

CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 16 DECEMBER 2010

9.30AM

**COUNCIL CHAMBER, CIVIC OFFICES,
53 HEREFORD STREET**

CHRISTCHURCH CITY COUNCIL

Thursday 16 December 2010 at 9.30am
in the Council Chamber, Civic Offices, 53 Hereford Street

Council: The Mayor, Bob Parker (Chairperson).
Councillors Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen, Barry Corbett,
Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid, Sue Wells and
Chrissie Williams.

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16. 12. 2010

1. **APOLOGIES**
2. **CONFIRMATION OF MINUTES - COUNCIL MEETING OF 2.12.2010 AND 7.12.2010**
Attached.
3. **DEPUTATIONS BY APPOINTMENT**
4. **PRESENTATION OF PETITIONS**

6. CHRISTCHURCH CITY DISTRICT PLAN: CHANGE 16 CHRISTCHURCH INTERNATIONAL AIRPORT RUNWAY END PROTECTION AREAS – FINAL APPROVAL

General Manager responsible:	General Manager Strategy and Planning, DDI 941 8281
Officer responsible:	Programme Manager District Planning
Author:	David Punselie, Assistant Planner

PURPOSE OF REPORT

1. This report seeks a resolution from the Council that it approve changes to the City Plan introduced by its decision on Plan Change 16 Christchurch International Airport Runway End Protection Areas.

EXECUTIVE SUMMARY

2. Plan Change 16 (**Attachment 1**) is a privately requested change initiated by Christchurch International Airport Ltd that sought to amend provisions in the District Plan relating to Runway End Protection Areas (REPA) and Approach Surfaces for the cross-wind runway (Runway 11/29) at Christchurch International Airport ('the Airport'). This change would enable increased airfield operational capacity and more efficient and safe use of the Airport's combined runway system. The Plan Change makes provision for the enlargement (both widening and lengthening) of the existing REPA and the widening of the existing strip for the cross-wind runway (Runway 11/29).
3. Following a hearing in March 2010 Commissioner John Milligan recommended to the Council that the plan change should be approved with modification. His report was considered on 8 July 2010 when the Council made a decision to adopt his recommendation.

FINANCIAL IMPLICATIONS

4. There are no direct financial implications.

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

5. The recommendation will not impose on the LTCCP budgets.

LEGAL CONSIDERATIONS

6. The recommendation in this report is for the Council to take the procedural step to make operative the changes introduced by the Council's decision on Plan Change 16. The Resource Management Act 1991 requires that, following the closing of the appeal period and the resolution of any appeals, the Council must formally approve the changes to the plan under clause 17 of Schedule 1 before the plan change becomes operative on a date that is nominated in a public notice of the Council's approval. As no appeal against the Council's decision was received this plan change has now reached the stage where it can be made operative.

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

7. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. Aligns with District Plan Activity Management Plan.

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

9. Yes. Supports the project of processing all privately requested plan changes in compliance with statutory processes and time frames.

ALIGNMENT WITH STRATEGIES

10. Not applicable.

6 Cont'd

Do the recommendations align with the Council's strategies?

11. Not applicable.

CONSULTATION FULFILMENT

12. Approval of changes to the District Plan under clause 17 of Schedule 1 to the Resource Management Act 1991 is a procedural step that does not require consultation.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approve, pursuant to clause 17(2) of the Resource Management Act 1991, the changes to the District Plan introduced by the Council's decision on Plan Change 16 Christchurch International Airport Runway End Protection Areas.
- (b) Authorise the General Manager, Strategy and Planning to determine the date on which the changes introduced by Plan Change 16 become operative.

7. VBASE CHARITABLE TRUST

General Manager responsible:	General Manager, Corporate Services Unit DDI 941-8528
Officer responsible:	Unit Manager, Corporate Finance
Author:	Ian Thomson, Solicitor, Legal Services Unit

PURPOSE OF REPORT

1. To enable the Council to consider a proposal from Vbase Ltd that a charitable Trust be formed to administer a collection of sports memorabilia. The trust would be a Council Controlled Organisation (CCO).

EXECUTIVE SUMMARY

2. Vbase Ltd (Vbase) has negotiated the purchase of a significant collection of sports memorabilia. The collection has been paid for by a local benefactor with the intention that a charitable Trust be formed to manage and eventually own the collection for the benefit of the public.
3. Because Vbase is itself a CCO, any entity in which Vbase has a controlling interest is also a CCO.
4. In March and April 2010 the Council undertook a special consultative procedure before a decision was made to approve the establishment of 3 non-active CCOs. At its meeting on 21 June 2010 the Council resolved to:

“Approve the establishment of 3 Council controlled organisations to be used, following further Council approval, should appropriate opportunities arise”.
5. One of the CCOs was intended to be used as a Trust. An opportunity now exists for that use, as outlined in this report.
6. It is recommended that the Council approve the Trust being used for this purpose.

FINANCIAL IMPLICATIONS

7. Solicitors acting for Vbase have prepared a Trust Deed for the proposed “Canterbury Sports Museum Charitable Trust”. (**Attachment 1**).
8. All costs associated with the preparation and registration of the Trust as a charitable entity will be met by Vbase. The only cost to be incurred by the Council will be in respect of staff time both in the initial setting up of the Trust and in monitoring its operation as a CCO within the Council group.

LEGAL CONSIDERATIONS

9. It is proposed that Vbase Limited be the settlor of the Trust.
10. The Trust Deed provides that, at all times, there must be at least 4 trustees who are directly appointed by the settlor. Vbase may also appoint other people and organisations as “appointers”, each of them having the right to appoint a trustee.
11. The definition of a CCO in the Local Government Act 2002 includes an entity, such as a Trust, in which the Council has the right, directly or indirectly, to appoint 50% or more of the trustees.
12. Because Vbase has the right to appoint 50% or more of the trustees of the “Canterbury Museum Charitable Trust” this right is indirectly controlled by the Council. The Trust will therefore be a CCO.
13. Section 56 of the LGA 2002 requires the Council to use the special consultative procedure before it adopts a proposal to establish a CCO.

7 Cont'd

14. As part of the consultation process for the 2010/11 Annual Plan the Council consulted on a proposal that 3 non-active CCOs be established. The purpose of doing this without a specific activity for them to carry out was so that the Council was able to respond quickly to any opportunity that might arise. The alternative was to undertake a special consultative procedure each time an activity was identified and if it was determined that a CCO was the appropriate structure to use.
15. Following the completion of the special consultative procedure the Council resolved at its meeting on 21 June 2010 to:

“Approve the establishment of 3 Council controlled organisations to be used, following further Council approval, should appropriate opportunities arise”.
16. Concern was expressed at the time that by establishing non-active CCOs the Council was acting contrary to the provisions of the Local Government Act 2002 and that the CCOs should not be used to avoid consultation.
17. The Council has been advised by its strategic legal advisor, Simpson Grierson, that establishing CCOs as Shelf Companies or Trusts, without a specific purpose or activity in mind, does not breach the Act.
18. Further, the Council was assured that having a number of non-active CCOs available for use did not remove any control from Councillors. Staff undertook that any proposal to use one of the CCOs would be put to the Council for consideration and would be subject to the decision making and consultation processes in the LGA 2002. Approval would be sought for any financial support (capital injection or debt).
19. If the commencement of a particular activity triggered the Council's significance policy, the use of the special consultative procedure would also need to be considered. The Council would be required by the Act to have regard to the views of the community.
20. The proposal to use a charitable Trust for the purpose referred to in this report is not contained in the 2009/19 LTCCP or 2010/11 Annual Plan. This means that the Council's significance policy requires it to consider undertaking a special consultative procedure before it determines whether or not to approve the proposal.
21. In doing so, the Council may take into account the following matters:
 - (a) Achieving compliance with sections 77 and 78 of the Local Government Act 2002. This should be in proportion to the significance of the decision.
 - (b)
 - (i) Section 77 requires an assessment of all reasonably practicable options for achieving the objective of a decision.
 - (ii) The collection of sports memorabilia has been purchased by a generous benefactor. That person has required the collection to be managed by a charitable Trust for the benefit of the public.
 - (iii) On the death of the benefactor ownership of the collection is to pass to the Trust.
 - (iv) Vbase has accepted responsibility for creating and managing the Trust. So long as it retains control of the appointment of trustees, the “Canterbury Sports Museum Charitable Trust” will be a CCO.
 - (v) It is possible that another organisation could assume this role. However, Vbase is well placed to do the job given its involvement in event management in Christchurch, in particular at AMI stadium and CBS Arena which Vbase owns and operates.
 - (vi) This will also provide opportunities for the display of the collection.

7 Cont'd

- (vii) For these reasons it is open for the Council to conclude that the proposal in front of it is the preferred option for dealing with the matter.
- (c)
 - (i) Section 78 requires the Council to consider the views and preferences of persons likely to be affected by, or to have an interest in, a matter.
 - (ii) Those people who had an interest in the proposal to establish non-active CCOs had the opportunity to be heard as part of the special consultative procedure undertaken in March and April this year.
 - (iii) A decision to use one of those CCOs for the activity set out in this report is unlikely to be controversial.
 - (iv) The collection has been purchased for the benefit of the public and the trustees of the proposed Trust would be bound to manage the collection for that purpose.
- (d)
 - (i) As settlor of the Trust, Vbase would be in a position to influence the decisions to be made with regard to the collection and the possible development of a sports museum in Christchurch.
 - (ii) There is unlikely to be any objection to the steps proposed to achieve that outcome, particularly in view of the fact that neither Vbase nor the Council have been called upon to contribute financially to the purchase of the collection.
- (e) It is open for the council to decide not to undertake a further consultative process before giving its approval to the proposal. It would not be in breach of its obligations under the LGA 2002 or the Council's significance policy if it chose to take this approach.

