

# **CHRISTCHURCH CITY COUNCIL AGENDA**

**THURSDAY 12 NOVEMBER 2009**

**9.30AM**

**COUNCIL CHAMBER, CIVIC OFFICES**

## CHRISTCHURCH CITY COUNCIL

**Thursday 12 November 2009 at 9.30am  
in the Council Chamber, Civic Offices**

**Council:** The Mayor, Bob Parker (Chairperson).  
Councillors Helen Broughton, Sally Buck, Ngaire Button, Barry Corbett, David Cox, Yani Johanson,  
Claudia Reid, Bob Shearing, Gail Sheriff, Mike Wall, Sue Wells, Chrissie Williams, and Norm Withers.

<b>ITEM NO</b>	<b>DESCRIPTION</b>
1.	APOLOGIES
2.	DEPUTATIONS BY APPOINTMENT
3.	PRESENTATION OF PETITIONS
4.	REPORT OF THE AKAROA/WAIREWA COMMUNITY BOARD: MEETING OF 9 SEPTEMBER 2009
5.	MANAGEMENT OF TE ROTO O WAIREWA/LAKE FORSYTH
6.	REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD: MEETING OF 28 SEPTEMBER 2009
7.	REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD: MEETING OF 12 OCTOBER 2009
8.	REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD: MEETING OF 15 SEPTEMBER 2009
9.	REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD: MEETING OF 7 OCTOBER 2009
10.	REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD: MEETING OF 13 OCTOBER 2009
11.	REPORT OF THE LYTTELTON/MT HERBERT COMMUNITY BOARD: MEETING OF 15 SEPTEMBER 2009
12.	REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD: MEETING OF 16 SEPTEMBER 2009
13.	REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD: MEETING OF 7 OCTOBER 2009
14.	REPORT BY THE CHAIRPERSON OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD
15.	REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD: MEETING OF 20 OCTOBER 2009
16.	REPORT BY THE CHAIRPERSON OF THE RICCARTON/WIGRAM COMMUNITY BOARD
17.	REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD: MEETING OF 15 SEPTEMBER 2009
18.	REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD: MEETING OF 6 OCTOBER 2009
19.	REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD: MEETING OF 16 SEPTEMBER 2009
20.	REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD: MEETING OF 7 OCTOBER 2009
21.	REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD: MEETING OF 21 OCTOBER 2009
22.	REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD: MEETING OF 15 SEPTEMBER 2009
23.	REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD: MEETING OF 2 OCTOBER 2009

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<b>ITEM NO</b>	<b>DESCRIPTION</b>
24.	CHRISTCHURCH CITY COUNCIL PERFORMANCE REPORT AS AT 30 SEPTEMBER 2009
25.	SPECIAL CONSULTATIVE PROCEDURE FOR THE PROPOSAL THAT THE COUNCIL FUND A NEW BUILDING FOR THE UNIVERSITY OF CANTERBURY AT THE ARTS CENTRE
26.	SUBMISSION TO CENTRAL GOVERNMENT RE FUNDING THE REPLACEMENT OF COUNCIL SOCIAL HOUSING
27.	CHRISTCHURCH CITY COUNCIL FURTHER SUBMISSIONS ON WAIMAKARIRI RIVER REGIONAL PLAN - PROPOSED PLAN CHANGE 1
28.	GLOBAL NETWORK OF GREAT WINE CAPITALS: ATTENDANCE AT ANNUAL GENERAL MEETING
29.	NOTICES OF MOTION
30.	RESOLUTION TO EXCLUDE THE PUBLIC

**1. APOLOGIES**

**2. DEPUTATIONS BY APPOINTMENT**

The following deputations all relate to item 13.1: Report of the Hagley/Ferrymead Community Board meeting of 7 October 2009 – Washington Way Reserve Skate Park – Stage 3:

1. Senior Sergeant Philip Dean, New Zealand Police
2. Tony Phibbs, Canon New Zealand Branch Manager
3. Rebecca Wolt, Lane Neave on behalf of Mr David Sloane
4. Aaron Webb, Active Sport Adviser, Sport Canterbury
5. Kevin Grimwood
6. Scott Buckner, Skate School

**3. PRESENTATION OF PETITIONS**

## 24. CHRISTCHURCH CITY COUNCIL PERFORMANCE REPORT AS AT 30 SEPTEMBER 2009

<b>General Manager responsible:</b>	General Manager, Corporate Services, DDI: 941-8528
<b>Officer responsible:</b>	Corporate Performance Manager Corporate Finance Manager
<b>Author:</b>	Paul Anderson – General Manager, Corporate Services

**PURPOSE OF REPORT**

1. The purpose of this report is to update the Council on service delivery and financial performance results for the three months to 30 September 2009. The budgets and targets in this paper are based on those approved by the Council in the 2009-19 LTCCP.

**EXECUTIVE SUMMARY**

2. Attached are appendices showing summaries of:
  - Performance against organisational targets as at 30 September 2009 (**Appendix 1**)
  - Financial performance as at 30 September 2009 (**Appendix 2**)
  - Significant capital projects (>\$250,000) as at 30 September 2009 (**Appendix 3**)
  - Housing development fund as at 30 September 2009 (**Appendix 4**).

**Performance Against Organisational Targets**

3. The attached report (Appendix 1) shows the forecast of Council's expected year-end performance for Level of Service delivery. The target for 2009/10 is 85 per cent or more of 2009-19 LTCCP levels of service delivered to standard, with a forecast of 89 per cent. 1.6 per cent of the levels of service are forecast as likely to fail, and 8 per cent are forecast as requiring intervention.
4. Detail of these Levels of Service is included in Appendix 1.

**Financial Performance**

5. The key financials for the year are summarised in the table below, with more detail provided in Appendix 2:

\$000's	Actual	Plan	Variance	Forecast	Plan Year	Variance
<b><u>Financial Summary</u></b>						
Operational Funding	-100,056	-99,245	-811	-433,769	-431,741	-2,027
Operational Costs	102,490	110,312	-7,822	429,794	431,811	-2,017
<b>Operational Deficit (Surplus)</b>	<b>2,434</b>	<b>11,067</b>	<b>-8,633</b>	<b>-3,975</b>	<b>69</b>	<b>-4,044</b>
<hr/>						
Capital Programme	48,530	74,315	-25,786	295,467	268,566	26,901
Capital Funding	-37,445	-45,844	8,398	-185,303	-189,291	3,988
Capital Borrowing Requirement	11,084	28,471	-17,387	110,164	79,275	30,889

6. The forecast operational surplus variance of \$4 million over plan is largely due to reduced interest expense, higher rates income, and under-spends on heritage grants and energy conservation. The last two items will generate operational carry forward requests totalling \$2 million.
7. The capital programme forecast includes a \$35.7 million investment in Vbase relating to the transfer of the Town Hall building which was planned to occur prior to 30 June 2009. This transfer is now forecast to occur during the current financial year.

