

8. HERITAGE GRANT APPROVALS: DELEGATED AUTHORITY



General Manager responsible:	General Manager Strategy and Planning, DDI 941-8177
Officer responsible:	Programme Manager, Liveable City
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PURPOSE OF REPORT

1. The purpose of this report is to request the Council to grant the Heritage Covenant Officer Subcommittee delegated power to approve individual heritage grants up to a limit of \$250,000.

EXECUTIVE SUMMARY

2. The Council has provided annual budget funding for heritage incentive grants or loans to assist owners of listed heritage properties since 1980. The grants policy for Christchurch and Banks Peninsula was approved under the Heritage Conservation Policy 1998, with further amendments being approved by the Council on 26 September 2002 and 7 December 2006. Since its inception approximately 244 loans and grants have been made. From financial years 2002/03 to 2006/07 Council heritage discretionary funding for grants will have been \$2,885,000. There are a number of grant approvals awaiting completion for which the property owners are expecting heritage grant assistance. It is expected that the funding available this year will be fully allocated. The number of grants provided over the last five years totals one hundred.
3. Large grants, loans or purchases of listed heritage buildings have been approved directly by Council resolution, but the smaller grants within the Council's operational heritage programme have been approved within the terms of officers' delegated financial authority. However, it has recently become apparent that this authority extends only to approval of contracts for the purchase of materials, goods and services, but not for grants themselves. In order for the Council's current practice to continue a resolution by the Council to delegate authority for grant approvals by officers is necessary in order to meet the requirements of the Local Government Act 2002.
4. It is proposed that delegated authority for grant approvals of up to \$250,000 per grant be granted to the Heritage Covenant Officers Subcommittee as an extension to its current delegated powers. Any grants above this value will only be made by way of specific Council resolution.
5. An internal review of heritage grant and operational policies has also recently commenced, which should result in enhanced criteria and more targeted grant funding being reported back to the Council. The delegated authority sought in this report will continue to enable grants to be administered by staff, pending the outcome of the wider piece of work later this year.

FINANCIAL IMPLICATIONS

6. Following advice from the Legal Services Unit that officers did not have the requisite financial delegation for approving grants, pending heritage grant approvals and payments have been suspended, with the result that the Council risks not meeting its targets for supporting heritage renewal and maintenance. While these could continue to be met by having each proposed grant reported to the Council for approval the provision of a reasonable delegation will assist the Council in continuing to support heritage protection within current practice.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

7. The recommendation is to ensure compliance and consistency of process, rather than any changes to LTCCP budgets.

LEGAL CONSIDERATIONS

8. The Council's ability to delegate authority to approve Heritage grants is provided for in clause 32 of Schedule 7 of the Local Government Act 2002. The Council could delegate this power to approve grants to an officer/officers of a subcommittee.

Have you considered the legal implications of the issue under consideration?

9. The Legal Services Unit has provided a legal opinion as to whether the Local Government Act 2002 requires the Council to provide delegated authority for grant approvals by officers, and whether that delegation had been approved previously by the Council.
10. After reviewing historical Council reports and policies, the legal opinion advised that it did not appear that the Council had ever given a delegation of the authority to approve heritage grants. The legal opinion also considered that a separate delegation by the Council was required for grant approvals, and staff could not rely on the financial delegation in relation to contracts as providing the power to approve heritage grants. Delegated authority has already been given to the Heritage Officer Subcommittee to enter into the contracts/conservation covenants that follow from the approval of a heritage grant.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. The Council's commitment to active involvement in heritage protection is integral to the LTCCP. The continued operation of the Heritage Grants Policy supports this commitment.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

12. N/A

ALIGNMENT WITH STRATEGIES

13. Ongoing funding of heritage restoration and refurbishment is consistent with the direction of the Central City Revitalisation Strategy, and the City Plan.

Do the recommendations align with the Council's strategies?

14. Yes

CONSULTATION FULFILMENT

15. N/A

STAFF RECOMMENDATION

It is recommended that the Heritage Covenant Officer Subcommittee be delegated power to approve individual heritage grants to owners of heritage buildings, places or objects listed in the City Plan or the Banks Peninsula District Plan of up to \$250,000, on such terms and conditions as provided by the Council's Heritage Grant Policies.

BACKGROUND (THE ISSUES)

16. The Council has made provision for financial assistance to owners of listed heritage buildings for annual grants for many years, in recognition of the additional costs of conservation and maintenance associated with heritage buildings. In the cases of loans, of large grants, or expenditure from the Heritage Building Purchase fund, these have been approved by resolution of the Council. The smaller heritage grants from the annual Heritage Emergency, Heritage Maintenance and Heritage Retention funds have been approved by officers using the current delegated financial authority for officers. Delegated Council financial authority for officers, however, only provides for approval for contracts for the purchase of materials, works and services and a separate delegated authority is required with respect to approving heritage or other grants.
17. There is a heritage grants project review currently being undertaken by the Strategy and Planning Group in relation to grants policy (including fiscal policy). The recommended delegation for individual grant approvals to the Heritage Covenant Officer Subcommittee is to be regarded as an interim measure, subject to the outcome of the comprehensive grant policy review, with future recommendations for further consideration by the Council.
18. The heritage discretionary grants programme is subject to a consistent, documented set of conservation and operational policies which have been formally resolved by the Council. These apply to all grant applications for heritage buildings, places and objects listed in Part 10 Appendix 1 of the Christchurch City Plan and Schedules IV and V of the Banks Peninsula District Plan. Grants are provided only in relation to works which contribute positively to the conservation and maintenance of the heritage item. Consideration is given to the relative heritage significance of the item, the risk if the works are not carried out, and the potential that the works contribute to the long term retention and protection of the heritage item. The quantum of any approved grant is a proportion of the cost of the conservation and maintenance works, with heritage items of the most significance being provided with a relatively higher proportion of funding. Council policy has set the amount of any grant at a maximum of 50% of the conservation and maintenance works. The Council also has a set of policies providing for heritage conservation covenants, which are a requirement for all heritage grants of \$5,000 or more. These conservation covenants provide for the ongoing protection of the heritage item and are registered in the majority of cases against the land title. The operation of the conservation covenant programme is by delegated authority to the Heritage Covenant officer Subcommittee.