



CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 4 MAY 2006

AT 9.30AM

IN THE COUNCIL CHAMBER, CIVIC OFFICES

Council: The Mayor, Garry Moore (Chairperson).
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox, Anna Crighton,
Carole Evans, Pat Harrow, Bob Parker, Bob Shearing, Gail Sheriff, Sue Wells and Norm Withers.

ITEM NO	DESCRIPTION
1.	APOLOGIES
2.	CONFIRMATION OF MINUTES - COUNCIL MEETING OF 20.4.2006
3.	DEPUTATIONS BY APPOINTMENT
4.	PRESENTATION OF PETITIONS
5.	CORRESPONDENCE
6.	APPROVAL OF SITE FOR A NEW PUBLIC SCULPTURE
7.	'CHARACTER' HOUSING MAINTENANCE GRANTS POLICY
8.	CCC SUBMISSION ON ENVIRONMENT CANTERBURY'S DRAFT LONG TERM COUNCIL COMMUNITY PLAN 2006-16
9.	LOCAL GOVERNMENT LAW REFORM BILL 2006
10.	CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT
11.	CANTERBURY MUSEUM – DRAFT ANNUAL PLAN
12.	REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD - MEETING OF 5 APRIL 2006
13.	REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD - MEETING OF 14 MARCH 2006
14.	REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD - MEETING OF 22 MARCH 2006
15.	REPORT OF THE LYTTTELTON/MT HERBERT COMMUNITY BOARD - MEETING OF 15 MARCH 2006
16.	REPORT OF THE RICcarton/WIGRAM COMMUNITY BOARD - MEETING OF 29 MARCH 2006
17.	REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD - MEETING OF 5 APRIL 2006
18.	REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD - MEETING OF 4 APRIL 2006
19.	NOTICES OF MOTION
20.	QUESTIONS

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4. 5. 2006

- 2 -

- 1. APOLOGIES**

- 2. CONFIRMATION OF MINUTES - COUNCIL MEETING OF 20.4.2006**
Attached.

- 3. DEPUTATIONS BY APPOINTMENT**

- 4. PRESENTATION OF PETITIONS**

- 5. CORRESPONDENCE**

6. APPROVAL OF SITE FOR A NEW PUBLIC SCULPTURE

General Manager responsible:	General Manager Strategic Development, DDI 941-8177
Officer responsible:	Programme Manager Liveable City
Author:	Hugh Nicholson

PURPOSE OF REPORT

1. The purpose of this report is to seek Council approval to site a public sculpture commissioned by Art & Industry Biennial Trust (the Trust) on stopped road in the central city.

EXECUTIVE SUMMARY

2. The Art & Industry Biennial Trust in conjunction with the Christchurch City Council has commissioned a permanent public sculpture which will be gifted to the city as part of the SCAPE 2006 Biennial of Art in Public Space. Four sites have been investigated as part of the design process. A preferred site has been identified in consultation with the artist and Council officers on the corner of High, Manchester and Lichfield Streets. The proposed site is stopped road in the central city and Council approval to site a sculpture here is required.

FINANCIAL AND LEGAL CONSIDERATIONS

3. The sculpture commission has a value of \$110,000. \$40,000 has been granted to the Trust from the CCC Art in Public Places budget allocation in the 2005/06 financial year, under the category 'Response to New Initiatives'. \$70,000 is being funded by two private benefactors. The Art & Industry Biennial Trust will manage the project in conjunction with the CCC, and the sculpture will be gifted to the city once completed.

STAFF RECOMMENDATION

It is recommended that the Council grant approval for the proposed sculpture commissioned by the Art & Industry Biennial Trust to be sited on road reserve on the corner of High, Manchester and Lichfield Streets.