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**Operational Funding**

8. Operational funding is currently \$811,000 above plan and forecast to be \$2 million above by year end. The key variances are:
- Fees, Charges and Operational Subsidies are currently \$328,000 below budget, driven by NZTA operational subsidies which are \$1.6 million behind budget, mainly as a result of delays in the transport capital programme. Partially offsetting this is higher than planned revenue from building consents (\$530,000), pool programmes (\$281,000), and trade waste and excess water charges (total of \$327,000). A favourable variance of \$0.9 million is forecast at year end, driven by building consents revenue (forecast to be \$1.4 million higher than planned). This is partially offset by lower than planned revenue from Adshell advertising (\$203,000) and lower admittance revenue from the Art Gallery (\$200,000), due to there being no fee-paying exhibitions scheduled this financial year.
  - Dividends and interest revenue is \$371,000 higher than budget, \$247,000 of which relates to the deferral of the 2008/09 Transwaste dividend.
  - Rates income is forecast to be \$0.9 million higher than budget at year end, mainly as a result of penalties being higher than planned.
  - Transfers to reserves are forecast to be lower than planned as a result of a reduction in interest earned and credited to special funds. This shortfall is due to lower interest rates.

**Operational Costs**

9. Operating costs excluding debt servicing are \$7.3 million under budget, partly due to grants and promotional costs being \$3.5 million behind plan. \$2.6 million of this is a timing issue relating to community grants which have not yet been paid out as planned, but which are forecast to be paid out by year end. Contracts costs are also \$3.7 million behind budget, mainly in the Streets and Transport (\$1.8 million), Parks and Open Spaces (\$0.5 million) and Water Supply (\$0.3 million) areas, however these are forecast to be close to budget at year end.
10. Debt servicing costs are \$474,000 less than plan, due to lower than planned interest rates and higher than planned capex carry forwards. This positive variance is forecast to increase to \$1.9 million by year end.

**Capital Programme**

11. The Capital Works Programme is currently \$27.6 million behind budget (as shown in Appendices 2 and 3). The main driver of this variance is delays across the Streets and Transport area, which is \$14.5 million behind budget (\$5.1 million relates to the Transport Interchange; \$1.9 million is a result of delays relating to design and schedule changes of some of the Bus Priority Routes, and \$3.6 million is driven by delays on various Kerb and Channel and Road Surfacing projects). In addition to this, strategic land purchases within City Development are \$2.6 million behind budget with no major purchases as yet identified. This budget is forecast to be spent by year end. The Corporate area is also currently behind budget by \$5.6 million (\$3.6 million of which relates to phasing of various IM&CT projects).
12. The current forecast highlights projects of \$17.4 million (6.5 per cent) to be carried forward to 2010/11. As the year progresses, management expects this amount to grow towards the 15 per cent target. Key identified carry-forwards include: Botanic gardens entry pavilion (\$2.2 million), Cashmere forest park (\$3.0 million), Graham Condon leisure centre (\$2.0 million), and the Ferrymead Bridge (\$2.3 million).
13. Financial details of significant capital projects are shown in Appendix 3 along with a full list of the carry-forwards.

**Capital Funding**

14. Capital grants and subsidies are \$4.5m behind budget, nearly all being New Zealand Transport Authority (NZTA) capital subsidies, which is in line with the current transport capital delays. The forecast variance of \$4 million includes the outcome of the budget review carried out in light of NZTA's decision.

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15. Transfers from reserves for capital are \$2.0 million lower than planned, due to timing issues with applying development contributions to capital projects.
16. The forecast borrowing requirement for 2009/10 is \$30.9 million over that planned, represented by the Town Hall transfer planned to occur last year and the NZTA subsidy shortfall, less the capital programme underspend (which will result in carry forwards requiring borrowing in 2010/11).

**Activities**

17. Heritage Protection – This activity is \$524,000 behind plan mainly due to planned Heritage grants not yet paid out (\$424,000). This variance is forecast to increase to \$1.3 million at year end based on historic trends of grants with-held waiting for agreed conditions to be met.
18. Energy Conservation – The forecast variance of \$650,000 behind plan relates to delays in starting the Energy Conservation Programme.
19. Community Grants – This activity is currently \$2.8 million behind plan due to delays in scheduled grants payments and is forecast to be on budget at year end.
20. Waterways and Land Drainage – This activity is currently \$688,000 under budget, driven by timing under-spends on contract costs (\$582,000) and is forecast to be on budget at year end.
21. Parks and Open Spaces Capital Revenues – Currently ahead of plan by \$644,000, mainly due to Reserves Development Contributions which are \$1.2 million higher than planned, partially offset by Land Drainage Development Contributions which are \$0.7 million behind plan.
22. Recreation and Sports Services – This activity is \$714,000 below plan, mainly as a result of timing issues with some Pool Programme revenue and contract and asset expenses, and is forecast to be close to budget at year end.
23. Streets and Transport Capital Revenues – Currently \$4.8 million behind plan, \$4.5 million of which relates to NZTA subsidies.
24. Corporate Revenues and Expenses – The favourable YTD variance of \$1.9 million is driven by rates income being \$824,000 higher than plan (\$509,000 of which relates to penalties), and interest expense which is \$474,000 less than plan due to lower than planned interest rates and higher than planned capex carry forwards. Overall, the corporate revenues and expenses positive variance is forecast to increase to \$3.0 million at year end, driven by net interest expense, forecast to be \$1.4 million less than plan, and rates income forecast to be \$0.9 million higher than plan (a similar level to 2008/09).

**NZTA Funding Issues**

25. During the first half of 2009 the National Government reviewed the Government Policy Statement (GPS) for land transport. The outcome of this significantly changed the emphasis on the short to medium term investment/ funding strategy. In essence additional funding was provided for State Highways, primarily to support the Roads of National Significance (RONS) and less for other activity areas such as walking, cycling, public transport and Travel Demand Management Initiatives.

**Community Programmes and Travel Demand Management**

26. NZTA have made funding cuts to road safety and community programmes for the 2009/10 year due to changes in the National Land Transport programme. These cuts have affected the Christchurch City Council Road Safety, Cycle Safe and Travel Demand Management programmes. These activities have a published subsidy of \$0.7 million allocated to the Council whereas the LTCCP budgets expected a subsidy of \$1.2 million.
27. The LTCCP 2009/10 measures and targets are as follows:
  - *Cycle Safe Education Programmes delivered – 81 per cent of primary schools in the Council area*
  - *School Travel Plans – four school plans per year*
  - *Safety Programmes (programmes designed around NZTA crash, fatality and injury statistics) – 14 programmes annually.*

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28. The reduced funding has given us the opportunity to undertake a review of the programmes we are delivering this year to find ways of achieving similar outcomes within the funding available. Programmes have been considered against other Christchurch road safety partners' initiatives and prioritised against the following strategies:
- Christchurch Road Safety Strategy
  - Christchurch Safer City
  - Travel Demand Management Strategy directions
  - NZTA statistics for road crashes Christchurch
  - New Zealand Government and National Road Safety Committee 20/20 Safer Journey's Document.
29. By changing our approach to delivery, through cutting back on promotional expenditure in all activities and reducing the number of road safety programmes we deliver, we are able to ensure our existing staff remain fully employed. Although the number of Road safety programmes will reduce to 9, by more effective service delivery, we believe we will deliver similar outcomes and maintain our profile in this area. We will still include projects with a focus on intersection safety, urban speed, walking and cycling as originally planned.
30. While this approach leaves a shortfall of \$62,577 in the 2009/10 year, it enables us to ensure that longer term decisions are made in the context of the NZTA review.

