

29. CANTERBURY MUSEUM - DRAFT ANNUAL PLAN

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8549
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PURPOSE OF REPORT

1. The purpose of this report is to submit to the Council the Draft Annual Plan of Canterbury Museum for the year ending 30 June 2008 to enable Council to consider the plan to make, if it wishes to do so;
 - (a) submissions on the draft annual plan; and
 - (b) an objection to the levies proposed in the draft plan

EXECUTIVE SUMMARY

2. The levies proposed to be made in the draft annual plan from contributing local authorities are \$272,267 less than the forecast in the 2006/07 Annual Plan primarily due to the abandonment of the Revitalisation Project. This Council share of the reduction is \$245,775, these savings have already been factored into the Draft Council Annual Plan.

FINANCIAL AND LEGAL CONSIDERATIONS

3. The Canterbury Museum Trust Board Act 1993 requires the Canterbury Museum Trust's Board to prepare and adopt an annual plan for each financial year.
4. The draft annual plan is referred to the four contributing local authorities (Christchurch City Council, Selwyn District Council, Hurunui District Council and Waimakariri District Council) for a period of consultation which concludes on 31 May of each year.
5. The levies proposed in the draft Annual Plan 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 that the levy be reduced to an amount which is not less than the total levy made in respect of the previous year. The proposed levies are binding on the four contributing authorities, unless the CCC or 3 of the other contributing authorities resolve to hold the levies. (section 16 of Canterbury Museum Trust Board Act 1993)
6. 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) Consider what submissions it wishes to make on the Board's draft 2007/08 Annual Plan.
- (b) Authorise an elected representative, to represent the Council at a meeting of contributing authorities to be held on 21 June 2007.

BACKGROUND ON CANTERBURY MUSEUM 2007/08 DRAFT ANNUAL PLAN

7. 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.
8. The plan is available for consideration by the contributing local authorities which concludes on 31 May 2007.

OPERATING BUDGET

9. This Council considered the Board's financial forecasts at its Annual Plan seminar in February 2007 and at the seminar supported the Museum's operating levies for inclusion in the Council's draft 2007/08 Annual Plan.
10. While there are rights of objection if the levies have increased, it is considered inappropriate to object as a decreased is proposed for 2007/08.

ANNUAL LEVY AND GRANTS

11. 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 \$4,474,563. In addition there is a special ex gratia payment from this Council of \$515,887 agreed some years ago when Council agreed to fund loan servicing for internal restoration/strengthening work. 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.
12. Following a February 2006 seminar to Council by the Museum, the Council at its 2 March 2006 meeting made the following resolution:

"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."
13. The Museum has requested that this amount be bought back within the operating levy and the Museum's Draft Annual Plan reflects this change. The full amount of the ex gratia levy has however been provided in Council's draft 2007/08 annual plan. If the other contributing local authorities agree to this change, net savings to Council's Draft Annual Plan will be \$50,209.
14. 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.
15. A grant of \$250,000 is due to be paid in 2007/08 from the Capital Endowment Fund income as previously approved.

OTHER CONTENT OF THE PLAN

16. The general content of the 2007/08 annual plan is largely the same as the previous years plan.

The Objection Process

17. The Canterbury Museum Trust Board Act (Section 16) provides that either the Christchurch City Council or 2 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 3 other contributing authorities may resolve that the levy be reduced to an amount no less than the previous year.
18. Waimakariri District Council and the Hurunui District Council have both formally lodged objections to the levies proposed in the Museums 2007/08 draft Annual Plan.

19. Selwyn District Council has already resolved to support the Board's proposed 2007/08 levies.
21. As required under the Museum's 1993 Act the Museum Trust Board has resolved to convene a meeting of the four contributing authorities to be held on 21 June 2007.
22. It is clear that Waimakariri District Council and Hurunui District Council can trigger the requirement for the Board to hold a meeting of the four contributing authorities for the Board to hear these 2 objections. However given Selwyn District Council's already resolved position and the Act's requirement for Christchurch City Council or Hurunui District Council, Waimakariri District Council and Selwyn District Council to agree to hold the levy to the 2006/07 level, then unless CCC agrees, Waimakariri District Council's & Hurunui District Council's objections cannot succeed.
23. CCC needs to resolve to appoint a delegate to attend the 21 June 2007 meeting and needs to resolve what position the delegate should take at that meeting.

CAPITAL ENDOWMENT INTEREST FUND

24. At a seminar held on 21 March 2007 to discuss the capital endowment interest fund there is a comment recorded in the seminar notes: "*A decision needed to be made in respect of payments being made to the Canterbury Museum*" and a requested outcome was: "*Anthony Wright, director of the Canterbury Museum should be invited along to the discuss Museum funding at a future Council seminar.*"
25. Councillors will recall that at the Council meeting held on 10 May 2007 officers advised a seminar on the Fund would be held along with the consideration of the Annual Plan towards mid June and Mr Wright will be invited to attend that seminar.