

## 32. CHRISTCHURCH CITY NETWORKS LIMITED – SPECIAL CONSULTATIVE PROCEDURE



<b>General Manager responsible:</b>	General Manager, Regulation and Democracy Services, DDI: 941-8462
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### PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval of the attached Statement of Proposal and Summary of Information for distribution and consultation.

### EXECUTIVE SUMMARY

2. At its meeting on 11 March 2010 the Council resolved as follows:
  - (a) That Christchurch City Holdings Limited (CCHL) be authorised to approve the final details of negotiations between Crown Fibre Holdings Ltd (CFH) and Christchurch City Networks Limited (trading as Enable Networks) subject to:
    - (i) The impact on the forecast dividend to the Council being minimised in the manner included the staff report to the Council.
    - (ii) The Council making a changed to its LTCCP to enable a reduction in the level of control of Christchurch City Networks Limited.
3. Section 93(5) of the Local Government Act 2002 states that the Council must use the special consultative procedure in making any amendment to an LTCCP. The procedure requires a statement of proposal and summary of information to be prepared and distributed for public consultation.
4. It is recommended that the Council approves the **attached** Statement of Proposal and Summary of Information, together with the process for consulting with the community referred to in this report.

### LEGAL CONSIDERATIONS

5. The Statement of Proposal to be considered by the Council is in respect of the possible change in the ownership and control of Christchurch City Networks Limited, a Council controlled trading organisation. The Council's shareholding in that company, through CCHL, is listed in the Council's Significance Policy as a strategic asset.
6. Section 97(1)(b) of the Local Government Act 2002 states that a decision to transfer the ownership or control of a strategic asset to or from the Council must not be made unless that decision is explicitly provided for in the Council's LTCCP 2009-19 and the special consultative procedure is followed, in accordance with Section 84 of the Act.
7. A decision with regard to the change in the ownership and control of Christchurch City Networks Ltd will require an amendment to the Council's LTCCP 2009-19. The Statement of Proposal must also include an auditors report.
8. Audit NZ have approved the Statement of Proposal and Summary of Information and will provide a report to the Council at its meeting on 11 March 2010, for inclusion in the documents to be distributed for public consultation.
9. The advice from the Legal Services Unit is that the Statement of Proposal and Summary of Information meet the requirements of the Local Government Act 2002, once the Auditors Report is attached.

## **STAFF RECOMMENDATION**

It is recommended that the Council resolves to:

- (a) Approve in principle the amendment of the Council's LTCCP 2009-19 to include the proposed change in the ownership and control of Christchurch City Networks Limited.
- (b) Approve for distribution and consultation the attached Statement of Proposal and Summary of Information as amended by the inclusion of the report from Audit NZ.
- (c) Authorise the Chief Executive and the General Manager, Regulation and Democracy Services to amend the Statement of Proposal and Summary of Information where necessary, provided such amendments are not material.
- (d) Authorise the Chief Executive and the General Manager, Regulation and Democracy Services to take such steps as are appropriate to complete the consultation process required for the Special Consultative Procedure and to make any adjustments to that process that may be required.
- (e) Adopt the following timetable for consultation:
  - (i) Public Notification ("The Star", "The Press" and the Council's website) commencing on 15 March 2010.
  - (ii) Closing date of all submissions is 5pm on Monday, 19 April 2010.
  - (iii) Hearing of submissions to be held between Monday, 10 May 2010 and Wednesday, 12 May 2010.
  - (iv) Council meeting to consider submissions and formally adopt the proposed amendment of the LTTCP 2009-19, if appropriate, to be held on Monday, 21 June and Tuesday, 22 June 2010.

## **BACKGROUND (THE ISSUES)**

10. The background to the recommendation that the Council adopt the special consultative procedure in respect of the proposed amendment to the LTCCP 2009-19 is set out in the Staff Report considered by the Council at its meeting on 11 March 2010.