**Riccarton Road Bus Priority (Hornby)**

31. While the Council has funding to complete the Bus Priority routes underway (Papanui, Queenspark and Colombo), we will need to re-evaluate the remaining routes as part of the Annual Plan process as funding for Public Transport has been significantly reduced.
32. The Riccarton Road Bus Priority route is currently scheduled to go to the two Community Boards in November then to Council in December with a request to proceed to consultation through a Special Consultative Procedure (SCP). This timetable was planned so that we could award a tender in time to achieve the build in 2010 as planned in the LTCCP. There is \$500,000 in the LTCCP for the 2009/10 year and \$5.7 million in the 2010/11 year.
33. While we have funding to complete the planning, consultation and design stage, we believe we should evaluate whether we proceed to construction given the reduced overall budget for public transport.
34. The options are to continue with the SCP which would come to a conclusion in March, by which time we would have had the opportunity to consider the whole Public Transport programme. The risks with this are that we go through a challenging and time consuming process and then either decide not to go ahead with construction or delay construction.
35. Alternatively, we could put the SCP for Riccarton Road on hold until the Annual Plan process and re-evaluate it in the light of the reduced Public Transport funding available.

**Ferrymead Bridge**

36. Council approved the Ferrymead Bridge Widen and Strengthen project to proceed into the design and construction phase at its meeting on 13 November 2008. The project is also identified in the 2009/19 LTCCP and the current Regional Land Transport Programme.
37. The detailed design phase is now nearing completion and the project will be ready to tender at the beginning of December 2009. The design has proved to be incredibly complex with issues including strengthening the existing deck and support diaphragms to current standards, providing space for all the necessary services, achieving the necessary seismic strength in the sub structure whilst providing continuous traffic flow on the existing bridge deck, and issues around the differing shrink rates of new concrete adjacent to the existing aged concrete.
38. Providing the construction works are tendered in early December, construction is planned to commence in April 2010 and is expected to take around 18 months.



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39. The project has \$9.3 million funding allocated over the next three years. This budget will be validated when the pre-tender estimate is prepared with the completed design.
40. The LTCCP capital programme budgeting process assumed a NZTA subsidy for this project of approximately \$1.5 million over the first three years of the LTCCP. The LTCCP assumes NZTA funding calculated at a programme level (Road Network Improvements Programme) as funding is subject to varying levels of subsidy on individual projects.
41. The Government Policy Statement (GPS), announced in the first half of 2009, signalled a change to the assessment criteria used for transport projects. This change has impacted particularly on the assessment weighting of the economic efficiency for the project when we applied for funding for the construction phase of the project.
42. The existing Benefit Cost Ratio (BCR) assumed a probability of a major earthquake that would cause liquefaction resulting loss of the bridge at 4 per cent per annum. This resulted in a BCR of 3.92. Recent geotechnical work has validated the likelihood of a large earthquake at 4 per cent per annum, but calculated that only 15 per cent of those earthquakes will cause the liquefaction that would result in the loss of the bridge. The previous assumption had been that all large earthquakes would have caused liquefaction that would result in loss of the bridge. As a result the calculated NZTA benefit cost ratio (BCR) has reduced from 3.92 to approximately 1.0 – significantly below the high threshold of 4.0 required to gain NZTA funding.
43. It is important to note that the Strengthen and Widen project provides significant benefits to the community that are not considered by the NZTA economic efficiency calculations. These include improved security of services, ensuring that the community is not isolated, security of emergency services access, and security of the heavy traffic route and dangerous goods route from Lyttelton Port. Loss of the bridge would have a significant impact on economic activity for both the city and particularly the eastern suburbs. The widened bridge is also necessary to provide a continuous two lane connection between the future three laning of Main Road and the Ferry/Humphreys intersection. It is also important to note that community expectations are high with regard to seeing this project finally come to fruition as it has been “talked about” since 1994 when the Lifelines study was completed.

**OPTIONS**

44. Three options have been identified for consideration:
  1. Proceed with the Ferrymead Bridge Strengthen and Widen project as currently planned with the funding shortfall of \$1.5 million which had been budgeted to come from NZTA being provided by Council – this option would enable the programme to continue and community expectations to be met
  2. Put the project on hold and reassess as part of the 2010 annual plan process. This would provide the opportunity to review other projects along the Sumner corridor which if combined, may provide a higher BCR rating or alternatively to substitute it for another project. While this option would provide more time for consideration, NZTA funding would still be uncertain and we would need to manage Community Expectations.
  3. Defer the project until the 2012/2022 LTCCP – this would provide the opportunities as in option 2, but it would mean even longer delays to the project and more uncertainty around whether it would go ahead.

**FINANCIAL IMPLICATIONS**

45. As above.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

46. Yes.

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**LEGAL CONSIDERATIONS**

**Have you considered the legal implications of the issue under consideration?**

47. Yes – there are none.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

48. Both service delivery and financial results are in direct alignment with the LTCCP and Activity Management Plans.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

49. As above.

**ALIGNMENT WITH STRATEGIES**

50. Not applicable.

**CONSULTATION FULFILMENT**

51. Not applicable.

**STAFF RECOMMENDATIONS**

It is recommended that:

- (a) The Council receive the report.
- (b) For Community Programmes and Travel Demand Management:
  - (i) The Council supports changing the number of safety programmes delivered in the 2009/10 year from 14 to 9 noting that they expect similar outcomes to be achieved through working more efficiently.
  - (ii) The Council notes that there will be a budget shortfall of \$62,577 in the 09/10 year due to reduced NZTA funding.
- (c) For the Riccarton Bus Priority Route (Hornby):
  - (i) The Council puts the Special Consultative Procedure for the Riccarton Road Bus Priority project on hold and the project is given consideration as part of the 2010/11 Annual Plan process.
  - (ii) The Council notes that this may mean a capex underspend of approximately \$300,000 in the 2009/10 year if the Special Consultative Procedure and the final design is delayed beyond the 2009/10 year and a consequential impact on the 2010/11 year budget and construction.
- (d) For Ferrymead Bridge:

The Council continues with the Ferrymead bridge project, noting that there will be lower NZTA subsidies of \$1.5 million and this shortfall would be funded by Council borrowings.

**25. SPECIAL CONSULTATIVE PROCEDURE FOR THE PROPOSAL THAT THE COUNCIL FUND A NEW BUILDING FOR THE UNIVERSITY OF CANTERBURY AT THE ARTS CENTRE**

<b>General Manager responsible:</b>	General Manager, Corporate Services Group, DDI 941 8528
<b>Author:</b>	Ian Thomson, Solicitor, Legal Services Unit and Paul Anderson, General Manager Corporate Services

**PURPOSE OF REPORT**

1. This report summarises the decision-making process the Council has adopted in respect of the proposal that the Council fund a new building for the University of Canterbury at the Arts Centre. It also provides an analysis of the submissions made as part of the special consultative procedure and contains the Mayor's recommendations in respect to this proposal.