6 Cont'd

BACKGROUND ON PROPOSED SCULPTURE

4. Each SCAPE Biennial of Art in Public Space commissions one permanent artwork for the city. To date the Trust which runs this event has commissioned three permanent public artworks for Christchurch:
 - o *Radii* by Marcus Moore - a programmed kinetic sculpture sited at The Crossing Bus Exchange in association with the Carter Group;
 - o *Blue* by Bill Culbert, an aerial neon sculpture sited at the Christchurch Convention Centre in association with Signtech, the Signmasters;
 - o *Circuit* by Peter Roche sited at the Arts Centre in association with the Rutherford's Den Trust.
5. SCAPE 2006 is Art & Industry's fourth biennial, and New Zealand's only biennial dedicated to public art.
6. Phil Price is a local Canterbury sculptor based in Amberley. His kinetic work is highly regarded and he has significant public works sited in both Auckland and Wellington. His works are also included in a number of major private collections throughout Australia and New Zealand. One of his works *Dinornis maximus* was temporarily displayed at Riccarton Bush as part of SCAPE 2004, but he has no permanent kinetic works on display in Christchurch.
7. Phil's work derives from the lineage of John Britten and Neil Dawson. His kinetic sculptures are beautifully crafted pieces of industrial design, and their elegant movements which are achieved through delicate balancing and precision engineering, are almost counter-intuitive. Phil constructs the works himself with kiwi ingenuity and a do-it-yourself attitude, qualities which are increasingly rare in the hi-tech world of international public art.
8. The work will be site specific and has been inspired by the urban form of Christchurch. Phil describes this work as:

"The artwork is a celebration of place. The beautifully formed whole, and precisely proportioned parts are a direct representation of Christchurch, with its well planned and laid out built environment. All the parts of the whole are connected and necessary for the whole to function. This relates to the cultural diversity of Christchurch."
9. The artwork has been commissioned by the Trust and the final design is being developed currently. It will be installed in September 2006 as part of the SCAPE 2006 Biennial.

OPTIONS

10. Four potential sites were identified and discussed with the artist and the Art & Industry Trust including North Hagley Park, City Mall and Friendship Corner. North Hagley Park and City Mall were not available owing to the time constraints associated with other Council projects. After consultation with the artist, the Trust, Greenspace and Transport & City Streets, the preferred site on the corner of High, Manchester and Lichfield Streets was selected (see Appendix 1 attached).
11. The proposed site has been discussed with the design teams for the South City Charrette and the City Mall. Both design teams have indicated that they believe this will be an 'exciting' site that will support the outcomes of the charrette and the City Mall projects.

PREFERRED OPTION

12. In accordance with the Council's Arts Policy and Strategy the site has been ranked on the matrix for prioritising artworks in public places contained in the Artworks in Public Places: Five Year Plan. The combined score for the site was equivalent to the third highest score of the 108 sites identified in the Plan.

6 Cont'd

ASSESSMENT OF OPTIONS

The Preferred Option

13. **Matrix for prioritising artworks in public spaces**
(from the *Artworks in Public Places: Five Year Plan*)**Place related criteria:**

1) Linked to walkways and cycleways	Yes
2) Commercial activity / housing density	Central City Zone
3) Space associated significance	High
4) Association with facilities	No
5) Visibility based on vehicular traffic flow	Minor arterial road
6) Association with public transport interchanges	No

Project related criteria:

7) Support for research and / or consultation (for artworks)	No
8) Artwork link to other planning processes	No
9) Integrated with an identified capital programme	No
10) External funding sources	Yes
11) Association with a significant event	Yes – <i>SCAPE 2006</i>

People related criteria:

12) Identified stakeholders	No
13) Identified with Council target groups	No
14) Cultural significance to Maori	No
15) Association with visitors	Yes

Bonus criteria:

16) Outstanding factors	Gateway to central city
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Total: **8**

This proposal is consistent with the Council's Arts Policy and Strategy. In particular the proposal helps to achieve:

Goal 5

Buildings and public spaces that reflect the past, celebrate the present and provide a legacy for the future.

Objective 5.4

Ensure that the Council as a developer leads by example in achieving excellence in design and incorporating public artworks into its capital programmes.

The proposal is aligned with two community outcomes:

A City for Recreation, Fun and Creativity

Everybody is included in the creation and enjoyment of the arts.

An Attractive and Well-designed City

Christchurch is attractive and well-maintained.

7. 'CHARACTER' HOUSING MAINTENANCE GRANTS POLICY

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8177
Officer responsible:	Programme Manager, Liveable City
Author:	Neil Carrie

PURPOSE OF REPORT

1. The purpose of the report is to consider options and make recommendations on a policy and guidelines for the application of a 'Character' Housing Maintenance Grant Programme.

