

18. 3. 2004

## ANNUAL PLAN SUBCOMMITTEE

**Meetings of the Annual Plan Subcommittee  
were held on 19, 20, 23, 24, 25, 27 February and 4 March 2004**

**PRESENT:** Councillor Alister James (Chair),  
The Mayor,  
Councillors Carole Anderton, Paddy Austin, Graham Condon,  
Barry Corbett, Anna Crighton, Ishwar Ganda, Pat Harrow,  
Denis O'Rourke, Barbara Stewart (in the Chair on 19 February)  
and Ron Wright.

**APOLOGIES:** Apologies for absence were received and accepted from the Mayor  
(23 February, 4 March 2004) and Councillor Alister James  
(19 February 2004).

**ABSENT:** Councillor Paddy Austin.

### DRAFT LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

#### 1. INTRODUCTION

At a series of meetings held on 19, 20, 23, 24, 25, 27 February and 4 March 2004 the Annual Plan Subcommittee gave consideration to:

- Minutes of Annual Plan meetings of Standing Committees
- Proposed New Operating Initiatives recommended by the Standing Committees
- Proposed New Capital Initiatives recommended by the Standing Committees
- Draft Pink Pages
- Long Term Operating Projections
- Draft Budget Tables
- Staff reports on a range of issues including:
  - First draft of 2005 Strategic Plan
  - Revenue and Financing Policy
  - Funding Policy Impact Statement
  - Targeted Uniform Annual Charge for Refuse Bag Collection and Disposal
  - Lyttelton Boating Facilities - Request for Additional Capital Funds
  - Christchurch School of Gymnastics
  - NZ PGA Golf Tournament - Bid for Funding
  - Flat Water Facility (Lake Isaac Water Sports Park)
  - QEII Sports House
  - Aquatic Partnerships and Future Funding
  - Character Housing Maintenance Grants
  - Christchurch Botanic Gardens - Bid for Additional Capital Funding
  - Central City Revitalisation - Request for Funding for Planning and Project Feasibility Work
  - City Transport - Streets Draft Budget
  - Cathedral Square Stage 5 Development - Worcester Street
  - Cathedral Funding
  - Planning for Urban Renewal
  - Central City Marketing Funding
  - Promotion of Christchurch as a Destination for Tertiary Study
  - Christchurch and Canterbury Marketing Ltd - Funding for Domestic Marketing Campaign
  - Investment and Borrowing Policies
  - Capital Endowment Fund
  - Appropriation of Surplus Working Capital
  - Special Dividend from CCHL

**2. PROPOSED AMENDMENTS TO THE DRAFT LTCCP**

A schedule of the operating and capital changes recommended by the Annual Plan Subcommittee is attached at Appendix 1. The changes have been incorporated in the draft LTCCP, which has been separately circulated to Councillors.

**3. BRIEF OVERVIEW OF DRAFT LTCCP**

In summary, the draft LTCCP provides for the delivery of services to the Christchurch community at either the current level or at an enhanced level, as well as the continuation of the major works programme.

In addition the Annual Plan Subcommittee is recommending that funding be allocated for a range of new initiatives and service enhancements, including:

- New Civic Centre building
- Expansion of the Kerbside Recycling Scheme - Putrescibles collection and processing
- Increased funding for the Ocean Outfall Pipeline
- Additional funding for Biosolids Reuse
- Additional Waste Minimisation initiatives
- Belfast Treatment Plant - Effluent pipeline
- Enhanced services for street cleaning, street sweeping and litter collection in the central city
- Funding of the order of \$52.4M (net) over 10 years to implement the Metropolitan Christchurch Transport Statement
- Redevelopment of Worcester Street between Cathedral Square and Oxford Terrace
- Continuation of Council sponsorship of NZ PGA Golf Tournament at the Clearwater Golf Club
- Renovation of QEII Sports House
- Extended Operating Hours at the Central Library and four suburban libraries
- Introduction of a grants scheme for character housing maintenance
- Upgrading of Botanic Gardens
- Funding assistance for Christchurch Cathedral
- Central city marketing
- Additional resources for Urban Renewal Planning
- Additional Economic Development Initiatives
- New housing development at Gowerton Place

**4. APPROPRIATION OF SURPLUS WORKING CAPITAL**

The General Manager Corporate Services reported that surplus retained earnings of \$8 million from previous years were available to fund the budget. These have been taken into account in the financing proposals included in the draft LTCCP.

In line with long-standing practice, these funds have been applied over a number of years to smooth the rate increases forecasts in the long term forecasts. The best process for dealing with this is to appropriate this amount to the Income Fluctuation Reserve to be drawn down progressively as provided for in the LTCCP.

It is necessary for the Council to pass a formal resolution to authorise the transfer of these funds to the reserve fund.

**Recommendation:** That surplus working capital of \$8 million be appropriated to the Income Equalisation Reserve and applied to funding of future years' budgets as provided in the Council's long term financial forecasts.

**5. SPECIAL DIVIDEND FROM CCHL**

The Director Strategic Investment reported that CCHL had recently received a special dividend of \$35 million from Orion NZ Ltd and it was likely that these funds will be paid to the Council as a special dividend, although CCHL have still to consider this issue.

In light of this advice, the Annual Plan Subcommittee has made provision in the draft LTCCP for a special dividend of \$35 million in 2004/05 and a further sum of \$15 million for special dividend/asset sale in year 3 (2006/07).

**Recommendation:** That the information be received.

**6. CAPITAL ENDOWMENT FUND**

**Background**

This fund was established in July 2001 although the capital was not received until around March 2002 so only limited distributions were possible in that first year.

Some of the key issues which the Council committed to through the annual plan process either when the fund was set up or subsequently are as follows:

- Income from the fund to be allocated each year in the following way:
  - Economic development 70%
  - Civic and Community Projects 30%
- The above categories to be reviewed on a three yearly cycle
- Up to 100% of the available income to be allocated in year 1 and up to 75% to be allocated for subsequent years
- Funding for a category can be carried forward
- Civic and community projects costing less than \$100,000 not to be funded from this source
- No single project to be funded from this fund for more than three years except in exceptional circumstances
- The capital of the fund will not be used unless 80% of the Councillors vote in favour
- The intention is to protect the capital and to apply the income to projects for the benefit of the community
- The Council to report on the fund in the Annual Plan and Annual Report
- At least 50% of all future unbudgeted special dividends received by the Council to be paid into the Capital Endowment fund

In the economic development area there were a few designated projects in the first two years which the Council decided to fund as a first call on the economic development portion of the fund. The balance was allocated to the Canterbury Economic Development Fund (CEDF) to be allocated to selected projects by a panel with representatives from CMA, CECC and CDC in accordance with a set of criteria approved by the Council in August 2001.

In the civic and community projects area a commitment was made at the outset to fund \$3.5 million towards the Canterbury Museum redevelopment project over a period of six years. There are obligations remaining to fund \$732,500 in each of the years 2004/05, 2005/06 and 2006/07. A final contribution is scheduled of \$250,000 in 2007/08. The community was consulted on this funding allocation when the fund was originally established.

