

## 22. IMPLICATIONS FOR COUNCIL OF THE CHRISTCHURCH HOSPITAL REDEVELOPMENT

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### PURPOSE OF REPORT

1. This report provides some initial assessment of the implications and impacts on the Council that are likely to emanate from the Christchurch Hospital Redevelopment and is for consideration alongside the joint Council/Canterbury District Health Board (CDHB) Hearings Panel report on the Christchurch Hospital Development and Land Transfer (elsewhere in this agenda).
2. This report has been prepared at the request of the Chair of the Hearings Panel.

### EXECUTIVE SUMMARY

3. In November 2009 the Council confirmed its willingness to consider a land exchange with CDHB to enable the redevelopment of the Christchurch Hospital and agreed to commence a joint consultation process with the CDHB.
4. In December 2009 and February 2010 the Council decided to form a joint Hearings Panel with the CDHB to receive verbal submissions in regards the Christchurch Hospital Redevelopment.
5. The consultation was carried out between 30 March and 4 May 2010. The Hearings Panel met to receive staff advice and hear submissions on 31 May and 1 June. It carried out a site visit on 13 June and arrived at its recommendations at a further meeting on 25 June 2010.
6. The Hearings Panel report and recommendations are contained in a separate report on this agenda. This report focuses on the likely costs and implications for the Council from the Christchurch Hospital Redevelopment and is designed to provide some context within which the Council can make decisions on the Hearings Panel recommendations.
7. It is evident from the Hearings Panel report and recommendations that there is significant further planning to be carried out in relation to the detailed design of the hospital itself and in areas surrounding the hospital. The Council and CDHB will need to work collaboratively on this planning to achieve good outcomes for patients, staff, local residents and businesses and the city as a whole. This work is largely consistent with existing programmes within the Council. In a number of areas there may be additional costs to the Council which can be considered in the 2011 Annual Plan and 2012 LTCCP.
8. In general terms the work to be carried out can be categorised as follows:
  - Land Transfer and impacts on Hagley Park
  - Transport Planning
  - District Planning
  - Nurses' Memorial Chapel
  - Planning of associated precincts

#### **Land Transfer and Impacts on Hagley Park**

9. The Council will need to play a lead role in work to amend the local acts of Parliament necessary to enable the exchange of land. This is something for which the Council is best placed and has greater experience (having been through similar processes before e.g. Lancaster Park Act) than the CDHB. In the first instance the costs of drafting the Bill and taking it through the parliamentary process will fall on the Council. The CDHB fully expects to share in these costs with the Council.
10. There will be other costs that are required to effect the land transfers, such as surveying and sub division. The Council could reasonably expect the CDHB to contribute significantly to these costs.

11. As noted in the Hearings Panel report there will be a need to revisit the aspect of the Hagley Park/Botanic Gardens Master plan and possibly the Hagley Park Management Plan in regards to helicopter landings given recent CAA rulings and the proposed hospital redevelopment. As a result of the likely timing of construction of the new helipad (as part of the hospital redevelopment) this work is not urgent and could be incorporated into a wider update of the plan at a later date.
12. An arborist's report has identified that the trees on the piece of land the Council will acquire should the land transfers take place require some maintenance. The CDHB has accepted that it should pay for the reasonable maintenance on these trees prior to the land transfer taking place so that the Council acquires trees in good condition. This area of land that will subsequently become part of Hagley Park is likely to require some improvement over a period of time to bring it up to the standard of the rest of the Park and enhance the environment along the Avon River. Clearly the costs for this work will fall to the Council and can be considered in future Annual Plans and LTCCP's.

#### **Transport Planning**

13. In the transport area there is significant planning required to be carried out to address access and egress on and off the hospital site for all transport modes, transport systems immediately around the hospital, in the surrounding precincts and to ensure integration with the wider network. Significant planning is already programmed for elements of the transport system in the Central City, such as the transport interchange. Transport planning around the hospital redevelopment can be carried out in the context of and to a significant degree as an additional aspect of other transport planning in the Central City.
14. Emanating from the transport planning there may be other costs for the Council relating to changes to the roading, cycling and pedestrian networks and public transport facilities as well as possibly parking. Ultimately these are likely to impact the Council's capital programme through subsequent Annual Plans and LTCCP's.
15. The future use of the Rolleston Avenue Bridge is one particular issue in the wider transport planning that will need to be focused on. There will be a need for staff time (as a minimum) to be expended in working with the CDHB on developing a suitable solution to this point of access.