EXECUTIVE SUMMARY

2. The Council resolved in March 2004 to provide grants funding towards the external maintenance of older character houses to assist in their retention and continuing contribution to the residential amenity and identity of their local areas. There was concern that these houses, particularly the larger, timber homes with expressive architectural style were being lost and replaced by new, higher density residential units with a consequential loss of the quality of local streetscapes, neighbourhoods, open spaces, settings and trees. The grants programme proposed recognised that there was a financial burden associated with the retention of these older, larger character houses which was contributing to their continuing loss throughout the city.
3. The resolution of Council was to develop a policy and grant conditions for the assessment and application of the proposed grants programme.

FINANCIAL AND LEGAL CONSIDERATIONS

4. Budget provision has been made of \$75,000 per annum from the 2005/2006 financial year for five years, with a maximum grant of \$5,000 per house. The resolution provided for an agreement not to demolish for a period of at least five years, the agreement to continue with the property title. This could be provided with in the form of an encumbrance registered against the property title. However, the use of a conservation covenant under s77 of the Reserves Act has a significant administrative and legal overhead which could be inconsistent and onerous with regard to the grant limits proposed by the Council resolution.
5. The policy and grant provisions are to be reviewed in five years from the date of the adoption of the policy.
6. The Character House Grants were identified as a possible budgetary saving option for the Strategy and Planning Group and it was inappropriate to bring this report to the Council until that decision was made (the option was not pursued by Council). It is therefore proposed that the programme be commenced from July 2006 for a period of four years before further review. The amalgamation with Banks Peninsula has increased the number of Community Boards. The budget provision has therefore been increased in the 2006-2016 LTCCP to \$100,000.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Approve and adopt the guidelines, application and administration of the proposed character housing grants operational policy as attached.
- (b) That a conservation covenant under s77 of the Reserves Act be a condition of a grant subject to the grantee's agreement. Otherwise, that a written confirmation be provided by the grantee to the Council that the grantee will not apply for a consent for demolition for a period of 10 years from the time of the grant payment.

7 Cont'd

BACKGROUND ON CHARACTER HOUSING MAINTENANCE GRANTS

7. The Arts, Culture and Heritage Committee at its budget meeting of 9 February 2004 expressed concern at the loss of the character and identity of many Christchurch suburbs, through the demolition of older houses of particular distinction, and quality of setting which made a distinctive contribution to the streetscape of local areas. Funding of \$75,000 per annum was requested. This request was reported and agreed by the Annual Plan Subcommittee of 23 February 2004. The grants programme was approved by Council resolution at the LTCCP meeting of 18 March 2004.
8. The following recommendations were adopted:
 - “1. *That a policy be prepared for the assessment and application of grants for external maintenance to non-listed ‘character’ houses in residential Christchurch.*
 2. *That individual grants be provided at 10% of the actual maintenance cost or a maximum of \$5,000.*
 3. *That where a grant is provided and the property is regarded as being worthy of a heritage listing, that the agreement of the owner to listing be given as a condition of the grant.*
 4. *That where a grant is provided the owner to enter into an agreement not to demolish for a period of at least five years, the agreement to continue with the property title.*
 5. *That provision of \$75,000 per annum for five years be made for the purpose of implementing the ‘character’ house maintenance policy starting in 2005/06.*
 6. *That the policy and grant conditions be reassessed after a period of five years from the date of the adoption of the policy.”*
9. There was no definition of what constituted a ‘character’ house, the scope of external maintenance or the means of implementing the grants programme in the resolutions of the Council. These have been addressed in the proposed operational policy attached which includes the preferred options addressed in the latter sections of this report, as well as the previous resolutions of the Council. These options have been considered by and a preferred option identified with the Team Leader, Community Engagement and by the Board Chairpersons and Staff Forum on 16 December 2005.

OPTIONS

10. Two general issues need to be addressed in preparing a policy for the assessment and application of grants.
 - (a) The guidelines and assessment process
 - (b) The management of the grant process
11. In the following pages options for each are summarised below:

A) The selection guidelines and assessment process

The guidelines should provide the basis for the identification of character houses which make a particular contribution to the visual character and quality of the streetscape and local area. The assessment process would apply criteria to individual houses perceived by the local Community Boards to be of particular merit in their neighbourhood.

