



# **CHRISTCHURCH CITY COUNCIL AGENDA**

**THURSDAY 15 DECEMBER 2005**

**AT 9.30AM**

**IN THE COUNCIL CHAMBER, CIVIC OFFICES**

**Council:** The Mayor, Garry Moore (Chairperson).  
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox,  
Anna Crighton, Carole Evans, Pat Harrow, Bob Shearing, Gail Sheriff, Sue Wells and Norm Withers.

<b>ITEM NO</b>	<b>DESCRIPTION</b>
1.	<b>APOLOGIES</b>
2.	<b>CONFIRMATION OF MINUTES</b>
3.	<b>DEPUTATIONS BY APPOINTMENT</b>
4.	<b>PRESENTATION OF PETITIONS</b>
5.	<b>CORRESPONDENCE</b>
6.	<b>REVISED 2005/06 CAPITAL PROGRAMME</b>
7.	<b>ENDORSEMENT – GROUP OF ACTIVITY FORMAT FOR LTCCP</b>
8.	<b>OUR COMMUNITY TODAY AND ECONOMIC ASSUMPTIONS</b>
9.	<b>TREASURY MANAGEMENT REPORT FOR YEAR ENDED 30 JUNE 2005</b>
10.	<b>EARTHQUAKE-PRONE BUILDINGS POLICY, DANGEROUS BUILDINGS AND INSANITARY BUILDINGS POLICIES</b>
11.	<b>CHRISTCHURCH CITY BROTHELS (LOCATION AND SIGNAGE) BYLAW 2004</b>
12.	<b>FURTHER SUBMISSIONS ON THE PROPOSED NATURAL RESOURCES REGIONAL PLAN (PNRRP)</b>
13.	<b>CHRISTCHURCH TRANSPORT MODEL UPDATE: MULTI-PARTY FUNDING AGREEMENT AND DELEGATED APPROVAL OF TENDER</b>
14.	<b>STATE HIGHWAY 1 MAIN SOUTH ROAD FROM PARKER/SEYMOUR STREET INTERSECTION TO MARSHS/BARTER ROAD INTERSECTION – PROPOSED SPEED ZONE OF 70 KM/H</b>
15.	<b>TENDER FOR PUMP STATION 11 TIE-IN WORKS</b>

<b>ITEM NO</b>	<b>DESCRIPTION</b>
16.	ADOPTION OF CHRISTCHURCH CITY COUNCIL RURAL FIRE AUTHORITY FIRE PLAN FOR CHANEYS RURAL FIRE DISTRICT
17.	ADOPTION OF CHRISTCHURCH CITY COUNCIL RURAL FIRE AUTHORITY FIRE PLAN FOR BOTTLE LAKE RURAL FIRE DISTRICT
18.	REPORT OF THE CHRISTCHURCH CITY COUNCIL/BANKS PENINSULA DISTRICT COUNCIL TRANSITIONAL JOINT COMMITTEE
19.	REPORT OF THE CANTERBURY WASTE SUBCOMMITTEE - MEETING OF 14 NOVEMBER 2005
20.	REPORT BY THE CHAIRPERSON OF THE BURWOOD/PEGASUS COMMUNITY BOARD
21.	REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD - MEETING OF 1 NOVEMBER 2005
22.	REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD - MEETING OF 14 NOVEMBER 2005
23.	REPORT BY THE CHAIRPERSON OF THE RICCARTON/WIGRAM COMMUNITY BOARD
24.	REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD - MEETING OF 16 NOVEMBER 2005
25.	REPORT BY THE CHAIRPERSON OF THE SHIRLEY/PAPANUI COMMUNITY BOARD
26.	NOTICES OF MOTION
27.	QUESTIONS
28.	RESOLUTION TO EXCLUDE THE PUBLIC

**1. APOLOGIES**

**2. CONFIRMATION OF MINUTES**

(a) **COUNCIL MEETING OF 8.12.2005**

Attached.

(b) **COUNCIL MEETING OF 24.11.2005 (PUBLIC EXCLUDED SECTION)**

Attached.

**3. DEPUTATIONS BY APPOINTMENT**

**4. PRESENTATION OF PETITIONS**

**5. CORRESPONDENCE**

## 6. REVISED 2005/06 CAPITAL PROGRAMME

<b>General Managers responsible:</b>	General Manager Corporate Services; General Manager City Environment
<b>Author:</b>	Roy Baker, DDI 941-8540

### PURPOSE OF REPORT

1. The purpose of this report is to advise the Council of the level of capital expenditure which staff believe is deliverable for the 2005/06 year.

### EXECUTIVE SUMMARY

2. The Annual Plan for 2005/06 adopted by Council had a capital expenditure programme of \$165m.
3. As the Council is aware, following extensive discussions over various seminars in recent months, we have traditionally struggled to deliver the level of capital expenditure year upon year. The result has been significant carry-overs (some \$30-\$40m pa). One of the major reasons for this trend has been a capacity constraint within the Council, principally through City Solutions, and complex planning and consultation processes in relation to Transport and City Streets' activities.
4. The Council was advised at its meeting on 27 October 2005 that we were looking to increase our delivery capacity through City Solutions (including use of external consultants) to \$80m pa. We also informed the Council that we would be reviewing the current capital programme and would advise what we would actually be able to deliver and, therefore, what would need to be reprogrammed into 2006/07 – and the consequential realignment of the 2006/16 capital programme.
5. A Capital Control Group has been established (comprising the CEO, General Manager City Environment and General Manager Corporate Services) to monitor our progress on a monthly basis. Appendix 1 (attached) shows part of the report which the control group considers. This report targets the top 85 odd projects and represents 70 percent of the spend.
6. We have assessed the status of the capital programme and determined the following:

	<b>Green</b>	<b>Orange</b>	<b>Red</b>	<b>Yellow</b>	<b>Total</b>
Transport and City Streets	28,914	15,000	3,700		47,614
Greenspace	11,507	5,432	1,600		18,539
City Water and Waste	39,264	3,000	4,200		46,464
Community Services	13,909		8,855		22,764
Corporate Services	16,189	3,000	3,000	10,500	32,689
Planning and Strategy	1,202				1,202
<b>Total</b>	<b>110,985</b>	<b>26,432</b>	<b>21,355</b>	<b>10,500</b>	<b>169,272</b>

<b>Key:</b>	Green:	Confident of delivery.
	Orange:	Degree of risk that this can be delivered
	Red:	Reprogrammed to 2006/07
	Yellow:	Not required

7. This sees us highly confident that we will deliver approximately \$111m, which is a considerable improvement on previous years.
8. Of the "at risk" \$26m, \$15m relates to Transport and City Streets' work that is due to be out to the market for tender by the end of February. We are uncertain about the ability of the market to absorb this amount of work: \$5.5m relates to land purchases for which timing of actual acquisition is difficult to predict. Please note that \$3.5m of the \$5.5m relates to Aidenfield/Waterways and Wetlands protection. It is unclear whether the gas pipeline project (\$3m) will commence this year. Within Corporate Services there is \$2.5m related to IT projects which are being developed.

## 6 Cont'd

9. We have also identified \$10.5m of projects which we believe can be removed from the list - \$2m for light vehicle purchases and \$8.5m for the Civic Building (on the assumption that the Civic Building will ultimately end up as a CCHL project, and we would only need to budget for fit-out costs).
10. Moving forward, by the end of January we will have more certainty of the orange (at risk) projects. That will be the point whereby we determine whether we will be able to deliver on these projects or if they will be reprogrammed. A decision will need to be made at this time to enable us to finalise the LTCCP capex programme for the Council's consideration in the week of 13-17 February 2006.
11. Attached also (Appendix 2) for Council's information are graphs showing the capex progress for the major infrastructure units.

### STAFF RECOMMENDATIONS

It is recommended that the Council:

- (i) Receive the report.
- (ii) Note that staff are confident of delivering \$111m of the budgeted \$165m capital programme.
- (iii) Note that the capital programme is a "fluid beast" and an amount in the order of \$21-\$48m will be reprogrammed into the 2006/16 LTCCP.

## 7. ENDORSEMENT – GROUP OF ACTIVITY FORMAT FOR LTCCP

<b>General Manager responsible:</b>	General Manager Corporate Services
<b>Officer responsible:</b>	Corporate Performance Manager
<b>Author:</b>	Peter Ryan, DDI 941-8137

### PURPOSE OF REPORT

1. The purpose of this report is to endorse the Group of Activity structure for the 2006-2016 LTCCP.

### EXECUTIVE SUMMARY

2. Councillors, CCC and Banks Peninsula staff have been working towards the upcoming LTCCP using an activity structure which was presented to the Council at a seminar in October. This structure has not yet received formal Council endorsement.

### FINANCIAL AND LEGAL CONSIDERATIONS

3. An endorsed structure is required to allow a detailed budget to be prepared and for other LTCCP processes to occur, including preparation for publication. These are driven by national legislation.

### STAFF RECOMMENDATIONS

It is recommended that the Council adopt the proposed Group of Activity structure set out in the attachment to this report for the 2006-2016 LTCCP.

### BACKGROUND ON ENDORSEMENT – GROUP OF ACTIVITY FORMAT FOR LTCCP

4. The structure used for the draft 2006-2016 LTCCP was arrived at by Council management and finance officers during 2005 and is based on the guidelines associated with the Local Government Act.
5. There have been a number of changes from the former 2004-2014 LTCCP structure. These were designed to better meet the requirements of the Act and to simplify the structure of a complex public document. All changes are set out in the attached table.

### OPTIONS

6. Endorse the proposed structure, or request modification.

### PREFERRED OPTION

7. Endorse.

## 8. OUR COMMUNITY TODAY AND ECONOMIC ASSUMPTIONS

<b>General Managers responsible:</b>	General Manager Corporate Services/General Manager Strategic Development
<b>Officer responsible:</b>	Strategy Support Manager
<b>Author:</b>	Jane Cartwright, DDI 941-8222

### PURPOSE OF REPORT

1. The purpose of this report is to present for adoption by the Council the section for the Long Term Council Community Plan 2006 Our Community Today which includes economic assumptions and is for the Christchurch City and Banks Peninsula District.

### EXECUTIVE SUMMARY

2. In preparation for the compiling of the draft Long Term Council Community Plan 2006-2016 the attached document 'Our Community Today' which includes the economic assumptions is presented for adoption.

### FINANCIAL AND LEGAL CONSIDERATIONS

3. This is a requirement of the Long Term Council Community Plan document.

### STAFF RECOMMENDATIONS

It is recommended that the Council adopt the document as presented.

### BACKGROUND ON OUR COMMUNITY TODAY AND ECONOMIC ASSUMPTIONS

4. Our Community Today (attached) incorporates economic assumptions used in pulling the draft document together. A similar section was included in the first Long Term Council Community Plan 2005-06.
5. We will update a number of figures in this section where more up to date data is available in March 2006 prior to the Long Term Council Community Plan going out for consultation; for example some of the economic assumptions can be changed to reflect those released for the December 2005 quarter.

## 9. TREASURY MANAGEMENT REPORT FOR YEAR ENDED 30 JUNE 2005

<b>General Manager responsible:</b>	Director Strategic Investment
<b>Officer responsible:</b>	Funds Accountant
<b>Author:</b>	Paul Baldwin, DDI 941-8853

### PURPOSE OF REPORT

1. The purpose of this report is to report on the management of Council borrowing and investments during the 2004-2005 financial year and advise the respective financial positions of Council loan debt and funds investments as at 30 June 2005.