**EXECUTIVE SUMMARY**

2. The decision for the Council to consider is whether or not it funds the development of a new building for the University of Canterbury's School of Music at the Arts Centre. The proposal is that Council borrows the funds required, leases the land from the Arts Centre Trust Board and provides working capital to a Council-controlled trading organisation (CCTO), which would manage the development and own the building.
3. The CCTO would then enter into a long-term lease arrangement with the University, ensuring the lease payments are sufficient to:
  - Recover the actual cost of the building over 50 years
  - Pay the interest on the required loans
  - Repay the debt and maintain solvency
  - Ensure the structure is cash-flow (and rates) neutral to Council.
4. The University Council has resolved that the Arts Centre site is the only central-city site it will consider for the building and that this option must involve the Christchurch City Council as the funder and landlord on land leased from the Arts Centre Trust Board. The University's only other option is to build at Ilam.
5. The benefit to the city of the proposal is that it could be expected to encourage more people to come into the central city either as students, teaching staff, performers or to attend an increased number of concerts or events. This is consistent with the Council's community outcomes, the Central City Strategy and the Central City Revitalisation Project. The proposal would also benefit the Arts Centre Trust Board by providing it with additional revenue from the ground-lease that can be used for maintenance and protection of the heritage buildings at the Arts Centre. This is the first feasible option the Arts Centre Trust Board has had in 40 years for this site.
6. The cost of the proposal is the requirement for the Council to borrow \$24.355 million to fund the development. The sum includes \$800,000 to extend the underground carpark by 40 parks for Council use. However, with the exception of the additional carparks, these costs would be ultimately met by the University and the proposal is structured so as to be rates neutral. In addition, the University has agreed to alter the lease payments to allow for actual construction costs and actual interest costs. Because the proposal is structured in this way, it would not limit the Council's ability to borrow for other projects or to meet its future needs.
7. At its meeting on 23 July 2009 the Council resolved to undertake a special consultative procedure before a decision on the proposal was made.
8. On 13 August 2009 the Council approved a Statement of Proposal and Summary of Information for distribution. The period for consultation ran from 22 August 2009 to 23 September 2009.

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9. 506 written submissions were received in response to the Statement of Proposal, including 15 submissions that were lodged after the expiry date. Of these, 110 submitters advised the Council that they wished to present their submissions orally. Ninety-five submitters appeared before the Council's hearings panel, including one submitter speaking on behalf of 43 others. A record of the key points emphasised by the submitters who appeared is attached as **Appendix 1**.
10. The Council established a hearings panel comprising all Councillors, with the exception of Councillor Wells who is a current member of the Christchurch Arts Centre Trust Board. She declared a conflict of interest and took no part in the Council's decision-making process.
11. The background of this report contains an analysis of the written and oral submissions made during the consultative process. The background also contains general comments with regard to the issues raised.
12. For the most part, submitters responded specifically to the funding proposal. However, many submitters opposed to the funding proposal believe that the site is inappropriate for the proposed building. The size, style and location of the proposed building will be the subject of consideration by commissioners during the public process to measure the building against the City Plan and the Resource Management Act 1991.

**MAYOR'S RECOMMENDATIONS**

13. It is recommended that:

- (a) The Council:

- (i) funds the development of a new building for the University of Canterbury School of Music at the Christchurch Arts Centre.
- (ii) uses an existing Council-controlled trading organisation, Civic Building Ltd, to manage the development and own the building when it is completed.
- (iii) enters into a lease with the Christchurch Arts Centre Trust Board for the land on which the new facility is to be built.
- (iv) raises the funds required to complete the development and on lend them to Civic Building Ltd.

- (b) Resolutions (a) (i) – (iv) above are subject to:

- (i) resource consent being granted to the Christchurch Arts Centre Trust Board for the issue of a separate certificate of title for the land on which the new facility is to be built, on terms and conditions that are acceptable to the Trust Board and the Council.
- (ii) the Christchurch Arts Centre Trust Board confirming to the Council's satisfaction that the trustees have acted in accordance with the provisions of the Board's trust deed.
- (iii) resource consent being granted to the University of Canterbury on terms and conditions that are acceptable to the University, the Christchurch Arts Centre Trust Board and the Council.
- (iv) the Council being satisfied that the cost of borrowing the funds required to complete the project, including interest, capital repayments, on going maintenance and ground rent will be rates neutral over the complete term of the proposed lease between the Council and the University.
- (v) the Council and the Christchurch Arts Centre Trust Board entering into a deed of lease in respect of the land on which the new facility is to be built, on terms and conditions that are acceptable to the Trust Board and the Council.

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- (vi) the University and the Council entering into a lease in respect of the completed building on terms and conditions that are acceptable to the University and the Council, such conditions to include provision for adjustments to be made to lease payments to ensure that the cost of funding the development remains rates neutral.
- (vii) each party confirming in writing that it agrees to proceed with the project once the terms and conditions set out in this resolution have been satisfied.
- (c) The Council notes:
  - (i) the proposed arrangement for borrowing and on-lending funds to Civic Building Ltd includes repayment over a term of 50 years.
  - (ii) this term is outside the requirements of the Council's liability management policy which states that loans are to have a term of no more than 30 years.
  - (iii) the reason for the inconsistency is that the balance between the repayment of the loan and the income required to meet that cost is best achieved by a 50 year term rather than a period of 30 years.
  - (iv) the Council does not intend to amend the liability management policy if the proposed arrangement is put in place.
  - (v) this is a "one-off" arrangement and the existing restriction on the period on which debt is to be repaid will remain unaltered in the Council's current liability management policy.
- (d) The General Manager Corporate Services and the Corporate Finance Manager (jointly) be authorised to borrow up to \$24.355 million as necessary to advance to Civic Buildings Ltd as redeemable preference shares and debt for the development of the new School of Music subject to the principles resolved on by Council for this development.
- (e) Civic Building Limited be requested to:
  - (i) enter into an agreement with the University of Canterbury for the development and subsequent long-term lease of a facility for the University's new School of Music.
  - (ii) enter into a deed of lease with the Christchurch Arts Centre Trust Board.
  - (iii) manage the development and lease of the facility.
  - (iv) amend its Statement of Intent to include this project.
- (f) The Chief Executive be authorised to execute all documents, including any special resolutions of shareholders, necessary to give effect to these recommendations.