The first year of funding was limited due to the late receipt of the capital. The third full year of funding allocation will be 2004/05 but in terms of the original split on the existing 70/30 basis it is debateable whether this year is the time for review or whether the existing split should remain for 2004/05 and be reviewed the following year.

**Issues for consideration**

***The amounts available to each category for the next three years:***

The following table illustrates the total amount available for allocation in the two sectors over the next three years on the basis of the current allocation ratio:

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	2004/2005	2005/2006	2006/2007
	\$	\$	\$
Estimated total available income from fund after management expenses	2,582,847	2,638,132	2,694,524
Less not to be allocated until later years (25%)		(659,533)	(673,631)
<b>Total available for allocation this year</b>	<b>2,582,847</b>	<b>1,978,599</b>	<b>2,020,893</b>
<b>Economic Development 70%</b>			
	1,807,993	1,385,019	1,414,625
Less already allocated Unspecified Economic Development	(1,807,993)		
<b>Balance available for Economic Development Projects</b>	<b>-</b>	<b>1,385,019</b>	<b>1,414,625</b>
<b>Civic and Community 30%</b>			
	774,854	593,580	606,268
Less already allocated Unspecified Community Projects	(42,354)		
Canterbury Museum Trust Board Building and Development Project Grant	(732,500)	(732,500)	(732,500)
<b>Balance available for Civic and Community Projects</b>	<b>-</b>	<b>(138,920)</b>	<b>(126,232)</b>

**Funds available for community projects in 2004/05**

In the past three years, in addition to the commitment to the museum, \$200,000 has been set aside each year for special character area upgrades in the central city. No such provision has been made in 2004/05.

As Councillors will be aware there has been pressure from Community Boards and other groups for the civic and community funding to be spread around the city. There was also a principle established at the outset that no project of less than \$100,000 should be undertaken so that the funds are applied to items of significance. It is estimated that in 2004/05 there will be \$42,345 available for other community projects. If a community project is to be funded in 2004/05 then there will be a need to increase the allocation to this category.

**Impact of Changing the Ratio**

As noted above it could be construed that this is the third year and therefore this ratio can be reviewed if the Council wishes to do this for 2004/05.

The following table illustrates the impact of changing the ratio in a variety of ways.

	Community and Civic	Economic Development
<b>Current 30/70</b>	\$774,854	\$1,807,992
<b>35/65</b>	\$903,996	\$1,678,850
<b>40/60</b>	\$1,033,138	\$1,549,708
<b>45/55</b>	\$1,162,281	\$1,420,565
<b>50/50</b>	\$1,291,423	\$1,291,423

Given the fund has been in place for three years the Annual Plan Subcommittee considered it should be reviewed this year. Because of earlier commitments to the Museum and central city initiatives no funding has been available for community projects. As only relatively small sums will be available for allocation for community projects for the next three years, the Annual Plan Subcommittee also considered that the ratio should be adjusted to release more funding for community projects. Accordingly, the Annual Plan Subcommittee is recommending that 40% of the interest from the fund be allocated to civic and community projects and 60% to Economic Development.

**Funding for New Economic Development Initiatives**

If the Council wishes to allocate some of the economic development funding to other projects in response to submissions it has received of an economic development nature then it could earmark a portion of the funds set aside for economic development for its own projects. This would mean that the projects would not have to be subjected to the CEDF process. In any event it would be inappropriate to refer projects to the CEDF with direction that they should be funded.

The CDC has requested funding of \$220,000 for three years for a range of new projects. The Annual Plan Subcommittee is recommending that \$100,000 be provided to fund some of these initiatives and be sourced from the interest from the CDC fund.

**Funding for Domestic Marketing Campaign**

Christchurch and Canterbury Marketing sought funding of \$1.5 million for a domestic tourism marketing campaign. This project is still being developed and the outcomes have yet to be fully defined. The amount requested is very large and it would be inappropriate to charge the full amount requested against the economic development portion of this fund because it would leave little for the many other worthy projects. For these reasons the Annual Plan Subcommittee was unable to support this funding request.

The following schedule illustrates the proposed funding allocations:

	2004/2005	2005/2006	2006/2007
Estimated total available income from fund after management expenses	2,582,847	2,638,132	2,694,524
Less not to be allocated until later years (25%)		(659,533)	(673,631)
<b>Total available for allocation this year</b>	<b>2,582,847</b>	<b>1,978,599</b>	<b>2,020,893</b>
<b>Economic Development 60%</b>	1,549,708	1,187,159	1,212,536
Less already allocated			
Unspecified Economic Development - Canterbury Economic Development Fund	(1,449,708)	(1,087,159)	(1,112,536)
CDC - New Economic Development Initiatives	(100,000)	100,000	(100,000)
<b>Balance available for Economic Development Projects</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Civic and Community 40%</b>	1,033,139	791,440	808,357
Less already allocated			
Unspecified Community Projects	(300,639)	(58,940)	(75,857)
Canterbury Museum Trust Board Building and Development Project Grant	(732,500)	(732,500)	(732,500)
<b>Balance available for Civic and Community Projects</b>	<b>-</b>	<b>-</b>	<b>-</b>

The motion relating to the funding for new economic development initiatives (recommendation 2) when put to the meeting was declared **carried** by 8 votes to 3, the voting being as follows:

**For (8):** Councillors Anderton, Condon, Crighton, Ganda, O'Rourke, Wright, the Mayor and the Chair.

**Against (3):** Councillors Corbett, Harrow and Stewart.

- Recommendation:**
- That the interest from the Capital Endowment Fund be allocated as follows for the next three years:

Economic Development	60%
Civic and Community Projects	40%
  - That \$100,000 from the Economic Development Funding be allocated to the Canterbury Development Corporation for economic development initiatives for three years.

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3. That the balance of the Economic Development funding be allocated to the Canterbury Economic Development Fund.
4. That the request from Christchurch and Canterbury Marketing for funding of \$1.5 million for a domestic marketing campaign be declined.
5. That the earlier Council decision to pay 50% of all future unbudgeted special dividends into the Capital Endowment Fund be rescinded.

(Note: Councillor Anderton requested that her vote against recommendation 4 be recorded.)

**7. INVESTMENT AND BORROWING POLICIES**

The Council's Investment and Borrowing Policies have been reviewed by the Treasury Review Team in consultation with Bancorp.

The layout and structure of the policies have been streamlined but no substantial changes have been proposed by the Review Team.

The amended policies have been included in Volume 3 of the draft LTCCP.

**Recommendation:** That the draft Investment and Borrowing Policies be approved.

**8. REVENUE AND FINANCING POLICY**

The Revenue and Financing Policy, together with Funding Impact Statement and Rates System Policies, are contained in Volume 3 of the LTCCP.

