

11. UNDERWRITING OF CHRISTCHURCH AND BANKS PENINSULA HERITAGE BOOK

General Manager responsible:	General Manager Stephen Hill, DDI 9418637
Officer responsible:	Events Development Manager
Author:	Jo Naish, Events Development Manager

PURPOSE OF REPORT

1. The purpose of this report is to seek Council approval to underwrite a portion of the funding for the publication of a book on the Christchurch and Banks Peninsula Heritage, to be published in conjunction with the World Heritage Committee Meeting in Christchurch in 2007.

EXECUTIVE SUMMARY

2. As part of the World Heritage Committee Meeting to be held in Christchurch, June 2007, the local World Heritage Committee Steering Group, on which Council is represented, has endorsed a proposal by the Christchurch and Akaroa Civic Trusts to publish a book on the heritage of Christchurch and Banks Peninsula. This will be a significant heritage publication, and will serve as a memento for registered delegates attending the Congress, as well as for ongoing Council use, and sale to the public. A project team has been established, comprising representatives of the trusts and Council staff, to oversee production.
3. The Council is contributing \$25,000 to the project which is sufficient to cover the first stage of the book production costs. The balance required to complete the project is \$33,000. The trusts foresee that these costs would need to be met through other sponsorship and grants, and/or by retail sales of the book. There are, at present, uncertainties in respect of the timing and the amounts of potential funding to come from other sources. It is the view of the trusts that there needs to be some means of assuring that the total sum needed is secured before any substantive work on the heritage book is launched.
4. In order to proceed with contracts and pre-production in the interim, the two trusts have proposed that the Council arrange an underwriting facility to cover any funding shortfalls for the second stage costs of the project, up to a maximum of \$33,000; with any draw-down against the underwriting facility to be repaid from a first call against sales of the book.

FINANCIAL AND LEGAL CONSIDERATIONS

5. It is anticipated that the balance of the cost of producing the book will be covered by:
 - (a) sponsorship and grants outside the Council and
 - (b) by the overall sales of the book after June 2007.
6. If the Council underwrites the project, revenue from the book sales will be received in the 2007/08 financial year as the book is not to be launched till June 2007.

STAFF RECOMMENDATION

It is recommended that, to cover any shortfalls in funding raised by the two trusts, the Council agree to underwrite the Christchurch and Banks Peninsula Heritage book project to a maximum of \$33,000; with any draw-down against the underwriting facility to be repaid from a first call against sales of the book.

BACKGROUND ON UNDERWRITING OF CHRISTCHURCH AND BANKS PENINSULA HERITAGE BOOK

7. The UNESCO World Heritage Convention provides for the protection of landscapes and cultural places of outstanding universal importance, representing the best in the world for the type of heritage. The Convention was adopted by UNESCO in 1972, and to date 178 countries have ratified the treaty. New Zealand joined the Convention in 1984.
8. The 31st World Heritage Committee Meeting will be held in Christchurch from 23 June to 1 July 2007. The meeting is expected to be attended by between 600 and 800 participants and observers from the 21 countries on the Committee and the other 178 state parties to the World Heritage Convention. It is estimated that the event will provide a direct local economic impact of at least \$3 million to the local economy, as well as providing significant international media and stakeholder exposure for the city.
9. The Council has previously (25 May 2006) approved participation in a local Steering Group, which is developing a programme of events, talks and activities to run alongside the World Heritage Committee Meeting, that the public and delegates can both attend. Councillor Crighton is the Council's representative on this group.
10. The Steering Group has endorsed as a major local project the publication of a book on the heritage of Christchurch and Banks Peninsula, which has been proposed by the Christchurch Civic Trust and the Akaroa Civic Trust.
11. The Council has undertaken to part-fund the publication, providing \$25,000 from existing operational budgets towards the total production costs, estimated at \$58,000. A Project Committee, comprising representatives of the Christchurch Civic Trust, the Akaroa Civic Trust and Council staff, has been formed to oversee the production of the book. A comprehensive funding agreement is being drawn up to manage the funding relationship between the Council and the Trusts. Financial control will be undertaken by the Project Committee.
12. The Project Committee has developed a business plan to ensure the book has a popular and accessible style to facilitate sales and promote the heritage values of Christchurch and Banks Peninsula to the general public, yet accurate and authoritative enough to appeal to World Heritage Committee meeting delegates and other specialised audiences. John Wilson, a noted Christchurch historian, will author the book, which will be approximately 184 pages in length, comprising an equal mix of illustrations and text. Design and production values will be to a high standard appropriate to the subject. Much of the content will draw on the Christchurch City Contextual History Overview, produced by the Council in 2005.
13. The initial print run is planned to be 2,500 copies. Of these, up to 1,000 copies will be available to the Council to provide mementos to UNESCO delegates and for future use as gifts and mementos for other occasions. The remaining 1,500 will be available to the two trusts primarily for retail sale. Sales of the book will be managed by a local wholesaler to ensure distribution to all bookstores. Tourism outlets and education bodies will also be approached. There will be considerable opportunities to sell the book locally during the Cultural Showcase being planned by the World Heritage steering group as a city project during the World Heritage Congress. Depending on the outcome of initial sales, the trusts anticipate further print runs, being optimistic that the book will continue to be sought after over the next 10 to 15 years.

FINANCIAL CONSIDERATIONS

14. The estimated cost of the publication is \$58,000. This comprises \$25,000 in the first stage (writing, photography, design, peer review); and \$33,000 in the second stage (printing, binding, storage, insurance). These costs are based on competitive pricing.
15. Funding support from Council operational budgets is sufficient to meet the first stage costs. The trusts have also initiated applications and requests to a number of other agencies and funding bodies to cover the second stage costs. So far, applications for funding have been made to New Zealand Lottery Grants Board and to the Christchurch Heritage Trust. Other potential sources include the Canterbury Foundation, the Eureka Trust, the Southern Trust and the local business community.

16. The majority of these funding applications will not be determined for some weeks, or much later in 2006. However, in order to proceed with commissioning writing, design and photography, and to secure printing contracts as early as possible, the trusts are seeking an underwriting from the Council for the second stage costs (\$33,000).
17. It is anticipated that an underwriting facility will only be drawn against in the event that funding applications and requests fall short of the target second stage funding requirements. This should be known by the end of the calendar year.
18. In the event that a shortfall occurs, the Project Team will examine options for keeping the book within available financial limits eg by such means as adjustments to design specifications and reduction of the initial print run - but without compromising quality.
19. If any shortfall remains at this point, the Council will have first call on the proceeds of all sales of the book.
20. It is therefore likely that any liability to the Council will be short term, and will be covered by sales in the 2007-08 year.

OPTIONS

21. Option One: Decline to provide an underwriting facility. For the Council this would mean no liability beyond the \$25,000 already committed in operational budgets. The trusts have indicated that if underwriting is not available they may not be in a position to secure arrangement and contracts for design, printing, binding etc.
22. Option Two: Provide an underwriting facility, to a maximum of \$33,000. For the Council the risk of carrying this liability is minimal as it is anticipated that sponsorship and grants, currently under application, will provide additional funding, and retail sales are likely to further cover any shortfall. The Project Committee may also have the opportunity to review the production budget in order to reduce costs, depending on the time at which such a review occurs.
23. Preferred option: Option Two.