The selection guidelines of particular significance are likely to be age, intactness and distinctive architectural design, landmark prominence and belonging to a group of houses of similar appearance and street presence. The recognition of significant character houses is very much to do with local community understanding of their own sense of their ‘place’.

7 Cont'd

To assist the Community Boards it is proposed that the Strategy and Planning Group provide a workshop on the criteria, guidelines and selection process.

The alternatives are that the heritage criteria should be applied in the same manner as for listed heritage items, or that only houses in areas already designated as Special Amenity Areas (SAMs) be considered. While there will be similarities generally with heritage criteria, guidelines for character houses would be applied for their community and streetscape contribution to local identity rather than just for their heritage or geographical significance.

B) The management of the grant process

If it is agreed that the identification of character houses is predominately from a community perspective, then the management and recommendations for grants should also include a community focus.

Applications would be sought from property owners, and applications received by the Strategy and Planning Group would be reported to each of the respective Community Boards. Community Boards could then make recommendations based on the selection guidelines and assessment criteria to a Character Housing Grants Panel. This panel would consist of a representative from each Community Board, and Strategy and Planning Group staff to provide specific heritage, urban design and neighbourhood planning advice and assist the community Grants Panel. The Panel would make the final decisions regarding successful applications and the quantum of the grant. The Community Board would advise all applicants of their success or otherwise. Grant payments would be retrospective and administered by the Strategy and Planning Group.

Details of the process could be advised to all Community Boards by the Strategy and Planning Group, such as information required with an application, the selection process and advice and final selections. This process should be reviewed after one or two years once the panel became more familiar with the selection process.

The alternatives are for the Strategy and Planning Group to be solely responsible for the management of the programme, to provide a consistent standard for the assessment and selection process across the city or for the Community Boards to be responsible for the grant process. In the former option the link to the local community is weakened. In the latter option, Community Boards would need resources to support the process which Strategy and Planning have been advised are not available.

7 Cont'd

ASSESSMENT OF OPTIONS**The Guidelines and Assessment Process****Preferred Option:**

12. The guidelines, report on nominations to Community Boards, and management of the grant payments are the responsibility of the Strategy and Planning Group. The Community Boards recommend applications to a Character Housing Management Group who provide approvals to the Community Boards for notification.

	Benefits (current and future)	Costs (current and future)
Social	Direct association of Community Boards with the local community in the Character Housing programme.	Strategy and Planning group perceived to be the point of contact for the programme.
Cultural	Continuity of sense of place and community through reduction in loss of older housing.	
Environmental	Shared responsibility between Community Boards and Strategy and Planning Group for improved amenity and character for streetscapes across the whole city.	
Economic	Sustainable maintenance of a broader city housing stock managed by the Strategy and Planning Group.	Administrative complexity.

Extent to which community outcomes are achieved:

Primary alignment with community outcome for to a Liveable City.
Also contributes and a Cultural and Fun City.

Impact on the Council's capacity and responsibilities:

Improves the Council's contribution to the community and neighbourhood identity in a consistent process for improvements to local residential streetscapes.

Effects on Maori:

N/A

Consistency with existing Council policies:

Extends the scope of grants for residential amenity and identity while being consistent in general approach with current heritage grant policies

Views and preferences of persons affected or likely to have an interest:**Other relevant matters:**

The focus is on the retention of older character houses which make a contribution to the local streetscape and the identity of the residential area through their street presence as perceived by the local community

7 Cont'd

Option 1

13. Community Boards have responsibility for grant applications, nominations, and application approvals with the Strategy and Planning group providing a support role of advice and grant administration and management