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**BACKGROUND**

**ARTICLE I. DECISION-MAKING PROCESS**

14. The Council must ensure that its decision-making processes promote compliance with the Local Government Act 2002. The funding proposal being considered by the Council is a significant matter in terms of the Council's significance policy. This means that the provisions in the Act are to be appropriately observed, in particular sections 77 (identify and assess options) and 78 (community views).
15. The Act requires the Council to identify all reasonably practicable options for the achievement of the objective of its decision. In this case the objective is to assist the University of Canterbury to establish a new School of Music in the central city and to contribute to achievement of the Council's objectives for the central city.
16. The University has made it clear that the only central city site it will consider is at the Christchurch Arts Centre. If this was not available then it will build a new School of Music at the University's Ilam campus. The Council therefore has only two reasonably practicable options to consider – either agree to fund the proposal before it or decide not to.
17. If the Council decides not to fund the proposal the Vice-Chancellor Dr Rod Carr has stated that the cost of building a new facility at Ilam would be prioritised against other projects in the University's 10-year capital programme.
18. The benefit to the city of a School of Music situated at the Arts Centre is that it could be expected to encourage more people to come into the central city either as students, teaching staff, performers or to attend an increased number of concerts and events.
19. The cost lies in the need to borrow money to fund the development but as is referred to elsewhere in this report any costs incurred by the Council will be met by the University over a period of 50 years.
20. In terms of the present and future social, economic, environmental and cultural wellbeing of the Council's district, the funding proposal itself will have very little impact. Introducing new people into the central city, no matter what the actual number might be, would be expected to provide social and economic benefits. Adding a School of Music to the Arts Centre precinct should add to the cultural activities already undertaken in that area.
21. Environmental issues relate largely to the bulk and location of the new building proposed for the Arts Centre site. Whilst concerns have been expressed by submitters it has already been stated that these issues are more properly dealt with in the resource consent process. An application for consent has been lodged and a decision on whether or not the building as currently designed should be built on the site will be made by two independent commissioners.
22. The Council has as one of its strategic objectives the revitalisation of the central city. There is a need to arrest the decline in the number of people coming into the city to shop, attend events or to live within the four avenues. As indicated earlier, any activity that addresses this issue, could be seen by the Council as being a positive step. To this extent having the University of Canterbury's School of Music at the Arts Centre would be such a step. The proposal fits with the community outcomes sought by the Council, its Central City Strategy and the Central City Revitalisation Project.
23. The Local Government Act 2002 imposes on the Council an obligation to meet the needs of its residents in terms of their present and future wellbeing. There are core services that the Council must provide and these and other activities are set out in its 2009-19 LTCCP. Because the funding proposal is intended to be rates neutral it is considered that there would be no impact on the Council's capacity to meet its statutory responsibilities should the proposal be adopted.

**25 Cont'd**

24. The Council has already undertaken arrangements similar to those contained in the funding proposal. In 2003 it borrowed money to construct a jet engine test cell facility at Christchurch Airport. Jet Engine Facility Ltd was established as a Council-controlled trading organisation to lease the facility to Pratt and Whitney Air New Zealand Services. More recently, the Council borrowed and on-lent to Civic Building Ltd sufficient funds to meet that company's share of the cost of developing the new civic building in Hereford Street. Such arrangements fall within the Council's financial management policies.
25. To the extent that in each case these funding arrangements have been referred to and consulted on in the Council's LTCCP or Annual Plan, it was open to the Council to consider that the community would be familiar with a further structure of this nature being put in place. However, it became apparent through the special consultative procedure that because the proposal involved a new building being built at the Arts Centre it has therefore attracted considerable public interest.
26. During the course of the consultative process the community suggested other options for achieving the Council's objectives. For the reason referred to elsewhere in this report there are only two options that could be considered to be reasonably practicable. These are that the Council either funds the University's new School of Music at the Arts Centre or it decides not to.
27. Given this situation, it is the advice of the Council's Legal Services Unit that the Council has taken appropriate steps to identify and assess the options available to it.
28. The Council acknowledged the views of the community at the initial meeting held to consider the funding proposal. It resolved to use the special consultative procedure before the proposal was developed further and a decision made. The Legal Services Unit's advice is that the Council has given appropriate consideration to community views.
29. Judgements in respect of compliance with sections 77 and 78 are the responsibility of the Council to make.
30. As part of the consultative process oral submissions were heard on Tuesday 20 October 2009, Friday 23 October 2009 and on Tuesday 27 October 2009.
31. In response to a request made under the Official Information and Meetings Act 1997 and after discussions with the Ombudsmen's Office, the Council issued a media release on 20 October 2009. This clarified the funding structure set out in the Statement of Proposal and the reasons for it being rates neutral, if the proposal was adopted. The Council also disclosed the expected level of borrowing that would be required, \$24.355 million, and proposed lease arrangements beyond the 50-year term of the funding proposal.
32. The Council was advised by its Legal Services Unit that the information contained in the media release did not alter the funding proposal to an extent that would have required the special consultative procedure to be abandoned and a new one undertaken.
33. Copies of the media release were sent to every submitter, along with an offer to make submissions on the information contained in it if they wished to. 15 submitters made written submissions and 8 were heard by the hearings panel on 27 October 2009.
34. All eligible Councillors have now considered the issues raised by submitters both for and against the proposal.

**25 Cont'd**

**ARTICLE II. ANALYSIS OF SUBMISSIONS**

35. The proposal put out for consultation was for the Council to:
- (a) fund the development of a new building for the University of Canterbury's School of Music
  - (b) use an existing Council-controlled trading organisation, Civic Building Limited, to manage the development and own the building when it is completed
  - (c) enter into a lease with the Arts Centre Trust Board for the land on which the new facility is to be built, and
  - (d) borrow the funds required to complete the development and on-lend them to Civic Building Limited.
36. For the most part, submitters responded specifically to the funding proposal. They also took the opportunity to comment on issues they believed were relevant to the Council's decision. These included such matters as:
- (a) whether the Council should be funding a new building for the University
  - (b) the bulk and location of the proposed building in the Arts Centre precinct
  - (c) the financial risks involved in funding the project over a 50 year term
  - (d) the effect that a funding proposal of this nature would have on the Council's future capacity to borrow for other projects
  - (e) whether the School of Music should be at another site in the Central City
  - (f) insufficient consultation, and
  - (g) splitting the University campus.
37. In general terms these were the main concerns expressed by those submitters opposed to the proposal. On the other hand, submitters supporting the proposal did so for the following reasons:
- (a) it is an opportunity to enjoy the benefits of a further enlivened cultural precinct
  - (b) all costs, including interest and ground rent would be paid by the University
  - (c) the Council's involvement is of fundamental importance
  - (d) relocation of the School of Music will have a positive impact on the Arts Centre and to the central city
  - (e) it is an important component in ensuring that the central city remains vibrant and attractive
  - (f) it is the first time in 40 years that a proposal considered to be suitable for the site has been suggested, and
  - (g) the proceeds of the ground rent will be used by the Arts Centre Trust Board to maintain and protect the heritage buildings on the site.
38. The funding proposal was opposed by 475 submitters and supported by 31. The University attached to its submission copies of 27 emails, which it advised the Council represented a sample of emails received from members of the public supporting the proposal. The University also reported the results of a residents' survey undertaken on its behalf.
39. A number of submitters either produced or referred to petitions in opposition to the proposal.



