

### 34. FACILITIES REBUILD PLAN



<b>General Manager responsible:</b>	General Manager Community Services, DDI 941 8607
<b>Officer responsible:</b>	Property Consultancy Manager
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#### PURPOSE OF REPORT

1. The purpose of this report is to:
  - Inform the Council of the Facilities Rebuild Plan and project to deliver that plan.
  - Present a governance and decision-making proposal with supporting delegations in respect of building assessments, demolitions, some insurance and occupancy issues.

#### EXECUTIVE SUMMARY

2. This report presents the following detail in respect of the Facilities Rebuild Plan:
  - Outlines the project process.
  - Details the scope and scale of the Council's facilities.
  - Proposed programme to deliver the plan.
  - Explains the post earthquake assessment process for Council's facilities.
  - Explains the insurance arrangements on Councils Facilities and the process for loss adjusting and negotiating with insurer.
  - Sets out the demolition process, issues and decisions.
  - Sets out the issues associated with building occupancy and risk-based decision making.
  - Provides a report detailing the Council's facilities.
  - Describes the proposed approach to communication.
3. The report also sets out the decision issues in association with these matters and seeks a set of delegations to support a governance and management proposal.

#### FINANCIAL IMPLICATIONS

4. The building assessment work that is required to inform the Facilities Rebuild Plan is generally funded from insurance monies where the buildings are damaged and result in a successful insurance claim. Where the building is not damaged the costs will be unbudgeted. An overall assessment budget is being developed and will be reported to Council as part of the December report. Any betterment, e.g. upgrading or strengthening, would also be unbudgeted and require a Council resolution to proceed. The Facilities Rebuild Project will be resourced predominantly through internal Council resources.

#### Do the Recommendations of this Report Align with LTCCP budgets?

5. No. The purpose of this report is in response to the series of earthquakes that have recently struck Christchurch to inform future LTCCP and Annual Plan processes.

#### LEGAL CONSIDERATIONS

6. Not applicable.

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

7. As above.

#### ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. No. The purpose of this report is in response to the series of earthquakes that have recently struck Christchurch to inform future LTCCP and Annual Plan processes.

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

9. As above.

**ALIGNMENT WITH STRATEGIES**

10. Yes the purpose of this report is to deliver a new set of strategies in terms of service delivery and supporting facilities plans to assist with the rebuild of Christchurch.

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

11. Yes, refer above.

**CONSULTATION FULFILMENT**

12. Not applicable. Communication and consultation will be a project workstream.

**STAFF RECOMMENDATION**

It is recommended that the Council pass the following resolutions:

- (a) That the information in this report is received.
- (b) That Council approve the assessment application process to be implemented by staff as set out in paras 25-35 and Appendices 3 and 4 of this report.
- (c) Council agree to the occupancy frameworks outlined in paras 49-53 and 73-74 of this report.
- (d) That a final policy for the occupancy of facilities be reported back to the Council for consideration and adoption in December 2011.
- (e) That the General Manager Corporate Services and General Manager Community Services are jointly delegated the authority for the following:
  - (i) Approve the demolition of buildings for safety reasons, i.e. act on Section 38 notices from CERA.
  - (ii) To repair an existing facility/structure within insurance proceeds where the work will cost less than \$1 million and the cost of the work is less than 50 per cent of a building's total insured value.
  - (iii) To undertake urgent stabilisation and weather-proofing work, including heritage buildings.
- (f) That the General Manager Corporate Services is delegated the authority to accept progress and partial insurance payments on behalf of the Council on the condition that they are not full and final nor commit the Council to a settlement.
- (g) That the General Manager Corporate Services is delegated the authority to accept insurance payouts for facilities which we insure but do not own, and distribute the payout to the appropriate party(s).