	Benefits (current and future)	Costs (current and future)
Social	Maximises Community Board involvement and grant discretion within Board areas.	Potential for uneven application of the guidelines and grant approvals.
Cultural	Continuity of sense of place and community through reduction in loss of older housing.	
Environmental	Equitable distribution of funds across the city.	
Economic	Grant management by Strategy and Planning group	
<p>Extent to which community outcomes are achieved: Primary alignment with community outcome for Inclusive Communities Also contributes to a Cultural City</p> <p>Impact on the Council's capacity and responsibilities: Greater commitment to a community perception of residential identity and amenity with direct community participation through the Community Boards.</p> <p>Effects on Maori: N/A</p> <p>Consistency with existing Council policies: Emphasis on local and Community Board participation</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>Other relevant matters: Community Boards do not have the resources available to adequately support this option.</p>		

7 Cont'd

Option 2

14. Applications and nominations are made to the Strategy and Planning Group for review and decision by a Character House Maintenance Grants Panel. Management and administration of grants by the Strategy and Planning Group.

	Benefits (current and future)	Costs (current and future)
Social		
Cultural	Potentially less emphasis on houses and areas of significance to the local community.	
Environmental	Increases likely benefits on a city-wide basis.	
Economic	Grant management by the Strategy and Planning Group.	
<p>Extent to which community outcomes are achieved: Primary alignment with community outcome for a Liveable City : Also contributes to an Inclusive and Cultural City</p> <p>Impact on the Council's capacity and responsibilities: Increased commitment to enhanced residential identity and amenity for a wide section of the community</p> <p>Effects on Maori:</p> <p>Consistency with existing Council policies: Emphasis on Community involvement</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>Other relevant matters:</p>		

8. CCC SUBMISSION ON ENVIRONMENT CANTERBURY'S DRAFT LONG TERM COUNCIL COMMUNITY PLAN 2006-16

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8177
Officer responsible:	Strategy and Planning Manager
Author:	Heike Lulay, Assistant Policy Analyst

PURPOSE OF REPORT

1. The purpose of this report is that the Council be informed of, and retrospectively approve the Christchurch City Council's submission on Environment Canterbury's draft Long Term Council Community Plan 2006-16 (LTCCP). A copy of the submission is attached.

EXECUTIVE SUMMARY

2. The Council's Strategy and Planning Unit co-ordinated an overall submission on Environment Canterbury's draft LTCCP 2006-16 on behalf of the Christchurch City Council. A number of individuals throughout the organisation were given various sections of ECan's LTCCP to comment on, and all responses were then incorporated into one overall submission. ECan's submission period for the LTCCP closed Monday 1 May, and the document was submitted by the Chief Executive on behalf of the Council. Accordingly the submission document needs to be approved retrospectively. If any major issues regarding CCC's submission on ECan's draft LTCCP arise from the Council meeting (4 May 2006), individual comments can then be withdrawn, if necessary.
3. CCC's submission on ECan's draft LTCCP addressed various aspects of the document, the majority of which centred around ECan's groups of activities. Comments were made regarding Air Quality; Coastal Environment; Democratic Process; Energy; Land; Pests and Biosecurity; Public Passenger Transport; Regional Land Transport; Water Quality, Quantity and Ecosystems; Water Charges for Water Resource Management; and Funding and Financial Policies (*see attached CCC's submission on ECan's draft LTCCP for detailed comments*).

FINANCIAL AND LEGAL CONSIDERATIONS

4. There are no financial or legal considerations in relation to this matter.

STAFF RECOMMENDATION

It is recommended that the Council approve the Christchurch City Council's submission on Environment Canterbury's draft Long Term Council Community Plan 2006-16.

9. LOCAL GOVERNMENT LAW REFORM BILL 2006

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8549
Officer responsible:	Legal Services Manager
Author:	Chris Gilbert

PURPOSE OF REPORT

1. To advise the Council on the Local Government Law Reform Bill 2006.
2. For the Council to approve formal submissions to the Local Government and Environment Select Committee considering the Bill in the form tabled at the meeting.

EXECUTIVE SUMMARY

3. The Council has considered advice from the Legal Services Manager and the Memorandum from Local Government New Zealand, both of which are attached.
4. The Council discussed this advice and the form of the Council's proposed submissions to the Select Committee considering the Bill, at a Council seminar held on 26 April 2006.
5. The Council at the seminar approved the formal submissions in the form tabled at this meeting.

STAFF RECOMMENDATION

It is recommended that the Council approve the formal submissions on the Local Government Law Reform Bill 2006 to the Local Government and Environment Select Committee in the form tabled at the meeting.

10. CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT

General Manager responsible:	Director of Strategic Investment, DDI: 941-8411
Officer responsible:	Director Strategic Investment
Author:	Richard Simmonds

PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of a draft Statement of Intent ('Sol') received from Central Plains Water Trust ('CPWT').

STATUTORY REQUIREMENTS

2. Schedule 8 of the Local Government Act 2002 provides:

"2. Statements of Intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. Completion of Statements of Intent

The board must:

- (a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- (b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year."*

3. The draft Sol was received from CPWT on 20 February 2006.

STAFF RECOMMENDATION

That the Council approve the Central Plains Water Trust's Statement of Intent for 2006/07.

10 Cont'd

BACKGROUND ON CENTRAL PLAINS WATER TRUST - DRAFT STATEMENT OF INTENT

4. CPWT was established in 2003 by Christchurch City and Selwyn District Councils as joint-settlers to create a sustainable development of central Canterbury's water. CPWT is a council-controlled organisation within the meaning of the Local Government Act 2002, and hence is obliged to prepare an annual Sol.
5. Central Plains Water Limited ('CPWL') was formed by Christchurch City and Selwyn District Councils (one share each) in May 2003 to procure consents and operate a water enhancement scheme, providing water for community farmers within the Central Plains. The company works in close consultation with the Trust, in accordance with a Memorandum of Agreement, to achieve its goals and the trustees monitor the performance closely. The company is now owned by a number of external shareholders following the issue of a prospectus in November 2004 and a successful equity raising. Christchurch City Council now owns one share out of 376,000. CPWL is not a council-controlled organisation and is not required to prepare a Sol.
6. CPWT's financial report for the six months ended 31 December 2005 provides an update of progress to date. Points of note include:
 - Resource consents to use water have been lodged with ECan by CPWL on CPWT's behalf, but CPWL has yet to lodge consent applications for land use and land designation with Selwyn District Council (however, it is still intended to have all applications brought to a single hearing in the current year).
 - CPWL has been granted the status of a Requiring Authority by the Minister for the Environment.
 - CPWT has embarked on a visionary process to define the recreational opportunities that the scheme could deliver to the Canterbury region, with ideas such as a walking and biking network, wild life reserves, wetlands, kayaking, orienteering, international rowing venue, white water park, camping, canal barging etc.
 - CPWT's costs for the six months ended 31 December 2005 were \$20,065 compared to \$113,424 for the year ended 30 June 2005.

STATEMENT OF INTENT

7. Attached is CPWT's draft Sol for 2006/07. There are no changes of significance from the previous year's Sol, and its objectives remain as follows:
 - To provide assistance to, and monitor, CPWL as it pursues resource consent for the irrigation scheme on behalf of the Trust.
 - To implement and monitor a sustainability code of practice.
 - To develop and implement scheme recreational opportunities, and environmental community enhancers.
8. It is noted that there are no detailed financial performance measures included within the Sol. However, given the relatively low cost structure of the Trust, probably of more significance are the non-financial performance indicators set out on page 6 of the draft Sol.

11. CANTERBURY MUSEUM – DRAFT ANNUAL PLAN

General Manager responsible:	Director of Strategic Investment, DDI 941-8411
Officer responsible:	Director of Strategic Investment
Author:	Bob Lineham

PURPOSE OF REPORT

1. The purpose of this report is to submit the Draft Annual Plan of Canterbury Museum for the year ending 30 June 2007 to the Council for review and approval.

EXECUTIVE SUMMARY

2. The levies proposed to be made on this Council are the same as those forecast in last year's plan.
3. The net operating costs are greater than in previous years' forecasts, primarily due to increased depreciation forecasts.
4. The capital expenditure budgets have now been re-forecast to take account of the revised costs of the revitalisation project as advised to the Council in early March. However, the funding mechanism approved by the Council in March 2006 for the additional \$5 million has not yet been reflected in the plan.
5. There is an opportunity to request the Museum to amend its future forecast in this plan to recognise this Council's preferred funding mechanisms.

