

22. CHRISTCHURCH CATHEDRAL GRANT



General Manager responsible:	General Manager, Strategy & Planning, DDI 941-8177
Officer responsible:	General Manager, Strategy & Planning
Author:	Michael Day

PURPOSE OF REPORT

1. The purpose of this report is to seek Council approval to provide a grant to the Christchurch Cathedral to complete the electrical project for the Cathedral.

EXECUTIVE SUMMARY

2. In May 2006, the Christchurch Cathedral's 125th Anniversary Campaign lodged an application with the Council for a one-off grant of \$1.1 million for capital work.
3. The application related to the essential replacement of the worn-out electrical reticulation of the Cathedral, which includes replacement of lights, upgrading the sound system and upgrading of the heating system.
4. The Dean and Chair of the Fabric Fundraising Committee appeared before the Council as part of the LTCCP hearings in support of its application. Subsequent to this, the Christchurch Cathedral requested that its application be placed on hold while it revised the scope of work and costings.
5. A project co-ordinator was commissioned to undertake a more detailed analysis of each part of the whole electrical project and has taken six months to complete.
6. In summary, the new detailed estimate of costs for the complete electrical project now stands at \$1,082,400.

FINANCIAL AND LEGAL CONSIDERATIONS

7. The Emergency Capital Fund (ECF) surplus balance has previously been identified as a funding source. The ECF is required to maintain a minimum balance of \$5 million under current Council policy. At the present time there is \$6,414,426 in the fund so the \$1,082,400 can be funded from within the interest reserve without undermining the ECF. It should be noted therefore that this grant is not sought from the ECF per se, rather it is utilising the surplus interest balance which that fund has generated.
8. While there is surplus money associated with the ECF, any use of the fund would reduce the Council's interest revenue and hence have a rating impact. A reduction in the fund of \$1,082,400 would have a \$78k or 0.04% impact on rates, spread 0.02% in 2007/08 and 0.02% in 2008/09 assuming the Grant was paid mid way through the 2007/08 financial year.
9. The above rating impact has been factored into the draft 2007/08 Annual Plan.

STAFF RECOMMENDATION

It is recommended that the Council approve a grant of \$1,082,400 to the Christchurch Cathedral for the electrical project and to fund this through the Emergency Capital Fund.