measured through delivery of the Annual Report and we receive an unmodified audit opinions with no emphasis of matter.	Internal Service
13.1.7.6	M	Tax management	New level of service	Tax legislation	Deliver tax returns periodically and within statutory deadlines	Deliver tax returns periodically and within statutory deadlines	Deliver tax returns periodically and within statutory deadlines	Deliver tax returns periodically and within statutory deadlines	Deliver annual income tax returns  File monthly GST returns  File quarterly FBT returns  Bi-monthly PAYE returns	Internal Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
13.1.9	M	Complete successful citywide revaluation, including roll maintenance	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved	Valuer General guidelines Rating Valuation legislation	100% of SLAs as per the contract	100% of SLAs as per the contract	100% in accordance with the standards and timeframes set out in the Rating Valuation Act, Regulations, and Rules and any Orders made in relation to them.  100% of SLAs as per the contract	100% of SLAs as per the contract	City wide revaluations conducted every 3 years under normal valuation rules	Internal Service
13.1.16	M	General Ledger (GL) Accounts reconciled	2019/20: 100% 2018/19: 99% 2017/18: 100% 2016/17: 98% 2015/16: 89% 2014/15: 89%		At least 99%	At least 99%	At least 99%	At least 99%	Reconcile SAP balance sheet accounts to external or supporting information to ensure balances are correct	Internal Service
<b>Monitoring Investment Performance</b>										
13.1.25.1	M	Monitoring of CCTO performance	2019/20: Achieved 2018/19: Achieved 2017/18: Achieved 2016/17: Achieved		Report CCO and CCTO performance to Council in line with reporting cycle (quarterly or six monthly)	Report CCO and CCTO performance to Council in line with reporting cycle (quarterly or six monthly)	Report CCO and CCTO performance to Council in line with reporting cycle (quarterly or six monthly)	Report CCO and CCTO performance to Council in line with reporting cycle (quarterly or six monthly)	CCTO Performance monitored and reported to Council  Regular meetings are held with CCTOs to discuss performance and forward view  CCTO Letter of Expectations are provided annually  Return from CCTOs are in line with plan and financial strategy	Internal Service

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					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
									Fair Value of CCTOs increases in line with expectations	
<b>Management of Insurance Programme</b>										
13.1.10	M	Insurance Programme Management: Council's assets have an appropriate level of insurance (subject to cost and insurance market availability) Claims for damaged assets are settled with the best possible outcome for Council	2019/20: Achieved 2018/19: Achieved		Quarterly update report to Finance and Performance Committee	Quarterly update report to Finance and Performance Committee	Quarterly update report to Finance and Performance Committee	Quarterly update report to Finance and Performance Committee	Insurance Programme Management: All significant, undamaged assets are insured against all damage (subject to cost and insurance market availability) All significant, unrepaired assets are insured for fire damage only (subject to cost and insurance market availability) Insurance valuations are managed appropriately. Insurance being extended to new and repaired assets as required	Internal Service
13.1.10.2	M	Insurance claims are settled with the best possible outcome for Council	New level of service		Half yearly reporting on outstanding insurance claims with detail of those settled	Half yearly reporting on outstanding insurance claims with detail of those settled	Half yearly reporting on outstanding insurance claims with detail of those settled	Half yearly reporting on outstanding insurance claims with detail of those settled	Half yearly report to Council. Very few material damage claims and excellent terms reached on settlement of indemnity claims.	Internal Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
<b>Payroll</b>										
13.1.15	M	Payroll is processed	2019/20: .99.8% 2018/19:> 99.8% 2017/18: 99.8 2016/17 99.8% 2015/16 99.8% 2014/15 99.8%		At least 99.9% accuracy	At least 99.9% accuracy	At least 99.9% accuracy	At least 99.9% accuracy	Ensures Councillors, staff and contractors are paid accurately and on time	Internal Service
<b>Transactional Finance – Rates</b>										
13.1.11	M	Rates are collected (includes rates on behalf of ECan)	2019/20: 97% 2018/19: 98% 2017/18: 97.9% 2016/17 97.5% 2015/16 97.6% 2014/15 98%		% rates paid in same year: at least 96% COVID-19 Rates payment extension	% rates paid in same year: at least 97%	% rates paid in same year: at least 97%	% rates paid in same year: at least 98%	Efficiently ensuring maximum timely payment of rates is critical for cashflow and balance sheet management.	Internal Service
<b>Transactional Finance – Receivables and Banking</b>										
13.1.12	M	Debt collection	2019/2020: 98.0% 2018/2019: 98.2% 2017/18: 99.0% 2016/17 99.7% 2015/16 98.0% 2014/15 98.0%		% debt collected at 3 months: At least 96%	% debt collected at 3 months: At least 96%	% debt collected at 3 months: At least 96%	% debt collected at 3 months: At least 98%	Efficiently managing debt levels is critical for cashflow and balance sheet management. This incorporates financial information captured in SAP, such as invoiced debt, but not consenting debts or central government debts	Internal Service
13.1.14	M	Manage un-cleared items on bank statements	2019/2020: 0 2018/2019: 0 2017/18: 0 2016/17: 0 2015/16: 0 2014/15: 0 No un-cleared items > \$25k		No un-cleared items >\$25k on bank statement 3 days after month end	No un-cleared items >\$25k on bank statement 3 days after month end	No un-cleared items >\$25k on bank statement 3 days after month end	No un-cleared items >\$25k on bank statement 3 days after month end	Ensures that any errors or delays are discovered and resolved monthly. (includes Rates, Accounts, Payroll and Debt)	Internal Service

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
<b>Transactional Finance – Accounts Payable</b>										
13.1.13	M	Accounts Payable processed efficiently	2019/2020: 90.5% 2018/2019: 89.7% 2017/18: 88.0% 2016/17: 94.2% 2015/16: 95.4% 2014/15: 90.0%		% of Accounts Payable paid by 20th of month: At least 90%	% of Accounts Payable paid by 20th of month: At least 90%	% of Accounts Payable paid by 20th of month: At least 90%	% of Accounts Payable paid by 20th of month: At least 90%	Efficiently meeting CCC trade terms is important for suppliers for their cashflow management, & meets Council's terms of trade Process improvements are needed to support the increase to this LOS.	Internal Service
<b>Procurement and Contract Management</b>										
13.1.21.1	M	Procurement and Contract Management is managed as a shared service delivery – Performance.	2019/20 : 3.1 2018/19 : 3.1 2017/18 : 3.1 2016/17 : 3.1  Previously not formally measured  Informal YTD across last three financial years approximately 3:1	Sustainable savings – Chartered Institute of Procurement and Supply <sup>2</sup>  MBIE - Government Rules of Sourcing <sup>3</sup>	Return on Investment (ROI) = total Cost Reduction/Avoidance	Return on Investment (ROI) = total Cost Reduction/Avoidance	Return on Investment (ROI) = total Cost Reduction/Avoidance	Return on Investment (ROI) = total Cost Reduction/Avoidance	Saving Methodology is split between Cost Reduction (CR) and Cost Avoidance (CA), which can be both Opex and Capex.  Addressable Spend = The annualised amount of money Procurement and Contracts will be Contract Managing or Sourcing and has been identified as having a Cost Reduction/ Avoidance opportunity  Cost Reduction = a budgetary decrease against the estimated contract spend as per the agreed budget  Cost Avoidance = Savings where a cost has been avoided, this could include (but is not limited to) adjustments not budgeted	Internal Service