STAFF RECOMMENDATIONS

It is recommended that the Council resolves that it:

- (a) approves the creation of the "Canterbury Sports Museum Charitable Trust" as a Council Controlled Organisation.
- (b) approves the use of one of the non-active Council Controlled Organisations to be established following a special consultative procedure undertaken in March and April 2010.
- (c) Authorises the General Manager of Corporate Services Group to sign any documentation that is required to be signed on behalf of the Council in order to achieve the outcomes sought in (a) and (b) above.

7 Cont'd

BACKGROUND

22. In December 2009 Vbase became aware that a New Zealand collection of sports memorabilia was to be offered internationally for sale.
23. Vbase approached the owner and was given an opportunity to investigate how the collection could be acquired for and on behalf of the public, in particular Canterbury residents. Tentative funding arrangements were secured.
24. In the event, a single benefactor has purchased the collection and will lend it to the charitable Trust that Vbase now wishes to create. Because Vbase is a CCO, the trust would also be a CCO under the provisions of the Local Government Act 2002.
25. As stated in the Trust deed, the purposes of the Trust are to provide educational and other benefits to the public of New Zealand by:
 - (a) Acquiring New Zealand sporting memorabilia for display and exhibition purposes;
 - (b) Developing and maintaining a sports museum for:
 - (i) the education and enjoyment of the public;
 - (ii) the exhibition of sports memorabilia, including visiting collections;
 - (iii) sporting and educational gatherings;
 - (iv) to promote sports and New Zealand's sporting achievements;
 - (v) academic and scholarly research and/or;
 - (vi) any other activity intended to foster a love of sports, sporting history or other cultural interest in the city of Christchurch; and/or
 - (c) To raise money for use by the Trust either to sponsor sporting events or individual sports people or to purchase additional items, collections and memorabilia for exhibition at the museum.
26. The purposes of the Trust are and will be charitable.
27. It is intended that on the death of the benefactor, ownership of the collection will pass to the Trust.
28. If the staff recommendations in this report are adopted, Vbase proposes to display the collection at AMI Stadium. It also intends, through the charitable Trust, to support and promote the development of a sports museum in Christchurch. Such a structure would protect the objective that this development would be for the public benefit.

8. REVIEW OF CHRISTCHURCH CITY HOLDINGS LIMITED DIRECTORS FEES

General Manager responsible:	General Manager, Regulations and Democracy Services, DDI 941-8462
Officer responsible:	General Manager, Regulations and Democracy Services
Author:	Peter Mitchell, General Manager, Regulations and Democracy Services

PURPOSE OF REPORT

1. The purpose of this report is to recommend an increase in the fees paid to the directors of Christchurch City Holdings Limited (CCHL).

EXECUTIVE SUMMARY

2. In September 2007 the Council adopted a revised policy on the appointment of directors and payment of remuneration to members of Council organisations.
3. Part of that revised policy provides that CCHL will recommend to the Council directors fees to be paid to the directors of CCHL, for approval by the Council.
4. Regarding the remuneration paid to CCHL directors the Council's 2007 policy of appointment and remuneration of directors provides:

"31. Periodically, normally every three years but more frequently if considered appropriate, CCHL will review the level of remuneration being paid to the boards of the CCTOs.

32. As part of this function, CCHL will also review the levels of fees considered appropriate for the CCHL board after the triennial Council elections.

33. The fees for CCHL directors will be assessed using the same methodology that is used for other CCTOs, with no distinction made between Non-Council and Council directors

34. CCHL will then report to the Council with a recommendation with regard to the level of fees for the CCHL board. When the Council considers this issue, those Councillors who are directors of CCHL or any other CCTO may not take part in discussions or vote on the issue except where a declaration permitting Councillors to discuss and vote on the issue has been granted by the Auditor-General.

35. CCHL will arrange and pay for directors' liability insurance, and indemnify each of the directors."

5. It will be noted that paragraph 32 provides for a review of CCHL director fees after the triennial elections and that paragraph 33 of the policy provides that the fees for CCHL directors will be assessed using the "same methodology" that is used for other Council Controlled Trading Organisations (CCTOs).

The "same methodology" referred to in paragraph 33 is set out in the Policy as follows:

62. In performing its review of remuneration, CCHL will take account of the following factors:

- (a) The need to attract and retain appropriately qualified directors.*
- (b) The levels of remuneration paid to comparable companies in New Zealand.*
- (c) The performance of the CCTO and any changes in the nature of its business.*
- (d) Any other relevant factors.*

63. In general, it is intended that boards of CCTOs will receive a level of remuneration that is competitive with the general market, while recognising that there will be differences from time to time, particularly in the period between reviews. Professional advice will be sought where necessary.

8 Cont'd

64. *Council directors will be entitled to receive normal directors fees due to this policy being based on all appointments being based on merit and directors being appointed to act in the interests of the company and not as representatives. It is considered that all directors on any board should be treated equally in recognition of the responsibility taken on by all directors to act in the interest of the company they serve. However, in the event of a Council or CCHL staff member being appointed to a CCTO board, the fees for that appointee shall either not be paid or be paid to the Council or CCHL, unless there are special circumstances. This reflects the employee being appointed as part of their existing position.*
6. Of particular relevance for the review of CCHL remuneration, is paragraph 62 which sets out the factors that CCHL will take into account in reviewing the remuneration, and paragraph 63 which provides that the boards of Council Controlled Organisations (and CCHL) will receive a level of remuneration that is competitive in the general market and professional advice will be sought where necessary.
7. CCHL has carried out an external review of its directors fees and a copy of that external review (**Attachment B**), together with a report from CCHL itself (**Attachment A**), is attached to this report.
8. CCHL utilised the services of Strategic Pay Limited (SPL) to assess the fees which need to be paid to the Council Controlled Organisations. CCHL is recommending that the Council approve a new level of fees for Christchurch City Holdings Limited of \$328,000 with effect from 1 December 2010.

RECOMMENDATION

That the Council approve the level of fees for Christchurch City Holdings Limited being \$328,000 with effect from 1 December 2010.

9. ADOPTION OF SCHEDULE OF MEETINGS FOR 2011

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Democracy Services Manager
Author:	Clare Sullivan, Council Secretary

PURPOSE OF REPORT

1. The purpose of the report is to seek the adoption by the Council of the attached schedule (**Attachment 1**) setting out the proposed times and dates of ordinary Council meetings, Committee meetings, and Annual Plan meetings for 2011.

EXECUTIVE SUMMARY

2. In order that the business of the Council can be conducted in an orderly manner, and to allow public notification of meetings to be given in compliance with the Local Government Official Information and Meetings Act 1987, it is necessary for the Council to adopt a schedule of meetings.
3. The attached schedule (**Attachment 1**) assumes:
 - That Council meetings will be held commencing at 9.30am on the second and fourth Thursday of each month, with the meeting on the second Thursday being devoted solely to consideration of community board reports, with all remaining reports/items being submitted to the second meeting on the fourth Thursday.
 - A series of Committees meeting in the first week of each month.
 - Meetings set aside for the Annual Plan (including a workshop in February) and hearings and consideration.
 - As in previous years the third week of the month will be a community week where, at all possible, meetings are not scheduled unless necessary and Councillors have the opportunity to be active in their community in their representation role.
4. The schedule is based on the agreed format of meetings for 2011, with times set aside for Council workshops. Other dates will still need to be set including for the Canterbury Earthquake Heritage Building Fund, ad hoc committees, working parties, Water Management Committees and a number of special consultative processes.
5. The Council would also request that Community Boards, when determining their own meeting timetables, as far as possible schedule Community Board meetings for week three of each month. It is acknowledged that a number of community boards hold two meetings a month.

FINANCIAL IMPLICATIONS

6. Costs associated with holding meetings are provided for in the LTCCP.

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

7. Yes. Page 159 of the 2009-19 LTCCP.

LEGAL CONSIDERATIONS

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

8. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

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

9 Cont'd

9. Yes – Democracy and Governance pages 154 to 159 of the 2009-19 LTCCP.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

10. Not applicable.

CONSULTATION FULFILMENT

11. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Council adopt the schedule of meetings for 2011 as attached to this report.

10. RECESS COMMITTEE

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Democracy Services Manager
Author:	Clare Sullivan, Council Secretary

PURPOSE OF REPORT

1. The purpose of the report is to seek the Council's approval to establish a Council Recess Committee to consider issues that require a Council decision in the period following its last scheduled meeting for 2010 (being 16 December) up until 9 February 2010.

EXECUTIVE SUMMARY

2. As there is a period of up to two months between meetings of the Council, it is recommended that a Recess Committee with power to act, be appointed to deal with any issue requiring a Council decision that cannot wait until the first scheduled meeting for 2011 being 10 February 2011.

FINANCIAL IMPLICATIONS

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

3. Yes. Costs associated with holding meetings is provided for in the LTCCP. Refer page 159.

LEGAL CONSIDERATIONS

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

4. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

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

5. Yes. Democracy and Governance pages 154 to 159 of the 2009-19 LTCCP.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

6. Not applicable.

CONSULTATION FULFILMENT

7. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Establish a Recess Committee comprising the Mayor or Deputy Mayor and three Councillors authorised to make any decisions of the Council for the period from 10 December 2010 to 9 February 2011.
- (b) Note that any decisions made will be reported to the Council for record purposes.
- (c) Agree that notice of any Recess Committee be publicised and forwarded to all Councillors.

11. EXTENSION OF DELEGATION TO APPOINT COUNCIL HEARINGS PANELS

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Unit Manager, Democracy Services Unit
Author:	Clare Sullivan, Council Secretary

PURPOSE OF REPORT

1. To recommend extending the delegation to the Mayor and Chief Executive to appoint certain Council Hearings Panels until 28 February 2011.

EXECUTIVE SUMMARY

2. At its 18 November 2010 meeting, the Council resolved:

6.3 *That the Mayor and Chief Executive appoint the following hearings panels if required to meet prior to the end of the year:*

- (i) *RMA panels.*
- (ii) *A number of exemptions under the Fencing of Swimming Pools Act.*
- (iii) *Several objections under the Dog Control Act.*

3. It may be necessary for further such Hearings Panels, and those referring to matters under the Sale of Liquor Act, to be appointed up until the end of February 2011.