25 Cont'd

40. Copies of the written submissions received were distributed to the Mayor and all eligible Councillors prior to the hearings. Any material provided at the hearings was also circulated, including additional submissions made in response to the Council's media release of 20 October 2009. Points made by oral submitters are recorded in the attached schedule.
41. All eligible Councillors have considered the issues raised by submitters both for and against the proposal. What follows are general comments with regard to those issues (a summary of these is also attached as **Appendix 2**):
  - (a) funding a new building for the University of Canterbury is not a core service of the Council. However, it could be seen as an opportunity for the Council to assist the University to build its new school of music at the Arts Centre rather than at Ilam. Whilst the University could fund the building itself, it has approached the Council to fund and act as lessor of the building to manage the ongoing relationship with the Arts Centre of Christchurch Trust.
  - (b) the University is intending to raise up to \$500 million to complete a 10-year programme of capital improvements and development. If the Council agreed to adopt the funding proposal, the University would be able to include in the programme projects that may otherwise have had to be deferred to make way for a new School of Music.
  - (c) the University has advised that it does not have direct access to central Government funding for its new buildings. A partnership with the Council would enable funds to be borrowed at a more favourable rate than the University could achieve.
  - (d) a number of submitters were concerned that by borrowing \$24.3m for this project the Council was limiting the opportunity to borrow for other projects. Information provided to Councillors indicates that the impact on the Council's current and future debt position is minor. The Council would remain well within the ratios specified in its liability management policy. This proposal would not limit the Council's ability to borrow for other projects or to meet its future needs.
  - (e) many submitters opposed to the funding proposal objected to the Council funding a building that they believed was inappropriate for the proposed site at the Arts Centre. There was also concern that placing a new structure within the Arts Centre precinct would harm the heritage fabric of adjoining buildings and their surroundings. However the purpose of the special consultative procedure was to consult on the proposal referred to in paragraph 2 of this report. The bulk and location of the proposed building as currently designed will be the subject of consideration by commissioners appointed to measure the building against the Council's City Plan and the Resource Management Act 1991. This is a public process and there will be an opportunity for the merits of the building and the proposed site to be properly assessed. This is not a function that could have been carried out by the Council as part of the special consultative procedure.
  - (f) a number of submitters were concerned about the risks associated with forecasting financial costs and returns over a 50 year term. The advice provided to Councillors by staff has been that this risk is manageable, given that the University has agreed to meet all actual costs associated with the construction and maintenance of the proposed building. These costs will include interest and capital repayments, the pre-payment of ground rent to the Arts Centre Trust Board, maintenance and refurbishment costs and other outgoings incurred by the Council and Civic Building Limited in the development of the building.
  - (g) the lease payments to be made by the University will reflect the actual construction costs and will be adjusted every five years to take account of any movement in interest rates. The payments will also be indexed for inflation and will include an allowance for ongoing replacements and maintenance.
  - (h) at the end of the 50-year term the building would be owned by Civic Building Limited, a Council-controlled trading organisation. If the University wished to terminate its lease during the 50-year term, it would be liable for lease payments for the remainder of the lease.

**25 Cont'd**

- (i) the risk to the Council is that it will own an empty building and that steps would need to be taken to find new tenants. However this risk is mitigated by the fact that the building would be consistent with the activities listed in the Arts Centre Trust Deed and that costs incurred by the Council would have been repaid.
- 42. One of the reasons for the Council adopting the funding proposal is that relocating the School of Music to the Arts Centre would contribute to the revitalisation of the central city. The Council's intention is to have a strong and healthy economy, environment, culture and society (Central City Strategy). Although no specific quantitative analysis of the possible benefits has been undertaken, the Council could decide that any level of interest generated by the new facility would have a contribution towards achieving the Council's objectives..
- 43. A number of submitters were of the view that the cost of borrowing a large sum of money would be out of proportion to the perceived benefit. In fact, all costs will be paid by the University. Therefore, whilst the benefit to the city has not been quantified the addition of a School of Music in the Arts Centre precinct, with its own facilities and access to others in the area, may be seen to be a positive contribution to achieving the Council's strategic objectives.

**CONCLUSIONS**

- 44. At the end of the day, Councillors will need to determine whether or not funding the proposed School of Music for the University at the Arts Centre is good for the city and for the Arts Centre. The following points may be considered to be relevant to the Council's deliberations:
  - (a) it is the first time in 40 years that a proposal considered to be suitable for the site has been suggested.
  - (b) the Christchurch Arts Centre Trust Board has been advised that leasing the land on which it is proposed that the new School of Music be built is within the powers given to the Board by its trust deed.
  - (c) the ground rent for the site has been set at a commercial level, with the first 20 years paid in one sum in advance. This will enable the Board to make a start on earthquake strengthening work with a capital sum that it would not otherwise have had.
  - (d) the University has made it clear that it will not consider any other site in the central city. This effectively reduces the options available to the Council and removes the opportunity that might have existed to include the School of Music in a cultural precinct around the existing Christchurch School of Music and the CPIT Jazz School in the Madras Street – Barbadoes Street area.
  - (e) if the Council decides not to fund a building for the School of Music at the Arts Centre it will be built at the University's Ilam campus.

**OPTIONS**

- 45. On the face of it and on the basis of the submissions made in response to the Statement of Proposal, there appear to be a number of options for the Council to consider. These could have included:
  - (a) agreeing to fund the new building but only if it is on another site in the central city, such as one of the Council-owned properties in the area south of Lichfield Street
  - (b) agreeing to fund the building but only if the concerns expressed with regard to bulk and location are met, and
  - (c) encouraging the University to build its new School of Music in the central city but pay construction costs itself without assistance from the Council.

**25 Cont'd**

46. The Council is not in a position however to consider these options. The only two reasonably practicable options are those set out in the Statement of Proposal. These are:
- (a) fund the development of a new building for the University of Canterbury's School of Music at the Arts Centre, or
  - (b) decide not to adopt the proposal.

**26. SUBMISSION TO CENTRAL GOVERNMENT RE FUNDING THE REPLACEMENT OF COUNCIL SOCIAL HOUSING**

<b>General Manager responsible:</b>	General Manager Community Services, DDI 941-8607
<b>Officer responsible:</b>	Community Support Unit Manager
<b>Author:</b>	Kevin Bennett, City Housing Manager, Community Support Unit

**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval of the attached submission to Central Government, through the Minister of Housing, seeking funding towards the replacement of the Council's Social Housing portfolio.

**EXECUTIVE SUMMARY**

2. At its meeting of 23 April 2009 the Council resolved that the Council seek financial assistance from the Government for the future replacement of the Council's social housing portfolio.
3. In consultation with the Council's Housing Working Party the attached draft submission (**Appendix B**) has been prepared for the Council's consideration.
4. An indicative basic draft timeline of approach to the Government is attached as **Appendix A**.

**FINANCIAL IMPLICATIONS**

5. Nil.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

6. Should Central Government make funding available, budgets would require adjustment during the appropriate Annual Plan process.

**LEGAL CONSIDERATIONS**

7. Nil.

**Have you considered the legal implications of the issue under consideration?**

8. Not applicable.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

9. Aligns with page 174 LTCCP (Maintain portfolio of rental units).

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

10. As above.

**ALIGNMENT WITH STRATEGIES**

11. Aligns with the Council's Social Housing Strategy.

**Do the recommendations align with the Council's strategies?**

12. As above.

**CONSULTATION FULFILMENT**

13. Consultation occurred during 2009 through a Special Consultative Procedure and through a meeting with key stakeholders.

**26 Cont'd**

**STAFF RECOMMENDATION**

It is recommended that the Council approve the attached submission to Central Government, through the Minister of Housing, seeking funding towards the replacement of the Council's social housing portfolio.