<sup>2</sup> Sustainable savings – Chartered Institute of Procurement and Supply - <https://www.cips.org>.

<sup>3</sup> MBIE - Government Rules of Sourcing - <https://www.procurement.govt.nz/procurement/guide-to-procurement/plan-your-procurement/documenting-your-requirements/>



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					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
									for and we have a negotiated decrease from original tender/contract price or negotiations decreasing suppliers claims/variatio ns or extensions  Return on Investment (ROI) to be delivered according to the total Cost Reduction/Avoidance agreed by 01 August every year against addressable spend.  The CA & CR total will be agreed upon by the C.E. annually	
13.1.21.2		Procurement and Contract Management is managed as a shared service delivery – Performance.	Previously not formally measured  Informal measure shows that we are currently achieving 70-80% of target	Sustainable savings – Chartered Institute of Procurement and Supply <sup>4</sup>  MBIE - Government Rules of Sourcing <sup>5</sup>	Sustainable return through procurement activity - 80% of sourcing activity and contract management activity to achieve sustainable outcomes annually	Sustainable return through procurement activity - 85% of sourcing activity and contract management activity to achieve sustainable outcomes annually	Sustainable return through procurement activity - 90% of sourcing activity and contract management activity to achieve sustainable outcomes annually	Sustainable return through procurement activity - 95% of sourcing activity and contract management activity to achieve sustainable outcomes annually	80% of sourcing activity and contract management activity to achieve sustainable outcomes including the below categories:  - Environmental - Social - Economic	Internal Service
13.1.22.1	M	Procurement and Contract Management is managed as a shared service	2019/2020: 98% 2018/2019: 97% 2017/18: 100% 2016/17: 100%		95% of all procurement activity more than \$100k (Excl. GST) put to	95% of all procurement activity more than \$100k (Excl. GST) put to	95% of all procurement activity more than \$100k (Excl. GST) put to	95% of all procurement activity more than \$100k (Excl. GST) put to	Excludes: • Procurement associated with emergency response and recovery activities where	Internal Service

<sup>4</sup> Sustainable savings – Chartered Institute of Procurement and Supply - <https://www.cips.org>.

<sup>5</sup> MBIE - Government Rules of Sourcing - <https://www.procurement.govt.nz/procurement/guide-to-procurement/plan-your-procurement/documenting-your-requirements/>

LOS number	C/M <sup>1</sup>	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Benchmarks	Future Performance Targets				Method of Measurement	Community Outcome
					Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31		
		delivery – Conformance.			market through RFP/T.	market through RFP/T.	market through RFP/T.	market through RFP/T.	justification approved within delegated authority; <ul style="list-style-type: none"> <li>• Procurement approved via Council’s procurement departure process</li> <li>• Procurement activity conducted by Council staff outside of the procurement and contracts unit</li> </ul>	
13.1.22.3	M	Procurement and Contract Management is managed as a shared service delivery – Conformance.	2017/18: 100% 2016/17: 100%		100% of Procurement & Contract recommended Departures have valid procurement plans/strategies and risk assessment	100% of Procurement & Contract recommended Departures have valid procurement plans/strategies and risk assessment	100% of Procurement & Contract recommended Departures have valid procurement plans/strategies and risk assessment	100% of Procurement & Contract recommended Departures have valid procurement plans/strategies and risk assessment	Departures in business units that are recommended by Procurement are checked and validated.	Internal Service
13.1.23.1	M	Procurement and Contract Management Compliance Monitoring and Reporting	2019/2020: 100% 2018/2019: 100% 2017/18: 100% 2016/17: 100%		Report to Audit and Risk Management Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Committee monitoring compliance on time: 100%	Report to Audit and Risk Management Committee every quarter. To ensure actions are closed out by the agreed timeframe, or revised timeframe.	Internal Service

## 6. Does this Activity Plan need to change as a result of a Service Delivery Review (S17A)?

No S17A Service Delivery Review for this planning period.

## 7. What levels of service are we proposing to change from the LTP 2018-28 and why?

2018 -28 LTP Level of Service	2018-28 LTP Target	Recommended 2021-31 LTP Level of Service	Recommended 2021-31 LTP Target	Reason	Options for consultation
<b>Performance Management</b>					
<b>NEW</b> 13..1.26		<b>NEW</b> Deliver Organisational Performance Reporting and Analysis	At least 95% of governance, corporate, group and unit performance reports and analyses, based on organisational performance targets. delivered to agreed deadlines	Core accountability of the organisation Performance Framework. They are specific to the organisational performance targets underpinning PDP (performance reporting system) Demonstrates Finance and Commercial group team work	N/A
<b>Business Partnership</b>					
<b>DELETE</b> 13.1.4.1 Facilitate group and unit planning and budgeting	Management understanding and accountability for plans and budgets is clear via GM and UM signoff – 100%	<b>REMOVE</b>		Measure did not adequately represent target objectives.	N/A
<b>AMEND</b> 13.1.5.1 Business Performance Reporting	Monthly integrated reporting completed and provided to Business Groups within agreed timeframes – 100%	<b>AMEND</b> Business Performance Reporting	Monthly business unit and group financial reports prepared for integration with performance reports within agreed timeframes.	Rationalise and improve target definitions for this level of service. Incorporate automation targets where possible.	N/A
<b>DELETE</b> 13.1.5.2 Business Performance Reporting	Work with business units and groups to identify and record required remedial actions in performance reports to ensure delivery of Council and organisational targets.	<b>REMOVE</b>			N/A
<b>NEW</b> 13.1.5.3		<b>NEW</b> Business Performance Reporting	Develop or release at least three new self-service reports for business use, whether this be Power BI or Fiori based.		N/A