LEGAL CONSIDERATIONS

4. Clause 30 Schedule 7 of the Local Government Act 2002 gives the Council the power to appoint such committees as it considers appropriate.
5. The Council Hearings Panel appointed by the Council has the same status as a Committee. Historically the Mayor, Councillors and Community Board Members are appointed to the Hearings Panel.
6. The responsibilities usually delegated to the Hearings Panel include the power to hear applications and objections under various statutes and regulations.

STAFF RECOMMENDATION

That the Council resolves that the Mayor and Chief Executive appoint any hearings panels required to meet before 28 February 2011 on the following matters:

- (i) Resource Management Act 1991
- (ii) Exemptions under the Fencing of Swimming Pools Act 1987
- (iii) Objections under the Dog Control Act 1996
- (iv) Sale of Liquor Act 1989.

12. ESTABLISHMENT OF COUNCIL COMMITTEES, MEMBERSHIP AND TERMS OF REFERENCE

General Manager responsible:	Peter Mitchell, General Manager Regulation and Democracy Services
Unit Manager:	Democracy Services Unit Manager
Author:	Clare Sullivan, Council Secretary

PURPOSE OF REPORT

1. To recommend that the Council resolve:
 - To adopt the terms of reference and delegated authority (where necessary) of its Policy Review and Operational Committees that were established on 7 December 2010.
 - The re-establishment of several Council committees from the 2007-2010 term.
 - Membership of the above Committees and their chairpersons.
 - To adopt the respective terms of reference and, where necessary, delegated authority.
 - To establish a Central Plains Joint Committee and a joint Committee of the Christchurch City Council and Canterbury District Health Board.
 - To amend the membership of the Urban Development Strategy Implementation Committee.

EXECUTIVE SUMMARY

2. At its 7 December meeting, the Council resolved to establish the following Policy Review and Operational Committees (including membership and respective chairpersons):
 - Audit and Risk Management Subcommittee
 - Central City Committee
 - CEO Performance Review and Remuneration Subcommittee.
 - Communications Committee
 - Heritage and Arts Committee
 - Housing and Community Facilities Committee
 - Long Term Plan Committee
 - Metropolitan Funding Committee
 - Regulatory and Planning Committee
 - Transport Committee*
 - Water and Waste Water Committee.

This report seeks a Council resolution establishing respective terms of reference (**Attachment 1**) and delegated authority where appropriate (**Attachment 2**) for the above committees. **The terms of reference will be separately circulated.**

3. The following committees of Council were established or continued in the 2007-2010 term:
 - Alcohol and Liquor Control Bylaw Subcommittee (Subcommittee of the Regulatory and Planning Committee)
 - Christchurch Civic Awards Subcommittee
 - District Plan Appeals Subcommittee
 - Ethics Subcommittee
 - Metropolitan Small Grants Fund Subcommittee (Subcommittee of the Metropolitan Funding Committee comprising the chairperson of each Community Board)
 - Submissions Panel
 - Summit Road Advisory Committee.

This report seeks a Council resolution to re-establish the above Committees of Council, and their membership, terms of reference (**Attachment 3**) and, where necessary, delegated authority (**Attachment 4**).

4. At a joint workshop held between Christchurch City and Selwyn District Councils in 2009, it was agreed that a Central Plains Joint Committee would be established. This report seeks the formal establishment of that Committee and the Council to appoint representatives to it.

12 Cont'd

5. At its meeting of 23 July 2010, as part of the recommendations of the Joint Christchurch City Council/Canterbury District Health Board Hearings Panel report, the Council resolved that:

A joint Committee of the Christchurch City Council and Canterbury District Health Board (and potentially TRONT and Ngāi Tuahuriri) be established following the 2010 Local Body and District Health Board elections to monitor and further the aims of these recommendations.

This report seeks the establishment of this joint committee with the recommendations mentioned above as terms of reference as prescribed in **Attachment 5**.

6. This report seeks an amendment to the resolution made by the Council at its meeting on 7 December 2010 in regard to the Council appointees to the Urban Development Strategy Implementation Committee. The Council resolved that the Mayor would serve as the Council alternate on this Committee, however, the founding document requires the Mayor as a standard appointment. Another Councillor needs to be appointed as the alternate.

FINANCIAL IMPLICATIONS

7. Approval of the delegations sought will not result in any additional expenditure. The Council is legally empowered to grant the subject delegations, pursuant to the relevant provisions of the legislation quoted in each case.

LEGAL CONSIDERATIONS

8. Clause 30(1) of the 7th Schedule of the Local Government Act 2002 authorises the Council to appoint committees, subcommittees, and joint committees with other local authorities or public bodies.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Adopt the terms of reference for the following Policy Review and Operational Committees as prescribed in Attachment 1:
- Audit and Risk Management Subcommittee
 - Central City Committee
 - CEO Performance Review and Remuneration Subcommittee.
 - Communications Committee
 - Heritage and Arts Committee
 - Housing and Community Facilities Committee
 - Long Term Plan Committee
 - Metropolitan Funding Committee
 - Regulatory and Planning Committee
 - Transport Committee
 - Water and Waste Water Committee.
- (b) Resolve that the Council delegate the authority prescribed in Attachment 2 to the Regulatory and Planning Committee, Metropolitan Funding Committee and Audit and Risk Management Subcommittee respectively.
- (c) Resolve that the following Council Committees be established with terms of reference as prescribed in Attachment 3:
- Alcohol and Liquor Control Bylaw Subcommittee (Subcommittee of the Regulatory and Planning Committee)
 - Christchurch Civic Awards Subcommittee
 - District Plan Appeals Subcommittee
 - Ethics Subcommittee
 - Metropolitan Small Grants Fund Subcommittee (Subcommittee of the Metropolitan Funding Committee)

12 Cont'd

- - Submissions Panel
 - Summit Road Advisory Committee.
- (d) Resolve that the Council delegate the authority prescribed in Attachment 4 to the Submissions Panel, Ethics Subcommittee, Metropolitan Small Grants Fund Subcommittee and District Plan Appeals Subcommittee respectively.
- (e) Appoint elected members as members of the following committees of Council:
- Alcohol and Liquor Control Bylaw Subcommittee (Subcommittee of the Regulatory and Planning Committee) (members of the Regulatory and Planning Committee)
 - Christchurch Civic Awards Subcommittee (2 members)
 - Christchurch Hospital Redevelopment Joint Committee
 - Civil Defence Emergency Management Group (1 member)
 - District Plan Appeals Subcommittee (3 members)
 - Ethics Subcommittee (5 members)
 - Submissions Panel (4 members)
 - Summit Road Advisory Committee (1 Councillor and 1 Community Board member)
 - Summit Road Protection Authority (1 Councillor and 1 Community Board member).
- (f) Resolve to establish a Central Plains Joint Committee with Selwyn District Council and appoint Council representatives to it.
- (g) Resolve to establish a joint Committee of the Christchurch City Council and Canterbury District Health Board with the terms of reference prescribed in Attachment 5 and appoint Council representatives to it.
- (h) Resolve to amend the Council appointees to the Urban Development Strategy Implementation Committee so that the Mayor be appointed a member of the Committee as prescribed in Appendix 5 of the Greater Christchurch Urban Development Strategy, and that a Councillor be appointed as the alternate.

13. PERFORMANCE REPORT FOR THE FOUR MONTHS TO 31 OCTOBER 2010

General Manager responsible:	General Manager, Corporate Services, DDI 941-8528
Officer responsible:	Corporate Performance Manager Corporate Finance Manager
Author:	Paul Anderson, General Manager, Corporate Services

PURPOSE OF REPORT

1. The purpose of this report is to update the Council on service delivery, financial, and capital works programme performance results for the four months to 31 October 2010. The budgets and targets in this paper are based on those approved by the Council in the 2009-19 LTCCP and/or 2010-11 Annual Plan. In normal circumstances, the Council receives these Performance Reports on a quarterly basis. However, staff deferred the first report of 2010/11 to ensure the level of service and financial impact of the earthquake could be included in the report.
2. The report includes an overview of the expected overall financial impact of the earthquake on the Council and, where possible, these costs have been incorporated into the year-end forecasts. During the emergency period, staff took steps to introduce a financial structure that allows the capture of earthquake-related costs and revenues. Staff are continuing to review the items that have been captured by this structure and will incorporate them fully into the next Council Quarterly Performance Report.

EXECUTIVE SUMMARY

3. Attached are appendices showing summaries of:
 - Proposed targets to exclude earthquake period (**Appendix 1a**)
 - Proposed new targets due to earthquake (**Appendix 1b**)
 - Proposed targets to be set aside for this financial year (**Appendix 1c**)
 - Proposed changes to levels of service that are not related to the earthquake (**Appendix 1d**)
 - Levels of service where the Council confirmation of a target is required (**Appendix 1e**)
 - Financial performance as at 31 October 2010 (**Appendix 2**)
 - Significant capital projects (>\$250,000) as at 31 October 2010 (**Appendix 3**)
 - Housing development fund as at 31 October 2010 (**Appendix 4**).

Levels of Service

4. The Council's LTCCP was built using over 600 measures that track the performance of the organisation against the targets resolved on by the Council. The Council has agreed that the organisation's target for delivery against these targets is to achieve 85 percent to target or better. Last year, the Council delivered 90.4 percent of its levels of service to the community.
5. Although the majority of the Council's performance targets remain unaffected, the earthquake has had a significant impact on the delivery of 20-30 percent of levels of service for the 2010/11 financial year. The organisation will continue to strive to achieve the original levels of service set by the Council where this is practical. However, it is proposed to amend the levels of service listed in **Appendices 1a to 1c** to ensure that the Council's performance is measured against a more realistic set of targets.
6. It is important that these targets, which were set as part of the 2009 LTCCP process, be brought into step with reality so that staff can be clear on what must be delivered post earthquake, and that accountability for that delivery remains clear. In this way business plans, individual performance plans and reporting can be kept relevant. Regaining this clarity is an important management aspect of the recovery process.