### EXECUTIVE SUMMARY

2. The Local Government Act 2002 requires publication of a Liability Management Policy and an Investment Policy. These are included as part of the Long Term Council Community Plan (LTCCP) adopted in July 2004.
3. The Council's policies require periodic reporting to the Council.
4. To provide a regular and ongoing review, a Treasury Review Team chaired by the Director Strategic Investment overviews this function. Bancorp Treasury Services Ltd provides independent treasury advice.
5. The attached schedules summarise the results of management of the Council's loan debt and investment of general and special funds including the capital endowment fund. In general terms the operation results for the year were satisfactory with investment income being \$6.55M more than budget. The capital endowment fund, with a budgeted return of 5.5% for the year, achieved 6.82%. The average return on Council cash investments was 6.65% for the year.
6. Interest expense was \$0.57M under budget due to new borrowings for the jet engine facility at Christchurch airport being delayed in line with actual construction timings. Borrowing of \$11.42M was required for loan advances to Jet Engine Facility Ltd and for Council equity investment in Christchurch City Facilities Ltd, principally for funding the jet engine facility. All borrowings were from Christchurch City Holdings Ltd. No borrowing was required during the year for the Council's capital works programme, funding for which was fully met as planned from available reserves. Loans of \$0.55M were repaid.
7. When originally established it was envisaged that part of the Capital Endowment Fund could be invested in equities subject to Council approval and this has been under review by the Treasury Review Team. The Team has now concluded that in view of the volatility of returns and the high level of fees payable to external fund managers that a more certain level of return will be achieved by continuing with fixed interest investments managed in house.
8. The Council has recently appointed an Audit and Risk Management Subcommittee to oversee financial responsibilities. The present Subcommittee is to be augmented by two external appointees from chartered accountancy firms to assist with carrying out its functions. An annual report and reports throughout the year on management of treasury operations and results would sit well within the responsibilities of the Audit and Risk Management Subcommittee. The Council's two policies for treasury management are currently under review as part of the LTCCP process and could be amended to provide for the Audit and Risk Management Subcommittee to consider these reports in future.

### STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receive the Treasury Management Report for the year ended 30 June 2005.
- (b) Approve changes being made to the investment policy and liability management policy as part of the LTCCP process amending the reporting requirements to require the Audit and Risk Management Subcommittee to submit an annual report and regular progress reports to the Council on the management of treasury operations and results.



## 10. EARTHQUAKE-PRONE BUILDINGS POLICY, DANGEROUS BUILDINGS AND INSANITARY BUILDINGS POLICIES

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services
<b>Officer responsible:</b>	Acting Environmental Services Unit Manager
<b>Authors:</b>	John Buchan DDI 941- 8687, Miriam Stacy DDI 941- 8369, Terence Moody, DDI 941-8834, Judith Cheyne DDI 941-8649

### PURPOSE OF REPORT

1. The Building Act 2004 requires territorial authorities to adopt a policy on dangerous, earthquake-prone and insanitary buildings by 31 May 2006, using the special consultative procedure in the Local Government Act 2002.
2. This report considers various options and recommends a preferred option for the draft policy that will be used in the special consultative procedure set out in the Local Government Act 2002 for meeting the policy requirements set out in the Building Act 2004.
3. This policy needs to be publicly notified before Christmas to allow sufficient time for the special consultative procedure to be completed by 31 May 2006.

### EXECUTIVE SUMMARY

4. The Building Act 2004 (the Building Act) requires territorial authorities (TAs) to adopt a policy on dangerous, earthquake-prone, and insanitary buildings by 31 May 2006. The policy must include:
  - (a) The approach that the TA will take in performing its functions under the Building Act;
  - (b) The TA's priorities in performing those functions; and
  - (c) How the policy will apply to heritage buildings.

This policy must be adopted by a special consultative procedure. The policy must be reviewed every five years.

5. While the Building Act requires each TA to develop a policy on dangerous, earthquake-prone, and insanitary buildings, the legislation does not prescribe any particular policy form or approach. Rather, TAs and their communities must develop a policy approach that is appropriate to their district. The Council has considered this matter at seminars on 14 July and 5 October 2005 and a proposal for a draft policy was considered at the latter meeting.
6. Information has been obtained that indicates the Christchurch area generally lies in an intermediate seismicity zone at a distance from a zone of high activity but earthquake sources are present in the region and could cause significant damage in the area.
7. The preferred option set out in the draft policy is one which takes into account the need to obtain further information on the extent to which buildings in the area need to be earthquake strengthened to meet the standard now required under the Building Act, priorities for dealing with dangerous and insanitary buildings, and considerations of applying the policy to heritage buildings.
8. The priorities/timeframe proposed for the strengthening of identified earthquake-prone buildings is in accordance with the guidance provided by the Department of Building and Housing (DBH). Buildings will be categorised in accordance with AS/NZS 1170.2002 and there will be different timeframes for different categories of building. For example, it is proposed that buildings in the lowest risk/least important category will have 30 years to take action to strengthen or demolish the building, while buildings in the highest risk/most important category will have 15 years.
9. The adoption by the Council of the recommended policy does not of itself commit the Council to any financial expenditure on its own buildings or any other buildings (including heritage buildings) to meet the policy.
10. A similar policy is being recommended to BPDC for public notification, although submissions on the BPDC policy will be heard by CCC after reorganisation takes place in March next year.

## FINANCIAL AND LEGAL CONSIDERATIONS

### Financial

11. The direct cost of the desktop exercise of the preferred option to undertake the desktop study and initial evaluation over the next five years is estimated to be around \$140,000 per year which is currently unbudgeted. If the option to undertake proactive inspections of all buildings to assess whether they were dangerous or insanitary is adopted the additional cost per year is estimated to be \$990,000.
12. It is difficult to estimate the economic cost of the policy before the database of possible earthquake buildings is developed. This information will be available at the time of the first five yearly review period. In 2002 the Department of Internal Affairs commissioned a "Report on Cost Benefit of Improving the Performance of Buildings in Earthquakes" by David C Hopkins and George Stuart. For Christchurch this report estimated the NPV of the cost to the Christchurch community of strengthening to 33% of current code to be \$97.2 million and the cost, within that figure, of strengthening pre-1935 buildings was \$50.8 million. This can be compared with the annual value of building consents issued of \$869 million.

### Legal

13. The Building Act requires the Council to adopt a policy on dangerous, earthquake-prone, and insanitary buildings by 31 May 2006.
14. The Building Act's requirement that the Council have such a policy raises potential liability issues for the Council. These are:
  - the possibility of personal injury claims;
  - negligence and/or breach of statutory duty claims;
  - judicial review proceedings;
  - proceedings for injunctions or determinations.
15. On 21 September 2005, Local Government New Zealand obtained a legal opinion, (the opinion), from Simpson Grierson in relation to the liability issues for TAs in developing and adopting earthquake-prone buildings policies, and analysing the guidance provided by DBH on this policy. Judith Cheyne was the author of the opinion and is now on secondment to the Council's Legal Services Unit from Simpson Grierson.
16. Local Government New Zealand requested the opinion in relation to the liability issues for all TAs to assist them in developing and adopting their earthquake-prone buildings policies. The opinion has been prepared in such a manner that it is applicable for all TAs. The Council's Legal Services Unit has carefully considered this advice and recommends that the Council adopt the approach outlined in the advice, as it represents the lowest possible risk for the Council.
17. The guidance material from DBH notes that an active policy approach, involving a planned programme of initial evaluations, more detailed assessments and timetables and guidelines for upgrading, will provide territorial authorities "*with the best possible risk reduction programme*" in their communities. A passive approach "*has the significant disadvantage that it relies on a somewhat haphazard order of remediation based essentially on an owner's intention for a building ... (which) could leave some significant high-risk buildings untouched for a long period of time.*" The DBH guidance also recognises that a combined approach is possible.
18. Although the opinion relates to the earthquake-prone section of the policy, and examines the model policy and guidance from the DBH in relation to earthquake-prone buildings only, the principles and advice are also generally applicable to dangerous and insanitary buildings.
19. Simpson Grierson advise that provided the Council follows the decision-making and special consultative procedures set out in the Local Government Act 2002, and has regard to relevant matters, including the principles in section 4 of the Building Act in developing and adopting the policy, there is a low risk of liability to the Council.

## 10 Cont'd

20. The policy attached to this report has been drafted with regard to the principles in section 4, the matters required to be included in the policy under section 131 (approach, priorities and heritage buildings), and the procedure for adopting the policy is being carried out in accordance with the special consultative procedures set out in the Local Government Act 2002.
21. The opinion recommends that either an active, or a combined active and passive approach should be taken in a policy as the most appropriate and compliant with the Building Act, because of the implied obligations in the Building Act (principally from section 124) that the TA will take positive action in relation to earthquake-prone, dangerous and insanitary buildings.
22. There are three possible options outlined later in this report. Option 1 is the preferred option and is included in the draft policy. Both options 1 and 2 propose a combined active and passive approach, and, based on the advice in the opinion, they will attract the lowest possible risk. Option 1 takes a mainly active approach in relation to earth-quake prone buildings, and a more passive approach for dangerous and insanitary buildings, while option 2 takes a more active approach to all types of building (and the same approach as option 1 for heritage buildings, to apply a special recovery management plan). Option 3, which proposes a more passive approach for earthquake-prone buildings, also presents a relatively low risk of liability.
23. The opinion advises that the potential for liability is low (after considering the possible types of claims, and the matters to be considered in the decision making process), even if a Council adopts a passive approach in its policy.
24. The opinion suggests, however, that, in relation to earthquake-prone buildings, a purely passive policy (responding only when a complaint or a building consent application is made) may not be appropriate, in light of the implied obligations on a TA in the Building Act.
25. The opinion notes that possible options for a combined active and passive approach include a desktop review of building stock as an initial step in a more passive policy, or including longer timeframes for investigation and upgrading programmes than are provided for in DBH's model policy (which is an active policy). The opinion also notes that factors like a region's seismicity and the financial resources available to a Council, will impact on the appropriate approach and priorities/timeframes adopted by particular Councils. These are matters that are considered later in this report.
26. In relation to dangerous and insanitary buildings a passive approach is more likely to be an appropriate response. DBH guidance recently provided on dangerous and insanitary buildings policies acknowledges that individual TA circumstances and the local economic, social and other factors will have an impact, and it is unlikely that attempts to proactively identify dangerous and insanitary buildings across the whole of a territorial authorities building stock would be possible unless an authority has considerable resources available to undertake regular inspections and evaluations of these buildings. In comparison, the potential earthquake-prone building stock is more limited, which is why a more active approach is possible.
27. In relation to priorities/timeframes, the opinion agrees with the factors DBH note in their guidance material should be considered, such as the numbers of public buildings, types and ages of buildings, etc and these are matters considered later in this report. The opinion also notes that the timeframes ultimately included in the policy will depend on the community's view, as a result of the consultation.
28. With regard to the level of strengthening for buildings that the earthquake-prone section of the policy requires/refers to, the opinion suggests that Council policies do not require a blanket strengthening to 67% of the new building standard, as the New Zealand Society of Earthquake Engineers (NZSEE) recommend. This is because a Council cannot directly enforce its policy.
29. Enforcement powers in relation to dangerous, earthquake-prone and insanitary buildings is through section 124 of the Building Act and if the Council serves a notice requiring work to be done under section 124, it can only seek that work be done which will mean the building is no longer earthquake-prone.