2018 -28 LTP Level of Service	2018-28 LTP Target	Recommended 2021-31 LTP Level of Service	Recommended 2021-31 LTP Target	Reason	Options for consultation
<b>Financial Management</b>					
<b>DELETE</b> 13.1.7.2 Financial and Treasury management	Deliver financial documents which receive an unqualified audit from OAG. Any internal risk audit findings are rectified within agreed timeframes	<b>REMOVE</b>		There was a lot of overlap with 13.1.7.3 which has been amended to reflect this.	N/A
<b>NEW</b> 13.1.7.5		<b>NEW</b> Annual Report	Deliver annual report within statutory timeframe and with unmodified audit opinion with no emphasis of matter	Focus on core deliverable	N/A
<b>NEW</b> 13.1.7.6		<b>NEW</b> Tax management	Deliver tax returns periodically and within statutory deadlines	Focus on core deliverable	N/A
<b>DELETE</b> 13.1.25.2 Monitoring of CCTO and Regenerate Christchurch performance	Value of dividends received is in line with financial plans	<b>REMOVE</b>		It's not possible for Council staff to control dividends paid by CCOs	N/A
<b>NEW</b> 13.1.10.2		<b>NEW</b> Insurance claims are settled with the best possible outcome for Council  Half yearly reporting on outstanding insurance claims with detail of those settled	Half yearly reporting on outstanding insurance claims with detail of those settled	Increased transparency	N/A
<b>Procurement and Contract Management</b>					
<b>DELETE</b> 13.1.22.1 Procurement and Contract Management is managed as a shared service delivery – Conformance.	% capital works of more than \$500k (Excl. GST) put to market through RFP/RFT: 95%	<b>REMOVE</b>		Capital and Opex work has been treated the same in the Procurement Framework	N/A
<b>NEW</b> 13.1.22.3		Procurement and Contract Management is managed as a shared service delivery – Conformance.	100% of Procurement & Contract recommended Departures have valid procurement plans/strategies	Captures the service of managing contract departures.	N/A

2018 -28 LTP Level of Service	2018-28 LTP Target	Recommended 2021-31 LTP Level of Service	Recommended 2021-31 LTP Target	Reason	Options for consultation
New 13.1.21.2		Procurement and Contract Management is managed as a shared service delivery – Performance.	Sustainable return through procurement activity - 80% of sourcing activity and contract management activity to achieve sustainable outcomes annually	This measure is to ensure the output of all procurement activity achieves sustainable outcomes in line with Council’s Procurement Policy.	N/A

## **8. How will the assets be managed to deliver the services?**

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No Asset Management Plan for this activity.

## 9. What financial resources are needed?

<b>Performance Management and Reporting</b>											
<b>000's</b>	<b>Annual Plan 2020/21</b>	<b>LTP 2021/22</b>	<b>LTP 2022/23</b>	<b>LTP 2023/24</b>	<b>LTP 2024/25</b>	<b>LTP 2025/26</b>	<b>LTP 2026/27</b>	<b>LTP 2027/28</b>	<b>LTP 2028/29</b>	<b>LTP 2029/30</b>	<b>LTP 2030/31</b>
<i>Activity Costs before Overheads by Service</i>											
FCPM Monitoring and Research	2,140	1,968	1,878	2,024	2,072	2,114	2,123	2,176	2,234	2,295	2,354
Financial Management	8,565	4,943	6,720	4,918	5,288	7,273	5,276	5,684	7,915	5,713	5,867
Business Partnerships	960	945	921	944	964	986	1,008	1,033	1,060	1,088	1,115
Performance Management	2,147	2,152	2,193	2,480	2,537	2,598	2,661	2,727	2,801	2,877	2,951
	<b>13,812</b>	<b>10,008</b>	<b>11,712</b>	<b>10,366</b>	<b>10,860</b>	<b>12,971</b>	<b>11,067</b>	<b>11,620</b>	<b>14,011</b>	<b>11,972</b>	<b>12,288</b>
<i>Activity Costs by Cost type</i>											
Direct Operating Costs	5,244	2,182	4,078	2,841	2,557	4,576	3,009	2,707	4,885	2,861	2,643
Direct Maintenance Costs	-	-	-	-	-	-	-	-	-	-	-
Staff and Contract Personnel Costs	8,166	7,459	7,265	7,150	7,923	8,009	7,665	8,513	8,715	8,690	9,212
Other Activity Costs	402	367	369	375	380	387	393	400	410	422	432
	<b>13,812</b>	<b>10,008</b>	<b>11,712</b>	<b>10,366</b>	<b>10,860</b>	<b>12,971</b>	<b>11,067</b>	<b>11,620</b>	<b>14,011</b>	<b>11,972</b>	<b>12,288</b>
<b>Activity Costs before Overheads</b>	<b>13,812</b>	<b>10,008</b>	<b>11,712</b>	<b>10,366</b>	<b>10,860</b>	<b>12,971</b>	<b>11,067</b>	<b>11,620</b>	<b>14,011</b>	<b>11,972</b>	<b>12,288</b>
Overheads, Indirect and Other Costs	(9,232)	(8,320)	(9,993)	(8,614)	(9,072)	(11,145)	(9,201)	(9,712)	(12,111)	(10,025)	(10,294)
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Debt Servicing and Interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total Activity Cost</b>	<b>4,580</b>	<b>1,687</b>	<b>1,719</b>	<b>1,752</b>	<b>1,788</b>	<b>1,826</b>	<b>1,866</b>	<b>1,907</b>	<b>1,900</b>	<b>1,947</b>	<b>1,994</b>
<b>Funded By:</b>											
Fees and Charges	1,505	1,494	1,525	1,559	1,595	1,633	1,672	1,714	1,760	1,808	1,855
Grants and Subsidies	-	-	-	-	-	-	-	-	-	-	-
Cost Recoveries	193	193	193	193	193	193	193	193	139	139	139
Other Revenues	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operational Revenue</b>	<b>1,699</b>	<b>1,687</b>	<b>1,719</b>	<b>1,752</b>	<b>1,788</b>	<b>1,826</b>	<b>1,866</b>	<b>1,907</b>	<b>1,900</b>	<b>1,947</b>	<b>1,994</b>
<b>Net Cost of Service</b>	<b>2,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>

### Note:

The net cost of service for 2020/21 reflects the funding for the continuation of the Aon claim which is funded by borrowing. The net cost (excluding Aon costs) is charged via overheads to external activities.

## 10. How much capital expenditure will be spent, on what category of asset, and what are the key capital projects for this activity?

