

25. 11. 99

**REPORT BY THE CHAIRMAN OF THE
STRATEGY AND RESOURCES COMMITTEE**

1. APPOINTMENT OF CENTRAL CITY BOARD

RR 10952

Officer responsible Environmental Policy and Planning Manager	Author Bob Lineham
Corporate Plan Output: City Planning and Development Policy	

The purpose of this report is to update the Council on progress regarding the selection of Directors for appointment to the Interim Central City Board and to seek delegated authority for the appointments to be made following completion of interviews.

BACKGROUND

At the October meeting of the Council it was resolved:

- 1. That all Councillors be invited to submit the names of possible Board members to the Director of Business Projects by 5 November 1999.*
- 2. That a subcommittee comprising Councillors Close, Anderton and Evans work with Councillors to identify a short list of candidates with appropriate skills to be referred to Christchurch City Holdings Limited for interview and recommendation to the November Council meeting for appointment.*

PROGRESS TO DATE

The Council Subcommittee have met and considered the proposed candidates submitted by Councillors for the shortlist and have identified 12 people for possible interview. These people have yet to be contacted to ascertain whether they would be available.

The Subcommittee has recommended that the Board comprise 10 people of which two should be Councillors and wish to recommend that the Mayor and Councillor Crighton be the Council appointees. If, however the Council wishes to increase the number of Councillors to three then it is suggested that Councillor Austin be the third appointee.

CCHL has agreed to conduct the interviews as requested by the Council and has appointed a subcommittee comprising Messrs James, Stock and Taylor for this purpose.

It is not going to be possible to have recommendations available for the November Council meeting because of the logistics of arranging suitable times for interviews and the number of people to be considered.

1 Cont'd**DELEGATION REQUESTED**

The Strategy and Resources Committee discussed this matter at its November meeting and considered that it would be preferable to have the Board appointed prior to the December Council meeting. For this purpose a delegated power is sought to allow the CCHL interviewing committee the authority to make the appointments on behalf of the Council.

Chairman's**Recommendation:**

1. That a maximum of 10 directors be appointed to the Interim Central City Board.
2. That the Councillor directors be the Mayor and Councillor Crighton.
3. That the CCHL interviewing panel be authorised to select eight directors from the shortlist prepared by the Subcommittee and appoint those persons on behalf of the Council.

2. HAGLEY NURSES HOME - NGAI TAHU SALE

RR 11096

Officer responsible Legal Services Manager	Author Peter Mitchell
Corporate Plan Output: Legal Advice	

This report is an information item for Councillors backgrounding the recent publicity on the purchase by Canterbury Health Limited from Ngai Tahu of the Hagley Nurses Home in Riccarton Avenue.

The Hagley Nurses Home was constructed in the 1920s and under the Christchurch Hospital Amendment Act 1928 it was provided that if the Hospital Board ceased to utilise the land for the purposes of a Nurses Home and recreation ground for a period of 12 months, then the vesting of the land in the Hospital Board would determine and the land would revert in the Crown and form part of Hagley Park under the control of the City Council.

In April 1998 Councillors were advised that the land on which the Nurses Home was situated had been included in the November 1997 Deed of Settlement between the Crown and Ngai Tahu.

In that Deed of Settlement it was provided that the Crown would use its reasonable endeavours to procure that Canterbury Health Limited enter into a lease with Ngai Tahu for the use of the Hagley Nurses Home. The Deed of Settlement also provided that if no such agreement could be reached then the Deed of Settlement (except for a first right of refusal to Ngai Tahu) would not apply to the Hagley Nurses Home.

2 Cont'd

The Deed also provided that the legislation necessary to give effect to many provisions of the Deed would provide that the 1928 Amendment Act would be cancelled with the intent that the land could be transferred to Ngai Tahu free of any Trust or other limitations under that 1928 Act that the land revert to Hagley Park.

The Council considered the issue of the future of the Hagley Nurses Home and its inclusion in the Ngai Tahu Claims Settlement Bill at a special meeting on 7 May 1998, and resolved to make a submission on the Bill to the Maori Affairs Select Committee to the effect that the Bill be amended so as to provide that the Hagley Nurses Home land be held by Ngai Tahu or any other person "...in trust for healthcare purposes".

The Council acknowledged that, given the history of the use of the land for many years for health-related purposes, it was appropriate that the land continue to be used for those purposes but for no others.

Subsequently, Council representatives, led by Mayor Vicki Buck, appeared before the Select Committee when the Council submissions were heard in late May 1998.

However, when the Select Committee reported back to Parliament it recommended no change in relation to this part of the Bill.

At its meeting on 29 August 1998 the Council resolved to request a Member of Parliament to promote an amendment to the Bill while it was in the House, to the effect that the building be held for healthcare purposes. Subsequently, when this part of the Bill was debated in Parliament on 10 September 1998, Mr Jim Anderton MP moved an amendment to the Bill to this effect. However, this amendment was defeated by a substantial majority in the House.

In September 1999 land transfer documents were registered showing that Canterbury Health Limited, who was the registered proprietor of the land, sold the land to the Crown (subject to the Trusts in the 1928 Act) for the sum of \$2.7m by a transfer dated 31 August 1999.

The Office of Treaty Settlements advise that the Crown then leased the land back to Canterbury Health Limited. By another transfer of 31 August 1999 the Crown sold the land to Ngai Tahu Property Group Limited also for \$2.7m, subject to the lease to Canterbury Health Limited.

By a third transfer of the same date, Ngai Tahu Property Group Limited sold the property to Canterbury Health Limited, also for the sum of \$2.7m. When Canterbury Health Limited purchased the land the lease was extinguished.

2 Cont'd

The effect of the property passing through Ngai Tahu meant that the section in the Ngai Tahu Claims Settlement Act 1998 came into effect so that the 1928 Act (that the land be transferred to the City Council to become part of Hagley Park upon the use as a Nurses Hostel ceasing) was repealed. In practical terms Canterbury Health Limited has paid the sum of \$2.7m for land which it owned as at 31 October 1999.

The benefit achieved for Canterbury Health Limited is that the restriction on the land contained in the 1928 Act has now been extinguished.

There have been media reports that Canterbury Health bought the land for a net price of \$400,000 and that it would preserve the hostel for health related purposes.

Regarding the fact that the Deed provided for a lease by Ngai Tahu to Canterbury Health and that the Council was told this by Ngai Tahu and Canterbury Health at its special meeting on 7 May 1998, it seems these parties take the view that this was achieved because the Crown did grant a lease to Canterbury Health and Ngai Tahu did at a point in time lease the land to Canterbury Health.

Given that Parliament refused to make an amendment to the Bill which would have ensured that the land could only be used for healthcare purposes, there is little that the Council can now do in practical terms in this situation unless Parliament was in the future prepared to amend the Ngai Tahu Claims Settlement Act, which is probably unlikely.

Now that Canterbury Health Limited has purchased the land free of the trust in the 1928 Act the only legal controls on that land are through the provisions of the City Plan. The land is presently zoned in the City Plan as part of the Special Purpose (Hospital) Zone, together with the Public Hospital itself and so at the present time cannot be used for any purposes other than hospital purposes. However, there is always the possibility that Canterbury Health Limited could sell the land in the future and that another party could seek a resource consent or plan change to provide for other activities to be carried out on that land.

Recommendation: That the information be received.

CONSIDERED THIS 25TH DAY OF NOVEMBER 1999

MAYOR