## 10 Cont'd

30. The level at which buildings are identified as earthquake-prone is where an earthquake would generate shaking of the building one-third (or 33%) as strong as the earthquake shaking for a new building at that site. The opinion suggests that Councils keep policy statements on the level of strengthening required reasonably general, concentrating on the detail as to how it will go about deciding what level of strengthening is required in individual circumstances. Heritage buildings are one area where a different level of strengthening to that for an ordinary building may be appropriate. The draft policy only includes general statements regarding the level of strengthening that will be required.
31. Considering the discussion in the paragraphs above the Legal Services Unit advice is that Council adopt a combined active and passive approach to the policy and that it support the preferred option recommended in this report.
32. In relation to heritage buildings, the Council adopted the *City of Christchurch Heritage Conservation Policy* in 1999 and the *Heritage Values + Vision + Mission Statement* in April 2004.
33. In making decisions about heritage buildings, the Council must also be cognisant of s6(f) in the Resource Management Act 2003, which elevates heritage to a matter of national importance.

### STAFF RECOMMENDATIONS

It is recommended:

- (a) That the Council adopt the Draft Earthquake-prone, Dangerous, and Insanitary Buildings Policy (the Draft Policy) and the summary of information attached to this report.
- (b) That the Draft Policy be made available for public inspection at all Council Service Centres, Council libraries and on the Council's website.
- (c) That public notice of the proposal be given in 'The Press' and in the 'Christchurch Star' newspapers and on the Council's website on Saturday 17 December 2005.
- (d) That the summary of information be distributed by way of publication (together with the public notice of the proposal) in 'The Press' and in the 'Christchurch Star' newspapers and on the Council's website on Saturday 17 December 2005.
- (e) That the period within which written submissions on the proposal may be made to the Council be between Monday 19 December 2005 and Friday 24 February 2006.
- (f) That a Subcommittee of the Council be appointed hear submissions on the Draft Policy in March 2006 and report back directly to the Council at a meeting in the last week of April 2006.  
**Note:** The Council will also be hearing Banks Peninsula District Council submissions as the merged Council by this time.
- (g) That the report from the Subcommittee and proposal for adoption of the policy be considered at the meeting of the Council on 18 May 2006 in order that the policy may come into effect on 31 May 2006 as required by the Building Act 2004.

**BACKGROUND ON EARTHQUAKE-PRONE BUILDINGS POLICY, DANGEROUS BUILDINGS AND INSANITARY BUILDINGS POLICY**

34. The Building Act 2004 requires territorial authorities to adopt a policy on dangerous, earthquake-prone, and insanitary buildings by 31 May 2006.
35. Section 4 of the Building Act sets out the principles to be applied by the Council when performing its functions, duties and powers under the Act.
36. Section 4(2)(d) and (l) provide:
- “(2) *In achieving the purpose of this Act, a person to whom this section applies must take into account the following principles that are relevant to the performance of functions or duties imposed, or the exercise of powers conferred, on that person by this Act:*
- (d) *the importance of recognising any special traditional and cultural aspects of the intended use of a building;*
- (l) *the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value.”*
37. The policy requirements are set out in section 131 of the Act and must include:
- (a) The approach that the territorial authority will take in performing its functions under the Act, and
- (b) The territorial authority's priorities in performing those functions; and
- (c) How the policy will apply to heritage buildings
38. The Government's policy objective in regard to earthquake-prone buildings (EPBs) seeks to reduce the earthquake risk to the **public** over time and targets the most vulnerable buildings.<sup>1</sup>
39. In addition to the requirements under the Act the adopted Community Outcomes include the following
40. Under **A Safe City** Risks from hazards are managed and mitigated.  
***We will know we are exceeding when:*** *We are well prepared for natural hazards*
41. Under **An Attractive and Well-designed City** Our lifestyles and heritage are enhanced by our urban environment.  
***We will know we are exceeding when:*** *Our heritage is protected for future generations.*

**EARTHQUAKE RISK FOR CHRISTCHURCH CITY**

42. The regulations related to this matter <sup>2</sup> define, for the purpose of section 122 of the Act, moderate earthquake means, in relation to a building, an earthquake that would generate shaking at the site of a building that is of the same duration as, but that is one-third as strong as, the earthquake shaking (determined by normal measures of acceleration, velocity, and displacement) that would be used to design a new building at that site.
43. The seismic hazard in Christchurch was reviewed in an Institute of Geological and Nuclear Sciences Limited report in 2003. That report stated:
- Early studies of the seismic hazards affecting Christchurch indicated a relatively high seismic hazard level, only marginally lower than that of Wellington. More recent studies, however, indicate a lower level of hazard that is more in keeping with the location and activity of all earthquake sources (i.e. both close-in distributed seismicity sources and known fault sources).*

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<sup>1</sup> “The provisions of The Building Act 2004 in relation to EPBs reflect the government's broader concern with the life safety of the public in buildings and, more particularly, the need to address life safety in an earthquake.” Clause 3.1.1 in *Earthquake-Prone Building Provisions of The Building Act 2004 – Policy Guidance for Territorial Authorities*, Department of Building and Housing, June 2005,

<sup>2</sup> Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005

*The recent results are also more consistent with the historical record than the earlier ones, and have been used as the basis of our study. During its 160-year recorded history Christchurch has not experienced MM8 shaking, and only occasionally have spot intensities of MM7 been observed.*<sup>3</sup>

44. A recent overview of the earthquake risk for the city, including estimates of damage to buildings and human casualties, has been prepared by Geological and Nuclear Sciences. Dr Jim Cousins of Geological and Nuclear Sciences Limited.<sup>4</sup> This indicates that Christchurch lies in an intermediate seismicity zone some distance from a zone of high activity. However, known earthquake sources, in particular the Ashley, Springbank and Pegasus fault zones, are present within the region and are large enough and close enough to cause significant damage throughout the city. From this study, losses and casualties have been estimated as follows:

Return Period (years)	Loss (\$ millions)	Casualties
100	190	0
500	750	6
1000	1200	16

**PRESENT EARTHQUAKE STRENGTHENING POLICY**

45. The Council's current policy applying to earthquake strengthening<sup>5</sup> is based on the requirements of the Building Act 1991. The earthquake-prone definition for unreinforced masonry buildings applies to resistance of approximately 10% of current Code load requirements. At present the Council enforces this requirement when a building is brought to its attention through a building consent, or attention to the unsafe condition of building. The above standard has been applied when alterations not involving a change of use are made but when change of use occurs they are required to be brought up to a standard as nearly as reasonably practicable as if they were new buildings. These provisions have been applied to a number of buildings since their introduction. However, the minimum standard under the Act today is considerably more stringent, at 33% of the load requirements for new buildings.

**EARTHQUAKE PRONE BUILDINGS**

46. The legislation relating to EPBs seeks to reduce the level of earthquake risk to the public over time and targets the most vulnerable buildings. While the Act requires each TA to develop its own EPB policy, the legislation does not prescribe any particular policy form or approach. Rather, TAs and their communities must develop a policy approach that is appropriate to their district.
47. The Building Act 2004 replaces the Building Act 1991 with the following key changes with respect to EPBs:
- (a) The definition of an earthquake-prone building as set out in section 122 of the Building Act 2004 is significantly more extensive and is now applied to all buildings, excluding most residential buildings regardless of construction. It is no longer restricted to buildings of unreinforced masonry.
  - (b) The Building Act's definition of a moderate earthquake, on which a building's EPB status depends, is now based on the current design Standard rather than the 1965 Standard. In particular, all buildings, except for small residential dwellings, are to be considered earthquake-prone when they are below 33 percent of building code requirements.
48. For the purposes of the Building Act 2004, a building is earthquake-prone if having regard to its condition and to the ground on which it is built, and because of its construction, the building,

<sup>3</sup> Cousins, J., *Earthquake, volcano and tsunami risks to property of Christchurch City Council*, Institute of Geological and Nuclear Sciences Ltd, 2003

<sup>4</sup> Cousins, J., *Estimated damage and casualties from earthquakes affecting Christchurch*, Institute of Geological and Nuclear Sciences Ltd, Client Report 2005/057, May 2005

<sup>5</sup> *Building Code Policy on Earthquake Strengthening*, Environmental Services Unit, July 1998

10 Cont'd

- (a) will have its ultimate capacity exceeded in a moderate earthquake; and
- (b) would be likely to collapse causing (i) injury or death to persons in the building or to persons on any other property; or (ii) damage to any other property. The definition does not apply to buildings used mainly for residential purposes, unless they have 2 or more storeys **and** 3 or more household units .

49. The level at which buildings are identified as earthquake-prone is where an earthquake would generate shaking of the building one-third (or 33%) as strong as the earthquake shaking for a new building at that site. The opinion suggests that Councils keep policy statements on the level of strengthening required reasonably general, concentrating on the detail as to how it will go about deciding what level of strengthening is required in individual circumstances. Heritage buildings are one area where a different level of strengthening to that for an ordinary building may be appropriate. The draft policy only includes general statements regarding the level of strengthening that will be required.

**POSSIBLE NUMBERS OF BUILDINGS AFFECTED BY THE CHANGE IN REGULATIONS**

50. In an attempt to obtain some indication of the number of buildings that may be affected by the new requirements, Geographical Information Systems (GIS) were asked to provide a summary of the number of buildings in the City built pre-1930 to today. This information is tentative and property files still need to be examined in order to isolate the premises that may need further consideration. For the purposes of this investigation it is assumed that buildings built after 1979 should comply with the “new building” standard.

*Building Dates for Christchurch City*

<b>Date Built (decade)</b>	<b>Number of Buildings</b>
Pre 1930	2954
1930 to 1939	897
1940 to 1949	911
1950 to 1959	1743
1960 to 1969	2469
1970 to 1979	3617
Date unknown	3815
<b>Total</b>	<b>16406*</b>

\* The findings exclude residential buildings of one storey, and those that are 2 or more storeys which have fewer than 3 household units.

51. As in the table, it is estimated that approximately 16,406 Christchurch buildings are potentially affected by the changes under the Act.

**DANGEROUS BUILDINGS**

52. The Building Act 2004 reduces the threshold test for dangerous buildings. For the purposes of the Act, a building is dangerous if:

- (a) In the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or (ii) damage to other property; or
- (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building. Current practice is to respond to complaints from the public or notification from the Fire Service by investigating and reviewing the building and taking action as appropriate.

53. In the case of “dangerous buildings”, data is available for the calendar years of 2003, 2004 and 2005 to April. As in the table below, between 2003 and May 2005, 26 buildings in Christchurch City were classified as dangerous. A further nine were deemed dangerous as the result of fire damage.

*Dangerous Buildings in Christchurch City*

Year	Number of Buildings
2003	13 dangerous buildings, plus 8 due to fire damage
2004	11 dangerous buildings, plus 1 due to fire damage
2005	2 dangerous buildings

**INSANITARY BUILDINGS**

54. For the purposes of the Act, a building is insanitary if the building:
- is offensive or likely to be injurious to health because, (i) of how it is situated; or (ii) it is in a state of disrepair; or
  - has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
  - does not have a supply of potable water that is adequate for its intended use; or
  - does not have sanitary facilities that are adequate for its intended use.
55. The current practice is to respond to complaints or issues brought to the Council's attention by investigation and taking action under either the Building Act provisions or the Health Act as appropriate. There have been three cleansing orders in the last two years issued under the Health Act for buildings considered insanitary.

