

Proactive Release

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Title: Global Settlement: Setting Direction and Expectations
Reference: DPMC-2018/19-723 and CCC 18/1319256
Date: 12 December 2019

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Key to redaction codes:

- section 9(2)(a), to protect the privacy of individuals.

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Briefing

GLOBAL SETTLEMENT: SETTING DIRECTION AND EXPECTATIONS

To:	Minister for Greater Christchurch Regeneration (Hon Dr Megan Woods)	Mayor of Christchurch (Hon Lianne Dalziel)	
Date	12/12/2018	Priority	Urgent
Deadline	14/12/2018	Briefing Number	DPMC-2018/19-723 CCC – 18/1319256

Purpose

This paper recommends that you set the direction (goal, principles, and timeframes) and expectations for the Global Settlement negotiations at your upcoming meeting on Friday 14 December 2018.

Recommendations

1. **Note** the contents of this briefing



Anne Shaw

Executive Director, Greater Christchurch Group, Department of the Prime Minister and Cabinet



Brendan Anstiss

General Manager, Strategy and Transformation, Christchurch City Council

APPROVED / NOT APPROVED / NOTED	APPROVED / NOT APPROVED / NOTED
Hon Dr Megan Woods Minister for Greater Christchurch Regeneration	Hon Lianne Dalziel Mayor of Christchurch
Date: / / 2018	Date: / / 2018

Contact for telephone discussion if required:

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Minister's office comments:

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

GLOBAL SETTLEMENT: SETTING DIRECTION AND EXPECTATIONS

Purpose

1. This paper recommends that you set the direction (goal, principles and timeframes) and expectations for the Global Settlement negotiations at your upcoming meeting on Friday 14 December 2018.

Background

2. As you are aware, the Crown and the Christchurch City Council will begin Global Settlement negotiations in December 2018. The first meeting between the Minister for Greater Christchurch Regeneration and Mayor is scheduled for 1pm on Friday 14 December. This will be followed by a meeting of Crown and Council senior officials responsible for progressing the negotiations.
3. In the spirit of cooperation and collaboration, it has been agreed that negotiations will be undertaken by senior officials from the Crown and Council (rather than independent negotiators). These are expected to be undertaken in good faith and within clear parameters set by the Crown and Council. Any decisions are expected to be made by respective governance entities (Cabinet and the Council respectively).

Set the direction and expectations at your upcoming meeting on Global Settlement

4. At your meeting on 14 December, we recommend that you set the direction for the global negotiations by agreeing to the goal, principles and timeframes; and discussing the fiscal constraints that the Crown and Council are operating under. This will give the necessary mandate for Crown and Council negotiators to drive the pace of the discussions towards a common goal.

Goal for Global Settlement

5. Our joint ambition is for Christchurch to grow, regenerate and thrive, by unlocking its potential. We want to see a demonstrable transition, moving away from an environment where central government continues to play an extraordinary role, towards a locally-led and sustainable economy.
6. As such, we recommend that the goal of the Global Settlement is to ensure a full and final settlement to both Crown and Council's respective rights and extraordinary responsibilities in Christchurch City's regeneration, with the view to resuming a normalised and sustainable relationship between the parties.

Principles for Global Settlement

7. Bearing in mind that the Crown and Council have shared and individual interests, it is important that the Crown and Council can agree on a settlement that is fair, equitable, affordable; and fiscally feasible and sustainable. As such, we recommend the following principles:
- a. To **support positive outcomes for the people of Christchurch** by providing certainty and confidence on how regeneration assets will be managed in future
 - b. To find breakthroughs on long standing issues so that the regeneration pace of the city can be increased and ensure **ownership of local assets lie with local communities**
 - c. To **advance regeneration momentum by transitioning** from extraordinary central government involvement to full local leadership and control
 - d. To **recognise and confirm both parties' shared costs** in relation to financial contribution to the recovery and regeneration
 - e. To enable both parties to **operate in a fiscally responsible and equitable manner, with a budgeted and sustainable out run of costs**
 - f. To strengthen the working relationship between both parties

Timeframes for Global Settlement

8. There is a narrow window for the conclusion of negotiations, ideally before the Council's 2019 Annual Plan (drafted in Jan/Feb and finalised in June 2019) and the Crown's 2019 Government Budget (confirmed in May 2019). Also, the local body elections are in October 2019. As such, we recommend the following timeframes:

Deliverable	Indicative timeframe
Terms of Reference agreed by Crown and Council (Project scope determined and agreed)	December 2018
Key milestones developed and negotiations underway, due diligence begins	End of December 2018
Agreements in Principle at Crown and Council officials stage	End of January 2019 – early February 2019
Step one: Agreements in Principle from Mayor and Ministers	End of February 2019
Step two: Cabinet and Council confirm Agreements in Principle	March 2019
Negotiations on implementation and matters of detail arising from the Agreements in Principle	April – May 2019
Step three: Full agreement finalised have been agreed by officials and appropriately documented	May 2019
Step four: Cabinet and Council confirm full agreement	June 2019
Implementation begins	July 2019

Next Steps

9. Once you have agreed to the goal, principles and timeframes for the negotiations, Crown and Council senior officials will begin negotiations. We will keep you regularly informed on progress with a view to reporting back to you at the end of January on indicative areas of agreement and also where further work is required.

Financial Implications

10. There are no financial implications associated with this paper.

Consultation

11. This paper was prepared jointly by officials from the Crown (the Department of the Prime Minister and Cabinet and Treasury) and the Council.

Communications

12. Crown and Council will work together on joint communications and support your offices. Any public announcement in relation to the Global Settlement will be made by the Crown or Council, either separately or jointly, after joint consultation.

Proactively Released by the Minister for Greater Christchurch Regeneration