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7. The levels of service proposed for change fall into the following categories:
 - (a) The service was **not provided or was provided at a reduced level during the period immediately following the earthquake** (up to 31 October 2010). For example, where facilities were closed for inspection, maintenance of park surfaces, retrieval of property files. A full list of affected levels of service is contained in **Appendix 1a**. Staff propose that the target for these levels of service be adjusted to exclude a period of measurement from 4 September 2010 up to 31 October 2010.
 - (b) The service **is affected by the earthquake and a proposed new measure is possible**. These levels of service are generally where an annual target has been set but now needs to be reduced to reflect the service interruption due to the earthquake. Examples of this category include the number of community facilities available, the number of participants using recreation centres, number of days stadia are available for hire. The table in **Appendix 1b** proposes new targets for these levels of service.
 - (c) The service was affected by the earthquake and **new measurement information is not yet available**. Examples include wastewater overflows due to wet weather, odour complaints, water supply network breakages. It is proposed that these levels of service be excluded from the overall target calculation for 2010/11 and new targets are set for 2011/12. A full list of affected levels of service is contained in **Appendix 1c**.
8. In terms of authority to approve these changes, Legal Services advise that the Council may approve changes to any LTCCP level of service affected by the earthquake without recourse to further consultation or process. All changes arising from the earthquake apply to the current year only. The intention is to return to the levels of service specified in the 2009 LTCCP from 1 July 2011.
9. **Appendix 1d** contains proposed changes to level of service targets that are not connected to the earthquake. They are adjustments to targets that arise from time to time as better information comes to hand or circumstances change. They are normally put to the Council for decision as part of the Quarterly Performance Report. They have been kept separate from earthquake-related changes for that reason.
10. **Appendix 1e** contains measures for which targets were not set during the 2009-19 LTCCP process. A baseline may have been required, or further information needed before a target could be set. They are now being put to the Council for approval as this information is now available.

Capital Works Programme Performance Targets

11. There is a need to revise the organisational carry-forward target for delivery of the Capital Works Programme following the earthquake. There are three factors that contribute to the change from the current carry-forward target of 15 percent to a recommended new target of 35 percent.
 - (a) **Impact of deferring renewals projects.** The Council resolved to defer \$56 million of the 2010/11 renewals programme to help fund the recovery effort without the need to increase rates. Analysis of previous years' performance shows that a higher percentage of the renewals element of the programme is delivered than of the growth or aspirational programme.
 - (b) **Impact of earthquake to date – delays to project schedules.** In general terms, over the course of September and October it is estimated that four weeks of productive project time have been lost, which correlates to a need to shift the programme by four weeks.
 - (c) **Impact of earthquake in the future – new environment.** As a result of the earthquake there is greater competition for resources in both the consultant and construction markets, and a priority for the market to respond to earthquake response work which further constrains resource availability in the short term. These factors are likely to impact pricing from the market and will require a greater effort to manage the conditions.

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12. There is also an LTCCP measure for the percentage of capital project milestones on track at year-end, which has an approved target of at least 85 percent. We have assumed a direct relationship between financial performance and schedule achievement. Therefore with the carry-forward target increasing by 20 percent, it is proposed to reduce this milestone target by 20 percent to 65 percent.

Financial Performance

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

\$000's	Year to Date Results			Forecast Year-End Results			Forecast Carry-Forward	
	Actual	Plan	Variance	Forecast	Plan	Variance	Carry Fwd	Result
Financial Summary								
Operational Funding	137,451	135,934	1,517	384,448	371,470	12,978		12,978
Operational Expenditure	123,359	123,260	-99	381,115	371,703	-9,412	1,000	-10,412
Cash operating surplus	14,092	12,675	1,417	3,334	-233	3,566	-1,000	2,566
Capital Works Programme	47,220	74,947	27,726	193,583	222,194	28,611	31,700	-3,089
Works Programme Funding	61,310	52,977	8,334	119,569	124,732	-5,162		-5,162
Works Programme Borrowing Requirement	-14,090	21,970	36,060	74,014	97,463	23,449	31,700	-8,251

14. As at the end of October 2010, a year-to-date cash operating surplus of \$1.4 million is expected to extend to \$2.6 million by year-end (after operational carry-forwards). The October forecast includes \$2.7 million of operational impact of the earthquake relating to emergency operating costs, and other impacts such as lost fees and charges. Since the forecast was completed, staff have continued to update the estimate of the operational impact of the earthquake, which is discussed further below.
15. Reporting of the capital works programme has been adjusted for the impact of the Council's decision to defer \$56 million of capital renewals. For the year to date, the capital works programme is \$27.7 million behind budget. The full-year forecast includes known carry-forwards of \$31.7 million (14.3 percent) although, as outlined above, this is expected to increase to up to 35 percent as the full impact of the earthquake is reflected in the Council's forecast.
16. Adjusted for carry-forwards, the capital works programme is currently forecast to be overspent by \$3.1 million. Part of this overspend (\$1.4 million) relates to the Council's approved increase in budget on the Ferrymead bridge, which has not yet been updated in the plan budget shown. (This has no net cost to the Council due to an increase in the NZ Transport Agency (NZTA) subsidy.) In addition, there are several unplanned capital projects (IPC Games 2011 and Diamond Harbour Submarine Pipeline), which will be reported to the Council separately. Finally, development contribution revenue continues to track well below budget with a \$5.2 million variance to budget.

Operational Funding

17. Operational funding is forecast to be \$13 million higher than budget. The key variances are:
- Recovery of operational earthquake costs of \$10.5 million from insurance, central Government and NZTA
 - Higher-than-budgeted revenue from building inspections (\$600,000) and building consents (\$400,000)
 - Rates income forecast to be \$1.5 million higher than budget excluding this year's impact of earthquake-related remissions.

13 Cont'd

18. These are partially offset by lower-than-budgeted revenue in the following areas:
- Resource consents (\$800,000), subdivision consents (\$600,000) and LIMs (\$400,000)
 - Off-street casual and reserved parking (\$900,000 and \$200,000 respectively)
 - Pool admittance and programmes revenue (\$600,000)
 - Community housing rental revenue (\$300,000)
 - Dividends (\$600,000).

Operational Expenditure

19. Operating costs (excluding debt servicing) are forecast to be \$10.8 million higher than budget at year-end, mainly in the Civil Defence and Emergency Management (\$6.9 million), Road Network (\$4 million), Wastewater Collection (\$1.7 million), and Water Supply (\$1.5 million) areas as a direct result of the earthquake. The forecast operational carry-forward of \$1 million relates to heritage grants not uplifted in 2010/11 and will be proposed for carry-forward to 2011/12.
20. Debt-servicing costs are forecast to be \$1.4 million less than budget, due to delayed borrowing as a result of the under-delivery of the capital works programme.

Capital Works Programme

21. The 2010/11 Capital Works Programme budget has been revised down from \$278 million to \$222 million following the Council approval to defer \$56 million of the rates-funded renewals programme for earthquake-related costs.
22. The Capital Works Programme is currently \$27.7 million below budget (as shown in Appendices 2 and 3). The most significant variance is in the Wastewater Collection and Treatment area, which is \$11.8 million below budget. This is due to delays on various projects including the Biosolids Drying Facility (\$5.2 million), and the Western Interceptor Future Stages (\$2.3 million) and Fendalton Duplication (\$2.2 million) projects. The last two are due to the earthquake. Parks and Open Spaces, and Recreation and Leisure are also below budget due mainly to project delays (\$2.8 million and \$1.9 million respectively). Financial details of significant capital projects are shown in **Appendix 3** including forecast carry-forwards and bring-backs.
23. The Capital Works Programme year-end forecast shows a slight deterioration from the current position slipping a further \$900,000. A significant catch-up is forecast in the Wastewater Collection and Treatment area but other areas are forecast to be underspent. These include Strategic Land Acquisitions (\$13 million), Streets and Transport \$6.1 million (\$4.4 million of which relates to the Transport Interchange and Parks and Open Spaces \$4.2 million (the main projects being the Botanic Gardens Entry Pavilion \$2.5 million, which has had construction rescheduled for 2011/12, and Cashmere Ponding \$1.4 million which may no longer be required, pending decisions from the developers).
24. There are several capital projects that require Council approval for new or amended budgets. These are outlined below.

Aranui Library

25. In the 2009-19 LTCCP, the Council approved a capital project for the construction of a new Aranui Library with a total budget of \$3.099 million for completion in 2010/11. This project is seeking an increase of \$711,000 to a total budget of \$3.810 million for the following reasons:
- Higher-than-anticipated construction price. The tender responses closed after the earthquake. The project had budgeted \$2 million for the build and land purchase but tenders ranged between \$2.385 million and \$2.691 million. Prior to the post-earthquake activity the market was very quiet and hence competitive.
 - The fit-out was incorrectly budgeted in the renewals programme and has now been removed as part of the deferrals to the renewals programme as a result of the earthquake.

13 Cont'd

- The land purchase price of \$165,000 was not incorporated within the overall budget for the build because there was an assumption that the library would be built on Council-owned land.
- 26. A value-management exercise across the project has taken place and some savings were recovered around security costs, planned survey fees and IT fit-out costs. These savings are small and have already been built into the updated budget.
- 27. Because of consenting and earthquake-related delays, staff have had to extend the tender validity period that now expires on 17 December 2010. If the tender expires we strongly doubt that re-tendering will attract a better price.
- 28. It is recommended that the Council approves the transfer of \$711,000 from the Capital Governance Pool to the Aranui Library capital project.

