

Hon Dr Megan Woods

MP for Wigram

Minister of Energy and Resources

Minister for Greater Christchurch Regeneration

Minister of Research, Science and Innovation

Minister for Government Digital Services

Minister Responsible for the Earthquake Commission



Christchurch
City Council 

Office of The Mayor

Sue Sheldon
Chair, Regenerate Christchurch
PO Box 32
CHRISTCHURCH
CC: Ivan Iafeta, Chief Executive, Regenerate Christchurch

Dear Sue

Letter of Expectations for Regenerate Christchurch 2019/20

This letter replaces the current Letter of Expectations that was provided to the Regenerate Christchurch Board in 2018 and clearly outlines our expected priorities for Regenerate Christchurch for the 2019/20 year.

In developing this letter, we have carefully considered the significant achievements, progress and developments that have been achieved over the eight years since the Canterbury earthquakes. In particular;

- the return of the Council's authority to undertake the full range of regulatory planning activities;
- the progress of regeneration and advancement of the Greater Christchurch Regeneration Act (2016); and
- the strength of capability of ChristchurchNZ Ltd and Development Christchurch Ltd in delivering their mandated roles:
 - developing and marketing the Christchurch City Narrative;
 - advising on an economic growth agenda; and
 - leading and pursuing investment and development opportunities for Christchurch.

It is apparent to us that regeneration in Christchurch has become embedded in the everyday work of the Council and Crown, and their various agencies operating in Christchurch, in no small part thanks to the considerable work that Regenerate Christchurch has achieved over the last three years.

This being the case, we consider that the transition of responsibilities can be brought forward, and the time is now right for Regenerate Christchurch to begin actively supporting the transfer of its regeneration functions to the locally-based agencies that will be responsible for those over the long term.

This Letter reflects the Council and Crown's ambition to have institutional arrangements that embed strength in Christchurch's permanent institutions.

[IN-CONFIDENCE]

As you are aware, it is the Government's intention that the Greater Christchurch Regeneration portfolio will cease to exist after the next general election. As the Crown works to transition out of its extraordinary role in Christchurch, it is appropriate that local arrangements also reflect this transition.

Shareholder expectations

Our expectations of Regenerate Christchurch for the 2019/20 financial year are as follows:

1. Deliver value for money by ensuring it is a lean and tight organisation appropriate to achieving its Statement of Performance Expectations;
2. Actively transition its lessons, knowledge and expertise, as well as its assets and responsibilities to local entities.
3. Respond to any requests for regeneration planning advice from other agencies or entities.
4. Provide advice to shareholders on any unique functions that only Regenerate Christchurch can undertake under the Act, and which you consider must be undertaken (for example, a Regeneration Plan for any area of residential red zoned land, or provision of advice to the Minister on any Regeneration Plans proposed by other parties);
5. Complete the work necessary to ensure that the Minister can satisfactorily and appropriately fulfil her statutory functions with respect to the approval of the Ōtākaro Avon River Corridor Regeneration Plan.
6. Improve the level of collaboration and engagement with other agencies (both at a management and governance level), including more regular meetings between your Board and shareholders.

For the avoidance of doubt, the specific activities that we do not want Regenerate Christchurch to engage in on a proactive basis, are:

1. Investigating, identifying or pursuing new regeneration possibilities or proposals. If you believe that specific opportunities exist, then we would welcome specific advice on how they could be enabled and by who.
2. Engagement, development or promotion of urban development models (including UDA structure and form) outside of the transitional activities outlines in the section below.
3. Activities and fora that have a broader focus than Christchurch city, unless required by its statutory responsibilities under the Act.
4. City visioning, strategies, benchmarking, analytics, promotion, business or commercial investment and attraction.

Southshore and South New Brighton

The Council has confirmed that it will take back responsibility for South Shore / South New Brighton project as soon as practicable. We would like Regenerate Christchurch to immediately begin an orderly transfer of project materials and files that are complete and in good order. As detailed in the 'value for money' section we expect that a reallocation of 2019/20 funding will be necessary as the project responsibility has changed.

Transitional activities

We expect Regenerate Christchurch to be transitioning from its remaining obligations and undertakings. We acknowledge that transition can be complex and a source of distraction to an organisation's day to day work, especially the impact of transition on staff.

[IN-CONFIDENCE]

We are confident that Regenerate Christchurch will do all it can to support transition and work actively with other agencies to ensure at its conclusion all relevant knowledge and lessons have been passed on. Similarly to the Crown, it is acknowledged that we are now at a stage where it is appropriate to normalise arrangements with core local institutions and begin concluding extraordinary recovery and regeneration functions.

Value for money

You advised in your letter to us (dated 30 April 2019) that you required confirmation of the funding available for 2019/20. Our preferred approach remains that the level of funding provided will reflect the work that Regenerate Christchurch needs to complete. Unfortunately we do not have a costed work programme at this juncture.

Therefore we commit to maximum joint funding of \$5m for 2019/20 which recognises the Council's retention of \$1m of funding for the South Shore / South New Brighton project that it has resolved to take ownership of.

Funding will be paid in quarterly instalments (up to a maximum of \$1.250m each quarter) in advance. We will pay the first quarter payment on 1 July 2019. However, further quarterly payments will be conditional on an appropriately costed work programme as detailed in your Statement of Intent and Statement of Performance Expectations. If the cost of delivering against the priorities we have outlined in this Letter of Expectations are less than the funding provided we expect early advice from you and will adjust future payments accordingly.

DPMC and CCC will work collaboratively with Regenerate Christchurch to regularly assess the funding required to deliver your work programme. As noted above, we expect that if all the funding is not required then the balance is returned to shareholders.

This reduction in your funding is consistent with our previously advised expectations of a small and lean planning organisation and appreciate that this may require a change in current organisational structures. We are confident that you have the ability to meet our expectations with this level of funding.

We would encourage you in your forthcoming statutory documents to provide us with a breakdown of work you expect to undertake, relevant performance targets, and costings. For the avoidance of doubt, we expect your work planning to reflect the expectations we have set out in this letter, and include costings for that work plan to represent value for money.

Accountability documentation

We understand that your preference is that we make our specific requests and priorities known to you via a Letter of Expectation as provided for under section 131 of the Greater Christchurch Regeneration Act 2016, rather than using our powers of direction under section 132 of the Greater Christchurch Regeneration Act 2016 to have the Board amend its Statement of Intent and Statement of Performance Expectations.

We trust that this Letter of Expectations provides clear and concise direction to you for the 2019/20 year, and that you can now proceed to develop Regenerate Christchurch's Statement of Intent and Statement of Performance Expectations for 2019/20.

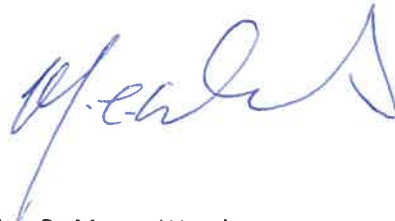
[IN-CONFIDENCE]

Ideally, we would have liked to meet with you to discuss this further, however we recognise the need to bring certainty for Regenerate Christchurch and your request that a Letter of Expectations is required urgently. We are available to meet with you in the week beginning 13 May to discuss the contents of this letter, but wanted to ensure that you received this letter as soon as possible, in line with your request.

Yours sincerely



Mayor Lianne Dalziel



Hon Dr Megan Woods