**HERITAGE BUILDINGS**

56. With regard to heritage buildings, the Council prioritises both the protection of people and heritage buildings and structures. In particular, while upgrading to the new Building Act 2004 level of 33% may protect loss of life and minor damage, higher levels of upgrading may be necessary to ensure the protection of heritage fabric from irretrievable earthquake damage. Upgrading to 67% of code is likely to afford a level of protection that may enable repair of heritage fabric rather than demolition or reconstruction. The provisions of section 4(2) (d) and (l) of the Act must be considered in these circumstances.<sup>6</sup>
57. This raises the following issues:
- Firstly, with respect to the requirements for earthquake-prone buildings, a higher level of protection for heritage buildings than that required to mitigate risks to human health may be necessary.
  - Secondly, with respect to the requirements for dangerous or insanitary buildings, specific provisions for heritage buildings to avoid pre-emptive demolition and further damage may be necessary.
  - Finally, it will be important to ensure that any new or additional regulations for the upkeep of heritage buildings does not undermine the economic viability of preservation activity. In addition, any upgrading to protect heritage fabric must be undertaken in a manner that is compatible with the existing fabric and values that upgrading seeks to protect.
58. In the management of heritage buildings considered dangerous or insanitary, appropriate policies and management are essential to ensure heritage protection that calls on advice from professionals with expertise in heritage, engineering and conservation architecture. In such cases, specialist recovery management plans will be applied that seek the preservation of the heritage fabric.
59. For the purposes of this policy, all heritage buildings and other structures currently included in the City Plan and/or the Historic Places Trust Register should be covered by this policy. Future inclusions on these lists will automatically be covered.

<sup>6</sup> Section 4(2) (d) *the importance of recognising any special traditional and cultural aspects of the intended use of a building;* and (l) *the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value:*



## 10 Cont'd

60. At present, approximately 550 buildings are listed on the City Plan heritage list. Of these, approximately 372 are affected by the seismic upgrading requirements of the Act. A report<sup>7</sup> prepared on the cost estimates for the upgrading the 372 earthquake prone heritage buildings to meet BA 2004 earthquake requirements states that 'the likely strengthening cost for the 372 currently listed heritage buildings to be in the order of \$250M. This estimate is based on a sample of 50 earthquake prone heritage buildings currently listed in the Christchurch City Plan and estimated strengthening cost for buildings based on construction types, number of stories and the heritage group listing<sup>8</sup>.
61. The resulting cost to strengthen all 372 buildings to 33% FCC is \$165M and to strengthen all buildings to 67% FCC is \$415M. In reality, it could be assumed that only 1/3 of the buildings would be strengthening to 67% FCC'. Holmes Consulting Group Report to CCC. This sum does not include associated extras costs such as tidying and making good, tenant fit-outs (assumed at tenant's cost), and other building upgrading works to meet change in use requirements, including fire egress and fire rating, disabled access and facilities.
62. To assist private heritage building owners in the mitigation of earthquake risks to heritage building fabric, and the proposed 25 year time frame for the implementation of seismic upgrading to heritage buildings, the Council could consider establishing an annual targeted seismic upgrading incentive fund of \$1M<sup>9</sup> to off-set seismic upgrading costs as well as Council backed low/no interest loans to heritage building owners.
63. Council assistance could be prioritised on the basis of building heritage value and risk<sup>10</sup> as follows<sup>11</sup>:
- (a) For lower heritage value and/or lower risk heritage buildings (groups 3 and 4 and possibly group 2 in the City Plan heritage list), Council backed low or no interest loans to building owners to fund seismic upgrading works.<sup>12</sup>
  - (b) For high heritage value (group 1 and possibly group 2 in the City Plan heritage list) and/or high risk heritage buildings, Council \$1M annual direct Council grant funding as well as Council backed low/no interest loans.
64. To ensure accountability for Council incentive grant or loan assistance to heritage building owners, recipients would need to agree to a heritage covenant, and the development and implementation of a conservation plan, building maintenance plan and implementation of a cyclical maintenance programme. In order to continue to receive Council financial assistance recipients will need to report back to Council every 3 years on an output basis. Penalties for non-compliance or non- performance could include the withdrawal or repayment of funding assistance.
65. How the Council gives effect to the heritage provisions of the policy will be the subject of a separate report to the Council.

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<sup>7</sup> 'Heritage Earthquake Prone Building Strengthening Cost Study', prepared for Christchurch City Council, draft report, November 2005. A structural engineering report prepared by Holmes Consulting Group.

<sup>8</sup> Costings are very sensitive to base strengthening rate and the strengthening level modification factor adopted as it is directly proportional to these values.

<sup>9</sup> Given the 25 year implementation timeframe in which to undertake seismic upgrading to heritage buildings, which is a requirement of this policy, the estimated annual indicative upgrading cost will be \$10M.

<sup>10</sup> Risk to heritage buildings is likely to vary according to individual circumstances and could include development driven threats or threats from other causes including loss of viable ongoing use or neglect/loss of heritage values due to neglect or deferred maintenance.

<sup>11</sup> Timeframe recommendations are made with reference to cash flow considerations for Council and private building owners; professional capacity to undertake the breadth of estimated work; and, Council's capacity to assist private heritage building owners in meeting projected costs of strengthening.

<sup>12</sup> Loan availability subject to Council lending criteria yet to be developed. Agreement to Council loans to be determined on a case-by-case basis. Council will set a lower and upper loan limit.

## STAKEHOLDER CONSULTATION

66. Pre-consultation meetings were undertaken with representatives of a number of groups of stakeholders to explain the policy requirements of the Act. While a number of invitees did not attend, those who did raised a number of matters they considered necessary to address.<sup>13</sup>
67. Concerns were expressed regarding the economic impacts of the possible requirements and the relationship to timeframes within which assessments and strengthening would be required.
68. In the case of heritage buildings, the importance of protecting the fabric of the heritage buildings *in addition to* human life was raised. There are two aspects to this matter:
- (i) The perceived need to require a greater level of earthquake proofing than the 33% minimum required under the Act;
  - (ii) Balancing the economic costs of retention against other social, cultural and economic benefits of retention.
69. It was also considered necessary to take an initial risk assessment overview of listed heritage buildings to better enable the Council to understand the implications of possible policy options and their implementation. Initial seismic upgrading costings can be used to prioritise, scope and stage the likely cost to heritage building owners and the community. It was suggested that the Council would also need to consider developing a range of education, communication and facilitation strategies to off-set these costs through direct and indirect incentive programmes for heritage protection.

## OPTIONS

70. Three policy options have been identified. A table summarising each option is attached to this report. The "do nothing" option is not considered valid because there is a legislative requirement to adopt a policy.

Each option includes:

- (a) The **approach** that the Christchurch City Council will take in performing its functions under the Building Act;
  - (b) The **priorities** of the Christchurch City Council in performing those functions;
  - (c) How the policy will apply to **heritage** buildings.
71. The options that were put forward for consideration for earthquake-prone buildings, dangerous and insanitary buildings are as follows:

### **Option 1 (the preferred option)**

#### ***Earthquake-prone buildings***

A desk-top study will be done by the end of 2006 to establish a database of buildings likely to be earthquake prone. The buildings would be categorised into classes using table 3.2 of AS/NZS 1170.2002.

The data would be recorded on the property file as likely to be earthquake prone and the owner notified and given the opportunity to carry out an independent study to establish if the building is earthquake prone. After completing the desktop study in 2006, work to review buildings using the initial evaluation process developed by the NZSEE would begin and action would follow the outline implementation programme in the DBH template.

When an application for a consent for a significant alteration to a building is received and the building has an earthquake prone strength of less than 10% of the Code, the building would be required to be strengthened to at least 33% of Code as part of the consent.

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<sup>13</sup> Unedited notes from three meetings were provided at the October seminar.

## 10 Cont'd

Owners of buildings with a strength between 10% and 33% would be given consent for alterations and would be served with a notice under section 124 of the Building Act requiring action within the timetable in the outline implementation programme.

When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building would be followed. In considering heritage buildings apply considerations as included in Part 4 section 5 (d) and (l) of the Act.

### ***Heritage buildings***

For earthquake-prone, dangerous or insanitary heritage buildings, specialist recovery management plans will be applied that seek the preservation of the heritage fabric as well as human life and other property. The provisions of Sections 4(2)(d) of the Act must be considered in such circumstances.

### ***Dangerous and Insanitary buildings***

Dangerous buildings would be investigated on receipt of advice from the Fire Service or when the building came to notice and action taken using Section 124 or 129 of the Building Act as appropriate. Insanitary buildings would be inspected to determine necessity for action on receipt of complaints and action taken using section 124 and 129 of the Building Act as appropriate.

## **Option 2**

### ***Earthquake-prone buildings***

A desk-top study will be done by the end of 2006 to establish a database of buildings likely to be earthquake prone. The buildings would be categorised into classes using table 3.2 of AS/NZS 1170.2002.

The data would be recorded on the property file as likely to be earthquake prone and the owner notified and given the opportunity to carry out an independent study to establish if the building is earthquake prone. After completing the desktop study in 2006, work to review buildings using the initial evaluation process developed by the NZSEE would begin and action would follow the outline implementation programme in the DBH template.

When an application for a consent for a significant alteration to a building is received, the building owner would be required to provide a report on the strength of the building and if the building strength was less than 33% of current Code the building would be required to be strengthened to at least 33% of Code as part of the building consent.

When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building will be followed.

### ***Heritage buildings***

For earthquake-prone, dangerous or insanitary heritage buildings, specialist recovery management plans will be applied that seek the preservation of the heritage fabric as well as human life and other property. The provisions of Sections 4(2)(d) of the Act must be considered in such circumstances.

### ***Dangerous and Insanitary buildings***

Buildings will be inspected by a team of inspectors to ascertain if they could be considered dangerous or insanitary. The priority for inspection will be established based on occupancy numbers and whether the building is used for sleeping accommodation.

If an inspection showed the building to be dangerous or insanitary, action will be taken using section 124 or 129 of the Building Act as appropriate.

## 10 Cont'd

Buildings will also be investigated on receipt of advice from the Fire Service and action taken as appropriate under section 124 or 129 of the Building Act.

### Option 3

#### ***Earthquake-prone Buildings***

A desk-top study will be done by the end of 2006 to establish a database of buildings likely to be earthquake prone. The buildings would be categorised into classes using table 3.2 of AS/NZS 1170.2002.

The data would be recorded on the property file as likely to be earthquake prone and the owner notified and given the opportunity to carry out an independent study to establish if the building is earthquake prone.

When an application for a consent for an alteration to the building involving significant upgrading or increase in occupancy was received, the owner would be required to strengthen the building to at least 33% of Code.

When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building will be followed.

#### ***Heritage buildings***

In this option, heritage buildings are managed in all aspects in the same manner as all other buildings

#### ***Dangerous and Insanitary buildings***

Dangerous buildings would be investigated on receipt of advice from the Fire Service or when the building came to notice and action taken using Section 124 or 129 of the Building Act as appropriate. Insanitary buildings would be inspected to determine necessity for action on receipt of complaints and action taken using section 124 and 129 of the Building Act as appropriate.

## **ASSESSMENT OF OPTIONS**

### **The Preferred Option (Option 1)**

#### Earthquake-prone buildings

- When an application for a consent for a significant alteration to a building is received and the building has an earthquake prone strength of less than 10% of the Code, the building would be required to be strengthened to at least 33% of Code as part of the consent.
- Owners of buildings with a strength between 10% and 33% would be given consent for alterations and would be served with a notice under section 124 of the Building Act requiring action with the timetable in the outline implementation programme.
- When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building would be followed.

#### Heritage buildings

- For earthquake-prone, dangerous or insanitary heritage buildings, specialist recovery management plans will be applied that seek the preservation of the heritage fabric as well as human life and other property.