Town Hall Refurbishment

- 29. As part of the 2009-19 LTCCP, the Council approved equity funding for Vbase of \$12.266 million and \$7.916 million in 2009/10 and 2010/11 respectively for the refurbishment and improvement projects for the Christchurch Town Hall (\$20.182 million in total). This budget was approved based on information provided to the Council by Vbase. Of this total, \$12 million has so far been advanced to Vbase to commence the project.
- 30. Vbase has now completed the project developed design and has highlighted to the Council greater-than-expected requirements in the following key areas:
 - Deferred Maintenance – greater-than-anticipated legacy issues following ongoing current state assessment through the detailed design process
 - Compliance – electrical sub-main cabling upgrade, and inclusion of smoke extraction in the foyer area and James Hay Theatre due to changes in the building code.
- 31. During the concept design phase of the project and prior to establishing the initial project budget, significant work was undertaken, with the support of professional advisors and quantity surveyors, to ascertain the condition of the building. Both deferred maintenance and compliance requirements were covered as part of this process.
- 32. However the complexity of the building, uniqueness of its design and refurbishment nature of the project meant the building was not easily benchmarked in terms of features and functionality. In particular, the full extent of the proposed design on code compliance only became known after the completion of detailed current state assessments undertaken as part of developed design.
- 33. There has been no scope change, however despite significant work on budget management it is now confirmed that to deliver on the project objectives a further \$4.140 million is required to address the full extent of the compliance and deferred maintenance issues. Vbase has made a request that the Council fund a further \$4.140 million to complete the required work to the original plan. If approved, this funding would be by way of equity contribution to Vbase.

IPC Games Track

- 34. The Council sponsored the IPC World Championships 2011 with a grant of \$500,000. The Council was engaged by the event organisers to build a temporary practice track for the event and this track was completed. The IPC Committee approached organisers to see if the track could be upgraded to match that of the main QEII track to have a comparable practice circuit to that of the competition track. A new project was agreed between the Government and the Chief Executive to construct the IAAF synthetic practice track at QEII.
- 35. This track is being built on the foundations of the temporary track previously funded by and constructed for the IPC event organizers. All of the site works are complete. The surface laying equipment and materials arrive on the 1st of December and the work is scheduled to be completed on the 30th of December.

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36. The total cost of this project (new track) is \$841,000. The Government has committed to fund \$291,800 and the event organizers have committed to fund \$75,000. The Council contribution is \$474,200. It is recommended that the Council note the creation of a new capital project for the creation of a practice track at QEII for the IPC World Championships.

Capital Funding

37. Capital grants and subsidies (NZTA) are \$1.4 million behind budget. This shortfall is forecast to improve to \$900,000 below budget at year-end.
38. Development Contributions are \$700,000 below budget, and have been forecast to continue at current levels in the short term resulting in a \$5.7 million deficit by year-end. Any reduction due to the earthquake may be over and above this amount, but likely to be spread over the next few years.

Operational Activities

39. City & Community Long-Term Policy & Planning – \$1.1 million behind budget, due to lower external consultant charges (\$500,000), mainly in the Policy Advice and Urban & Rural Development areas, as well as Internal Reallocations which are \$576,000 less than budget due to a number of staff working on earthquake recovery. Overall, this activity is forecast to be close to budget at year-end.
40. Heritage Protection – This activity is \$1.2 million under budget due mainly to Heritage and Arts Centre grants not being uplifted (\$600,000 and \$300,000 respectively). These are now forecast not to be paid out this financial year and will be carried forward to 2011/12 (\$1 million).
41. Community Grants – The \$500,000 under budget is a timing issue. It's expected that all grants will be paid out by year-end.
42. Community Housing – This activity is \$1 million under budget, due mainly to an underspend on maintenance costs (\$646,000). This is the combined result of a slow start to the maintenance programme for the year, and then work being diverted elsewhere due to the earthquake. In addition, rental income is \$123,000 below budget due to a number of properties being uninhabitable after the earthquake. This activity is forecasting a \$267,000 unfavourable variance at year-end.
43. Civil Defence and Emergency Management – The year-to-date and forecast variances are wholly a direct result of the earthquake. Expenditure to date is broken down as follows: EOC Emergency Management costs (\$2.4 million); Recovery Management (\$2.3 million) and EQ Welfare (\$700,000). These costs are forecast to increase to \$6.9 million higher than budget by year-end.
44. Waterways and Land Drainage – The current underspend relates to maintenance costs (\$800,000 below budget). There have been delays in some of the programmed work getting underway, in addition to work being diverted to other areas as a result of the earthquake. However, there is a significant catch-up forecast, with this activity forecasting to be \$236,000 higher than budget at year-end (\$179,000 of which are earthquake-related costs).
45. Parks and Open Spaces Capital Revenues – Waterways and Wetlands Development Contributions are forecast to be \$3.2 million below budget, partially offset by Parks Development Contributions, which are forecast to be \$2.5 million higher.
46. Recreation & Sports Services – This activity is \$500,000 under budget, due to lower than budgeted operating/maintenance costs as a result of the facilities being closed for a period of time directly after the earthquake. Partially offsetting this is revenue from Pool Programmes and general admittances, which is also lower than budget for the same reason. By year-end however, the activity is forecast to be \$500,000 higher than budget. Both QEII and Centennial facilities will be closed for maintenance and repairs early in the New Year, and the year-end forecast reflects the lost revenue as a result, with the maintenance budget forecast to be fully spent.

13 Cont'd

47. Recreation and Leisure Capital Revenues – Development Contributions are forecast to be \$800,000 less than budgeted.
48. Recyclable Materials Collection and Processing – The year-end forecast variance reflects the recognition of unplanned lease revenue (non cash) for the MRF (Materials Recovery Facility).
49. Regulatory Approvals – This activity is forecast to be \$800,000 over budget at year-end, due to lower than budgeted revenue for resource consents (\$800,000), subdivision consents (\$600,000) and LIMs (\$400,000). This is partially offset by higher revenue forecast in the building consents (\$400,000) and building inspections (\$600,000) areas.
50. Road Network – Excluding depreciation costs (which are \$2.3 million lower than planned), this activity is \$1.5 million higher than budget, mainly due to earthquake-related maintenance costs. Depreciation costs are forecast to reduce to \$1.6 million lower than budget by year-end, while operating and maintenance costs are forecast to increase to be \$3.9 million higher (\$2.6 million of which is the unplanned recovery/response costs relating to the earthquake). A further \$800,000 relates to higher than budgeted maintenance costs for increased BAU Kerb & Channel/Carriageways work as a result of the \$56 million deferment of capital renewals projects, and another \$500,000 is due to higher than budgeted electricity costs for Street Lighting. Partially offsetting this is an additional \$600,000 of NZTA Operational Subsidy revenue as a result of the increased BAU maintenance work.
51. Parking – This activity is \$600,000 below budget, split between Off-Street and On-Street (both \$300,000 below). Revenue collected for on-street meters was 67% of that in September last year. Off-street parking buildings were closed following the quake, and then free for the first three weeks, followed by the first two hours free until the end of September. There has been a continuation of these effects in October, and this is expected to continue for at least several more months. Some on-street parks (and some meters) remain blocked off by unsafe building cordons, and off-street usage has dropped in some buildings due to staff of some businesses having to relocate to out of the CBD area. The activity is forecast to be \$800,000 below budget at year-end before the impact of Council's recent decision on parking fees in the central city. The impact of this will be built into the next forecast.
52. Public Transport Infrastructure – This activity is \$600,000 above budget due to higher than planned depreciation costs (mainly relating to the new Bus Exchange Facility site) although this is forecast to reduce slightly to \$400,000 by year-end.
53. Streets & Transport Capital Revenues – Total revenue is forecast to be \$2.5 million less than budget. \$1.6 million of this relates to Streets and Transport Development Contributions, while the balance relates to NZTA Capital Subsidies.
54. Wastewater Collection – The month, year-to-date and forecast variances for this activity are due to \$1.9 million of earthquake-related maintenance costs, including \$1.3 million of below-ground and \$200,000 of above-ground emergency works.
55. Wastewater Treatment & Disposal – This activity is \$1.7 million below budget, due mainly to under-spends on operating and maintenance costs. \$900,000 of this is mainly the result of delays associated with the Biosolids Drying Plant, which is now expected to come online full time in November. In addition depreciation is \$300,000 below budget. Revenue from Trade Waste Charges is \$300,000 higher than budget, and this additional revenue is forecast to continue.
56. Wastewater Collection & Treatment Capital Revenues – Development Contributions are forecast to be \$1.7 million less than budgeted.
57. Water Supply – As with the Wastewater Collection activity comment above, the Water Supply year-to-date and forecast overspends are due to \$1.4 million of earthquake-related maintenance costs. Also included in the forecast are higher than budgeted depreciation costs (\$400,000).

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58. Water Supply Capital Revenues – Development Contributions are forecast to be \$400,000 less than budgeted.
59. Corporate Revenues & Expenses – These are forecast to be \$17.3 million higher than budget due mainly to earthquake recoveries (Central Government/NZTA/Insurance). Rates revenue is forecast to be \$1.5 million higher than budget, excluding any earthquake remissions. Also, debt servicing costs are now forecast to be \$1.4 million under budget due to a delay in borrowing.
60. Revenue recognised from Vested Assets and Land Development Contributions are \$3 million and \$1 million less than budgeted respectively.

FINANCIAL IMPACT OF THE EARTHQUAKE**Insurance cover**

61. The Council holds comprehensive insurance cover for its assets as outlined in the table below. Ongoing management of our insurance arrangements includes annual review of the cover taken and the value of the assets, updates throughout the year of any significant assets acquired or commissioned, and rolling three-year revaluations of all asset values.

Assets	Cover	Insurer	Excess
Underground	\$2.2 billion Replacement value ¹	LAPP 1 40% LAPP 60% Govt	\$0.5 m
Above ground	\$1.9 billion Replacement value ²	LAPP 2 Civic Assurance	2.5% of claim
Business Interruption	Increased costs of working; ³ Civic \$6 m, Public Library \$3 m, Other locations \$5 m	LAPP 2 Civic Assurance	
Claims preparation	\$1 m	LAPP 2 Civic Assurance	

¹ Reimbursement is determined for each asset component listed at the declared value.

² Reimbursement is on a total sum-insured basis, i.e. regardless of whether the asset is listed on the schedule, (although this is still to be confirmed by the LAPP trustees).