FINANCIAL AND LEGAL CONSIDERATIONS

6. The Canterbury Museum Trust Board Act 1993 requires the Board to prepare and adopt an annual plan in each year.
7. The draft annual plan is referred to contributing local authorities for a period of consultation, which this year concludes on 28 April 2006, but has been extended for this Council to 5 May 2006.
8. The levies may be objected to by the Christchurch City Council or two or more of the remaining contributing authorities and if an objection is received the Board must convene a meeting and the Christchurch City Council or not less than three other contributing authorities may resolve to reduce the levy to an amount which is not less than the total levy made in respect of the previous year (section 16 of Canterbury Museum Trust Board Act 1993).
9. Submissions may be made to the Museum requesting them to amend the plan (section 15.4 of Canterbury Museum Trust Board Act 1993).

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Approve the Canterbury Museum Annual Plan for the year ending 30 June 2007.
- (b) That a submission be made to the Canterbury Museum Trust Board requesting that the forecasts in the plan for future years reflect the additional \$5 million local authority funding being financed by loan and the debt servicing recovered through levies over all contributing local authorities.
- (c) Authorise the Director of Strategic Investment, or an elected representative, to represent the Council at a meeting of contributing authorities, if this becomes necessary.

11 Cont'd

BACKGROUND ON CANTERBURY MUSEUM - DRAFT ANNUAL PLAN

10. The draft Annual Plan (attached) sets out in broad outline the mission, vision and core values of the museum together with detail on the organisation structure, performance objectives, financial summaries and an outline of the proposed operating, capital and revitalisation budgets.
11. The plan is available for consideration by the contributing local authorities for a period of six weeks which officially concludes on 28 April 2006. Since the Council meeting scheduled for 27 April was cancelled the Museum has agreed to accept any Council response to the Annual Plan provided if it is received by 5 May. To preserve the Council's position, a pro-forma submission on the annual plan has been lodged by the due date, which reflects the recommendations of this report. If the Council chooses to change the recommendations of this report, then that can be advised to the Museum by 5 May.

Operating Budget

12. This Council considered the financial forecasts at a seminar in February presented by the Museum and after considering a written report at a meeting on 2 March 2006, approved the operating levies for inclusion in the LTCCP.
13. While there are rights of objection if the levies have increased, it would be inappropriate to object as the increase proposed for 2006/07 is in line with previous forecasts. These forecasts were approved by this Council several years ago when it agreed to a series of increases to enable the Museum to fund its depreciation on a sound footing. There have been some increases in costs (primarily depreciation – see comments below) but the Museum plans to absorb the net operating deficit.
14. The following table compares the current plan operating forecasts with those included in last year's plan (shown in italics):

	2005/06 Budget	2006/07 Budget	2007/08 Budget	2008/09 Budget
	\$000	\$000	\$000	\$000
Self generated revenue	982 <i>972</i>	1055 <i>1076</i>	1005 <i>1117</i>	857 <i>1485</i>
Operating costs	4894 <i>4884</i>	5094 <i>5096</i>	5296 <i>5379</i>	5773 <i>5494</i>
Net cost before depreciation	3912 <i>3912</i>	4039 <i>4020</i>	4291 <i>4262</i>	4917 <i>4009</i>
Depreciation	1027 <i>1027</i>	1212 <i>1078</i>	1432 <i>1132</i>	2005 <i>1461</i>
Net cost including depreciation	4939 <i>4939</i>	5251 <i>5098</i>	5723 <i>5394</i>	6922 <i>5470</i>
LA levies	4886 <i>4886</i>	5115 <i>5115</i>	5626 <i>5354</i>	6752 <i>5564</i>
Operating deficit (surplus)	53 <i>53</i>	136 <i>(16)</i>	97 <i>41</i>	170 <i>(93)</i>

15. The following observations are worthy of note:
 - The levies remain as forecast in previous years and are consistent with provision made in the Council's LTCCP
 - Operating costs, excluding depreciation, are close to last year's forecasts, except in 2008/09 where the increased costs of the new building operation start to kick in. The annual increase in operating costs otherwise generally reflects inflation.
 - Depreciation is significantly above previous forecasts reflecting increased valuations of land and buildings

11 Cont'd

- Operating deficits (surplus) are above previous years reflecting the absorption of increased net costs while holding the LA levies.
- Revenue forecasts are generally in line with previous forecast, except in 2008/09, which reflects the period when the museum is in the middle of the revitalisation projects. In subsequent years the forecasts more than rebound (\$1.5m+) reflecting the increased revenue opportunities from the revitalisation project.