In essence the new policies and statements retain most features of their predecessors. The significant changes can be summarised as follows:

**Funding Operating Expenditure**

The revenue policy has been simplified by allocating rates funded costs to sectors on the basis of straight capital value with the following exceptions:

1. "Vehicle Ways" activity - 54.25% of the costs have been allocated to the business sector based on a specific analysis of road usage costs.
2. The rural sector general rate decimal has been set at 75% of that of the residential sector.
3. Targeted rates for water, sewerage and land drainage will be the same for all sectors, ie the differential has been discontinued.
4. A new targeted refuse rate has been introduced to cover the cost of the kerbside refuse collection. The rate has been set at \$26 per rating unit (or occupied part thereof).
5. The uniform annual general charge (UAGC) has been set at \$80 per rating unit (or part thereof). Note: The UAGC and refuse targeted rate total \$106, which is just fractionally higher than the current UAGC of \$105.
6. The excess water charge and the allowance factor have been increased to 38c per cubic metre. Note: These charges do not apply to private residential properties.

**Differentials**

1. The definition of the rural sector has been changed to provide for land zoned Living inside the serviced area to be rated at the residential rate.
2. The commercial/industrial sector has been renamed the business sector. Note: Rating units within the rural sector have been reviewed to ensure compliance with the current policy. As a result predominantly residential properties within this sector will be rated residential in future.

### Maori Land Rate Remission

The Act requires territorial local authorities to adopt a policy for the remission and postponement of rates on Maori freehold land. The draft policy contained in Volume 3 of the LTCCP provides for no special treatment to be given and for normal rating policies to be applied to this land. Note: There is one parcel of Maori land in Christchurch which is currently fully rateable.

### Rates System - Assessment Rates

In future the new year's rating assessment will be issued with Instalment 1, rather than with Instalment 2.

The motion relating to the new targeted refuse rate when put to the meeting was declared **carried** by 6 votes to 4, the voting being as follows:

**For (6):** Councillors Condon, Corbett, Ganda, O'Rourke, Wright and the Chair.

**Against (4):** Councillors Anderton, Crighton, Harrow and Stewart.

- Recommendation:**
1. That the Revenue and Financing Policy and the Funding Impact Statement, contained in Volume 3 of the draft LTCCP be adopted.
  2. That the excess water charge and the allowance factor be set at 38c per cubic metre.
  3. (a) That a refuse bag targeted uniform annual charge of \$26 (including GST) be set for the 2004/05 financial year with this charge being applied as per the UAGC, except for:
    - (i) vacant sections; and
    - (ii) commercial properties within the inner city area, which is serviced by the seven day a week refuse collection service, and
  - (b) That the UAGC be reduced from its current \$105 to \$80.
  4. That the rating differential definitions contained in the Rates Setting Policies in Volume 3 of the draft LTCCP be adopted.
  5. That the Maori Land Remission and Postponement Policy contained in Volume 3 of the draft LTCCP be adopted.
  6. That the rating policies contained in the 2003/04 Annual Plan continue for 2004/05 apart from the interim instalment provisions.
  7. That the new year's rating assessment be issued with the Instalment 1 assessment notices.

## 9. CIVIC OFFICES ACCOMMODATION

The Property and Major Projects Committee submitted a comprehensive report to the Annual Plan Subcommittee on the long term financial implications of the two options for meeting the Council's future accommodation requirements, namely refurbish the existing Civic Offices building and build additional space on the roof (Option 1), and build a new building on a different site (Option 3).

The report advised that Option 1 incurred total capital costs of just over \$20 million and if this were financed over a 50 year period the impact on rates in the first 10 years would be negligible, given that approximately \$15 million is already budgeted.

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The existing building carries with it a higher risk factor in terms of changing legislation and customer expectations which could lead to a future council choosing to overturn a commitment to the building for a 50 year period. This would in effect result in the Council having to write off the investment currently being contemplated and in effect increase the rating burden on future generations.

Option 3 has a capital cost of just over \$50 million and this equates to a net increase in rates of \$1.34 million or 0.6% if financed over a 50 year period. The impact on the first 10 year period totals 3.76% or an average of approximately 0.376% on an annual basis.

The report noted that a new building would have a number of non-financial benefits related to image, productivity and staff morale. It would also have reduced operating and churn costs throughout its life compared with upgrading the existing building, and in particular would achieve a significant reduction in energy consumption.

Further information on this project is contained in Volume 3 of the draft LTCCP.

The Property and Major Projects Committee's recommendation that Option 3 be adopted as the preferred option was endorsed by the Annual Plan Subcommittee.

- Recommendation:**
1. That Option 3, to build a new building on an adjacent site, be adopted as the preferred option and that officers develop a design brief and prepare a report on development options available.
  2. That financial provision for Option 3 be included in the Long Term Council Community Plan at a total capital cost of \$53.7 million.
  3. That staff investigate alternative means and options for financing a new building, including discussions with CCHL and CCLL and the timing of the capital requirements, and report back to the Council via the Property and Major Projects Committee on these options.
  4. That staff also report on possible future uses for the present Civic Offices site.
  5. That all future work on the Civic Offices, apart from essential maintenance, be embargoed.

**10. SOLID AND HAZARDOUS WASTE MANAGEMENT PLAN**

The Sustainable Transport and Utilities Committee reported, recommending that funding be provided from 2006/07 for the introduction of a city-wide kerbside kitchen waste collection service and from 2004/05 for a plant to process commercial putrescibles initially and, in subsequent years, progressively expand the operation to process the material collected from the city-wide collection service.

Full details of this new service are contained in Volume 3 of the LTCCP.

The operating and capital requirements for this new service, together with the impact on rates, are summarised below:

<b>Putrescibles</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
<b>Opex</b>					
Putrescible Tonnages reduction - Kate Valley			(\$700,000)	(\$700,000)	(\$700,000)
Putrescible Collection			\$3,500,000	\$3,500,000	\$3,500,000
Putrescible Processing - 45% rates		\$288,900	\$1,064,700	\$1,064,700	\$1,064,700
Putrescible Processing - 55% WMF		\$161,100	\$735,300	\$735,300	\$735,300
Waste Minimisation Fund drawdown		(\$161,100)	(\$735,300)	(\$735,300)	(\$735,300)
Putrescible Sales			(\$15,000)	(\$30,000)	(\$30,000)
Transfer to Waste Minimisation Fund			\$15,000	\$30,000	\$30,000
<b>Net Operating Cost on Rates</b>	<b>\$0</b>	<b>\$288,900</b>	<b>\$3,864,700</b>	<b>\$3,864,700</b>	<b>\$3,864,700</b>



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Capex	2004/05	2005/06	2006/07	2007/08	2008/09
Putrescible Processing Plant (revised)	\$3,152,000	\$5,390,000	\$0	\$0	\$0
In-vessel Compost Plant (reversed)	(\$3,152,383)	(\$2,893,500)	(\$500,000)	\$0	\$0
Containers for Kerbside Putrescibles Collection	\$0	\$2,000,000	\$50,000	\$50,000	\$50,000
Additional Capex Provision Required	(\$383)	\$4,496,500	(\$450,000)	\$50,000	\$50,000
Total Rate Impact Opex & Capital (Yr by Yr)	0.00%	0.25%	2.34%	-0.11%	-0.11%

The Annual Plan Subcommittee was advised that the Sustainable Transport and Utilities Committee was confident that operational efficiencies would be identified by staff to reduce the operational cost of the scheme prior to the project commencing.