## 10 Cont'd

### Dangerous and insanitary buildings

- Dangerous buildings would be investigated on receipt of advice from the Fire Service or when the building came to notice and action taken using Section 124 or 129 of the Building Act as appropriate. Insanitary buildings would be inspected to determine necessity for action on receipt of complaints and action taken using section 124 and 129 of the Building Act as appropriate.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Reduced risk to human life and property. Enables programmed improvements with building use continuance.	Limited effects on building continued use.
<b>Cultural</b>	Preservation of City heritage buildings and structures. Improvement in amenity of buildings and retention of overall city identity.	Retention of heritage buildings and structures able to be programmed as finances become available but could limit uses and changes.
<b>Environmental</b>	Avoidance of significant damage to urban infrastructure.	Reduction in city revitalisation and modernisation.
<b>Economic</b>	Enables building owners to programme improvements to fulfil policy over time.	Maintenance and strengthening costs for earthquake-prone, dangerous or insanitary buildings.
<p><b>Extent to which community outcomes are achieved:</b>            Primary alignment with Community Outcome <b>A Safe City</b>, particularly, <i>Risks from hazards are managed and mitigated</i> and <i>People feel safe at all times in Christchurch City</i>.</p> <p>Also contributes to <b>An Attractive and Well-designed City</b>, particularly, <i>Christchurch is attractive and well-maintained</i> and <i>Our Heritage is protected for future generations</i>.</p> <p><b>Impact on Council's capacity and responsibilities:</b>            The Council already has policy on earthquake strengthening (see below) and has a responsibility for enforcement of earthquake-prone, dangerous and insanitary buildings under the Building Act 2004. Potential increase in costs due to management of earthquake-prone buildings and possibility of providing financial support for strengthening of heritage buildings. However timetabling of requirements enables spread of costs over a lengthy period.</p> <p><b>Effects on Maori:</b>            None specific to this policy.</p> <p><b>Consistency with existing Council policies:</b>            The policy to be adopted by May 2006, will replace the existing Building Code Policy on Earthquake Strengthening, Environmental Services Unit, July 1998. Consistent with current approach for dangerous and insanitary buildings.</p> <p><b>Views and preferences of persons affected or likely to have an interest:</b>            Takes into account matters raised during stakeholder consultation. Provisions for giving special consideration to Heritage buildings would possibly meet the preferences of those interested in such matters.</p>		

## Option 2

### Earthquake-prone buildings

- When an application for a consent for a significant alteration to a building is received, the building owner would be required to provide a report on the strength of the building and if the building strength was less than 33% of current Code the building would be required to be strengthened to at least 33% of Code as part of the building consent.
- When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building would be followed.

## 10 Cont'd

### Heritage buildings

- For earthquake-prone, dangerous or insanitary heritage buildings, specialist recovery management plans will be applied that seek the preservation of the heritage fabric as well as human life and other property.

### Dangerous and insanitary buildings

- Buildings would be inspected by a team of inspectors to ascertain if they could be considered dangerous or insanitary. The priority for inspection would be established based on occupancy numbers and whether the building was used for sleeping accommodation.
- If an inspection showed the building to be dangerous or insanitary, action would be taken using section 124 or 129 of the Building Act as appropriate.
- Buildings would also be investigated on receipt of advice from the Fire Service and action taken as appropriate under section 124 or 129 of the Building Act.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Reduced risk to human life and property.	Potential disruption to building use during maintenance, strengthening or sanitising.
<b>Cultural</b>	Preservation of city heritage buildings and structures. Improvements in reducing dangerous and insanitary buildings. Improvement in amenity of buildings and retention of overall city identity.	Retention of heritage buildings and structures able to be programmed as finances become available but could limit uses and changes.
<b>Environmental</b>	Avoidance of significant damage to urban infrastructure. Improvements in reducing dangerous and insanitary buildings.	Reduction in city revitalisation and modernisation.
<b>Economic</b>	Avoidance of replacement costs for building owners.	Maintenance and strengthening costs for earthquake-prone, dangerous or insanitary buildings. Ability of the construction industry to undertake the improvements could increase costs.

#### **Extent to which community outcomes are achieved:**

Primary alignment with community outcome **A Safe City**, particularly, *Risks from hazards are managed and mitigated* and *People feel safe at all times in Christchurch City*.

Also contributes to **An Attractive and Well-designed City**, particularly, *Christchurch is attractive and well-maintained* and *Our Heritage is protected for future generations*.

#### **Impact on Council's capacity and responsibilities:**

Significant increase in staff required to administer provisions of the policy and hence costs to the Council.

#### **Effects on Maori:**

None specific to this policy

#### **Consistency with existing Council policies:**

The policy to be adopted by May 2006, will replace the existing Building Code Policy on Earthquake Strengthening, Environmental Services Unit, July 1998. Consistent with current approach for dangerous and insanitary buildings.

#### **Views and preferences of persons affected or likely to have an interest:**

Provisions for giving special consideration to Heritage buildings would possibly meet the preferences of those interested in such matters.

10 Cont'd

**Option 3**

Earthquake-prone buildings

- The data would be recorded on the property file as likely to be earthquake prone and the owner notified and given the opportunity to carry out an independent study to establish if the building is earthquake prone.
- When an application for a consent for an alteration to the building involving significant upgrading or increase in occupancy was received, the owner would be required to strengthen the building to at least 33% of Code.
- When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building would be followed.

Dangerous and insanitary buildings

- Dangerous buildings would be investigated on receipt of advice from the Fire Service or when the building came to notice and action taken using Section 124 or 129 of the Building Act as appropriate. Insanitary buildings would be inspected to determine necessity for action on receipt of complaints and action taken using section 124 and 129 of the Building Act as appropriate.

Heritage buildings

- In this option, heritage buildings are managed in all aspects in the same manner as all other buildings

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Reduced risk to human life and property to a limited scale	Possible increased costs of rebuilding should an earthquake occur in Christchurch in cases not caught by the requirements. Possible casualties increased
<b>Cultural</b>	Improvement in amenity of buildings and retention of overall city identity.	Greater possibility of structural damage to heritage buildings
<b>Environmental</b>	Avoidance of need for major construction work in areas with earthquake-prone buildings	Possible increase in damage to buildings in earthquake-prone groups
<b>Economic</b>	Initially lower costs for earthquake strengthening of potential earthquake-prone buildings.	Potential for greater costs in recovery of services should earthquake occur.

**Extent to which community outcomes are achieved:**

Does not fulfil community outcome **A Safe City**, particularly, *Risks from hazards are managed and mitigated* and *People feel safe at all times in Christchurch City*.

Does not contribute to **An Attractive and Well-designed City**, particularly, *Christchurch is attractive and well-maintained* and *Our Heritage is protected for future generations*.

**Impact on Council's capacity and responsibilities:**

Could be seen to fail to fulfil requirements of the Act.

**Effects on Maori:**

None specific to this policy

**Consistency with existing Council policies:**

The policy to be adopted by May 2006, will replace the existing Building Code Policy on Earthquake Strengthening, Environmental Services Unit, July 1998. Consistent with current approach for dangerous and insanitary buildings

## 11. CHRISTCHURCH CITY BROTHELS (LOCATION AND SIGNAGE) BYLAW 2004

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services
<b>Officer responsible:</b>	Legal Services Manager
<b>Author:</b>	David Rolls, DDI 941-8892

### PURPOSE OF REPORT

1. The purpose of this report is to provide legal advice sought by the Council at its meeting on 6 October 2005.

### EXECUTIVE SUMMARY

2. On 29 July 2005 the High Court issued a decision in which it quashed Clauses 6 and 7 of the Christchurch City Brothels (Location and Signage) Bylaw 2004 ("the Bylaw") as they related to the location of brothels.
3. On 4 August 2005 the Council resolved to appeal that decision to the Court of Appeal. The Council also resolved to apply to the High Court for a stay of that decision pending the determination of the appeal by the Court of Appeal.
4. At its meeting on 6 October 2005 the Council was advised that its application to the High Court for a stay of the decision of the High Court of 29 July 2005 had been unsuccessful. After considering legal advice given at that meeting the Council decided not to pursue the option of making a further application to the Court of Appeal for such a stay.
5. The Council did, however, request that staff report back as to whether, having regard to the decision of the High Court of 21 September 2005 refusing the stay, the Council should pursue its appeal in the Court of Appeal against the High Court decision of 29 July 2005.
6. A legal opinion in this regard has been obtained from Simpson Grierson, the Council's legal advisers in this matter. That opinion is attached to this report.
7. It is Simpson Grierson's view that the High Court's decision of 21 September 2005, in relation to the stay application, is not relevant to whether or not the Council proceeds with the appeal to the Court of Appeal.

### FINANCIAL AND LEGAL CONSIDERATIONS

8. In summary Simpson Grierson point out that the key issue in the stay application was whether the Court had jurisdiction to grant a stay in a situation where a bylaw had been partially quashed. The Court found that it did not have jurisdiction.
9. The key issues in relation to the appeal to the Court of Appeal concern the Council's powers to make bylaws under section 14 of the Prostitution Reform Act 2002 and the scope of its powers to regulate an activity by means of such a bylaw. These issues were not relevant to the stay application and were not discussed in the judgment of the High Court of 21 September 2005 regarding that application.
10. Simpson Grierson conclude that the judgement of the High Court dated 21 September 2005 in relation to the stay application is not relevant to whether or not the Council proceeds with the appeal to the Court of Appeal.
11. The author of this report fully endorses Simpson Grierson's advice in this regard.
12. Finally, in the letter containing their opinion, Simpson Grierson have advised that the Court of Appeal had indicated that the appeal was likely to be heard in March 2006. Since that letter was written the Court of Appeal has formally advised the parties that the appeal will be heard on 3 and 4 May 2006.

### STAFF RECOMMENDATION

That the information be received.



## 12. FURTHER SUBMISSIONS ON THE PROPOSED NATURAL RESOURCES REGIONAL PLAN (PNRRP)

<b>General Manager responsible:</b>	General Manager Strategic Development
<b>Officer responsible:</b>	Acting Healthy Environment Programme Manager
<b>Author:</b>	Jenny Ridgen, DDI 941-8407. Contributions from: Jeanine Keller (consultant), Eoghan O'Neill, Jonathan Cleese, Elizabeth Pearson, Isobel Stout, and Christine Heremaia

### PURPOSE OF REPORT

1. The purpose of this report is to:
  - advise Councillors of the further submissions process for Chapters 4-8 of the PNRRP;
  - recommend that a set of further submissions (Attachment 2) be made; and
  - seek Council approval for these.

### EXECUTIVE SUMMARY

2. The further submissions process allows the Council to support or oppose submissions made by other submitters. It does not allow for new submissions to be made. The process provides an opportunity for the Council to expand on, and/or clarify, issues covered in its original submission and to take a position on issues it has not previously submitted on. The recommended further submissions (Attachment 2) follow the same approach taken in the original submissions (outlined for each of the four PNRRP chapters in the "CCC Original Submission" section of Attachment 1). A summary of new issues, not identified in the original submissions, but for which further submissions are recommended, is also provided in Attachment 1.
3. In general, the approach taken has been to support sustainable environmental outcomes, while being mindful of the challenges involved in an urban setting (particularly with respect to water quality issues), and the Council's responsibility to provide efficient and cost-effective services within realistic targets and timeframes.
4. By making the recommended further submissions the Council increases the scope and range of issues it can debate through the PNRRP hearings process. This provides opportunities to present evidence on a wider range of issues e.g. avoiding duplication of effort, making compliance with PNRRP provisions achievable, and providing reasonable timeframes for the work required to meet the new provisions.
5. At the Council seminar (6 December) discussion arose over a proposed further submission in opposition to a Christchurch International Airport Ltd (CIAL) submission concerning the potential for wetlands within the vicinity of the airport. We believe that a pro forma submission will enable the Council to be involved in future discussions and not limit options for dealing with asset management issues in this area. Officers will work with the CIAL team to try and resolve issues prior to the NRRP hearings.