Technology capital investments used by this activity are included within the IT capital programme.

Historically there has been an inadequate level of investment in technology assets which support the delivery of this activity.

In 2018/19 a financial transformation programme which began with the updating of the Council's ERP system to a cloud based product and then the investment in 2019/20 which moved the ERP from a 20 year old system to a 2019 version and introduced a new planning and forecasting system. This is considered to be the beginning of the internal transformational programme (Our Space) which will modernise Council's financial back office processes, using modern technology to assist and regulate these.

The Capital Programme schedule below does not relate to the Performance Management and Reporting Activity, but is Corporate capital expenditure that is not currently attributed to a specific external activity.

**Draft LTP 2021/31 Capital Programme** \$000  
**Proposed Budget Detail**  
Data as of 1/10/2021 5:52:34 PM

Funding Programme	Group of Activities	Activity Driver	ID	Title	Current Year Budget*	Proposed 2022	Proposed 2023	Proposed 2024	Proposed 2025	Proposed 2026	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031	Proposed Total LTP
<b>Above Core</b>																
<b>CMUA/MSF</b>																
<b>Corporate Capital</b>																
<b>Corporate Capital</b>																
<b>Meeting Current Levels of Service</b>																
			<b>1026</b>	Centerbury Multi Use Arena (CMUA)	17,811	55,875	191,180	183,308	23,921	-	-	-	-	-	-	454,285
			<b>59847</b>	Centerbury Multi Use Arena Site Decontamination	10,000	-	-	-	-	-	-	-	-	-	-	-
				<b>Meeting Current Levels of Service Total</b>	<b>27,811</b>	<b>55,875</b>	<b>191,180</b>	<b>183,308</b>	<b>23,921</b>	-	-	-	-	-	-	<b>454,285</b>
				<b>Corporate Capital Total</b>	<b>27,811</b>	<b>55,875</b>	<b>191,180</b>	<b>183,308</b>	<b>23,921</b>	-	-	-	-	-	-	<b>454,285</b>
				<b>Corporate Capital Total</b>	<b>27,811</b>	<b>55,875</b>	<b>191,180</b>	<b>183,308</b>	<b>23,921</b>	-	-	-	-	-	-	<b>454,285</b>
				<b>CMUA/MSF Total</b>	<b>27,811</b>	<b>55,875</b>	<b>191,180</b>	<b>183,308</b>	<b>23,921</b>	-	-	-	-	-	-	<b>454,285</b>
<b>Global Settlement</b>																
<b>Corporate Capital</b>																
<b>Corporate Capital</b>																
<b>Level of Service Improvement</b>																
			<b>59849</b>	Performing Arts Precinct Public Realm	-	-	1,500	-	-	-	-	-	-	-	-	1,500
			<b>59848</b>	Performing Arts Precinct Site Decontamination	1,500	-	-	-	-	-	-	-	-	-	-	-
				<b>Level of Service Improvement Total</b>	<b>1,500</b>	-	<b>1,500</b>	-	-	-	-	-	-	-	-	<b>1,500</b>
				<b>Corporate Capital Total</b>	<b>1,500</b>	-	<b>1,500</b>	-	-	-	-	-	-	-	-	<b>1,500</b>
				<b>Corporate Capital Total</b>	<b>1,500</b>	-	<b>1,500</b>	-	-	-	-	-	-	-	-	<b>1,500</b>
				<b>Global Settlement Total</b>	<b>1,500</b>	-	<b>1,500</b>	-	-	-	-	-	-	-	-	<b>1,500</b>
				<b>Above Core Total</b>	<b>29,311</b>	<b>55,875</b>	<b>192,680</b>	<b>183,308</b>	<b>23,921</b>	-	-	-	-	-	-	<b>455,785</b>

## Proposed Budget Detail

Date as of 9/02/2023 1:52:34 PM

Funding Programme	Group of Activities	Activity Driver	ID	Title	Current Year Budget*	Proposed 2022	Proposed 2023	Proposed 2024	Proposed 2025	Proposed 2026	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031	Proposed Total LTP
<b>Core</b>																
<b>Core funding</b>																
<b>Corporate Capital</b>																
<b>Corporate Capital</b>																
<b>Asset Renewal</b>																
			1024	Town Hall Rebuild	-	3,410	-	-	-	-	-	-	-	-	-	3,410
			27269	Programme - Community Facilities Tranche 2	6	169	(0)	-	(0)	653	598	-	-	-	-	1,420
			50182	Pages Road Depot Buildings Repair	288	781	-	-	-	-	-	-	-	-	-	781
			19139	Programme - Heritage Facilities Tranche 1	1	-	-	-	-	-	-	-	-	-	-	-
			27270	Programme - Heritage Tranche 2	26	-	-	-	-	-	-	-	-	-	-	-
				<b>Asset Renewal Total</b>	<b>321</b>	<b>4,360</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>653</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,611</b>
<b>Level of Service Improvement</b>																
			10370	Performing Arts Precinct	1,250	7,583	10,309	15,870	1,000	-	-	-	-	-	-	34,763
			1012	Corporate Investments	13,859	2,000	1,000	1,000	1,000	-	-	-	-	-	-	5,000
				<b>Level of Service Improvement Total</b>	<b>15,109</b>	<b>9,583</b>	<b>11,309</b>	<b>16,871</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,763</b>
				<b>Corporate Capital Total</b>	<b>15,430</b>	<b>13,943</b>	<b>11,309</b>	<b>16,871</b>	<b>2,000</b>	<b>653</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,374</b>
				<b>Corporate Capital Total</b>	<b>15,430</b>	<b>13,943</b>	<b>11,309</b>	<b>16,871</b>	<b>2,000</b>	<b>653</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,374</b>
				<b>Core funding Total</b>	<b>15,430</b>	<b>13,943</b>	<b>11,309</b>	<b>16,871</b>	<b>2,000</b>	<b>653</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,374</b>
				<b>Core Total</b>	<b>15,430</b>	<b>13,943</b>	<b>11,309</b>	<b>16,871</b>	<b>2,000</b>	<b>653</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,374</b>
				<b>Grand Total</b>	<b>44,741</b>	<b>69,818</b>	<b>203,989</b>	<b>200,179</b>	<b>25,921</b>	<b>653</b>	<b>598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501,159</b>

\* The Current Year Budget in the capital schedules may differ from the Annual Plan 2020/21 total capital in the financial summaries in section 9 above. The Current Year Budget includes any funding carried forward from the prior year-end and other changes approved since the Annual Plan was published.