- Recommendation:**
1. That funding, as per the attached schedule, be provided in the LTCCP for this initiative.
  2. That the Sustainable Transport and Utilities Committee and staff be asked to investigate operational cost savings.

#### 11. NEW SOLID WASTE INITIATIVES

It will be noted from the attached schedule that the Annual Plan Subcommittee is recommending that funding of the order of \$300,000 pa be allocated from the Waste Minimisation Fund for the following new initiatives:

Encourage Businesses to Recycle	80,000
Recycling at Council Events	50,000
Hazardous Waste Reduction	40,000
Postgraduate Scholarship	5,000
Community Education	80,000
Community Waste Minimisation Bids (from 2005/06)	50,000

- Recommendation:** That funding be allocated from the Waste Minimisation Fund for the above new initiatives.

#### 12. WASTE WATER

Additional provision, as detailed in the attached schedule, has been made in the draft LTCCP for the following projects:

- Belfast Waste Water Treatment Plant - Pipeline to Bromley Treatment Works
- Biosolids Application to Forest - Transportation Costs
- Ocean Outfall

- Recommendation:** That the funding provided for the above expenditure be confirmed.

#### 13. CITY TRANSPORT

##### Metropolitan Christchurch Transport Statement (MCTS)

The Sustainable Transport and Utilities Committee has accorded a high priority to the MCTS. The expenditure, which covers roading, passenger transport, cycling and pedestrians, includes both the cost of improving the city's transport system and the costs of maintaining and operating the system. The additional net operating costs rise to \$2.52 million by year 10. For the capital budget the gross addition is \$80.1 million for 10 years. If the Transfund subsidy is taken into account the net figure over the 10 year period is \$52.4 million. Further information on this expenditure is contained in Volume 3 of the LTCCP.

The operating and capital expenditure is summarised below together with the impact on rates:

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	2004/05	2005/06	2006/07	2007/08	2008/09
Operating	\$750,000	\$1,225,000	\$1,450,000	\$1,755,000	\$1,970,000
Operating Revenue <sup>(1)</sup>	(\$86,000)	(\$182,750)	(\$258,000)	(\$385,250)	(\$536,500)
Capital	\$0	\$1,000,000	\$5,213,000	\$7,050,000	\$8,373,000
Capital Revenue <sup>(1)</sup>	\$0	(\$340,000)	(\$1,604,000)	(\$2,164,000)	(\$2,780,200)
Cumulative Rates Impact	3.31%	-0.15%	-0.97%	-0.17%	-0.18%

<sup>(1)</sup> Transfund Subsidy

	2009/10	2010/11	2011/12	2012/13	2013/14
Operating	\$2,425,000	\$2,700,000	\$3,175,000	\$3,600,000	\$3,825,000
Operating Revenue <sup>(1)</sup>	(\$723,750)	(\$839,000)	(\$1,034,250)	(\$1,209,500)	(\$1,304,750)
Capital	\$10,045,000	\$11,070,000	\$11,840,000	\$12,360,000	\$13,160,000
Capital Revenue <sup>(1)</sup>	(\$3,425,300)	(\$3,917,300)	(\$4,218,150)	(\$4,483,750)	(\$4,814,750)
Cumulative Rates Impact	-0.01%	0.11%	0.30%	0.28%	0.21%

<sup>(1)</sup> Transfund Subsidy

**Recommendation:** That the funding provided in the draft LTCCP for implementing the Metropolitan Christchurch Transport Statement be confirmed.

#### 14. STREET CLEANING - LEVELS OF SERVICE

At the request of the Sustainable Transport and Utilities Committee, City Transport staff reported, seeking additional funding in the order of \$400,000 to enable the levels of service for central city street cleaning and litter collection to be increased. As well, \$50,000 was sought for an anti-litter education campaign.

Because of budgetary constraints, the Annual Plan Subcommittee was unable to support the allocation of this level of funding and is recommending that an additional \$200,000 be provided for central city street cleaning. This will enable the level of service for the emptying of litter bins in the central city to be increased. It will not, however, cover the cost of increasing the levels of service for footpath sweeping and cobblestone stain removal.

The Annual Plan Subcommittee supported the request for funding for the education campaign.

The motion to provide additional funding of \$200,000 for central city litter collection was put to the meeting and declared **carried** by 6 votes to 4, the voting being as follows:

**For (6):** Councillors Anderton, Ganda, Harrow, Wright, the Mayor and the Chair.

**Against (4):** Councillors Condon, Crighton, O'Rourke and Stewart.

Note: Since the Annual Plan Subcommittee meetings, the Sustainable Transport and Utilities Committee has held a seminar meeting to discuss street cleaning levels of service and is reporting separately to the present meeting on this subject.

**Recommendation:** That additional funding of \$250,000 be provided from 2004/05 for the above purposes.

#### 15. SAFER CHRISTCHURCH

Funding of \$100,000 pa has been provided in the LTCCP to meet the cost of undertaking the Safer Christchurch function.

**Recommendation:** That this funding be confirmed.

#### 16. NEW FINANCIAL PLANNING SYSTEM

The allocation of additional funding was sought for a new financial planning system to replace the obsolete spreadsheet system currently used for the budget process. A more sophisticated financial system is required to meet the new reporting requirements of the Local Government Act and to reduce the risks associated with the present convoluted system.

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The Annual Plan Subcommittee is recommending that the following provisions be made:

Operating - Year 1	\$432,750, \$77,500 pa in subsequent years
Capital - Year 1	\$745,000

**Recommendation:** That the above funding be confirmed.

17. **SCHOOL OF GYMNASTICS**

The School of Gymnastics sought a grant of \$200,000 towards the cost of extending its facility at QEII Park. As responsibility for the allocation of metropolitan grants has now been delegated to the Metropolitan Funding Subcommittee, the Annual Plan Subcommittee considered this request should be dealt with by that Subcommittee.

**Recommendation:** That the above request for funding assistance be referred to the Metropolitan Funding Subcommittee.

18. **NEW ZEALAND PGA GOLF TOURNAMENT**

The Community and Recreation Manager reported, seeking continued Council sponsorship of the above event which takes place at the Clearwater Golf Course.

With \$1,200,000 in prize money, the 2004 NZPGA (formally the Clearwater Classic) has New Zealand's richest sporting purse and attracts quality professional golfers from all over the world, but predominately from Australasia and the United States of America.

The 2002 and 2003 tournaments attracted international television audiences in excess of 150 million households (worldwide audience of 336 million people). The TV coverage showcased Clearwater Resort, Christchurch and New Zealand. The value to the city of the international television exposure of the 2003 event is assessed as being \$11.2 million.

The event organisers, Tuohy and Associates together with PGA Tour of Australasia have every intention of retaining and growing the NZPGA Championship in Christchurch for many years to come but it needs the Council's support. At this stage, it is certain that without the Council's financial support over the next three years, the event will be lost to Christchurch and New Zealand.