### FINANCIAL AND LEGAL CONSIDERATIONS

6. Making further submissions is part of a process that should lead to greater certainty for asset-management planning and more efficient use of Council resources, thus allowing for an improved understanding of the financial implications for the Council.
7. A legal review of the original CCC submissions was carried out prior to these being submitted. As yet, owing to time constraints, a legal review has not been carried out on the further submissions. However, it should be possible to do this prior to lodging submissions with Environment Canterbury, and making adjustments as advised.
8. With amalgamation with BPDC, the CCC will become the successor for submissions made on behalf of BPDC. Prior to hearings on submissions, any conflicts between CCC and BPDC submissions will be identified and some submissions may need to be withdrawn (with Council approval).

### STAFF RECOMMENDATION

It is recommended that the further submissions presented with this report (Attachment 2) be submitted on behalf of the Christchurch City Council.

**BACKGROUND ON FURTHER SUBMISSIONS ON THE PROPOSED NATURAL RESOURCES REGIONAL PLAN (PNRRP)**

9. A Council seminar was held on 25 October outlining the issues covered in PNRRP Chapters 4-8 which are of importance to the Council. At this seminar the proposed Groundwater Recharge Zones were discussed. There are strong indications that Environment Canterbury will deal with these issues separately as a Variation to the PNRRP. A further Council seminar has been scheduled for 7 March 2006 to cover this matter.
10. The first three chapters of the PNRRP were notified in June 2003, hearings have been held, and decisions are expected in early 2006. This report concerns only Chapters 4-8 which include:  
  
Chapter 4: Water Quality  
Chapter 5: Water Quantity  
Chapter 6: Beds and margins of lakes and rivers  
Chapter 7: Wetlands  
Chapter 8: Soil conservation
11. These five chapters were publicly notified in July 2004 as Variation 1 to the PNRRP. CCC made submissions on these provisions, with submissions closing in December 2004.
12. A summary of submissions, including approximately 37,000 separate points, was publicly notified on 15 October 2005. A small team of staff has prepared further submissions on points raised by other submitters (Attachment 2). The period for making further submissions closes on 19 December 2005. It is expected that hearings will begin towards the end of 2006. A Councillor seminar has been programmed for 6 December to present information on the recommended further submissions.
13. Provision within the five PNRRP chapters cover a wide variety of subjects, as well as interacting with provisions in other regional and city planning documents. The main issues affecting CCC include provisions concerning statutes and definitions, sewage disposal, stormwater management, hazardous substances, contaminated land, closed landfills, water quality and supply, riparian and wetland management, soil conservation and forestry, land use, and financial contributions. A summary of issues covered in each chapter, points raised in CCC's original submissions, and new points raised in further submissions is provided in Attachment 1.
14. Preparation of further submissions has concentrated on ensuring the CCC had submitted on matters affecting Council operations and the management of the city's natural resources. Issues identified for further submissions fall into two areas: those where a further submission could clarify or emphasis the city's position; and those where issues were missed, or potential implications not fully understood in the original submission. In general the process showed the Council's original submission to be fairly robust.

**OPTIONS**

15. Two options are presented:
  - The Christchurch City Council makes further submissions (Attachment 2) on PNRRP Chapters 4-8
  - The Christchurch City Council does not makes further submissions

**13. CHRISTCHURCH TRANSPORT MODEL UPDATE: MULTI-PARTY FUNDING AGREEMENT AND DELEGATED APPROVAL OF TENDER**

<b>General Manager responsible:</b>	General Manager City Environment
<b>Officer responsible:</b>	Transport and City Streets Manager
<b>Author:</b>	Stuart Woods, DDI 9418615

**PURPOSE OF REPORT**

1. The purpose of this report is to seek the approval of the proposed Multi-Party Funding Agreement related to the upcoming update of the Christchurch Transport Model, and to seek delegated authority to accept the recommended tender.

**EXECUTIVE SUMMARY**

2. The current Christchurch Transport Study Model (CTS) is a computer-based sub-regional transport model, used to conduct transport planning work varying from policy development, such as the Regional Land Transport Study, through strategy studies, such as NROSS, to individual project analysis such as the Southern Motorway. It is jointly owned by the Council, ECan and Transit NZ and was developed in the early 1990's, with data from surveys and the census in 1991. This information on which the model is based is now considered old enough to be considered a high risk in project evaluations and justifications, and would be unacceptable if left until the 2011 census period to update.
3. Therefore the intention to replace the current CTS model has been justified amongst staff of the model owners with a view to coincide the project with the 2006 census. Good progress has been made over recent months, with the project now well scoped.
4. To ensure that the best use of the period around next year's census can be made, the process to engage a lead model building consultant has begun. Tender documents were released publicly on 5 November and the tender period closed on 6 December. An evaluation programme for the tenders received indicates that a recommended preferred tender will likely be identified around 16 December.
5. The value of the work is estimated to be beyond the normal threshold of officer delegations for approval of tenders. To enable the confirmation of the contract with a successful tenderer in sufficient time to allow surveys to be planned for around the census time, it is necessary to approve the successful tender as soon as possible (and not await the next available Council meeting next year). Therefore it is suggested that the Council delegate authority to approve the successful tender to the General Manager City Environment and one other General Manager.
6. As noted above, the current CTS model is a jointly owned model, between the Council, ECan and Transit. The replacement model is proposed to similarly be a jointly owned model with the same partners and the addition of the Waimakariri District Council.
7. Section 3.2.10 of the Land Transport New Zealand (LTNZ) Programme and Funding Manual, which prescribes the rules for acquiring LTNZ funding, stipulates that multi-party projects involving more than one road controlling authority or approved organisation receiving financial assistance from Land Transport New Zealand for the activity is conditional on the Funding Partners entering into a formal funding agreement developed in consultation with the appropriate Land Transport New Zealand regional manager.
8. A formal funding agreement has been developed (attached) in consultation between the local LTNZ regional manager and the four partners to the proposed model development. The agreement outlines the general obligations of each partner under the agreement, the proposed split of the funding and other costs, the proposed project management structure and other general matters of interaction between the partners related to this project (e.g. management of information, termination, dispute resolution, assignment, etc.).

## 13 Cont'd

9. The basic funding arrangements are that the Waimakariri District Council is committing a set amount to the project as a minor partner and the remainder of the funding and costs are split evenly between the three major partners. This basic arrangement has been in place for many years on the current CTS model and operates satisfactorily.
10. The agreement is being circulated amongst the project partners for signing currently, and this is to be completed prior to the confirmation of a tender for the main model build contract, noted above.

### **FINANCIAL AND LEGAL CONSIDERATIONS**

11. The Council's funding contribution for the replacement of the model is provided for in the current budget, and the LTNZ application for subsidy is proceeding well with positive assistance from LTNZ staff. LTNZ recently approved funding for the Auckland transport model update in a very similar situation to the Christchurch situation.
12. The Legal Services Unit has reviewed and provided considerable input to the Multi-Party Funding Agreement, and is satisfied with the document for adoption and signing.

### **STAFF RECOMMENDATION**

It is recommended:

- (a) That the Council delegate authority for the acceptance of the Christchurch Transport Model build contract to the General Manager, City Environment and one other General Manager.
- (b) That the Council support the attached Multi-Party Funding Agreement.

**14. STATE HIGHWAY 1 MAIN SOUTH ROAD FROM PARKER/SEYMOUR STREET INTERSECTION TO MARSHS/BARTER ROAD INTERSECTION – PROPOSED SPEED ZONE OF 70 KM/H**

<b>General Manager responsible:</b>	General Manager City Environment
<b>Officer responsible:</b>	Transport and City Streets Manager
<b>Author:</b>	Malcolm Taylor, DDI 941-8604

**PURPOSE OF REPORT**

1. The purpose of this report is to seek the Council's support for Transit NZ's proposal to change the speed limit on State Highway 1, Main South Road in the area between Parker/Seymour Street intersection and Marshs/Barter Road intersection from 80 to 70 km/h (see plan attached). This report was also presented to the Riccarton/Wigram Community Board's meeting on 13 December 2005, for information. Any comments from that meeting will be presented at this meeting.

**EXECUTIVE SUMMARY**

2. Transit NZ has requested that the Christchurch City Council support its proposal to change the speed limit on State Highway 1, from 80 to 70 km/h. This proposed change will have an effect on the existing speed limit on one adjoining city road. The south-western end of Foremans Road has an existing speed limit of 80 km/h. The speed limit on Foremans Road has recently been reviewed and a report will be presented to the Riccarton/Wigram Community Board and the Council to consider a speed limit change using the Land Transport Rule Setting Speed Limits 2003 and the Christchurch City Speed Limit Bylaw 2005, in the next round of speed limit changes. This is likely to be early in 2006.

**FINANCIAL AND LEGAL CONSIDERATIONS**

**Costs**

3. Financial costs will be met by Transit NZ for the proposed Speed Zone installation work.

**Legal Considerations**

4. The Land Transport NZ draft document, "The New Zealand Speed Zoning policy, version 0.4.0 February 2005" and the Land Transport Rule Setting of Speed Limits 2003.

**STAFF RECOMMENDATION**

That the Council support Transit NZ's proposal to change the speed limit from 80 to 70 km/h on State Highway 1, Main South Road in the area between Parker/Seymour Street intersection and Marshs/Barter Road intersection.

**BACKGROUND ON STATE HIGHWAY 1 MAIN SOUTH ROAD FROM PARKER/SEYMOUR STREET INTERSECTION TO MARSHS/BARTER ROAD INTERSECTION – PROPOSED SPEED ZONE OF 70 KM/H**

5. The following is the request received from Transit NZ.

*“Transit NZ propose to consider the installation of a 70 kph speed zone on State Highway 1 Main South Road from Parker/Seymour Street intersection to Marshs/Barter Road intersection as part of Network Safety Coordination project. A safe and appropriate operating speed limit based on road environment is to reduce the number of road fatalities. In addition, speed zoning will improve the economic efficiency by reducing costs associated with accidents and fuel.*

*The section of SH1 from Parker/Seymour Street intersection to Marshs/Barter Road intersection (RS 1S RP 347/0.887 – RP 347/2.760) has been assessed based on Land Transport NZ’s draft document “The New Zealand Speed Zoning Policy, Version 0.4.0, February 2005”.*

*This is an 1873 metre flat 2-lane road with a posted speed limit of 80 kph. The adjoining speed limits are 50 kph to the North (Hornby) and 70 kph to the South (Templeton).*

*There were 52 crashes including 1 fatal 5 serious and 15 minor injury crashes in the last 5 years. The crash rate from CAS did not show the speed related problem in this section directly. However the highway patrol police, RTA and the safety coordinators from CCC and ECan indicated there was a number of speed-related problems on this area and strongly recommended the reduction of a speed limit during the Network Safety Coordination workshop held on 12 July 2005.*

*The speed survey showed that the upper and lower 85th percentile speeds were 78 Kph and 68 Kph respectively and the average speed was 72.3 kph. This supports a speed limit of 70 Kph based on Figure 3 of the New Zealand Speed Zoning Policy and Table SLNZ3 of Setting of Speed Limits 2003.*

*From the rating survey using the Land Transport NZ analysis method, the average speed zone rating (SZR) is calculated to 31, which indicates a speed limit of 80 kph. There are several reasons for the low rating score on this length. This section is designated limited Access Road (LAR) highway, so there is minimal frontage development giving lower rating score. A change in speed is relatively small over a short section of the road considering the lower possibility of the driver losing control. However, the traffic volume including the vulnerable users is significantly high (over 24,000 of adjusted AADT) on this section implying the high potential crash, but the maximum volume rating is limited to 3 when the AADT is higher than 10,000.*

*As it mentioned earlier, it has identified perceptible speed-related safety problems on this section. The 42% of crashes were caused by vehicles following too close to vehicles resulting a number of rear end crashes when approaching to the Parker St/Seymour St intersection from Templeton. Once Halswell Junction Rd intersection is upgraded with traffic signals, it would have a high potential rear end crash with the current operation speed. Therefore, changing the speed limit from 80 Kph to 70 Kph will reduce the stopping distance for drivers thereby reducing the potential rear crash through this section.*

*Repeater sign would be placed throughout the length of the speed zoning according to the Speed Zoning Policy to remind motorists of the prevailing speed limit”.*

**15. TENDER FOR PUMP STATION 11 TIE-IN WORKS**

<b>General Manager responsible:</b>	General Manager City Environment
<b>Officer responsible:</b>	City Water & Waste Manager
<b>Author:</b>	Kate Purton, DDI 941-8367

**PURPOSE OF REPORT**

1. The purpose of this report is to seek additional funding for the Pump Station 11 Tie-in project, and obtain approval to let the Pump Station 11 Tie-in construction contract to Delta Utility Services Ltd.