³ This cover extends to incremental costs incurred as a result of the earthquake and which relate to the normal Council business. The Council does not have cover for loss of revenue.

Other sources of funds

62. For those assets and costs not covered by insurance, the Council will be seeking reimbursement or subsidy as follows:
- NZTA – a subsidy of up to 90% for repairs to roading.
 - Ministry of Civil Defence and Emergency Management (MCDEM) covers reimbursement of some emergency and response costs. This extends to:
 - Caring for the Displaced, (100% reimbursement),
 - Other response costs. This applies to additional assistance provided during an emergency such as work to reduce immediate danger and temporary repairs to infrastructure; (60% reimbursement with the balance being met by LAPP 1), and
 - Special policy claims. This is intended to assist communities in those rare circumstances where disasters of an unusual type of magnitude cause damage that overwhelms community resources. Special policy funds are provided only in exceptional cases and must be supported by a business case.

13 Cont'd

- The Council's deferral of capital renewals, normally funded by rates, which after providing for a 10% contingency and adjusting for lost NZTA subsidy provides a net \$44 million. These funds are available to meet insurance excesses, and other uninsured costs which will be incurred over the next 12-24 months.

Estimate of costs as at 15 November 2010

63. The table below summarises the current estimate of the impact of the earthquake on the Council. The Council's decision of 30 September 2010 to defer \$56 million of the capital renewals programme for 2010/11 is shown in the table below as the 'Earthquake Recovery Fund'.

\$ million	Total Cost	Govt Subsidy	Insur Excess	Insur Cover	Forecast Net Cost to Council	Notes
Earthquake Recovery Fund	-50.4	6.4			44.0	
Less						
Operating Costs						
<i>Response Costs (Central Government Funding Applies):</i>						
Initial Emergency Works	8.7	-7.2			1.5	1
Welfare	1.4	-1.3			0.1	2
<i>Response Costs (CCC Funded):</i>						
Emergency Mgmt costs	2.5				2.5	3
Recovery Mgmt	4.4				4.4	3
BAU Staff time savings	-5.2				-5.2	3
Recoveries Mgmt - Council Assets	1.7			-1.7	0.0	
<i>BAU Costs:</i>						
Fees & Charges Lost	1.3				1.3	4
Increased BAU Operating Costs	2.5			-0.3	2.2	5
Reduced BAU Operating Costs	-0.4				-0.4	6
<i>Council Decisions:</i>						
Rates Remission	1.4				1.4	
1hr Free Central City Parking	1.2				1.2	
Total Operating impact	19.5	-6.1	0.0	-4.4	9.0	
Less						
Capital Costs						
Facilities	56.7	-	1.4	-56.7	1.4	7
City Water & Waste	282.6	-169.6	0.5	-113.0	0.5	7
Greenspace	34.0	-	0.3	-12.9	21.4	7
Transport	87.2	-78.5	-	-	8.7	7
Total Capital impact	460.5	-248.1	2.2	-182.6	32.0	
Available Funds					3.0	

1. Initial emergency work. A portion of this work was eligible for NZTA subsidy or covered by MCDEM. It includes silt clearing and City Care emergency works.

13 Cont'd

2. Welfare costs include operating the welfare centres and costs of portable sanitation. This attracted a \$1.3 million payment from MCDEM.
 3. The Council-funded response costs are labour costs for time charged to earthquake-recovery projects offset by a saving against business-as-usual projects. The net cost to the Council of \$1.7 million relates to additional operational staff during the emergency period and catering costs incurred.
 4. Actual costs incurred for repairs to parking buildings and meters, and pools.
 5. An allowance for incremental roading repairs as a result of the decision to defer capital renewals.
 6. Reduced maintenance on assets during September.
 7. Led by the Infrastructure Rebuild Management Office (IRMO), Council staff are continuing to refine the estimates for the rebuild programme and work with insurers and Government to maximise the recovery of costs. The estimates in this table are expected to be +/- 20% and include an assumption that a 90% subsidy is provided on the required Transport programme's capital works. This also assumes that City Water & Waste asset-replacement costs are fully funded by a combination of insurance and government subsidy. Staff will consider options to schedule the replacement of the Greenspace assets for which there is no available insurance cover.
64. Council management is taking independent advice from its insurance brokers (AON) to ensure it maximises the recovery of costs from both Central Government and its insurers. This includes ensuring the resulting capital works programme and claims processes are well structured to meet the insurer and re-insurers' requirements. Claims to date include:
- A claim for \$6.4 million was lodged on 5th November 2010 relating wholly to caring for the displaced
 - A second claim, due to be lodged 17th December, for approximately \$6.9 million of costs in caring for the displaced plus \$400,000 for other response costs
 - A further claim will be lodged in the new year for infrastructure costs (as at 30 November 2010 we had incurred \$4 million)
 - LAPP have advanced \$12 million against costs incurred and discussions are underway with Government to agree to a similar arrangement.

FINANCIAL IMPLICATIONS

65. As above.

LEGAL CONSIDERATIONS

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

66. As noted elsewhere in this report, staff have taken steps to introduce a financial structure that incorporates earthquake-related costs and revenue.
67. This is a direct response to that event and the Council is entitled to rely on the provisions of the Canterbury Earthquake Response and Recovery Act 2010 and relevant Orders in Council.
68. The Canterbury Earthquake (Local Government Act 2002) Order in Council provides the Council with an exemption from a number of the decision-making obligations set out in that Act. The effect of this is that the Council is not prevented from doing anything inconsistent with its Annual Plan or LTCCP.
69. These provisions are subject to any decision made being, directly or indirectly, necessary or desirable to further one or more of the purposes of the Canterbury Earthquake Response and Recovery Act 2010.

13 Cont'd

70. The changes to Levels of Service set out in **Appendix 1d** are not directly related to the earthquake. However, the Canterbury Earthquake (Local Government Act 2002) Order in Council enables the relaxation or suspension of provisions in statutes that may divert resources away from efforts to efficiently respond to it.
71. Adoption of the recommendations in this report would therefore be a valid use of the statutory powers and exemptions granted to the Council as a result of the earthquake.
72. None of the other non-earthquake-related matters are of a nature that would justify a further amendment of the 2009/19 LTCCP. Council staff are reporting these for the purposes already stated. They will be taken into account in the 2011/12 Annual Plan.

CONSULTATION FULFILMENT

73. The Council's Significance Policy states that consideration is to be given to undertaking a special consultative procedure if the decision to be made has not been provided for in the LTCCP.
74. In the current circumstances the Council is entitled to rely on the Canterbury Earthquake (Local Government Act 2002) Order in Council. The effect of this is that the Council is not prevented from doing anything inconsistent with its LTCCP, and that the special consultative procedure does not need to be considered.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receive the report.
- (b) Approve changes to levels of service as outlined in **Appendices 1a to 1e**.
- (c) Approve a change to the organisational targets relating to the delivery of the capital works programme as follows:
 - Capital carry-forwards: 35%.
 - Percentage milestones on track at year-end: 65%.
- (d) Approve the transfer of \$711,000 from the Capital Governance Pool to the Aranui Library capital project.
- (e) Note the creation of a new capital project for the creation of a practice track at QEII for the IPC World Championships with a budget of \$841,000 to be met through Government and IPC funding of \$366,000 and increased Council borrowings of \$474,000.
- (f) Note that as part of the 2009-19 LTCCP the Council approved the Town Hall Refurbishment and Improvement project at a total cost of \$20.182 million in 2009/10 and 2010/11 based on information provided by Vbase.
- (g) Note that Town Hall detailed design has highlighted greater requirements for deferred maintenance and compliance, and that this will increase the total cost of the project by \$4.140 million to \$24.321 million.
- (h) Approve an increase in the Town Hall Refurbishment and Improvement project budget of \$4.140 million in 2011/12 by way of increased equity to Vbase.
- (i) Agree that the increase in the Town Hall Refurbishment and Improvement project funding be met by any remaining funds in the 2010/11 Capital Governance Pool and if this is not sufficient, then through additional borrowing in 2011/12.

14. REVIEW OF LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETING ACT

General Manager responsible:	General Manager, Regulations and Democracy Services, DDI 941-8462
Officer responsible:	Acting Manager, Legal Services Unit
Author:	Ian Thomson, Solicitor, Legal Services Unit

PURPOSE OF REPORT

1. To seek approval of the Council's submission prepared in response to the Law Commission's review of the Local Government Official Information and Meetings Act 1987.

EXECUTIVE SUMMARY

2. The Law Commission is currently carrying out a review of the Official Information Act 1982 and the Local Government Official Information and Meetings Act 1987 (LGOIMA). The Commission has published an Issues Paper and is seeking feedback on the matters outlined in it.
3. The Legal Services Unit has prepared a submission on behalf of the Council. This was considered at a workshop for Councillors on 30 November 2010.
4. The document attached (**Attachment 1**) to this report reflects changes suggested at that workshop.
5. Approval is sought for the submission to be lodged with the Law Commission by the due date of 17 December 2010.

FINANCIAL IMPLICATIONS

6. The only costs incurred by the Council to date are in respect of staff time spent on preparing the submission.

LEGAL CONSIDERATIONS

7. There are no legal obligations imposed on the Council as a result of the proposed review.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approves the submission prepared by staff in response to the Law Commission's Issues Paper published as part of a review of the LGOIMA: and
- (b) Authorises the General Manager of the Regulation and Democracy Services Group to sign the submission on the Council's behalf.