**BACKGROUND (THE ISSUES)**

14. The Council's social housing rental portfolio comprises 2,649 units in 117 complexes throughout the City and Banks Peninsula. The eligibility criteria ensure this accommodation is accessible only by those from the lower socio economic sector of the community.
15. The Council, through the provision of social housing, accommodates many people who would otherwise struggle to obtain affordable accommodation. It is only since 1996 that the Council moved from providing accommodation predominantly for older people to include other people from the lower socio economic sector. At the moment approximately 42 per cent of tenants are under 60 years of age.
16. In the 2009 rental review the Council provided for the planned replacement of its social housing accommodation through rental increases. In making this decision the Council also undertook to apply a reduction in the increases agreed for 2010/14 if an alternative source of funding the replacement of the portfolio is realised.
17. The replacement programme is based on a 90 year asset life span and, in accordance with the Asset Management Plan, it is scheduled to commence in 2026.
18. If no alternate source of funding is realised the rental increase agreed in April 2009 will remain in force with a further review occurring in 2014.
19. In endeavouring to identify alternate sources of funding the replacement of the portfolio the Council met with key stakeholders on 1 September 2009. Although a wide ranging discussion took place, no options which would satisfy the desired outcome without impacting on tenants, other than receiving grants or selling assets to release funds, were identified.
20. Through the Council's LTCCP and Social Housing Strategy the Council has demonstrated its commitment to continuing to provide social rental housing at a minimum of the current number of units; it would be contrary to this commitment if some complexes were to be sold to release funds for the replacement of other complexes.
21. A further commitment of the Council is to continue to provide social housing on a financially sustainable basis without funding through general rates.

**THE OBJECTIVES**

22. The objective of the submission to Central Government is to seek funding of \$84.175m to replace a number of existing Council owned social housing complexes. A proposed indicative replacement programme is detailed in tables 5 and 6 in the attached submission.

**THE OPTIONS**

23. The options are :
  - (a) Proceed with the submission to Central Government, through the Minister of Housing, seeking funding of \$84.175 million to assist with the replacement of the Council's social housing portfolio, or
  - (b) Decline to proceed with the submission to Central Government seeking funding of \$84.175 million to assist with the replacement of the Council's social housing portfolio.

## 26 Cont'd

**THE PREFERRED OPTION**

24. The preferred option is to proceed with the submission to Central Government, through the Minister of Housing, seeking funding of \$84.175 million to assist with the replacement of the Council's social housing portfolio.

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

25. Make submission to Central Government, through the Minister of Housing, seeking funding of \$84.175 million to assist with the replacement of the Council's social housing portfolio.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Assist to ensure sustainability of the Council's social housing service.	Injection of \$84.175m sought from Central Government.
<b>Cultural</b>	Assist in maintaining the Council's capacity to house people from the lower socio economic sector.	
<b>Environmental</b>	Good quality warm and healthy housing provided appropriate to the needs of the customer.	
<b>Economic</b>	Housing which is affordable is available. Financial impact on tenants of replacement minimised. Economic stimulus through increased building activity. Potential increased employment opportunities.	
<p><b>Extent to which community outcomes are achieved:</b></p> <p>Assist the Council to continue to maintain its social housing portfolio at a minimum of 2,649 units ; consistent with 2009-19 LTCCP.</p> <p><b>Impact on the Council's capacity and responsibilities:</b></p> <p>Assist in maintaining the Council's role as a social housing provider.</p> <p><b>Effects on Maori:</b></p> <p>Social housing continues to be available to eligible people including Maori.</p> <p><b>Consistency with existing Council policies:</b></p> <p>Advances the programmed replacement ( Asset Management Plan ) of a number of complexes.</p> <p><b>Views and preferences of persons affected or likely to have an interest:</b></p> <p>Consistent with views obtained during the special consultative procedure.</p> <p><b>Other relevant matters:</b></p>		

## 26 Cont'd

**Maintain the Status Quo**

26. Decline to proceed with the submission to Central Government seeking funding of \$84.175 million to assist with the replacement of the Council's social housing portfolio.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Nil.	Cost of replacement will fall on the tenants.
<b>Cultural</b>	Nil.	
<b>Environmental</b>	Nil.	Significant delay in addressing warm and dry homes issues.
<b>Economic</b>	Cost to tenants through rents being required to be sufficient to enable replacement.	

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

Nil.

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

Criticism at delays in addressing issues with current stock.

**Effects on Maori:**

Same as for other tenants.

**Consistency with existing Council policies:**

Inconsistent with Council decision to seek financial assistance from the Government for the future replacement of the Council's social housing portfolio.

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

Inconsistent with views expressed during special consultative procedure.

**Other relevant matters:****At Least one Other Option (or an explanation of why another option has not been considered)**

27. There are no other options available.

**27. CHRISTCHURCH CITY COUNCIL FURTHER SUBMISSIONS ON WAIMAKARIRI RIVER REGIONAL PLAN - PROPOSED PLAN CHANGE 1**

<b>General Manager responsible:</b>	General Manager Strategy and Planning, DDI 941-8281
<b>Officer responsible:</b>	Programme Manager Healthy Environment
<b>Author:</b>	Peter Kingsbury, Principal Advisor - Natural Resources

**PURPOSE OF REPORT**

1. The purpose of this report is to seek adoption by the Council of the attached further submissions (**Attachment 1** to the Committee report) on the Waimakariri River Regional Plan (WRRP) - Proposed Plan Change 1. The further submissions must be lodged with Environment Canterbury (ECan) by 13 November 2009.
2. The proposed further submission supports a number of submissions made on the plan by other parties. The advantage of lodging the further submission is that it broadens the scope of issues on which the Council can comment on in evidence, particularly with respect to the proposed allocation regime and the 'gap' between A/B1 and B block allocations of water from the Waimakariri River.

**EXECUTIVE SUMMARY**

3. The WRRP manages water quality and quantity, including surface water takes, and the management of river and lake beds in the Waimakariri Catchment. ECan have prepared a number of changes to the Plan (WRRP Proposed Plan Change 1) to deal with, essentially, water takes and diversions. The plan change primarily concerns a proposed allocation regime for the Waimakariri River.
4. The Council recognises the need for a plan change due to the increased pressure to take water from the mainstem of the Waimakariri River, and the concerns in the interpretation of some of the WRRP provisions.
5. The Council's original submission (lodged with ECan on 11 September 2009) supported the proposed plan change but sought a stronger mechanism for water allocation for the purpose of providing for future community supply for Christchurch. The Council recognises that there are a number of methods that could be used to obtain water from the Waimakariri River, including applying for a resource consent, or reaching an agreement with another major consent holder(s) to share or buy-out their allocation. However, the critical issue for the Council is that any plan change recognises the importance of providing for essential community supply.
6. This report follows a recent report - *Submission on the Proposed Plan Change 1 Waimakariri River Regional Plan* - presented to the Regulatory and Planning Committee meeting on 15 September 2009, and the Council on 1 October 2009.
7. A Summary of Decisions Requested on WRRP Plan Change 1 was notified by ECan on 10 October 2009, and the close of further submissions is 13 November 2009. The further submission process provides the Council with an opportunity to support or oppose submissions made by other organisations and individuals. It does not allow for new matters to be raised.
8. ECan received 95 submissions on WRRP Plan Change 1 - including submissions from local government organisations, interest groups, industry groups, residents, and landowners. About one-third of submitters, mostly individuals, requested the plan change be withdrawn, with the remaining submitters generally requesting that the proposed changes be retained as notified, or retained with, generally minor amendments. A reasonable number of submitters suggested changes (both increase and decreases) to the water allocation block volumes, as well as a need for ECan to give further consideration to a 1:1 flow sharing regime. Overall, there were no submissions that are specifically contrary to the City Council 'objective' of ensuring the plan remains flexible enough for allowing future potential water take for community supply.