**EXECUTIVE SUMMARY**

2. The Pump Station 11 Tie-in project involves the construction of significant and complex pipe-work in Bass and Randolph Streets, to connect the new Pump Station 11 (currently under construction at the corner of Bass and Randolph Streets, Linwood) to the new Pressure Main 11 as well as the existing sewer reticulation in the area. The work will also include construction of the first section of the Western Interceptor pipeline. Construction of the Pump Station 11 Tie-in works is planned to commence in January 2006, and be completed in late 2006.
3. The Pump Station 11 Tie-in project is a critical part of the Major Sewer Upgrade programme, as it will allow Pump Station 11 to be commissioned and will link Pump Station 11 and all the upstream upgrades to the Christchurch Wastewater Treatment Plant (via Pressure Main 11). Without the Pump Station 11 Tie-in, the new Pump Station 11, Pressure Main 11 and upstream upgrades (total value \$17.6 million) would not be able to be utilised.
4. The current total budget for this project is \$700,000. Since the budget estimate was carried out detailed design has been carried out, resulting in the need to increase the scope of the project, and the construction work has been tendered. Two tenders have been received, with tender prices of \$2.12 million and \$2.55 million. The lower tender from Delta Utility Services Ltd is recommended, giving a total project estimate of \$2.54 million. The initial estimate underestimated the complexity of the tie-in works (multiple lines being connected and disconnected including live sewers), the depth of the excavations, and the associated high ground water and poor ground conditions. These factors (especially risk and ground conditions) have significantly increased the contract sum.
5. There is a \$1.84 million budget shortfall for this project. It is proposed that \$150,000 of this will be made up by transferring funds from another Major Sewer Upgrade project, Fisher Avenue and Tennyson Street Overflow Diversions, which has been underspent. The remaining \$1.69 million of additional capital required is requested over the 2005/06 and 2006/07 financial years to allow the project to proceed.

**FINANCIAL AND LEGAL CONSIDERATIONS**

6. Tenders for this project were publicly advertised and an open tender process was conducted. Despite a number of contractors being encouraged to tender only two tenders were received. The two tender prices, both including a \$60,000 construction contingency, are shown below:

<b>Contractor</b>	<b>Tender Price</b>
Delta Utility Services Ltd	\$2,119,133.64
March Construction Ltd	\$2,551,342.00

7. The tenders were evaluated by a team of City Solutions and City Water and Waste staff, using a combination of price and non-price attributes. Delta Utility Services Ltd (Delta) was the higher scoring tenderer. Delta has successfully completed a number of projects for the Council and is currently working on construction of the Belfast Pressure Main and the Pump Station 21 Upgrade.

15 Cont'd

8. The revised total cost estimate for the Pump Station 11 Tie-in project, based on Delta's tender, is shown below. It is noted that Delta's tender price has been adjusted in the table below, due to the Council's request for an alternative supplier of pre-cast concrete manholes.

Description	04/05	05/06	06/07	Total
Construction (incl \$60,000 contingency)	\$0	\$1,114,005	\$1,014,700	\$2,128,705*
City Solutions fees estimate	\$17,730	\$73,270	\$9,000	\$100,000
Supervision fees estimate	\$0	\$50,000	\$30,000	\$80,000
City Water & Waste staff time estimate	\$450	\$7,165	\$4,000	\$11,615
Miscellaneous costs estimate	\$180	\$7,200	\$7,300	\$14,680
Project contingency	\$0	\$120,000	\$80,000	\$200,000
<b>Total Project Cost Estimate</b>	<b>\$18,360</b>	<b>\$1,371,640</b>	<b>\$1,145,000</b>	<b>\$2,535,000</b>

\* Adjusted tender price for alternative supplier of pre-cast concrete manholes.

9. The current total budget for this project is \$700,000, of which \$18,360 was spent last financial year (2004/05) and \$681,640 is allocated to this financial year (2005/06). Additional budget is sought to make up the total project budget, as shown below:

Description	04/05	05/06	06/07	Total
Existing Pump Station 11 Tie-in budget	\$18,360	\$681,640	\$0	\$700,000
Transfer of surplus budget from Fisher Ave and Tennyson St Overflow Diversions project	\$0	\$150,000	\$0	\$150,000
Additional budget sought	\$0	\$540,000	\$1,145,000	\$1,685,000
<b>Total Project Budget</b>	<b>\$18,360</b>	<b>\$1,371,640</b>	<b>\$1,145,000</b>	<b>\$2,535,000</b>

10. As shown above, provided the Council is agreeable to transfer \$150,000 from the Fisher Ave and Tennyson St Overflows Diversion project, \$540,000 additional budget is sought in this financial year (2005/06) and \$1,145,000 in next financial year (2006/07) to allow the Pump Station 11 Tie-in project to proceed. The \$1,145,000 for 2006/07 would need to be included in the 2006/16 LTCCP.

**STAFF RECOMMENDATIONS**

It is recommended that the Council:

- (a) Approve the transfer of \$150,000 surplus budget from the Fisher Ave and Tennyson St Overflow Diversions project to the Pump Station 11 Tie-in project.
- (b) Approve the increase in capital funding for the project of \$1,685,000 (that is \$540,000 in the 2005/06 financial year, and \$1,145,000 in the 06/07 financial year).
- (c) Award the construction contract for the Pump Station 11 Tie-in project to Delta Utility Services Ltd for a sum of \$2,128,705 + GST.



**BACKGROUND ON THE PUMP STATION 11 TIE-IN PROJECT DESIGN AND TENDERING**

11. The Major Sewer Upgrade programme is a 10 year wastewater upgrade programme, currently estimated at approximately \$85 million, to reduce wet weather wastewater overflows into the city's rivers and allow for growth. One of the key drivers of the Major Sewer Upgrade is the Council's sewer overflow consent from Environment Canterbury (ECan). The Council's sewer overflow consent requires that a number of works are carried out in order to reduce the likelihood of sewer overflows into the Heathcote and Avon Rivers to a 2 year average recurrence interval. The Pump Station 11 Tie-in is a critical part of the Major Sewer Upgrade programme, as it allows Pump Station 11 and the other upstream upgrade projects required by the Council's overflow consent from ECan to be commissioned.
12. This project will connect the new Pump Station 11 (currently under construction on the corner of Bass and Randolph Streets) to Pressure Main 11 (from Pump Station 11 to the Christchurch Wastewater Treatment Plant) and other local reticulation, allowing Pump Station 11 to be commissioned. Commissioning Pump Station 11 will allow the upstream Major Sewer Upgrade projects already completed and currently under construction to be fully commissioned, reducing wet weather overflows into the Heathcote River and fulfilling the conditions of Council's overflow consent from ECan. These upstream upgrades include the Pump Stations 20 and 21 Upgrades, the new Pressure Mains 20 and 22, and the Fisher Avenue and Tennyson Street Overflow Diversions.
13. It will also involve the construction of the first section of the Western Interceptor pipeline, along Bass Street from Pump Station 11 to the intersection with Aldwins Road. The Western Interceptor pipeline will eventually be extended across the city to Riccarton, to allow for growth and reduce wet weather overflows into the Avon River. Constructing this section of the Western Interceptor as part of the Pump Station 11 Tie-in works (rather than constructing it as a separate project) will minimise disruption to residents in the Bass Street area and make savings on contractor's establishment costs. The objective to reduce disruption to the community in the Bass Street area is considered particularly important in light of the prolonged disruption the local community has been exposed to as part of the Pressure Main 11, Pump Station 11 and Pump Station 11 Tie-in projects.
14. The Pump Station 11 Tie-in project is a complex project. It involves the construction of large pipe-work requiring deep excavation and dewatering in difficult ground conditions in residential streets, as well as diversion of existing reticulation from the existing Pump Station 11 to the new Pump Station 11. While these works are being constructed the existing Pump Station 11 needs to be kept operating until the new Pump Station 11 is commissioned. This means that the sequencing of the Pump Station 11 Tie-in works is complicated and critical.
15. City Solutions and City Water and Waste staff have been working on the detailed design and sequencing of these works for the last nine months. This detailed design has included a number of changes to the scope of the project, the materials and the specifications to ensure that the required asset life of the new infrastructure is achieved in the most cost effective way. The design process has also included the development of a complex seven phase programme detailing the sequencing required for constructing the works. It is due to this level of detail in the design process that the contingency amount in the construction contract is contained to a relatively low \$60,000. The sequencing programme was included in the construction contract documents, and has been used by the recommended tenderer (Delta) to develop their proposed programme for this works.
16. Despite the Pump Station 11 Tie-in tender being publicly advertised and a number of contractors being encouraged to tender only two tenders were received. This reflects both the scale and complexity of the project, and the forward commitments of many contractors due to the current buoyant state of the construction sector.
17. The two tenders received, from March Construction Ltd and Delta Utility Services Ltd (Delta), were evaluated using a combination of price and non-price attributes by a team of City Solutions and City Water and Waste staff. Price attributes contributed 70% of the total score and non-price attributes 30%. The non-price attributes included relevant experience, track record, technical skills, resources, management skills, and methodology. Delta's combined score was the significantly higher of the two.

## 15 Cont'd

18. Post-tender negotiations have been held and all further information required has been provided by Delta and unacceptable tags removed. Delta's tender price has been adjusted to allow for Council's request for an alternative supplier of pre-cast concrete manholes.
19. Delta has successfully completed similar projects for the Council and is currently working on the construction of the Belfast Pressure Main and the Pump Station 21 Upgrade. Delta are considered to have the necessary resources and competencies to successfully complete the Pump Station 11 Tie-in works and their programme of a January 2006 start, June 2006 Pump Station 11 commissioning, and November 2006 completion is realistic.
20. It is imperative that the Pump Station 11 Tie-in project proceeds immediately to allow commissioning of Pump Station 11 and the upstream upgrade works, to meet the Major Sewer Upgrade programme and to meet the conditions of the Council's sewer overflow consent from ECan.

### OPTIONS

#### **Option 1 – Increase the capital budget and award the construction contract**

21. Increase the capital budget for this project and award the tender to Delta to allow the Pump Station 11 Tie-in construction to proceed. This would allow the new Pump Station 11, Pressure Main 11 and upstream upgrades (total value \$17.6 million) to be commissioned, reducing wet weather overflows into the Heathcote River and fulfilling the requirements of the Council's sewer overflow consent from ECan.