## 11. Does this activity have any significant negative effects on social, economic, environmental or cultural wellbeing, now or in the future?

Negative Effect	Mitigation
Social, Economic and Environmental	
<p>Procurement and Contract Management</p> <p>Smaller tier suppliers may struggle to ensure they can deliver against our Procurement Policy through tendering/contracting activity. This could result in increased challenges for Council to contract with some local suppliers.</p>	<p>To ensure the Procurement Framework that has been designed to support adherence to the procurement policy considers and directs how all 'tiers' of our supply base can respond to Councils Procurement principles.</p>



## 12. What risks are identified and what controls and mitigations are planned?

Risk	Planned Controls and Mitigation
<p>1. Budgets - There is a risk that budgets (operational and centrally allocated costs) are not set accurately. Possible causes include changes in cost base, not responding to trends and external influences. Also lack of business information to drive budget setting The consequences are: -over / underspend that impacts on rate % increases required</p>	<p>Final review of budgets between the Draft Annual Plan and the adoption of the Annual Plan to identify any errors and to ensure that the final reflects the latest forecast</p> <p>Unit/Group signoff.</p> <p>Variance explanations to ELT</p> <p>Offset / substitution options due to size of budget</p> <p>Management of variances/forecasts throughout the year</p>
<p>2. <b>Financial Management.</b> Council budgets are set annually as part of Annual plan and Long Term planning process, these derive and set rates annually. Full year forecasts are regularly updated throughout the year.</p> <p>There is risk that:</p> <p>Financial revenues, Opex and Capex are not managed effectively against budget by budget holders, and full year forecasts are not robust and not achieved.</p> <p>Potential causes include:</p> <ul style="list-style-type: none"> <li>• Business disruption, control failure or unforeseen event, natural disasters and/or global pandemics, which have a significant impact on CCC service delivery and financial results. The duration and impact of such events would be uncertain and complex to manage/mitigate and recover from;</li> <li>• Uncertainty over the March 2020 COVID-19 global pandemic events, including the duration and impact, as well the complexity in identifying and implementing mitigations and length of recovery period;</li> <li>• Budget holders not responding to variances and trends affecting financial performance;</li> <li>• Changes in external demand and supply factors;</li> </ul>	<p>Clear expectations and accountability for budget holders, managed through line-management and via PDP</p> <p>Clear monthly reporting of actual financial performance against budget with explanations sought/provided for variances. Finance Business Partners and Business Partnership Team provide visibility and support to GMs and budget holders to understand their financial results and implications.</p> <p>Finance Business Partners and Business Partnership team support GMs and budget holders in developing and critiquing forecasts.</p> <p>ELT to proactively identify actions and savings to fully mitigate the impact of year to date actual variances, against budget to ensure overall CCC financial performance is in line with budget</p> <p>In the event of a natural disaster, Council ensures sufficient debt headroom to cover Council's upfront costs for underground asset replacement until insurance proceeds are received and to be eligible for Crown contributions.</p>

Risk	Planned Controls and Mitigation
<ul style="list-style-type: none"> <li>• Budget holders not understanding their financial performance, not taking responsibility, or not being accountable for budget performance; and</li> <li>• Insufficient financial information clarity &amp; integrity.</li> </ul> <p>This could result in:</p> <p>Potential overspending leading to</p> <ul style="list-style-type: none"> <li>• % rate increases;</li> <li>• Service level/delivery reductions;</li> <li>• Increase in borrowing, which may impact covenants; and</li> </ul> <p>Potential underspending, impacting on:</p> <ul style="list-style-type: none"> <li>• service delivery;</li> <li>• project completion; and</li> </ul> <p>Broadly impacting on reputation, public perception and stakeholder confidence.</p>	<p>In the event of a financial shock, Council maintains sufficient debt headroom and financial flexibility to manage the short term financial impacts, and continue to provide core essential services to the city and targeted immediate relief to both residents and businesses.</p> <p>Financial modelling of worst case and likely impact of actual and potential financial shock scenarios/events to understand and quantify financial impact. Then modelling/using available levers to mitigate the impact including identifying potential:</p> <ul style="list-style-type: none"> <li>• operational savings</li> <li>• capital projects that can be deferred</li> <li>• additional short term borrowing (within available debt covenants and financial prudence measures)</li> </ul> <p>In determining the extent to which each lever is used it is important to balance the impact on levels of service, rate increases in both the short and longer term and the key role the Council plays in supporting the city's recovery.</p>
<p>3. Ensure LTP Content Alignment - There is a risk that key elements of the AP/LTP (outcomes, levels of service, budgets, capital projects and asset plans) can become misaligned.</p>	<p>Close checks for content alignment built into LTP programme milestones.</p> <p>Rapid escalation of content misalignment to CEO, LTP Steering Group and Finance and Performance Committee.</p>
<p>4. 4. Manage LTP Milestone Slippage - There is a risk that the key milestones for the LTP process are missed. This would compromise the project timeline.</p>	<p>LTP Programme Management Group, Steering Group and Finance &amp; Performance Committee monitors milestone progress and risks on a monthly basis from July 2022 - June 2024. There are workstream leads for each key workstream of the LTP, and each of them are responsible for rapid escalation of any risks that could compromise delivery of a fit for purpose documents for presentation to councillors by 1 June 2023. The workstreams are as follows:</p> <ul style="list-style-type: none"> <li>• Infrastructure strategy</li> <li>• Financial strategy</li> <li>• 10 year budgets and financial policies</li> <li>• Capital development and prioritisation</li> <li>• Consultation document</li> </ul>