14 Cont'd

BACKGROUND (THE ISSUES)

8. As indicated earlier in this report Council staff have prepared a submission in response to the Issues Paper published by the Law Commission. This is the link to the document on the Commissions website:

<http://www.lawcom.govt.nz/project/review-official-information-act-1982>
9. The Commission notes that LGOIMA contributes to public trust and confidence in local government. The review is intended to assess the Act and to ensure that it continues to operate efficiently. The Commission will recommend reforms if it believes that they are necessary.
10. It has been stated by the Commission that the focus of the project is the effective operation of the legislation for members of the public, officials, journalists, researchers and politicians. The environment in which LGOIMA operates is now very different to that which existed 20 years ago, in terms of local government processes, technology, use of the internet and public interest. The Issue Paper invited submissions on a number of questions raised by the Commission.
11. A workshop to discuss the Council's response was held on 30 November 2010. As a result of that a number of amendments have been made in the responses to questions 18, 19, 20, 28 and 54.
12. The Council will have a further opportunity to be involved in the review process once submissions have been analysed and the Commission reaches its conclusions so far as any recommended changes are concerned.

15. APPOINTMENTS BY THE COUNCIL TO OUTSIDE BODIES

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Peter Mitchell
Author:	Peter Mitchell

PURPOSE OF REPORT

1. The purpose of this report is for the Council to consider whether or not, following the previous Councils resolution in August 2010, to make appointments to Outside Bodies on the list attached for the 2010 – 13 Council Term. **(Attachment A)**

STAFF RECOMMENDATION

That the Council give consideration to:

- (a) Whether or not it agrees with the previous council recommendation of 26 August 2010 that this Council not make appointments the Outside Bodies on the list attached.
- (b) If this Council does not agree with the previous Council's recommendation, then this Council decide:
 - i) which of the outside bodies it wishes to make appointments to.
 - ii) the membership of those outside bodies.

BACKGROUND

2. At its meeting on 26 August 2010 the previous Council had requested a report on Appointments by the Council to Outside Bodies. A copy of that report is attached as **Attachment B**.
3. After discussion on that report the Council at that 26 August 2010 meeting resolved:
 - (a) *Recommend to the next Council that it not make Councillor appointments to outside organisations, except to organisations making a significant contribution to the finances or development of the City.*
 - (b) *Recommend to the next Council that it alter the 2007 Policy on Appointment and Remuneration of Directors by deleting paragraph 83 and substituting the following paragraph:*
 83. *Appointments to COs will only be made to organisations that make a significant contribution to the finances or development of the city*
 - (c)
 - (d) *Request Council staff to contact all the organisations listed and advise them that we are reviewing Council membership and ask for their feedback prior to consideration by the new Council.*
4. Subsequent to that meeting council staff wrote to all the organisation on the list.
5. Of the 26 organisation listed staff received responses from those shown in Attachment A.
7. It should be noted that in respect of the attached list the Council at its meeting on 7 December 2010 made appointments to:
 - (i) Canterbury Development Corporation Trust:
 - (ii) Destination Christchurch Trust:
 - (iii) Canterbury Museum Trust Board:
 - (iv) Canterbury Regional Transport Committee:
 - (v) Canterbury Regional Landfill and Waste Joint Committees:
 - (vi) Christchurch Agency for Energy Trust:
 - (vii) Mayor's Welfare Fund Trust:
 - (viii) Riccarton Bush Trust:

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- (ix) The New Zealand Local Authority Traffic Institute (TRAFINZ):
- (x) Road Safety Committee:
- (xi) Creative Communities Funding Subcommittee:
- (xii) Urban Development Strategy Implementation Committee:

8. Therefore for the purpose of this report the Council needs to consider whether or not at this meeting to make appointments to the following organisations.

- a) Arts Centre of Christchurch Trust
- b) Burnside High School
- c) Avon-Heathcote Estuary Ihutai Trust
- d) Canterbury Sports Foundation
- e) Canterbury West Coast Sports Trust (Formerly Canterbury/Westland Sports Trust)
- f) Christchurch Garden City Trust
- g) Christchurch Heritage Trust
- h) Christchurch Ethnic Council
- i) Kate Sheppard Memorial Award Trust
- j) Keep Christchurch Beautiful
- k) Music Centre of Christchurch Trust
- l) Nga Hau E Wha National Marae Charitable Trust
- m) Orana Wildlife Trust Board
- n) Partnership Health, Canterbury Primary Health Organisation
- o) Pegasus Health Community Advisory Board
- p) Public Art Advisory Group
- q) RNZAF Museum Trust Board
- r) Rod Donald Banks Peninsula Trust
- s) The McLean Institute
- t) Isaac Theatre Royal Charitable Trust

23. REPORT TO COUNCILLORS' WORKSHOP ON PHASE II OF THE RESOURCE MANAGEMENT ACT REFORMS - BUILDING COMPETITIVE CITIES

General Manager responsible:	General Manager Mike Theelen, DDI 941-8177
Officer responsible:	Brigitte de Ronde, Programme Manger
Authors:	Ivan Thomson & Philip Barrett, Team Leaders District Planning, Melissa Renganathan, Policy Analyst, Glenna Dixon, Senior Planner

PURPOSE OF REPORT

1. To provide Councillors with an overview of the Discussion Document, its scope and a possible response for Council to consider.

EXECUTIVE SUMMARY

2. The Ministry for the Environment has distributed a discussion document entitled 'Building Competitive Cities – Reform of the Urban and Infrastructure Planning System'.
3. This document is part of Phase Two of the resource management reform programme (RMII) and follows on from the Simplifying and Streamlining Amendment Act 2009 (Phase One of the reform). Phase II also includes process reform affecting other related matters including aquaculture, water, and Maori participation. The closing date for submissions on the Discussion Document (**Attachment 3**) is Friday, 17 December 2010. It is understood that a policy position will be determined by Cabinet in March 2011, and a Bill introduced prior to the 2011 elections
4. The key objectives for Phase II include:
 - Providing greater central government direction on resource management;
 - Improving economic efficiency of implementation without compromising underlying environmental integrity;
 - Avoiding duplication of processes under the Resource Management Act (RMA) and other statutes;
 - Achieving efficient and improved participation of Maori in resource management processes.
5. The impetus for this discussion document reflects Government's concerns over whether the decision making processes under the Resource Management Act 1991 (RMA) and other related legislation are adding value in urban areas, and in the planning and delivery of key infrastructure projects. It has identified the problems as:

Planning and urban design:

 - Inadequate recognition of the urban environment in the RMA;
 - Complexity of the planning system,
 - Lack of consistency in decision-making;
 - Ineffective implementation tools.

Infrastructure approvals:

 - Lack of national clarity and consistency of objectives, direction and standards;
 - Mixed access to designations;
 - Complex and inflexible approval processes;
 - Lack of robust and integrated decision making;
 - Inefficient and inadequate land acquisition processes.
6. The main driver for changes to the urban planning system is government's desire to boost the competitiveness of our cities, towns and rural communities by enhancing built environment outcomes (e.g. urban design, housing affordability), and promoting integrated growth management.
7. Driving changes to the infrastructure planning system is Government's desire to improve decision making processes that allow for efficient, timely, and high quality infrastructure supporting quality of life and economic productivity while avoiding, remedying, or mitigating adverse effects on the environment.

23 Cont'd

8. This is the first time central government has recognised the importance of urban planning within the RMA framework, and appears to signal a welcome change in government thinking about the important role cities play in supporting and improving quality of life and economic development. It comes at an opportune time for the Council as it embarks on its review of the City Plan and Banks Peninsula District Plan, The outcome of the Phase II process will be a significant influence how the review deals with urban and infrastructure issues.
9. The document lists fifty-one options (Attachment 1) that the Ministry would like a response on. Many of the options affect each other and the approach taken on one will affect how others are dealt with. The government is seeking packaged ideas on the proposed options.
10. The main options being considered for improvements to the urban planning system include:
 - Better recognition of the “urban environment” in the RMA framework (e.g. in the definition of environment, amenity values, and in Part II).
 - A proposed National Policy Statement (NPS) on the urban environment including policies for provision of adequate supply of land for growth, housing affordability, and principles for good urban design at a range of scales.
 - Strengthening the role of the Auckland spatial plan and extending regional spatial planning outside of Auckland. Spatial plans would be a high level tool to guide growth management, better align land-use and infrastructure investment (including by central government) and streamline the planning framework (e.g. by incorporating the Regional Policy Statement and the Regional Land Transport Strategy).
 - Improve planning tools including introducing a national template for local and regional plans, and provide for combined National Policy Statement/ National Environment Standards (NPS/NESs).
 - Improve the quality of urban design through creation of a national urban design panel, and establishment of a government architect.
 - Improve tools for land assembly, including extending the scope of the Public Works Act (PWA) to enable local authorities to compulsorily acquire and amalgamate land for major urban regeneration projects.
11. The main options being considered for improvements to the infrastructure planning system include:
 - Prioritise nationally significant infrastructure issues through NPSs, NESs, and other national standards.
 - Recognise the importance of infrastructure in sections 6 or 7 of the RMA.
 - Provide for broader eligibility of certain types of infrastructure to be able to access the RMA designation procedures – e.g. ports, electricity generation.
 - Establish a new status of “limited requiring authority” where the private sector is providing infrastructure but there may be public benefit.
 - Make RMA designation procedures more flexible, including potentially allowing for “concept designations” for The designation lapse period.
 - Streamline approval processes for nationally significant infrastructure approvals by integrating current multiple processes under the RMA and other statutes eg the Public Works Act, into a single process, Turn the two-step “notice of requirement” and “outline plan” designation process into one step, and introduce a new streamlined process for re-consenting for limited duration resource consents (e.g. water use consents for hydropower).
 - Enhance decision making on infrastructure proposals by providing for independent decision making for designation proposals, eg by a board of inquiry for nationally significant projects and by the territorial authority for non-nationally significant proposals, and for projects undertaken by limited requiring authorities.

23 Cont'd

- Ensure that the objectives of infrastructure investment are recognised in decision making, including identifying the benefits of the project, the impacts of any conditions which are imposed on the delivery of the objectives of the project, and the extent to which realistic options for co-location of infrastructure have been considered.
- Amend the compensation provisions under the PWA to provide for increased payments for emotional loss, hardship payments and premiums of up to 10% for early settlement, and compensation to be based on more than one valuation.
- Address transitional issues for existing designations in moving to any new system.