#### **Option 2 – Defer the project**

22. Defer the Pump Station 11 Tie-in project for a period until Council is prepared to prioritise funding for this project. This would prevent the commissioning of the new Pump Station 11, Pressure Main 11 and the upstream upgrades, until the Pump Station 11 Tie-in works are constructed. Deferring the Pump Station 11 Tie-in project would mean that the \$17.6 million invested in this new infrastructure would not be able to be utilised and would breach the conditions of Council's sewer overflow consent from ECan. It is also considered unlikely that construction costs will reduce for a project of this size and complexity.

#### **Option 3 – Increase the capital budget and award the construction contract, but remove the start of the Western Interceptor from this construction contract**

23. Remove the first section of the Western Interceptor in Bass Street from this project, and therefore transfer the requirement for approximately \$400,000 in additional funding for this project to the Western Interceptor project. This section of the Western Interceptor in Bass Street will still need to be constructed in 2006/07 whether it is included in the Pump Station 11 Tie-in project or the Western Interceptor, and additional funding will still be required for it. Removing this section of pipe-work from this contract and including it in another would not decrease its cost, may increase contractual risk, and would increase the disruption to residents in Bass Street (as they will be disturbed twice by two separate construction projects).

### PREFERRED OPTION

24. The preferred option is Option 1 being to increase the capital budget as detailed in this report, and award the Pump Station 11 Tie-in construction contract to Delta Utility Services Ltd for a sum of \$2,128,705 + GST. This will allow the Pump Station 11 Tie-in works to proceed, with Pump Station 11 to be commissioned in June 2006 and overall completion of the Tie-in works in November 2006.

**ASSESSMENT OF OPTIONS****The Preferred Option**

Option 1 - Increase the capital budget and award the construction contract, as detailed in this report.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Reduction of the likelihood of sewer overflows (by enabling commissioning of Pump Station 11 and upstream upgrades).	Short term disruption to residents in Bass and Randolph Streets
<b>Cultural</b>	Reduction of the likelihood of wastewater overflows which are culturally offensive to Maori.	Nil
<b>Environmental</b>	Reduction of the likelihood of wastewater overflows (by enabling commissioning of Pump Station 11 and upstream upgrades).	Nil
<b>Economic</b>	Utilisation of \$17.6 million invested in Pump Station 11, Pressure Main 11 and upstream upgrades.	Capital cost of project.

**Extent to which community outcomes are achieved:**

Primary alignment with the community outcome A Healthy City.  
Also contributes to the community outcome A City of People who Value and Protect the Natural Environment.

**Impact on Council's capacity and responsibilities:**

The Council is responsible for the collection and treatment of wastewater.

**Effects on Maori:**

Sewer overflows into waterways are culturally offensive to Maori. This project will reduce the likelihood of sewer overflows by enabling the new Pump Station 11 and the upstream sewer upgrades to be commissioned.

**Consistency with existing Council policies:**

The reduction of sewage overflows is identified as a wastewater collection performance measure in the 2004/14 LTCCP. As stated above this project will reduce sewer overflows.

**Views and preferences of persons affected or likely to have an interest:**

Public consultation on the Major Sewer Upgrade programme has been conducted through previous LTCCP and annual plan processes.

Residents in the Bass and Randolph Street areas have been, and will continue to be, communicated with about the construction work being carried out in their community.

**Other relevant matters:**

This is a critical project in the Major Sewer Upgrade programme.

**16. ADOPTION OF CHRISTCHURCH CITY COUNCIL RURAL FIRE AUTHORITY FIRE PLAN FOR CHANEYS RURAL FIRE DISTRICT**

<b>General Manager responsible:</b>	General Manager City Environment
<b>Officer responsible:</b>	Greenspace Manager
<b>Author:</b>	Keith Marshall, DDI 941-8781

**PURPOSE OF REPORT**

1. The purpose of this report is to request the Council to consider and adopt the Christchurch City Council Rural Fire Authority Fire Plan for Chaneys Rural Fire District (attached).

**EXECUTIVE SUMMARY**

2. The Council at its meeting of 28 July 2005 resolved that a Fire Plan be prepared in the style and form set out in the Forest and Rural Fires Regulation 2005.
3. A seminar was held for the Council on 9 August 2005 at which the requirements of the regulations were explained and the contents of the Fire Plan were discussed.
4. The Fire Plan has now been produced in the style and form required by the Forest and Rural Fires Regulations 2005.
5. The Council must make available for public inspection a copy of the fire plan under section 12(4B) of the Forest and Rural Fires Act 1977. The publicly available copy will exclude the personal details of staff, volunteers and organisations listed to assist the Council.
6. The Council must adopt the Fire Plan by 5 September 2005 being 60 days from the commencement of the Forest and Rural Fires Regulations 2005. The Council complied with this requirement but the National Rural Fire Authority requires a separate plan for each of the three entities the Council manages as a Rural Fire Authority. As a result this report is requesting the Council to adopt the Fire Plan for Chaneys Rural Fire District.
7. The changes made are merely to reflect that it is a plan covering the Chaneys Rural Fire District and do not require any changes to the policy, strategies and practices and resources adopted at the 1 September 2005 Council meeting.
8. The Council must provide a copy of the Fire Plan to the National Rural Fire Authority within 30 days of its adoption.

**STAFF RECOMMENDATION**

It is recommended that the Christchurch City Council as the Christchurch City Council Rural Fire Authority adopt the Christchurch City Council Rural Fire Authority Fire Plan for Chaneys Rural Fire District as required by Regulation 39 (1) of the Forest and Rural Fires Regulations 2005.

**BACKGROUND ON ADOPTION OF CHRISTCHURCH CITY COUNCIL RURAL FIRE AUTHORITY FIRE PLAN FOR CHANEYS RURAL FIRE DISTRICT**

9. The Christchurch City Council at its meeting on 28 July 2005 received a report on the preparation of the Christchurch City Council Rural Fire Authority Fire Plan. That report outlined the requirements for a fire plan to be produced in the manner and form of the Forest and Rural Fires Regulations 2005. Furthermore the report set out the legal requirements for the Fire Authority:

Forest and Rural Fires Regulations 2005. Part 2 Fire Control Operations. Sub-part 1 Fire Plans.

S 39.(1) Fire Authority must adopt Fire Plan

A Fire Authority in existence at the commencement of these regulations must prepare and adopt a fire plan no later than 60 days after the commencement of these regulations. That date is 5 September 2005.

S 39.(4) A Fire Authority must provide to the National Rural Fire Authority a copy of its fire plan no later than 30 days after the fire plan is adopted.

S 42.(3) States: The information in sub clause 2(g) that relates to personnel is not required to be included in the copy of the fire plan that is made available for public inspection in accordance with Section 12(4b) of the Forest and Rural Fires Act 1977.

At its meeting on 28 July 2005 the Council resolved that the Council as the Rural Fire Authority approve the preparation of a new fire plan in the format required by the Forest and Rural Fires Regulations 2005.

**17. ADOPTION OF CHRISTCHURCH CITY COUNCIL RURAL FIRE AUTHORITY FIRE PLAN FOR BOTTLE LAKE RURAL FIRE DISTRICT**

<b>General Manager responsible:</b>	General Manager City Environment
<b>Officer responsible:</b>	Greenspace Manager
<b>Author:</b>	Keith Marshall, DDI 941-8781

**PURPOSE OF REPORT**

1. The purpose of this report is to request the Council to consider and adopt the Christchurch City Council Rural Fire Authority Fire Plan for Bottle Lake Rural Fire District (attached).

**EXECUTIVE SUMMARY**

2. The Council at its meeting of 28 July 2005 resolved that a Fire Plan be prepared in the style and form set out in the Forest and Rural Fires Regulation 2005.
3. A seminar was held for the Council on 9 August 2005 at which the requirements of the regulations were explained and the contents of the Fire Plan were discussed.
4. The Fire Plan has now been produced in the style and form required by the Forest and Rural Fires Regulations 2005.
5. The Council must make available for public inspection a copy of the fire plan under section 12(4B) of the Forest and Rural Fires Act 1977. The publicly available copy will exclude the personal details of staff, volunteers and organisations listed to assist the Council.
6. The Council must adopt the Fire Plan by 5 September 2005 being 60 days from the commencement of the Forest and Rural Fires Regulations 2005. The Council complied with this requirement but the National Rural Fire Authority requires a separate plan for each of the three entities the Council manages as a Rural Fire Authority.
7. The changes made are merely to reflect that it is a plan covering the Bottle Lake Rural Fire District and do not require any changes to the policy, strategies and practices and resources adopted at the 1 September 2005 Council meeting.
8. The Council must provide a copy of the Fire Plan to the National Rural Fire Authority within 30 days of its adoption.

**STAFF RECOMMENDATION**

It is recommended that the Christchurch City Council as the Christchurch City Council Rural Fire Authority adopt the Christchurch City Council Rural Fire Authority Fire Plan for Bottle Lake Rural Fire District as required by Regulation 39 (1) of the Forest and Rural Fires Regulations 2005.

**BACKGROUND ON ADOPTION OF CHRISTCHURCH CITY COUNCIL RURAL FIRE AUTHORITY FIRE PLAN FOR BOTTLE LAKE RURAL FIRE DISTRICT**

9. The Christchurch City Council at its meeting on 28 July 2005 received a report on the preparation of the Christchurch City Council Rural Fire Authority Fire Plan. That report outlined the requirements for a fire plan to be produced in the manner and form of the Forest and Rural Fires Regulations 2005. Furthermore the report set out the legal requirements for the Fire Authority:

**Forest and Rural Fires Regulations 2005. Part 2 Fire Control Operations. Sub-part 1 Fire Plans.**

S 39.(1) Fire Authority must adopt Fire Plan

A Fire Authority in existence at the commencement of these regulations must prepare and adopt a fire plan no later than 60 days after the commencement of these regulations. That date is 5 September 2005.

S 39.(4) A Fire Authority must provide to the National Rural Fire Authority a copy of its fire plan no later than 30 days after the fire plan is adopted.

S 42.(3) States: The information in sub clause 2(g) that relates to personnel is not required to be included in the copy of the fire plan that is made available for public inspection in accordance with Section 12(4b) of the Forest and Rural Fires Act 1977.

At its meeting on 28 July 2005 the Council resolved that the Council as the Rural Fire Authority approve the preparation of a new fire plan in the format required by the Forest and Rural Fires Regulations 2005.

**18. REPORT OF THE CHRISTCHURCH CITY COUNCIL/BANKS PENINSULA DISTRICT COUNCIL  
TRANSITIONAL JOINT COMMITTEE**

Attached.

**19. REPORT OF THE CANTERBURY WASTE SUBCOMMITTEE -  
MEETING OF 14 NOVEMBER 2005**

Attached.

**20. REPORT BY THE CHAIRPERSON OF THE BURWOOD/PEGASUS COMMUNITY BOARD**

Attached.

**21. REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD -  
MEETING OF 1 NOVEMBER 2005**

Attached.

**22. REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD -  
MEETING OF 14 NOVEMBER 2005**

Attached.

**23. REPORT BY THE CHAIRPERSON OF THE RICCARTON/WIGRAM COMMUNITY BOARD**

Attached.

**24. REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD -  
MEETING OF 16 NOVEMBER 2005**

Attached.

**25. REPORT BY THE CHAIRPERSON OF THE SHIRLEY/PAPANUI COMMUNITY BOARD**

Attached.

**26. NOTICES OF MOTION**

Attached.

**27. QUESTIONS**

**28. RESOLUTION TO EXCLUDE THE PUBLIC**

Attached.