Risk	Planned Controls and Mitigation
	<ul style="list-style-type: none"> <li>• Asset management plans</li> <li>• Activity plans</li> <li>• Hearings and submissions</li> </ul> Plus other workstreams that may arise out of key issues that are requested in the LTP letter of expectation from Elected Members.
<p>5. CCO financial performance impacts CCC</p> <p>Rates are the key income source for CCC, with the level of CCC rates income set each year as part of the Annual Plan/Long Term Plan budgeting process. Council does not have the ability to alter rates during the year. CCC as parent and sole shareholder in CCHL is currently heavily reliant on dividend income from CCHL group, which is assumed and built-into Annual Plan and Long-Term plan budgeting and rate calculations.</p> <p>In addition, CCHL has issued \$1.5 billion uncalled capital to Council. If CCHL is unable to meet its funding commitments under its master trust deed (i.e. bonds) then either CCHL or its lenders under the master trust deed in the event of default could call the uncalled capital or a portion of it.</p> <p>There is a risk that: CCHL unexpectedly reduce dividends to CCC, call ‘uncalled capital’, and/or require additional equity/debt funding or other indirect assistance (such as CCO contract variations).</p> <p>Causes:</p> <ul style="list-style-type: none"> <li>• A disruption event (such as a natural disaster, external market changes, and/or major national/global event) which has a significant impact on the profitability of one or more CCHL subsidiaries and a direct flow on effect on dividend streams.</li> <li>• Uncertainty over duration, impact and recovery period of these unforeseen events causes complexity in identifying mitigations.</li> <li>• CCHL currently has a diverse portfolio of subsidiaries in different business sectors, but has limited financial ability to offset or mitigate poor financial results/performance particularly where there are cross sector impacts.</li> </ul> <p>Consequences:</p>	<p>CCC monitoring performance of CCHL (and by extension the group performance of their subsidiaries), and other non-CCHL CCOs. This leads to quarterly reporting to the finance and performance committee.</p> <p>CCC appointing appropriately skilled board members to CCHL, and to non-CCHL CCOs.</p> <p>Existing governance processes including the letter of expectations and statements of intent set with CCHL and non-CCHL CCOs. This sets out a no-surprises engagement expectation.</p> <p>Strategic conversations with Council and CCHL re the role of CCHL</p> <p>Decreasing CCC’s reliance on dividends over the long term.</p>

Risk	Planned Controls and Mitigation
<ul style="list-style-type: none"> <li>• This could damage Council’s public reputation and general stakeholder confidence.</li> <li>• Council has limited flexibility to resolve short-term funding shortfalls. Any shortfall would have to be resolved through: operational cost savings, delaying capital projects and/or by increasing short term borrowings (within existing LGFA covenants or committed funding facilities with banks).</li> </ul>	
<p>6. Holiday Act compliance - The Council have not interpreted or properly complied with the Holiday Act.</p> <p>As result the Council is liable for financial remediation. The Council have provided for \$7.5m to address the non-compliance based on national averages provided through MBIE. The actual amount will not be known until the data has been analysed and modelling is complete. This information is expected to be available in Q2 of the 2020/2021 financial year.</p> <p>There is a risk that:</p> <ul style="list-style-type: none"> <li>The financial settlement is not accurate;</li> <li>The financial provision is materially wrong and unable to be adjusted or absorbed before 2021 Annual Plan is adopted; and/or</li> <li>The public, staff and union react negatively to the Councils announcement and settlement.</li> </ul> <p>Caused by:</p> <ul style="list-style-type: none"> <li>The Holiday Act is complex and the interpretation requires specialist knowledge/resource.</li> <li>Correcting and resolving our non-compliance is a big project, with over 3000 current employees plus ex-employees, and across seven years of payroll data.</li> <li>Employees (current and ex) will have a personal connection to the announcement and resolve.</li> <li>Regulatory intervention (by MBIE).</li> </ul> <p>This will result in additional financial cost.</p>	<p>The project plan includes an operational working group and a steering group involving senior staff, a PM and EY, who are leading the work. Part of the project plan involves regular contact with MBIE.</p> <p>The risk of negative reactions from the staff and unions is being managed by communication releases, (for staff) and regular discussion between HR and the unions.</p>

Risk	Planned Controls and Mitigation
<p>7. Non-compliance with financial &amp; procurement policies and processes – There is a risk of over-spending budgets resulting in poor cost control, an inability to report spend accurately and undetected fraudulent behaviour.</p> <p>Caused by;</p> <p>Non-compliance with organisational financial processes and policies, in particular:</p> <ul style="list-style-type: none"> <li>- Procurement and purchasing policies and processes</li> <li>- Financial delegations</li> </ul>	<p>Clearly defining what is required and holding people accountable for their actions is a well- recognised approach. Implementing a robust P2P system</p> <p>Introduction of digital control as part of the next SAP upgrade.</p>
<p>8. Inadequate insurance cover - There is a risk of inadequate and/or insufficient insurance cover for Council assets which in the event of major asset-damage could leave the Council exposed to additional cost (for uninsured damage/risk) as the Council balance sheet is no longer strong enough to self-insure.</p> <p>Caused by:</p> <ul style="list-style-type: none"> <li>(1) incomplete asset risk information</li> <li>(2) reduction in cover available in the market due to withdrawal by reinsurers.</li> </ul>	<p>This is an ongoing risk that is reassessed annually as better information becomes available through the work of the asset owners. Financial Management have commissioned independent reports on the condition of the top 20 structures which are shared with reinsurers. In addition we have engaged an international risk modelling firm to determine the maximum probable loss of both above ground and below ground assets. Lastly, in setting the budgets and the Long Term Plan we have stressed the importance of leaving sufficient headroom to allow for additional borrowing in the event of an emergency.</p>
<p>9. Health and Safety - There is a risk that the Council procurement process/function fails to identify unsafe suppliers.</p> <p>This could be caused by poor supplier selection processes and systems.</p> <p>This would result in increased H&amp; S management and compliance costs.</p>	<p>Planned / Future treatments:</p> <ul style="list-style-type: none"> <li>- The approach to H &amp; S evaluation is to be outlined and justified as part of the procurement plan which is signed off by the Procurement Manager.</li> <li>- For tenders where the scope of work is assessed as Classification 1 (high risk work) respondents are required to complete a H &amp; S questionnaire and provide a copy of their H &amp; S plan. This is assessed as part of the evaluation on a pass/fail basis by a technically qualified and trained person.</li> <li>- For tenders where the scope of work is not 'Classification 1' respondents are required to sign a statement confirming that they comply with the H &amp; S Act 2015"</li> <li>-Engaging partners, Industry &amp; Community by: <ul style="list-style-type: none"> <li>Continuing to engage effectively and grow relationships with our industry and community partners through good practices in procurement, event management and H&amp;S risk processes to collectively manage H&amp;S Risk and;</li> </ul> </li> </ul>

