


7. **CCHL AND VBASE GROUP HALF YEARLY REPORT TO 31 DECEMBER 2007
STATEMENT OF INTENT FOR CIVIC BUILDING LTD FOR 2007/08 AND SUBSIDIARY
STATEMENTS OF INTENT FOR 2008/09**



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

1. The purpose of this report is to:
 - Receive the Christchurch City Holdings Ltd (CCHL) and Vbase Group half year report to 31 December.
 - Agree to the Statement of Intent for Civic Building Ltd for the year ending 30 June 2008.
 - Receive the draft Statements of Intent for the CCHL subsidiary and associate companies and the draft Statements of Intent for the Council owned subsidiaries.
 - Decide whether or not to make any informal comment to CCHL regarding the draft Statements of Intent for the CCHL subsidiary and associate companies.
 - Decide whether or not to make any formal comment on the Statement of Intent for the three Council owned subsidiary companies.
 - If the Council does not wish to make any formal comment, then the Council agree to the Statements of Intent.

EXECUTIVE SUMMARY

2. The Council has received a number of documents from the Chief Executive of Christchurch City Holdings Ltd which are listed below:
 - (a) CCHL and Vbase Group half year report to 31 December 2007 (Attachment A).
 - (b) Draft Statement of Intent for Civic Building Ltd for the year ending 30 June 2008. (Attachment B).
 - (c) Draft Statements of Intent for the CCHL subsidiaries and associated companies (Attachment C). CCHL is the shareholder of these companies. Those companies are:
 - Orion Group Limited
 - Christchurch International Airport Limited
 - Lyttelton Port Company Limited
 - Red Bus Limited
 - City Care Limited
 - Christchurch City Networks Limited
 - Selwyn Plantation Board Limited
 - (d) Draft Statements of Intent for the 2008/09 year for the Council owned subsidiaries (Attachment D), of which CCHL has a monitoring role on behalf of the Council:
 - Vbase Limited
 - Civic Building Limited
 - Tuam Limited

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Receive the CCHL half year report to 31 December 2007 for the parent company and the group, and also the half year reports of the Vbase group of companies.
- (b) Agree to the Statement of Intent for Civic Building Ltd for the year ending 30 June 2008.
- (c) Receive the draft Statements of Intent for the CCHL subsidiary and associate companies and the draft Statements of Intent for the Council owned subsidiaries.
- (d) Decide whether or not to make any informal comment to CCHL regarding the draft Statements of Intent for the CCHL subsidiary and associate companies.
- (e) Decide whether or not to make any formal comment on the Statement of Intent for the three Council owned subsidiary companies.
- (f) If the Council does not wish to make any formal comment, then the Council agree to the Statements of Intent.

BACKGROUND

- 3. In February 2008 Vbase gained approval from its shareholder (CCHL) to amalgamate several of the companies in their group. It was felt that the legal structure was cumbersome and it did not reflect the governance and management structure that the shareholder had implemented. Those companies amalgamated were Christchurch City Facilities Ltd, Vbase Ltd and Vbase No 2 Ltd. These three companies now form a single company called Vbase Ltd.
- 4. With regard to the Statement of Intent for CCHL subsidiaries and associate companies the Council has been asked to provide comment to CCHL which has the statutory role under the Local Government Act 2002 of providing comments, or not as the case may be, to those subsidiary and associate companies by 30 April 2008. The Council's role with those companies is in the nature of providing informal comment to CCHL.
- 5. Last year there were separate Statements of Intent for Jet Engine Facility Ltd and Tuam 2 Ltd. As these companies are now subsidiaries of Vbase Ltd and Civic Building Ltd, they no longer require their own Statement of Intent.
- 6. With regard to the three Council owned subsidiaries the Council itself as the shareholder is entitled to formally make comments on the draft Statements of Intent for those five companies by 30 April 2008 and those companies must deliver the completed Statement of Intent to the Council by 30 June 2008.