



CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 2 JUNE 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.

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2. 6. 2005

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- 1. APOLOGIES**
- 2. CONFIRMATION OF MINUTES - COUNCIL MEETING OF 26.5.2005**
Attached.
- 3. DEPUTATIONS BY APPOINTMENT**
- 4. PRESENTATION OF PETITIONS**
- 5. CORRESPONDENCE**

6. ANNUAL PLAN

General Manager responsible:	General Manager Corporate Services
Officer responsible:	General Manager Corporate Services
Author:	Roy Baker, DDI 941-8540

PURPOSE OF REPORT

1. To decide how best to present the final 2005/06 Annual Plan.

EXECUTIVE SUMMARY

2. (a) Consideration has been given to how best to present the Final 05/06 Annual Plan.
- (b) The Draft Annual Plan is some 110 pages in length with most of the pages duplicating what is in the LTCCP. We had looked at trying to have a slimmer document by making reference to the LTCCP within the various sections of the Annual Plan. However, audit advice was that we would likely be in breach of the requirements of the LGA 2002.
- (c) The Act, however, is silent on what is required to be in the Final Annual Plan.
- (d) We have therefore prepared a mock-up of a Final Annual Plan that does exclude a number of sections that while required for a draft, we believe do not add value to the final. This mock-up is some 30 pages less than the draft.
- (e) Staff would still need to make a number of word changes and include certain references to the LTCCP to the mock-up.
- (f) We have asked Audit as to whether this approach would breach the Act – our belief is that it would not. The following is the response from Audit NZ:

“Roy, at our meeting last Monday I undertook to get back to you on two questions:

1. *Could Council remove content from the draft plan where it was identical to the LTCCP, including references to that information instead?*
2. *If, in our opinion, Council was not able to remove this content, and chose to do so, what would our response be?*

*The advice I have received closely follows my comments to Councillor Cox and you last Monday. S85(2) of the Local Government Act 2002 states Council **must** include in the draft Annual Plan the information required under clause 2(2) of schedule 10. This includes a statement on the intended levels of service provision for the groups of activities, including performance targets and other measures. Due to the way in which Council structured the 2004/05 LTCCP this means that all the performance information was relevant to the 2005/06 year. This information was included in the draft plan.*

If Council did not include this in the draft plan, it would not have complied with S85(2). In our opinion, the inclusion of the performance information is also consistent with the purpose of the Annual Plan contained in S95 - particularly 95(5)(c) and (d). Consequently, we believe the removal of this information from the final plan is inconsistent with S85(2) and the purposes of the Annual Plan. Removal of this information also means that as an accountability document, the plan is incomplete. The reader of the final plan would need to refer to another document to locate the additional information Council is bound to report against in the annual report. There is also the question over Council's ability to vary the content of the plan where there is no mandate to do so from the consultation process.

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Having said all this, if Council was to remove the performance measures from the final plan and refer the reader back to the adopted LTCCP, we would write to Council on this issue, explaining why we believed it was necessary both in terms of the legislation and conceptually though Council removing content already provided to the public for consultation. However, as advised, this would not constitute a serious enough issue to require reporting in the audit opinion."

OPTIONS

3. (a) Produce the Final Annual Plan along the lines of the mock-up.
- (b) Produce the Final Annual Plan on the same basis as the draft.

STAFF RECOMMENDATIONS

It is recommended that the Council produce an Annual Plan based on the mock-up.

7. LEGAL OPINION ON REGULATION OF RETAIL SALE OF NITROUS OXIDE AND PARTY PILLS

Attached.

8. QEII PARK CONCEPT PLAN

General Manager responsible:	General Manager Strategic Development
Officer responsible:	Research and Policy Manager
Author:	Paul Cottam, Senior Policy Analyst, DDI 941-6385

PURPOSE OF REPORT

1. The purpose of this report is to present a statement of proposal of the QEII Park Concept Plan to the Council in order to meet the requirements of the Local Government Act, s83(1)(b), when carrying out a special consultative procedure.