Risk	Planned Controls and Mitigation
	<p>Being open and sharing of H&amp;S information, learnings with staff and partners to meet our shared duties through pre-event, assessment of plans, post event debriefs, review of contractor Site Specific Safety Plans (SSSPs), site assessments and contractor evaluation - consultation, cooperation and coordination</p>
<ul style="list-style-type: none"> <li>Manage LTP Process - The LTP is the largest and most complex cross-functional process in CCC. There is a risk that a quality LTP is not delivered. Factors that influence the success of the LTP include: clear leadership, project management, communication, stakeholder engagement, alignment with strategic direction, prioritisation, resourcing, ownership accountability</li> </ul> <p>Key causal factors include:</p> <ul style="list-style-type: none"> <li>- lack of clear early direction</li> <li>- non compliance with LTP project plan</li> <li>- milestone slippage</li> <li>- misaligned or poor content</li> <li>- fiscal constraints.</li> </ul> <p>The implications of a poor quality LTP are wide ranging and potentially high impact.</p> <p>Governance:  Programme Sponsor: CEO  Programme Manager: Head of Performance Management  Governance Oversight: Finance &amp; Performance Committee of the Whole  Management Oversight: LTP Steering Group  Project Oversight: LTP Programme Management Group.</p>	<p>All key LTP process decisions are based on advice from the Legal Services Unit, SOLGM and Audit NZ on requirements.</p> <p>Financial direction of LTP regularly reviewed by ELT and Finance &amp; Performance Committee.</p> <p>The LTP Programme Manager to escalate any LTP content misalignment issues to the Chief Executive as LTP Programme Sponsor, prior to reporting to LTP Steering Group and Finance &amp; Performance Committee.</p> <p>The LTP Programme Manager to escalate any milestone slippage for LTP due dates to the Chief Executive as LTP Programme Sponsor, prior to reporting to LTP Steering Group and Finance &amp; Performance Committee.</p>
<p>10. Strategic Procurement - Data - There is a risk of making sub-optimal procurement decisions caused by not having access to complete, timely and accurate data.</p> <p>This could be caused by substandard systems and inaccurate or lack of data being captured</p> <p>This could result in an unsupportable procurement position, challenge of procurement decision/outcome and/or an unsatisfactory outcome for Council.</p>	<p>Prior to letting a tender to market, an appropriately detailed procurement plan is developed and approved by Business Owners and a Procurement Manager.</p> <p>Best-practise procurement forums are held at least quarterly to ensure that all Council staff undertaking procurement activity are aware of current Council procurement policy and the supporting procurement framework, and staff are made aware of any changes to Council procurement policy and the supporting procurement framework.</p> <p>We have developed and implement a monthly internal audit and reporting process to identify spend on/off contract, spend analytics and categorisation and non-</p>

Risk	Planned Controls and Mitigation
	compliance with the procurement policy & procurement manual to alert Heads of Units and ELT to activities that are occurring outside of the procurement framework.
<p>11. Attracting, Retaining and Developing Staff - There is a risk that we cannot attract and retain appropriate staff. There is a further risk that we are unable to develop staff to the level that we need them to operate at to provide the level of support and service which we strive to provide.</p> <p>This could be caused by Procurement expertise being on the long term skill gap list within New Zealand, therefore attracting and retaining staff is dependent on what salary and interesting work we can offer, along with skill development opportunities.</p> <p>This could result in lack of resource to deliver our levels of service and support the business units with appropriate advice to ensure Council meets its strategic framework objects through our supply chain.</p>	<p>Identify opportunities for staff to receive training and development opportunities in skills and behaviours that are necessary for their role now and in the near future as our foundation systems and financial processes are upgraded.</p> <p>Regular 1:1 meetings (at least once per week) are held with each staff member to facilitate open communication around workload, development opportunities &amp; career aspirations.</p> <p>Complete procurement capability assessment as part of annual PDP process to identify opportunities for continued development.</p>
<p>12. Financial Management - There is risk that financial revenues, opex and capex are not actively managed against budget and that full year forecasts are not robust.</p> <p>Possible causes include changes in external demand, not responding to variances and adverse trends, not taking responsibility, insufficient information clarity &amp; integrity and lack of understanding.</p> <p>Consequences overspend impact on rate % increases, borrowing facilities covenants breached and negative public perception.</p> <p>Consequences underspend on service delivery and project completion and associated negative public perception.</p>	<p>Clear expectations and accountability for budget holders via PDP.</p> <p>Clear monthly reporting of actual performance against budget with explanations for variances.</p> <p>Finance Business Partners and Business Partnership Team provide support to GMs and budget holders to understand their financial results and implications."</p> <p>Finance Business Partners and Business Partnership team support GMs and budget holders in developing and critiquing forecasts.</p> <p>ELT to proactively identify actions and savings to fully mitigate the impact of year to date actual variances against budget to ensure overall CCC financial performance is in line with budget</p>
<p>13. Material error in published documents – There is a risk that published external documents will contain significant errors resulting in reputational loss, caused by inadequate checking and / or processes.</p>	<p>Continue current checking process, with specific focus on late changes required. (Develop robust compilation process, which explains links between related sections and how each should be updated. Produce information in a similar format quarterly, and having a peer review completed. Checking data used in these reports to the source data.)</p>
<p>14. Process knowledge - Lack of process knowledge by staff as a result of: (1) inadequate documentation</p>	<p>Documentation exists in various locations, including personal drives and is not complete.</p>

Risk	Planned Controls and Mitigation
(2) poorly trained staff leading to inability to produce accurate outcomes in a timely manner.	
<p>15. Outcome and Performance Data Measurement - There is a risk that some community outcomes and organisation performance indicators and targets cannot be measured</p> <p>Caused by gaps in secondary data sets and data not being available</p> <p>This will result in failure to provide progress results for some outcome and performance measures</p>	<p>Data supply deadlines with data suppliers are in place</p> <p>Data gaps are identified and primary surveying is considered where appropriate to reduce data gaps</p> <p>Ongoing data gaps and viable mitigation approaches are recorded in community outcomes methodology documents and reports</p>
<p>16. Strategic Procurement - Policy and Framework - There is a risk of making sub-optimal procurement decisions caused by staff not being aware of and subsequently failing to follow Council's Procurement Policy and supporting Framework.</p> <p>This could be caused by lack of experience, qualifications and strategic ability along with being unaware of the policy and framework available.</p> <p>This could result in unsupportable procurement position and/or challenge of procurement decision/outcome.</p>	<p>Prior to letting a tender to market, an appropriately detailed procurement plan is developed and approved by Business Owners and a Procurement Manager.</p> <p>Best-practise procurement forums are held at least quarterly to ensure that all Council staff undertaking procurement activity are aware of current Council procurement policy and the supporting procurement framework, and staff are made aware of any changes to Council procurement policy and the supporting procurement framework.</p> <p>A risk assessment must be completed for each procurement that provides guidance as to whether an internal or external probity officer should be considered as part of the procurement planning and sourcing activity. This needs to be reviewed as part of approving the procurement plan.</p> <p>Procurements which require significant negotiation must have a negotiation plan which has been reviewed and approved by a Procurement Manager.</p> <p>The conflict of interest policy and processes must be applied for each procurement undertaken. All Confidentiality &amp; Conflict of Interest forms will be reviewed by the Procurement Manager during the planning and delivery phase (as appropriate).</p> <p>All tender documents completed by the team are reviewed by a Procurement Manager prior to the RFX being released to the market.</p>
<p>17. Contractor Service Delivery - There is a risk of service interruption as a result of Council not adequately assessing a supplier's ability to perform and their financial liquidity, both during a sourcing activity and throughout the contract lifecycle. This may result in the Council not meeting its levels of service.</p>	<p>On-going formal evaluation process for assessing a supplier's ability to perform and/or their financial viability as part of the sourcing phase.</p> <p>On-going formal contract management process for assessing supplier performance and/or their financial viability throughout the contract lifecycle where applicable.</p>