Capital Budget

16. Following a February seminar to the Council by the Museum I reported to the Council at its 2 March 2006 meeting regarding the revised estimates for the revitalisation project. The increased requirement for funding being sought from local government is \$5 million and this Council agreed as follows:

“That the Canterbury Museum be advised that this Council will support the increased local authority funding provided the Museum raises the funds by way of loan and recovers the cost by a special levy equivalent to the debt servicing costs of the loan.”

“That the Museum be advised that it expects the other local authorities to be approached to provide their proportionate share of the needed support for this approach and that if they don't the Museum should absorb the ex-gratia payment of \$515,887 into the ordinary levy.”

17. The issue of funding the additional capital levy has not yet been addressed with the other local authority contributors, but has been reflected in the forecasts as an additional levy on this Council from 2007/08. This simply reflects a timing issue in distributing the annual plan and also the fact that this is an annual plan with the main focus on the 2006/07 year. If the funding is to be raised by way of loan as proposed by this Council then it would be appropriate for this to be reflected with the debt servicing costs added to the operating levy.
18. As a catalyst to getting the issue discussed between the various contributing authorities it would be prudent for this Council make a submission on the annual plan (section 15(4) of the Canterbury Museum Trust Board Act) seeking to have this matter forecast in the annual plan as though the additional funding is sourced from loan and serviced by the operating levy. This will stimulate support for this funding arrangement being resolved before the Museum confirms the annual plan

Annual Levy and Grants

19. The annual levy on local authorities is distributed according to an agreed formula based primarily on population. The share of the total operating levy for this Council is estimated at \$4,688 061. Part of that includes a special ex gratia payment from this Council of \$515,887 agreed some years ago when the Council agreed to fund loan servicing for internal restoration/strengthening work. The full amount of the levy has been provided in the Council's draft annual plan. When the final valuations are determined at the end of June there could be some redistribution of the levy amongst the various contributing local authorities. However, any change is likely to be quite small.
20. In addition, a special capital levy of \$305,773 was agreed to by this Council in 2003 for a finite period to 2007/08 to meet a specific part of this Council's contribution to the revitalisation project.
21. A grant of \$732,500 is due to be paid in 2006/07 from the Capital Endowment Fund income as previously approved.

11 Cont'd

Other Content of the Plan

22. The general content of the 2006/07 annual plan is largely the same as the previous years plan. There has been some minor adjustments to the performance objectives and these have been highlighted in the margin of the attached copy. Apart from this the only changes have been in the financials which have been summarised above.

The Objection Process

23. The Canterbury Museum Trust Board Act (Section 16) provides that either the Christchurch City Council or two or more of the remaining contributing local authorities may give notice objecting to the proposed levies. If this happens the Board must convene a meeting of the contributing authorities within a month. At that meeting the Christchurch City Council or not less than three other contributing authorities may resolve that the levy be reduced to an amount no less than the previous year.
24. It is understood that some of the other local authorities are concerned about future forecast increases in the operating levies and may object to the annual plan. As noted above, the meeting which the museum will have to call, if this is the case, will be an opportunity to push for a rationalising of the levies.
25. Delegated authority is sought for the Director of Strategic Investment or an elected representative to have authority to represent the Council at such a meeting if it is called.

12. REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD - MEETING OF 5 APRIL 2006

Attached.

13. REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD - MEETING OF 14 MARCH 2006

Attached.

14. REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD - MEETING OF 22 MARCH 2006

Attached.

15. REPORT OF THE LYTTELTON/MT HERBERT COMMUNITY BOARD - MEETING OF 15 MARCH 2006

Attached.

16. REPORT OF THE RICcartON/WIGRAM COMMUNITY BOARD - MEETING OF 29 MARCH 2006

Attached.

17. REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD - MEETING OF 5 APRIL 2006

Attached.

18. REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD - MEETING OF 4 APRIL 2006

Attached.

19. NOTICES OF MOTION

20. QUESTIONS