EXECUTIVE SUMMARY

2. At its 28 April 2005 meeting, the Council reaffirmed that the QEII Park Concept Plan be subject to the special consultative procedure.
3. In accordance with the Local Government Act 2002 (sections 83 and 86) this statement of proposal (attached) describes the nature of the proposed concept plan and the reasons for its formation. Also noted are the advantages and disadvantages of aspects of the concept plan. A map of the concept plan is attached. From this statement a summary of information has been prepared for consultation on the concept plan.
4. The next stages needed in carrying out the special consultative procedure are:
 - (a) Public consultation until 8 July 2005
 - (b) Opportunity for hearings during the week starting 18 July 2005
 - (c) Final report to the Council on the QEII Park Concept Plan by August 2005

STAFF RECOMMENDATION

It is recommended that the Council accept the statement of proposal on the QEII Park Concept Plan in order for consultation on the plan to begin.

9. CHRISTCHURCH CITY HOLDINGS LIMITED - STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES

General Manager responsible:	Richard Simmonds Acting CEO, CCHL
Officer responsible:	As above
Author:	Richard Simmonds, DDI 941-8817

PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of draft Statements of Intent received from CCHL subsidiary companies Christchurch International Airport Ltd and City Care Ltd.

EXECUTIVE SUMMARY

Statements of Intent

1. The Council's subsidiary companies are required by statute to submit an annual Statement of Intent ('Sol') to their shareholders. An Sol must set out the entity's objectives and performance measures, as well as certain other information, and must be approved by the shareholder.
2. CCHL is required by the terms of its own constitution to forward the Sols of the trading companies to the Council for final approval. CCHL has, however, performed an initial review of these documents and, in some cases, requested changes that have been reflected in the attached documents.
3. The draft Sols of the above companies have been separately circulated with the Council agenda.
4. CCHL's own Sol was approved by the Council at a Council meeting in March.

RECOMMENDATIONS

1. That the Council approve the draft Sols of Christchurch International Airport Ltd and City Care Ltd.
2. That CCHL be authorised to approve any subsequent minor changes which, in the view of the CCHL Board, would not be of concern to the Council to these Sols arising from the business planning and budgeting processes of the subsidiary companies (any major changes will be brought back to the Council for approval).

9 Cont'd

BACKGROUND ON CHRISTCHURCH CITY HOLDINGS LIMITED - STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES

5. The Local Government Act 2002 has imposed a revised reporting and approval process for draft Sols. Schedule 8 of the Act provides:

"2. Statements of Intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. Completion of Statements of Intent

The board must:

- (a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- (b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year."*

6. If any changes are made to the Sols as a result of the business planning processes of the CCTOs, and are considered to be material to the Council as ultimate shareholder, they will be brought back to the Council for further approval. If the changes are minor, it is recommended that CCHL be authorised to approve them.

CHRISTCHURCH INTERNATIONAL AIRPORT LTD ('CIAL') STATEMENT OF INTENT

7. The CIAL Sol is broadly similar to the previous year's version, with the main changes being:

Page 5 A new section regarding CIAL's role in the regional economy.

Page 6 A new section referring to the evaluation of the possibility of redeveloping the terminal facilities.

Page 9,10 Updated projections (however, these are subject to review once evaluation of the terminal development project has been completed later this year).

8. The terminal redevelopment project will involve significant capital expenditure and possible changes to CIAL's capital structure. It is likely that a revised Sol will be required at that time, and this will be brought back to the Council.
9. The company recently reported its half year result. Revenues were well up on the previous equivalent period, reflecting continuing growth in international passenger numbers – in particular, Pacific Blue trans-Tasman services, Emirates Air long haul flights and the Christchurch-Los Angeles route that commenced in November. However, profitability has remained relatively flat, being affected by accelerated depreciation on the existing terminal and a number of other cost increases.

CITY CARE LTD STATEMENT OF INTENT

10. The City Care Ltd Sol is also similar to the previous year, with no major changes. The list of services on page 2 has been tidied up and rationalised, and on page 8 there is a new section committing City Care to seeking to develop commercial opportunities with other group companies.
11. The financial forecasts on page 5 reflect the impact of the loss of the transfer station contract, although continuing growth within City Care has meant that revenue and profitability projections are consistent with or higher than those shown last year.
12. The company's half year result reflected substantial growth in revenue, as a result of various contract wins and business acquisitions. Profitability, however, remained flat, reflecting costs incurred with expansion and the impact of an unusually wet start to the summer which affected its construction and parks contracts.

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10. REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD

Attached.

11. NOTICES OF MOTION

12. QUESTIONS