Risk	Planned Controls and Mitigation
<p>18. Information and Advice – There is a risk that the Finance and Commercial Group does not provide adequate information and advice or incorrect information and advice to the business and Council.</p> <p>The risk arises as a consequence of:</p> <ul style="list-style-type: none"> <li>- flow on from organisational change (staffing and position vacancies)</li> <li>- complexity of financial information/reporting from current financial system.</li> <li>- multiple major projects running concurrently, relying on same technical expertise</li> <li>- not fully understanding the activities of the business unit or interrelationship</li> </ul> <p>Resulting in the business units making un-informed or mis-informed recommendations and decisions.</p>	<p>Ensure the on-going capacity and capability within the Business Partnership unit who have the required business knowledge to ensure the business units make informed decisions.</p> <p>Business Partnership continues to look at the required financial structures and data improvement to assist/improve/simplify reporting.</p> <p>Clear monthly reporting of actual performance against budget with explanations for variances.</p> <p>Continue the provision of self-service, user-friendly tools to provide greater access to financial information.</p> <p>Finance Business Partners and Business Partnership Team provide support to GMs and budget holders to understand their financial results and implications.</p> <p>Continue to communicate with the other Finance and Commercial units to understand their information needs. Also include them in any discussions regarding changes being made to reporting to ensure their needs continue to be met.</p>
<p>19. Fraudulent activity – There is a risk that fraudulent activity goes undetected resulting in financial and reputational loss due to:</p> <ul style="list-style-type: none"> <li>(1) lack of internal controls</li> <li>(2) inadequate division of duties</li> </ul>	<p>Continue review of internal controls, maintaining division of duties and insisting on annual leave being taken. Continue to enforce correct usage of purchasing processes.</p>
<p>20. Legal and accurate rates strike - There is a risk that the rates strike is not compliant with legal requirements, or is not calculated accurately resulting in financial, legal and reputational risk.</p> <p>Caused by non compliant rates resolution, inaccurate rates decimals, incomplete property data</p>	<p>Rates resolution is reviewed by external legal support (e.g. Simpson Grierson) each year,</p> <p>Prior to publication of draft AP/LTP: Rates decimal calculation workings are checked for errors</p> <p>Prior to publication of draft AP/LTP: Number of rating units remaining to be valued by valuation service provider (VSP) (QV) are within any service level (SL) limits agreed with VSP. If there are no SL limits agreed, then confirm that the number of outstanding valuations is within reasonable limits.</p> <p>Check expected rates revenue from rates strike simulation against previous expectations</p> <p>Prior to publication of final AP/LTP: Number of rating units remaining to be valued by valuation service provider (VSP) (QV) are within any service level (SL) limits agreed with VSP. Updated rating base values are monitored and reported to management</p>

Risk	Planned Controls and Mitigation
	frequently, along with analysis of the expected implications for next year's revenue and rates increases.
<p>21. Finance &amp; Commercial Employee Health &amp; Safety - There is a risk that Finance &amp; Commercial team members could injure or harm themselves or others due a lack of understanding of good H &amp; S practices.</p> <p>This will result in lost time.</p>	<p>Regularly invite Health &amp; Safety advisor to give presentation to the Unit to highlight workstation hazards, how to complete a workstation self-assessment and other relevant H&amp;S tips</p> <p>Health and Safety is a standing item agenda on all Unit meetings.</p>
<p>22. Governance awareness &amp; compliance with Council and Central Government Procurement Policy and Legislation - There is a risk that Elected Members do not support a procurement decision/recommendation.</p> <p>This could be caused by poor understanding of Councils procurement processes, policy and Central Government legislative requirements.</p> <p>This could result in supplier litigation, reputational damage, and financial cost to remediate and staff resource to resolve/explain/justify.</p>	<p>When requesting Council's financial delegation to enter into a contract, reports detailing both the intended procurement process and the targeted outcome are provided to Council prior to the tender being let to the market.</p> <p>Procurement induction sessions to be provided for newly elected members to ensure that the Council's policy and processes are understood</p> <p>The procurement policy is reviewed, updated and approved by Council every 5 years formally, and checked annually.</p>
<p>23. Systems not fit for purpose – Lack of investment in technology system developments</p> <p>There is a risk that the lack of ongoing investment in financial systems will result in financial systems which do not meet customer expectations and requirements</p> <p>This risk is the result of: budget reprioritisation, miscommunication of requirements, unplanned events, and resource constraints.</p> <p>Consequence: Improvement in Information for business reporting and advice not able to be realised. Inefficient processes and practices continue to be used and the risk of error is higher.</p>	<p>Our Space roadmap has been developed to continue ongoing transformation of financial and supporting systems (HR, Assets and Procurement) to be delivered over the next 4-5 years dependant on funding commitments.</p>
<p>24. Indirect and Income Tax errors –</p> <p>There is a risk of incorrect GST, PAYE, Withholding tax, FBT and Income tax returns result in underpayment of tax and/or IRD audit and/or the imposition of penalties.</p> <p>This could be caused by:</p> <p>(1) errors in calculations</p> <p>(2) incorrect treatment of transactions</p>	<p>Tax returns are checked by our external advisors</p> <p>Rolling audits are held of smaller tax classes.</p> <p>Checks are carried out when lodging GST and FBT returns to identify any material errors.</p> <p>Voluntary disclosures are made where necessary.</p>

Risk	Planned Controls and Mitigation
<p>25. There is a risk that the Council procurement process will be deemed non-compliant.</p> <p>This could be caused by changes to the legislative framework to which local government must comply.</p> <p>This may result in supplier litigation, reputational damage, financial cost to remediate and staff resource to resolve/explain/justify.</p>	<p>Council's procurement policy and supporting procurement framework are regularly reviewed to ensure that they comply with Council's regulatory commitments.</p>