The event organisers requested funding support of \$400,000 (\$300,000 plus \$100,000 underwrite) for three years from 2004/05.

The cost of staging the 2004 NZPGA Championship was approximately NZD \$1,600,000. Approximately 80% of this expenditure was spent in Christchurch.

The report recommended that the Council continue its support of this event but gradually reduce its funding over the three year period, therefore signalling to the event organisers that commercial sponsorship needs to increase.

This recommendation when put to the meeting was declared **carried** by 8 votes to 2, the voting being as follows:

**For (8):** Councillors Anderton, Condon, Corbett, Ganda, Harrow, Stewart, Wright and the Chair.

**Against (2):** Councillors Crighton and O'Rourke.

At a later stage of the meeting this item was revisited and the recommendation was recommitted. The voting was as follows:

**For (9):** Councillors Anderton, Condon, Corbett, Ganda, Harrow, Stewart, Wright, the Mayor and the Chair.

**Against (1):** Councillor Crighton

**Abstained:** Councillor O'Rourke.

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- Recommendation:**
1. That \$1,050,000 in total be allocated over 2004/05, 2005/06 and 2006/07 at a reducing rate:
    - (a) 2004/05 - \$400,000 (\$300,000 plus \$100,000 underwrite)  
(Community and Recreation Unit has \$50,000 in the budget for this event)  
(Note: Total additional funding requested in 2004/05: \$350,000)
    - (b) 2005/06 - \$350,000 (\$300,000 plus \$50,000 underwrite)  
(Community and Recreation Unit has \$50,000 in the budget for this event)  
(Note: Total additional funding requested in 2005/06: \$300,000)
    - (c) 2006/07 - \$300,000 (no underwrite).  
(Community and Recreation Unit has no budget provision for the event)  
(Note: Total requested in 2006/07: \$300,000)
  2. That the above be conditional on free public access to the event and a gold coin donation to a charity.
  3. That the event logo and branding contain the word "Christchurch".
  4. That the Council continue to hold the title of "major sponsor".
  5. That the organisers work closely with the Sports Promotion Team, Community and Recreation Unit to assist with developing the viability and growth of the event.
  6. That staff report to a future meeting of the Community and Leisure Committee on the domestic and international exposure of this event and an independent assessment of its economic benefits to Christchurch be obtained.

**19. FLAT WATER FACILITY (LAKE ISAAC SPORTS PARK)**

The Annual Plan Subcommittee gave consideration to a comprehensive report from the Community and Leisure Committee which detailed the results of the research on the above proposal. The report is attached (Appendix 2).

The Community and Leisure Committee recommended to the Annual Plan Subcommittee:

1. That funding be allocated for this proposal for the Lake Isaac Water Sports Park because it is necessary and appears to be the best proposal to support flat water sports as follows:

2004/05	\$630,000
2005/06	\$3,400,000
2006/07	\$3,400,000
2007/08	\$3,570,000

subject to the following:

- (a) The Council being able to fund the proposal through the capital programme.
  - (b) A satisfactory resolution to the nuisance bird management issue and a completed bird management strategy.
  - (c) Council funding being made available for Stage 1 once other funding has been raised by the Trust.
  - (d) All other environmental and resource management issues being resolved.
2. That the funding detailed in recommendation 1 be included in the draft LTCCP for consultation.

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The above recommendation when put to the meeting was declared **lost** by 6 votes to 4, the voting being as follows:

**Against (6):** Councillors Corbett, Crighton, Ganda, Harrow, O'Rourke and Stewart.

**For (4):** Councillors Anderton, Condon, Wright and the Chair.

The Annual Plan Subcommittee requested staff to report further to the Council on a number of matters associated with the Lake Isaac proposal, including legal issues, bird strike risk, shingle extraction, including impact on local market. The report will be separately circulated prior to the Council meeting.

**Recommendation:** That staff be requested to work with the Lake Isaac Watersport Trust to investigate alternative options for the location of a flat water sports facility.

**20. QEII SPORTS HOUSE**

The Community and Leisure Committee sought additional funding of \$240,000 for the renovation of the above facility. The building, which is approximately 90 years old, was formerly the New Brighton Trotting Club's members' pavilion.

The funding is required for the refurbishment of the first floor of the building to a standard suitable for rental.

Sport Canterbury is very keen to relocate its headquarters from rented facilities in St Asaph Street to QEII Park. Sport Canterbury's current lease expires in September this year. The proposed relocation of Sport Canterbury to QEII Park represents a timely opportunity to provide the organisation with a secure and appropriate tenancy well suited to its requirements.

The Community and Recreation Unit believes that Sport Canterbury is the most appropriate tenant to maximise the use of, and benefit from the renovation of the building and for this reason considers that the Council policy to tender should be waived in this instance.

**Recommendation:**

1. That additional capital of \$240,000 be provided in year 1 for the above work.
2. That additional rental revenue of \$15,000 be provided in year 1 and \$30,000 pa from year 2.
3. That the Council policy for tendering surplus property (property rights) be waived in this instance for the reasons outlined above.
4. That a lease of the QEII Sports House first floor be negotiated with representatives of Sport Canterbury by the Council's Facility Assets Manager and the QEII Park Manager.

**21. HOUSING**

The Community and Leisure Committee sought the allocation of funding of \$1.35 million from the Housing Development Fund for the development of a housing complex at Gowerton Place. This bid was supported by the Annual Plan Subcommittee and the funding for the project has been provided in the draft LTCCP.

**Recommendation:** That the above funding be confirmed.

**22. LIBRARIES - ADDITIONAL OPENING HOURS**

In response to a request from the Arts, Culture and Heritage Committee for additional funding to extend the opening hours of the central library and four suburban libraries, the Annual Plan Subcommittee is recommending that additional funding of \$75,000 pa be provided from year 1 and a further \$80,000 pa from year 2. This will enable the Central Library to open from 10am to 4pm on Sundays and the Fendalton, Shirley, Papanui and Linwood Libraries to open from 10am to 4pm on Saturdays.

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In addition, on the recommendation of the Library and Information Manager the following additional revenue, as detailed in the attached schedule, has been included in the LTCCP:

2004/05	\$75,000
2005/06	\$25,000

- Recommendation:**
1. That the above funding be confirmed.
  2. That the Library and Information Manager report to the Arts, Culture and Heritage Committee on further opportunities for charging for library services other than book lending.

**23. 'CHARACTER' HOUSING MAINTENANCE GRANTS**

At the request of the Arts, Culture and Heritage Committee, Neil Carrie, Urban Design and Heritage Planner, reported to the Annual Plan Subcommittee seeking funding of \$75,000 for a grants scheme to assist in the retention of 'character' houses in Christchurch.