**27 Cont'd**

9. In summary, the City Council further submissions:
- (a) Support requests for amendments to further enhance the ecological health of the Waimakariri River, and its amenity and recreational values.
  - (b) Support requests for amendments that clarify the distinction between the Waimakariri River mainstem, and its tributaries.
  - (c) Support requests for further research, and specifically for better understanding the relationship between the Waimakariri River and the recharge of aquifers.
  - (d) Support requests for on-going and targeted monitoring.

**FINANCIAL IMPLICATIONS**

10. There are no immediate financial implications for the Council. The plan change will not directly affect Council operations.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

11. The cost of preparing and presenting the further submission is included in existing budgets.

**LEGAL CONSIDERATIONS**

12. The RMA 1991 (First Schedule, Part 1 (6)) allows Council to make submissions on a variation/change to a regional plan.

**Have you considered the legal implications of the issue under consideration?**

13. A legal review of the original submission and further submission has not been carried out. However, any evidence prepared for a hearing will be subject to a legal review.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

14. This submission supports the LTCCP community outcome of a 'well governed city', and in particular, planning for the future, and as part of this, the activity of providing a reliable supply of water which is safe to drink.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

15. As above.

**ALIGNMENT WITH STRATEGIES**

16. This submission is consistent with, and supports, the Council's Water Supply Strategy.

**Do the recommendations align with the Council's strategies?**

17. As above.

**CONSULTATION FULFILMENT**

18. Not applicable.

**STAFF RECOMMENDATION**

It is recommended that the Council adopts the attached further submission on Waimakariri River Regional Plan - Proposed Plan Change 1 for lodgement with Environment Canterbury.

**28. GLOBAL NETWORK OF GREAT WINE CAPITALS: ATTENDANCE AT ANNUAL GENERAL MEETING**

<b>General Manager responsible:</b>	General Manager Human Resources, DDI 941-8444
<b>Officer responsible:</b>	Marketing Manager
<b>Author:</b>	Richard Stokes, Marketing Manager

**PURPOSE OF REPORT**

1. To seek retrospective approval for Councillor Sue Wells to attend the Global Network of Great Wine Capitals (GWC) Annual General Meeting in Bordeaux, France (1-5 November 2009).

**EXECUTIVE SUMMARY**

2. On 9 October 2009 the GWC informed the Council that Christchurch/Southern New Zealand had been selected as the new New Zealand member of GWC.
3. The first AGM of GWC, since the invitation for Christchurch / Southern New Zealand to join the Network, is in Bordeaux, 1-5 November 2009. GWC requested that the Mayor of Christchurch – ‘The International Gateway City’ of the Southern New Zealand Wine region, attend the AGM and accept the invitation to join the Network.
4. The dates for travel clashed with other activity already scheduled for The Mayor and Deputy Mayor.
5. The GWC advised that, in the absence of The Mayor an elected member of Christchurch was required to accept the invitation to join the Network. The Mayor’s office advised that Councillor Wells would represent the Mayor, in the capacity as a stakeholder’s representative of the Southern New Zealand Wine Region.
6. The other representative of the Southern New Zealand Wine region attending the GWC AGM and conference is Gerard Quinn, Chief Operating Officer, Canterbury Development Corporation.
7. Due to the short period for communicating with GWC; determining requirements for accepting the invitation and discussions amongst stakeholders of the Southern New Zealand Wine region over representation and costs for attendance at the AGM, the deadline for a report to Council for approval of the Travel was missed.

**FINANCIAL IMPLICATIONS****Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

8. Funding for GWC activity in 2009/10 is from the Civic and International Relations budget. Sufficient funding is available within the Civic and International Relations travel budget to cover the travel costs of \$3,000. Accommodation costs and conference registration fees are covered by GWC.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

9. International Relations Activity Management Plan - maintain and develop strategic city-city programmes.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

10. Yes. Civic and International Relations, page 143 – the Council promotes cultural links with City to City programmes. These help to attract high-value investment and innovation.

**28 Cont'd**

**ALIGNMENT WITH STRATEGIES**

11. Yes, see International Relations Policy.

**Do the recommendations align with the Council's strategies?**

12. Yes.

**CONSULTATION FULFILMENT**

13. Not applicable.

**STAFF RECOMMENDATION**

That the Council retrospectively approve the attendance of Councillor Sue Wells at the Great Wine Capitals Network Annual General Meeting 1-5 November in Bordeaux, France.

**BACKGROUND**

14. The Global Network of Great Wine Capitals (GWC) is a network of eight major global cities in both the northern and southern hemispheres which share a key economic and cultural asset – their renowned wine regions. The Global Network exists to encourage wine tourism, education and research and business exchanges and cooperation between its members. The Network also promotes global awareness of its member wine industries and the associated tourism facilities they have available. The Council, together with Canterbury Development Corporation and Christchurch and Canterbury Tourism coordinated an application for membership to the Global Network on behalf of the renowned South Island wine regions of Marlborough, Waipara Valley, Canterbury and Central Otago.
15. Membership of this Network will provide a means to build on the excellent reputation of our wine regions in order to attract more visitors to, and economic interest in, our region - and in Christchurch specifically as the gateway to the Southern New Zealand wine regions. In addition, the Network provides a means to promote internationally the cutting-edge sustainability credentials of the South Island's wine regions – an increasingly important factor as consumers become more conscious of the carbon footprint of goods they buy.
16. Membership of the Network also presents an opportunity for South Island Local Government bodies and industry organisations to work collaboratively on tourism initiatives. This initiative includes Marlborough, Central Otago and Canterbury regions working together.
17. The Southern New Zealand Wine region is yet to formalise a name, structure and budget to manage and implement its participation in the GWC. It is anticipated that a 'wine industry sector group' will be established, with member stakeholders able to leverage their status of the GWC network. Council staff have had initial discussions with Canterbury Development Corporation about taking a lead role and using their sector group model for this.

12. 11. 2009

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29. NOTICES OF MOTION

30. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

THURSDAY 12 NOVEMBER 2009

COUNCIL

RESOLUTION TO EXCLUDE THE PUBLIC

*Section 48, Local Government Official Information and Meetings Act 1987.*

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 31-34.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
31. REPORT OF THE SHIRLEY/ PAPANUI COMMUNITY BOARD: MEETING OF 16 OCTOBER 2009		
32. JOINT REPORT BY THE CHAIRPERSONS OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD AND THE LYTTELTON/MT HERBERT COMMUNITY BOARD	) GOOD REASON TO ) WITHHOLD EXISTS ) UNDER SECTION 7	SECTION 48(1)(a)
33. TERRANOVA PROJECT		
34. NOTICE OF MOTION		

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Item 31	Conduct of negotiations	(Section 7(2)(i))
Item 32	Commercial activities	(Section 7(2)(h))
Item 33	Conduct of negotiations	(Section 7(2)(i))
Item 34	Conduct of negotiations	(Section 7(2)(i))
Item 34	Prejudice commercial position	(Section 7(2)(b)(2))

**Chairman's**

**Recommendation:** That the foregoing motion be adopted.

**Note**

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
- (a) Shall be available to any member of the public who is present; and
  - (b) Shall form part of the minutes of the local authority.”