12. Staff have, as a broad summary, identified the following points for support:

- Greater recognition of urban planning and urban design in key sections of the RMA.
- Preparation of an NPS on the Urban Environment that will provide policy guidance and certainty on key matters to be addressed in regional and district planning documents; and provide better coordination across government agencies.
- Specific guidance in an NPS that reflects the role of cities in regional and national economic development; the importance of a safe and vibrant central cities and their role as an economic hub; ensuring that district plans pay adequate attention to the social and economic impacts of regulation; and the steps that Council's should take through their district plans in promoting healthy cities and quality urban design.
- A spatial planning framework that better integrates decision making at all levels of government. For Christchurch this would likely to be based on the existing spatial frameworks provided by the Greater Christchurch Urban Development Strategy (UDS) and Proposed Change No. 1 to the Regional Policy Statement (PC1). Spatial plans should be voluntary.
- Independent decision-making for designation proposals, and an increase in the designation lapse period. However Council should express concern about the possibility of a one step designation process leading to lower level or subsequently identified impacts being overlooked or ignored.
- Broadening the scope of the Public Works Act to facilitate urban regeneration and assist in overcoming impediments created by fragmented land ownership.
- More transparency and clarification on processes and powers of private network operators.

13. A copy of the discussion document has been circulated to elected members. It is understood that the Urban Development Strategy (UDS) partners will also be lodging a submission and there has been discussions between Council staff and members of the UDS Management Group to ensure there is no inconsistency in the stance taken by the two parties.

14. This discussion document is the first step in the review process. It is anticipated that draft legislation may be available in the middle of 2011. There will be further opportunity at that time for the Council to make formal submission on the proposed legislation.

FINANCIAL IMPLICATIONS

15. Nil

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

16. Yes

LEGAL CONSIDERATIONS

17. There are potentially significant legal implications for the preparation and administration of the District Plan, and Council land acquisition programmes.

23 Cont'd

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

18. Yes

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

19. Supports City and Community long Term Policy and Planning Activity

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

20. External Advocacy and Submissions

ALIGNMENT WITH STRATEGIES

21. See 11 below

Do the recommendations align with the Council's strategies?

22. The recommendations recognise Council's involvement in urban planning through its District Plan and its partnership position on the UDS and PC1.

CONSULTATION FULFILMENT

23. NA

STAFF RECOMMENDATION

That Council lodges a submission generally supporting the Government's initiative in releasing the Discussion Document, and specifically supporting the matters covered in the attached submission.

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16. NOTICES OF MOTION

17. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

THURSDAY 16 DECEMBER 2010

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 2, 19, 20, 21, 22 and 23.

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
18. CONFIRMATION OF MINUTES – COUNCIL MEETING OF 2.12.2010))
19. PLAN CHANGE 43 (BELFAST PARK LTD AND TYRONE ESTATES LTD): REZONING OF LAND AT EAST BELFAST – REPORT AND RECOMMENDATION OF COMMISSIONER LEIGH MCGREGOR))
20. LAND REMEDIATION))
21. TURNERS AND GROWERS SITE))
22. REPORT OF COUNCIL APPOINTMENTS COMMITTEE))
) GOOD REASON TO WITHHOLD EXISTS UNDER SECTION 7) SECTION 48(1)(a)

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 18	Commercial activities	(Section 7(2)(h))
Item 19	Council to make a recommendation	(Section 48(1)(d))
Item 19	Right of appeal exists	(Section 48(2)(a))
Item 20	Conduct of negotiations	(Section 7(2)(i))
Item 21	Conduct of negotiations	(Section 7(2)(i))
Item 22	Protection of Privacy of Natural Persons	(Section 7(2)(a))

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.”

CHRISTCHURCH CITY COUNCIL AGENDA (Cont'd)

THURSDAY 16 DECEMBER 2010

9.30AM

**COUNCIL CHAMBER, CIVIC OFFICES,
53 HEREFORD STREET**

CHRISTCHURCH CITY COUNCIL

**Thursday 16 December 2010 at 9.30am
in the Council Chamber, Civic Offices, 53 Hereford Street**

Council: The Mayor, Bob Parker (Chairperson).
Councillors Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen, Barry Corbett,
Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid, Sue Wells and
Chrissie Williams.

ITEM NO	DESCRIPTION	PAGE NO
24.	PROPOSED LEASE LEVELS FOUR AND FIVE – 62 WORCESTER STREET	
25.	RESOLUTION TO EXCLUDE THE PUBLIC	

24. PROPOSED LEASE LEVELS FOUR AND FIVE – 62 WORCESTER STREET

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Manager Corporate Support
Author:	Tom Lennon, Property Consultant

PURPOSE OF REPORT

1. The purpose of this report is to seek Council authority to enter into a lease of levels four and five of the property located at 62 Worcester Street to accommodate The Infrastructure Rebuild Management Office.

EXECUTIVE SUMMARY

2. Following the 4 September earthquake, The Infrastructure Rebuild Management Office was formed to deal with matters related to the City's earthquake recovery process and is charged with oversight of design, construction management, finance, communication, programming, procurement and project administration.
3. A team of approximately 80 people comprising full-time Council employees and contractors has been put in place to deal with the predicted influx of earthquake-related reconstruction and consenting work which will occur over the next two to three years as the city embarks on the recovery stage post-earthquake.
4. In order to accommodate the newly created The Infrastructure Rebuild Management Office, an Agreement to Lease, conditional on the Council's approval, has been entered into to lease levels four and five of the premises at 62 Worcester Street, also known as the HSBC Tower. The proposed lease is for a term of two years with an option to renew for a further one year.
5. Conditional to the Council approving the proposed lease, the premises could be occupied as early as 15 January 2011. As part of the lease negotiations, the Council has secured a two-month rent-free period beginning 15 January 2011 with payment of the first rental instalment not due until 15 March 2011.
6. With the earthquake recovery-related work expected to increase substantially in the new year, it is critical to have The Infrastructure Rebuild Management Office set up and operating from suitable premises by mid-January 2011.

FINANCIAL IMPLICATIONS

7. The financial information relating to this matter is provided in the public excluded section of this agenda.

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

8. No.

LEGAL CONSIDERATIONS

9. The Council's Legal Services Unit has reviewed the draft lease provided by the landlord and pertinent amendments have been made to the document including a condition stipulating the lease being subject to the Council's approval on or before Friday, 17 December 2010.

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

10. Yes, the Council's Legal Services Unit has provided advice on the issues related to the lease of the subject premises.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. N/A

24 Cont'd

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

12. No.

ALIGNMENT WITH STRATEGIES

13. N/A

Do the recommendations align with the Council's strategies?

14. No.

CONSULTATION FULFILMENT

15. Not required.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approves the Council entering into a lease for an initial term of two years, with a right of renewal for one year, of the office premises situated at levels four and five, 62 Worcester Street, Christchurch.
- (b) Grants delegated authority to the Corporate Support Unit Manager to negotiate and enter into the above lease on behalf of the Council on terms and conditions acceptable to him.

24 Cont'd

BACKGROUND (THE ISSUES)

16. As part of the city's earthquake recovery plan, a team of approximately 80 people has been formed to deal with the recovery process including public infrastructure design and construction, and an anticipated influx of building consent-related work associated with public and private reconstruction projects.
17. From a logistical and operational point of view, The Infrastructure Rebuild Management Office needs to be allocated within proximity to the Civic Offices and ideally, all under the same roof. This will facilitate its day-to-day operations as the nature of its work requires regular interaction and liaison with a wide range of Council departments.
18. Although there are a number of vacant premises within the city's CBD at present, the Council's specific needs in terms of location and floor area have limited the available options to the premises at 62 Worcester Street.
19. The total area available for leasing at levels four and five 62 Worcester Street is 1,261m² comprising 1,170 m² of office space, and 91m² of balcony and foyer space. The landlord has confirmed that levels four and five will be ready for occupation by 15 January with new carpet and paint throughout both floors provided at the landlord's cost.

THE OBJECTIVES

20. To provide suitable office accommodation for The Infrastructure Rebuild Management Office for a period of up to three years to facilitate and assist its operations associated with the City's reconstruction strategy for public infrastructure and privately own properties.

THE OPTIONS

- (a) Accommodate The Infrastructure Rebuild Management Office within the Civic Offices and other Council-owned properties within the city
This option would have a significant impact on the operational capability of The Infrastructure Rebuild Management Office as it would require splitting the team into two or three groups and accommodate them in smaller premises within the city. The nature of the work this team will be conducting as part of the earthquake recovery plan requires a high level of interaction with specialised staff within the recovery team and also with a large number of Council staff operating within the Civic Offices. The need to maintain the recovery teams together and within close proximity to the Civic Offices is paramount to their ability to operate efficiently and collaboratively. This option would limit the ability for the recovery team to operate in this manner.
- (b) Lease levels four and five of the property at 62 Worcester Street to accommodate The Infrastructure Rebuild Management Office
As part of the process to identify suitable premises to accommodate The Infrastructure Rebuild Management Office, a number of office space alternatives were considered. The specific nature of Council requirements in terms of location and floor area has limited the options. The proximity to Council Civic Offices and the ability to accommodate the whole team under one roof have made the premises at levels four and five 62 Worcester Street the most suitable option to accommodate The Infrastructure Rebuild Management Office for a period of up to three years.

THE PREFERRED OPTION

21. Option b:
Lease levels four and five of the property at 62 Worcester Street to accommodate The Infrastructure Rebuild Management Office for a period of up to three years.

16. 12. 2010

25. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

THURSDAY 16 DECEMBER 2010

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 26 and 27.

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
26. APPOINTMENT OF DIRECTORS TO VBASE BOARD)	
27. PROPOSED LEASE LEVELS FOUR AND FIVE – 62 WORCESTER STREET) GOOD REASON TO WITHHOLD EXISTS UNDER SECTION 7))	SECTION 48(1)(a)

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 26	Protection of Privacy of Natural Persons	(Section 7(2)(a))
Item 27	Protection of Privacy of Natural Persons	(Section 7(2)(a))

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.”