The Arts, Culture and Heritage Committee expressed concern at the continuing loss of 'character' houses which have contributed significantly to the quality and identity of Christchurch suburbs. The replacement of many of these houses by new, higher density units with the consequential loss of amenity, loss of open space, a reduction in the numbers of trees and the loss of the expressive architectural style of the older houses is seen as a concern to the city as a whole as well as to individual suburbs. The cost of maintaining the larger, predominantly timber homes is potentially a deterrent to their continued existence. The Arts, Culture and Heritage Committee is therefore proposing that an appropriate policy be developed and a grants scheme be introduced to provide funding assistance for external maintenance of such houses.

The Committee considered the individual level of funding should be less than would be applicable to a listed heritage property, reflecting the lesser heritage significance of 'character' houses. The grants should be for maintenance of the exterior of the houses, and in particular those aspects of a house contributing to the amenity qualities of the residential streetscape. Grant applications could be restricted to a maximum of \$5,000 or 10% of the external maintenance costs. Applications for grants could be made on an annual basis, and assessed on merit against specified criteria. If initially 15 houses were given grants per annum based on \$5,000 per grant then the initial fund would require to be \$75,000.

This initiative was supported by the Annual Plan Subcommittee subject to the scheme commencing in year 2.

- Recommendation:**
1. That a policy be prepared for the assessment and application of grants for external maintenance to non-listed 'character' houses in residential Christchurch.
  2. That individual grants be provided at 10% of the actual maintenance cost or a maximum of \$5,000.
  3. That where a grant is provided and the property is regarded as being worthy of a heritage listing, that the agreement of the owner to listing be given as a condition of the grant.
  4. That where a grant is provided the owner to enter into an agreement not to demolish for a period of at least five years, the agreement to continue with the property title.
  5. That provision of \$75,000 per annum for five years be made for the purpose of implementing the 'character' house maintenance policy, starting in 2005/06.
  6. That the policy and grant conditions be reassessed after a period of five years from the date of the adoption of the policy.

## 24. BOTANIC GARDENS

The Parks, Gardens and Waterways Committee sought the allocation of funding for the development of a staff and visitor facility and the replacement of greenhouses in the Botanic Gardens. The funding request was supported by the Annual Plan Subcommittee and staff were requested to bring a report to the Council on the proposal.

The Greenspace Manager reports:

### Introduction

Over the past two years, there have been a number of submissions through the Annual Plan process, suggesting that the Botanic Gardens are in need of a review. The Greenspace Unit has been responding to these concerns by budgeting money for preliminary investigatory work, currently in progress.

With 1.2 million visitors a year, the Botanic Gardens are one of Christchurch's greatest attractions, yet no significant capital expenditure has ever been allocated to the Gardens to meet the needs and expectations of these customers, many of whom are from overseas.

### Progress

It has been revealed, through a report from City Solutions, that the buildings in the Botanic Gardens are inadequate for their purpose and need extensive renovation or replacement. It has been known for some time that conditions for staff working there have been poor. When Dr David Given was appointed as Curator in July 2003, he further raised concerns by pointing out that important plant collections and the herbarium were housed in such conditions as to surely lead to their loss or deterioration. This has added to a sense of urgency.

### Site Analysis

City Solutions were given a brief to carry out a site analysis and issues analysis on the Gardens and a professional survey is being carried out by Opinions, to discover who the customers of the Gardens are and what they see as the strengths and weaknesses of this important city asset.

It is far too early to know what the outcome will be in detail, but it is clear that the whole customer interface at the Gardens needs significant improvement, that staff facilities are inadequate and that some of the plant collections at the Gardens are in jeopardy.

The survey work so far carried out has revealed that the following need to be addressed:

- There is no clearly defined entrance into the Gardens
- Many visitors never find the Information Centre
- The toilets are below the expected standard
- The café facilities are not adequate
- Opportunities to sell merchandise and organise tours are not being realised
- Space within the loop of the river is used up by buildings and driveways when it could be used for expanding the plant collections
- There is no clear linkage with the Museum and the Arts Centre
- With no replacement programme, the tree framework of the Gardens will disappear
- Staff facilities are below standard
- Housing and protection of important plants are inadequate

Capital expenditure is needed for housing plant collections, setting up a plant database, and for building a new centre to include, for example, the information centre, herbarium, library, café, seminar rooms and toilet facilities

As the exploratory work advances, a number of options for addressing these problems will be explored. One that will be considered is locating a purpose built facility outside the loop of the river, in Hagley Park, accessed from the Armagh Street Bridge entrance. This would be an advantage for both users of Hagley Park and the Gardens.

The car park could be redesigned and supervised, to ensure that visitors can park there to use the new facility and explore the Gardens. This possible siting will be announced in the Hagley Park Management Plan. The Plan is currently being reviewed.

### **Funding**

A further \$70,000 was put into the year 1 budget, bringing it to \$150,000, followed by \$200,000 in year 2 so this preliminary work could continue and so engagement with the public could begin. This sum has been increased, owing to the complexity of the issues being faced.

The capital sum of \$10,000,000 is sufficient to allow a number of building options to be considered, once we have engaged with the public and customers of the Gardens and can firm up on the architect's design brief.

These projects have been tentatively included in the budget for 2006/07 (\$5 million) and 2007/08 (\$5 million) in order to indicate their impact on the Council's finances. Before any final decisions are made, however, there will be a thorough analysis of various options and a number of opportunities for key stakeholders and the public to make comments.

The results of this work and a recommended course of action will be published in the draft LTCCP for the year beginning 1 July 2006. No firm decisions on the building programme will be made until submissions on that draft plan have been heard and considered.

July 2013 is the 150th anniversary of the Botanic Gardens and is an exciting opportunity to focus the world's attention on the Gardens, an opportunity that could be marketed internationally (Dunedin Botanic Gardens shares this year for their 150th anniversary). Starting construction in year 3 will prepare the Gardens in good time for the full attention of the country, and possibly the world, in 2013.

Information on this project has also been included in Volume 3 of the LTCCP.

- Recommendation:**
1. That the following capital provision be made for a staff and visitor facility and green house replacement:

Year 1	\$150,000	(Note: only \$70,000 is additional funding)
Year 2	\$200,000	
Year 3	\$5,000,000	
Year 4	\$5,000,000	
  2. That operation funding of \$100,000 be provided in 2005/06 for labelling of plants.
  3. That capital funding of \$50,000 be provided in year 1 and operation funding of \$50,000 pa be provided for three years for a database of existing plant collection.
  4. That capital funding of \$100,000 be provided in years 1 and 2 for the replacement of trees.
  5. That the Hagley Park Management Plan be reviewed in conjunction with this project.

## **25. LYTTTELTON BOATING FACILITIES**

The Lyttelton Boating Facilities Subcommittee sought the allocation of an additional \$1 million towards the cost of developing public boating facilities at Lyttelton.

The Council currently has \$3m capital funds carried forward from previous budgets for this project.



The preferred option of the Subcommittee is to develop the public facilities in conjunction with a marina developer, although to date the enquiries from developers have not materialised into an acceptable scheme.