#### **District Planning**

16. The land transfer and the wider hospital redevelopment raise a number of district plan issues that will need to be resolved. The actual process and sequence of events to address these issues has not yet been settled on and the Council will need to work closely with the CDHB to determine the best approach. The City Plan Change required could be in the form of a private plan change (promoted by the CDHB) and adopted by the Council or a plan change the Council initiates. In either case there are cost implications for the Council. An agreement could be reached with the CDHB about which organisation ultimately pays for these costs. The processing of any resource consents is within the scope of the Council's day to day work and is funded by the applicant.

#### **Nurses' Memorial Chapel**

17. An attempt has been made in the advice staff provided to the Hearings Panel (in the Hearings Panel report) to identify the immediately obvious costs for the Council in gaining ownership of the Nurses' Memorial Chapel. The Council is already funding a number of the costs associated with the ongoing operation and maintenance of the Chapel. In general terms the Council will be responsible for ensuring the Chapel is managed appropriately and its heritage conservation and asset management (including seismic strengthening) is taken care of. Seismic strengthening of the Chapel will need to be carried out in the next 20-30 years with the specific timeframe to be determined by the Council's policy on seismic strengthening.

#### **Planning of associated precincts**

18. One of the things that has become apparent during the Hearings Panel process is that there is a need to further consider the planning of precincts in the vicinity of the hospital alongside the redevelopment of the hospital itself. Whilst the CDHB will undoubtedly need to be involved in

this work, the Council will need to take the lead. This work can be sequenced to align with the timing of the redevelopment phases of the hospital and can be included in Central City revitalisation work by the reprioritisation of other projects in this programme.

19. The Hearings Panel report notes that ongoing collaborative work is required between the council and CDHB on a number of these and other areas. The panel recommends the formation of a joint committee to monitor and oversee this work. Having a joint forum at a governance level is necessary, appropriate and is a demonstration of joined up governance at a local level. There are of course costs associated in elected members time, staff time and other incidentals.
20. To date the CDHB has shown itself very willing to engage in dialogue with the Council about the costs associated with the work required to enable the redevelopment of Christchurch Hospital and has indicated a willingness to accept a share of those costs. The position adopted by both Council and CDHB staff to date is that both organisations are public bodies which aim to promote the well being of the local community. To achieve the best outcome for our shared community there is a need for both organisations to accept a reasonable share of the costs involved. In the areas identified above which will result in costs there are a range of areas, some of which the Council could reasonably expect the CDHB to make a significant contribution to through to some areas where the costs will fall solely on the Council. The proposed joint committee will provide an avenue for discussions between the Council and CDHB over cost sharing arrangements.
21. It should be noted that if the Council decides not to proceed with the land transfer the proposal for redeveloping the Christchurch Hospital will not be able to be realised. The need to address the issues around providing quality health care facilities for the future will remain. The Council can anticipate further proposals being developed by the CDHB to address this need. Whilst neither the Council nor CDHB know what the nature of these proposals will be, it is likely that there will be significant planning and other implications for the Council which may be broadly equivalent to the implications of the current proposal.

#### **FINANCIAL IMPLICATIONS**

22. At this stage it is difficult to quantify the financial implications. They are likely to affect operational budgets through the use of staff time and external costs. It is likely that needs for capital expenditure will also be identified through the planning work. These costs the Council will be able to consider through the Annual Plan and LTCCP processes.

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

23. An ability to respond to and work alongside developers to achieve the best outcomes for the community from private developments is built in to the LTCCP budgets. However the Christchurch Hospital redevelopment is at the larger end of these sorts of developments and for various reasons has more impacts on the Council than most. The work identified is largely consistent with existing programmes within the Council. In a number of areas there may be additional costs to the Council which can be considered in the 2011 Annual Plan and 2012 LTCCP.

#### **LEGAL CONSIDERATIONS**

24. None.

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

25. None.

#### **ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

26. Achieving the Christchurch Hospital in a way that contributes to the Council's strategic directions will support a range of levels of service in the LTCCP.

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

27. As above.

**ALIGNMENT WITH STRATEGIES**

28. The Christchurch Hospital redevelopment has the potential to help achieve a number of the Council's strategies and plans: the Central City Revitalisation Strategy, the Hagley Park/Botanic Gardens Master plan, the Pedestrian Strategy, the Cycling Strategy, the Metro Strategy and the Safer Christchurch Strategy to name a few. Ultimately the degree to which it contributes to these strategies depends to a large degree how it is executed. A proportion of the Council costs identified in this report arise from work the Council needs to do with the CDHB and others to achieve an outcome that contributes as much as possible to these strategies.

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

29. To achieve the maximum contribution to the Council's strategies through the Christchurch Hospital Redevelopment it is necessary for the Council to work collaboratively with the CDHB.

**CONSULTATION FULFILMENT**

30. Not applicable.

**STAFF RECOMMENDATION**

It is recommended that the Council:

(a) Receives this report.