A second option being explored is for the two Councils to develop the public facilities. The cost for construction would be borne by the City Council with the land being provided by the District Council. The facilities would be in permanent public ownership. The costs for the public use components of this option range between \$3.6m and \$5.6m depending on the extent of the car park and the relocation requirements of the sea scouts, Coast Guard and yacht club facilities already on the site. Within this option are alternative boat ramp options, and hence location of the facilities, leading to greater or lesser club costs. Investigations and consultations are proceeding. In addition, under this option, it is likely that the clubs will want to relocate and rebuild their facilities, and may seek partial funding from the Council for this.

The Subcommittee believes it would be prudent to have a further \$1m capital funds available to optimise the design for this option. The funds would only be available for a joint Council project, not as a funding contribution or part of a private development.

The facilities contemplated include:

- Public ramp suitable for trailer boats under motor
- The ramp within a breakwater protected area
- Floating pontoons beside the ramp to provide foot access to boats
- Vehicle queuing for the ramp to enhance driver behaviour
- Toilets
- Boat wash down facilities
- Parking for vehicles and trailers
- Dinghy launch ramp into the harbour (outside of the marina basin)
- Windsurfer beach into the harbour
- Car parks for windsurfers
- Public car parking
- Improved site access
- Landscape treatment of the site

The recommendation that an additional \$1 million be provided for this project when put to the meeting was declared **lost** by 7 votes to 3, the voting being as follows:

**Against (7):** Councillors Anderton, Condon, Corbett, Crighton, Ganda, Harrow and the Chair.

**For (3):** Councillors O'Rourke, Stewart and Wright.

**Recommendation:** That the above funding request be declined.

## 26. CATHEDRAL FUNDING

Consideration was given to a comprehensive report from the Director, Strategic Investment on a submission from the Cathedral Chapter for funding assistance towards the operation of Christchurch Cathedral.

In its submission the Cathedral Chapter made it clear that it wished to continue its public and civic service role but considered its position no different than other Council funded organisations such as Christchurch and Canterbury Marketing, the Arts Centre, Canterbury Museum, Christchurch Art Gallery and Ferrymead Historic Park (which all have Council funding) in that it provides a core service to the community with a subsidiary commercial activity. It was contended that the Cathedral provides:

- Direct community benefit
- Community activities
- Beneficial social impact
- Positive economic, environmental and cultural benefits to the city

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An ongoing operational grant of the order of \$440,000 was sought to cover the following:

- The cost of employing three additional staff members.
- The financial burden of the public and civic role the Cathedral provides.
- \$100,000 as remuneration for the use of Council land.

In addition one-off grants of \$146,000 for acoustic guide equipment and \$25,000 for a building conservation plan and a building maintenance report were also sought.

The report noted that currently approximately 700,000 people visit the Cathedral annually which compares to:

- The Art Gallery 400,000
- Museum 550,000
- Antarctic Centre 200,000

The Cathedral clearly incurs considerable costs which are additional to its ecclesiastical role and believes that the direct cost involved in remaining open to the public (excluding for worship) is approximately \$188,543 annually. This covers the additional cost of staff, heating, power, cleaning, telephone, administration and care-taking costs. In addition it is seeking assistance with additional funding for new staff positions which it believes that it needs to carry out the public function to an adequate standard.

The Cathedral has 350 volunteers who provide an estimated 33,000 hours of voluntary labour per year. There are significant direct costs in organising this large workforce to help produce the overall visitor service which the public and tourists expect.

Clearly, the Cathedral is a an important city icon and plays an important role in the promotion and tourism of the city. This costs the Cathedral a considerable amount and a strong case can be made for some assistance from the Council. However, some of the revenue earned from existing tourism activities could legitimately be offset against these costs.

Furthermore, any funding provided by the Council will enable better progress to be made on major maintenance work which is often curtailed to ensure the finances of the Cathedral remain stable.

A possible rationale for an operating grant could be:

New Positions	\$150,000	
Existing costs	\$188,543	
Less replaced by new position	-\$20,000	
Less part of existing tourism revenue	-\$80,000	
	\$238,543	say \$240,000

The request for payment for the use of Cathedral land was not supported by the Annual Plan Subcommittee, on the advice of staff, because of the precedent it would set.

It was considered that acoustic guide equipment should be able to be justified on the basis of additional revenue earning capacity and was not recommended by staff.

As the funding for the preparation of a Conservation Plan could be sourced from other agencies the Annual Plan Subcommittee is recommending that this request be declined.

Because of the level of funding sought, the Annual Plan Subcommittee considered it would not be appropriate to refer the request to the Metropolitan Funding Subcommittee to be considered within the current grants envelope. Additional funding must be provided if the Council wishes to support the request.

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- Recommendation:**
1. That the Council provide annual support from the Community Grants Budget of \$240,000 towards the costs associated with the Cathedral's availability as a visitor attraction and icon of the city.
  2. That this funding be added to the Community Grants Budget.
  3. That the Council not enter into any property-related transaction pertaining to the utilisation of the land surrounding the Cathedral.
  4. That the requests for funding for the purchase of acoustic guide equipment and the preparation of a conservation plan be declined.
  5. That staff hold discussions with the Cathedral Chapter on the possibility of reviewing current charges.

**27. PROMOTION OF CHRISTCHURCH AS A DESTINATION FOR TERTIARY STUDY**

Consideration was given to a request from the Canterbury Tertiary Alliance (CTA), (Christchurch College of Education, Christchurch Polytechnic Institute of Technology, Lincoln University, University of Canterbury, UOC) for the Council to work in partnership to promote Christchurch as a preferred city to undertake tertiary education. The CTA believe there is considerable potential to attract students from other parts of New Zealand.

The cost is estimated at \$650,000 and the Council has been requested to provide 50% of the funding.

In view of the pressures on this year's budget the Annual Plan Subcommittee was unable to support this request.

**Recommendation:** That the request be declined.

**28. CENTRAL CITY MARKETING**

Central City staff submitted a comprehensive report to the Annual Plan Subcommittee in response to the following resolution passed by the Council at its 19 December 2003 meeting concerning the urgent need for Council assistance in promoting the central city:

- “1. *That staff urgently investigate and report as soon as possible in 2004 on the matters discussed at the seminar referred to in the report, including:*
  - (a) *Management of Council parking buildings using a Council controlled organisation or other structure for the purpose of generating a more commercial approach for these facilities, and especially the capacity to raise additional funds from them.*
  - (b) *The investment of such additional funds for central city business promotion purposes.*
  - (c) *The application of such funds in ways involving central city business organisations.*
  - (d) *The nature of the involvement of central city business organisations.*
2. *That staff, and/or any consultant employed, work with Mr Steve Collins and with the Chairs of the Strategy and Finance and Sustainable Transport and Utilities Committees in developing a report and recommendations to the relevant Committees for recommendation to the Council.*
3. *That the staff report include full details of current and projected future Council expenditure in the central city.”*

The staff report was also presented to Councillors at the Council seminar held on Friday 12 March 2004.

The report advocated:

- The allocation of ongoing funding for developing and implementing a comprehensive central city promotion strategy.

- Council co-operation with the business community in the setting up and partnership in a Central City Retail and Business Association to undertake the long term marketing and improvement strategy.

Various options were explored for funding this initiative and the report proposed a rates neutral solution ie increasing off street parking charges as outlined in recommendation 2 below.

- Recommendation:**
1. That staff continue working with the Central City Mayoral Forum Retail Association Working Party, Canterbury Employers' Chamber of Commerce and central city retailers and business people to assist in the setting up of a Central City Retail/Business Association to manage the promotion of the central city.
  2. That the Council agree to provide \$850,000 per annum to fund the central city retail and business promotion by raising off street parking charges as follows:  
  
Reserved parking - increase by 15%  
Casual parking - increase from \$1.40 to \$1.80 per hour  
Earlybird - increase to \$8 per day
  3. That the early bird concession apply only up to 9.30am (currently 10.30am) and that the concession be removed from those car parks where there is very high demand for casual parking.
  4. That the Sustainable Transport and Utilities Committee be requested to review parking building operating hours in conjunction with central city business representatives.

#### 29. TOURISM - TARGETED RATE

In the course of a discussion on revenue generating opportunities, the Annual Plan Subcommittee decided to request staff to investigate the Council's powers to introduce a tourism targeted rate.

#### 30. URBAN RENEWAL

It will be noted from the attached schedule that the Annual Plan Subcommittee is recommending that additional provision of \$200,000 be made for planning for urban renewal.

The funding will enable existing Neighbourhood Improvement Plans to be updated, plans to be prepared for areas which do not currently have them and for plans to be kept topical and relevant.

**Recommendation:** That the above funding provision be confirmed.

#### 31. GREENSPACE UNIT

The Annual Plan Subcommittee, in reviewing the Greenspace Unit's budget, requested staff to take the following actions:

1. To endeavour to keep maintenance contracts with the CPI overall.
2. To report to the appropriate Committee on the City Plan provisions relating to reserve contributions, particularly with regard to the ability of developers to choose whether to make a cash or land contribution.
3. To report to the Parks, Gardens and Waterways Committee for further consideration by the Annual Plan Subcommittee in June on the possible acquisition of land for the development of a savannah grasslands reserve.
4. To report to the Parks, Gardens and Waterways Committee on the survival rates of new plantings and the need for irrigation for such planting.

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**32. FUNDING IMPACT STATEMENT**

It is proposed to fund Council services for the 2004/05 year in the following proportions (last year's figures are included for comparison purposes):

	<b>2004/05</b>	<b>2003/04</b>
Interest and Dividends	22.51%	14.24%
Fees and charges	24.07%	26.20%
Financial contributions	1.57%	1.68%
Grants and subsidies	5.76%	6.03%
Capital value rating	42.05%	47.24%
Uniform Annual General (and Refuse) charge	4.04%	4.61%

Rates will be shared amongst the rate sectors as follows (last year's figures are included for comparison purposes):

	<b>2004/05</b>	<b>2003/04</b>
Residential	72.38%	72.24%
Business	24.95%	24.95%
Rural	1.42%	1.57%
Non rateable (institutions)	1.25%	1.24%

The overall rate increase is proposed at 3.25% with a sector change of:

Residential & base	3.30%
Business	3.41%
Rural	-4.41%
Non rateable (institutions)	6.44%

The rate increase percentage has been assessed after taking account of the growth in the rating base.

Rates for the average residential property (a capital value of \$164,170) increase from \$954 to \$985.

The decline in rural rates is due to the reduced total capital value of this sector, largely due to land development and therefore a shift in the rating sector from rural to residential. The increase in rates for non rateable properties has occurred because the water rate decimal has increased. The sewerage rate requirement has increased. However, this is offset by an increase in capital values paying that rate, resulting in a slight decrease in the sewerage rate decimal.

The UAGC has decreased from \$105 to \$80. However, the Council has introduced a \$26 uniform charge for refuse collection. Effectively for a rating unit, the uniform charges increase by \$1 from \$105 to \$106.

The Refuse Targeted Rate will (generally) be assessed on all rating units which pay the UAGC except for central city business ratepayers and vacant land. Those ratepayers who are not charged this rate will not receive a voucher for 26 black bags.

**Recommendation:** That the proposed rates be notified in the draft LTCCP as the intended rates for 2004/05.

**33. STATEMENT OF PROPOSAL AND SUMMARY OF INFORMATION**

This is a proposal to adopt a Long Term Council Community Plan under section 93 of the Local Government Act 2002. Section 93(2) provides that the Council must use the special consultative procedure in adopting a long term council community plan.

The special consultative procedure is set out in section 83 of the Act. Section 83(1)(a) provides that where a territorial authority is required to use the special consultative procedure it must prepare:

- (i) A statement of proposal; and
- (ii) A summary of information contained in the statement of proposal (that summary must comply with section 89).

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Section 84 provides that in the case of a long term council community plan the statement of proposal must include a draft of the LTCCP.

The draft Long Term Council Community Plan for the period beginning 1 July 2004 is styled as "Our Community Plan – Christchurch/Otautahi".

The summary of information, which has been separately circulated to Councillors, summarises the key information within the LTCCP. It is recommended that the summary be distributed by way of publication in the April edition of "City Scene" and on the Council's website.

**34. 2004/05 RATE INCREASE**

The draft LTCCP being recommended for approval provides for an overall rates increase of 3.25% which compares favourably with the 3.60% increase forecast in the current year's Annual Plan.

The draft LTCCP before the present meeting not only contains the rate increase but also provides for significant increases in service levels for transport and solid waste activities. The plan also funds a range of new initiatives which will further enhance the quality of life in Christchurch.

The Subcommittee would like to record its appreciation to elected members and staff for their efforts which have collectively produced this very pleasing result.

- Recommendation:**
1. That the Council adopt the adjustments listed in Appendix 1 and the recommendations contained in the foregoing report.
  2. That the Council approve an overall rate increase of 3.25% in 2004/05.
  3. That the Council adopt:
    - (a) The Statement of Proposal being the draft Long Term Council Community Plan; and
    - (b) The Summary of Information.
  4. That the Statement of Proposal be made available for public inspection at the Civic Offices, Council service centres, Council libraries and on the Council's website.
  5. That public notice of the Statement of Proposal and the consultation being undertaken be given in the "Christchurch Star" newspaper on Friday 2 April 2004, "The Press" newspaper on Saturday 3 April 2004 and on the Council's website on or before Monday 5 April 2004.
  6. That the Summary of Information be distributed by way of publication in the April edition of "City Scene" and on the Council's website.
  7. That the period within which written submissions on the Statement of Proposal may be made to the Council be between Monday 5 April and Thursday 6 May 2004.
  8. That the General Manager Corporate Services be authorised to make any amendments and editing changes to the Statement of Proposal and the Summary of Information for correction purposes.
  9. That the draft Corporate Plan, as amended, which provides the detail of the underlying budgets of Business Unit plans, be made available for public inspection at the Civic Offices and Service Centres in the week ending 8 April 2004.

**CONSIDERED THIS 18TH DAY OF MARCH 2004**

**MAYOR**