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## BACKGROUND

**Facilities Rebuild Plan****Project Process:****Outline**

13. A single project has been initiated to deliver the Facilities Rebuild Plan (Plan). The intention of the Plan is to establish a future decision-making framework to assist Council in its opportunity to consider and resolve what facilities will best meet the needs of our community long term. To achieve this, the high-level outputs of the project are:
- (a) The creation and/or review of various business strategies for the delivery of services to the community. These strategies will be key to informing future asset decisions particularly around matching assets to business needs.
  - (b) Development of the Plan to Council that supports the various service delivery strategies will be informed by:
    - Building assessments,
    - Demolitions,
    - Rebuild options,
    - Suitability for occupancy,
    - Acquisition and disposals options and opportunities,
    - Utilisation of Council's assets,
    - Funding and insurance issues.
  - (c) That the plan informs future LTCCPs, budgeting and a Capital Works Programme.

**Key High Level Steps**

14. *Reactive to date and ongoing*  
 Since the earthquakes there has been and continues to be a process of attending to demolitions, dealing with insurance issues and assessing buildings. This has been a crisis response approach, the framework for which is set out below in paras 25-35 "Structural Assessment Process". A summary of the buildings currently under assessment and those demolished is scheduled below in paras 46 to 48 "Demolition".
15. *Proactive with commencement of the Facilities Rebuild Project – established September 2011*
- Step 1: Establishment of facilities data, review and categorisation.
  - Step 2: Business Units review service delivery strategies and facilities for completeness of data and prioritisation.
  - Step 3: Workshop and report to Council for sign off strategies and the project phasing.
  - Step 4: Reframe assessment work based on phase 1 priorities established through Council.
  - Step 5: Collate all information and options into a plan.
  - Step 6: Deliver a phase 1. Facilities Rebuild Plan.
  - Step 7: Workshop and report future phase plans.
  - Step 8: Integrate Facility Rebuild Plans into Council's planning processes i.e. LTCCP, budgets, capital works programmes.
16. There are issues that will run continuously and concurrently with this project that will require constant resourcing and decisions. These are communication, demolitions, assessment, insurance and occupancy issues. Proposed decision frameworks for these are set out below in the section "Decision Making" and in the recommendations of this report.

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**Approach**

17. For the purpose of this project the Council's facilities portfolio has been categorised into workstreams as follows:

Group	Workstream	Total Buildings In Scope from Salesforce
City Environment	Greenspace	591
	Transport	18
	City Water & W	28
	Heritage	29
Community Services	Libraries	31
	Community Facilities	95
	Sport & Rec	97
Corporate Support	Corporate Accom	18
Total Commercial	VBASE	4
	Miscellaneous	39
Total Residential	Housing (units) (699 Buildings)	2649

18. Currently the project is at step 2 where the Council business units are being asked to review existing strategies to see how they fit with our changed circumstances, identify gaps, additional needs and key principles. There are a number of existing facility strategies that have been developed after public consultation and are informing this process. These include: Libraries 2025 Facilities Plan; Aquatic Facilities Plan; Metropolitan Sports Facilities plan; Social Housing Strategy; Strengthening Communities Strategy. Other key related strategies included: Central City Plan; Suburban Centres Programme; LTCCP and various Area Plans.
19. In parallel work across the portfolio has been underway since the September 2010 earthquake and continues around assessments, insurance, demolition and occupancy issues. The process, status, issues and future actions for attending to each of these matters is outlined below.

**Scope and Scale**

20. The Council owns more than 1600 buildings comprising 952 "commercial" buildings and 699 housing buildings. The facilities are summarised at **Appendix 1** and in detail at **Appendix 2**. These are being assessed for damage following the earthquakes and an update of this schedule will be circulated to Councillors, separate to this agenda but prior to the meeting, with additional information provided about status in terms of assessment, insurance and open / closure (Attachment 2a).

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21. Due to the large size of the Council portfolio, complexity of the issues, risk of continued events and resourcing constraints it is expected to take at least two years to complete a full assessment process for each property. Consequently in addition to the strategy review work the Business Units are also being asked to review and prioritise their list of facilities for Council consideration. The purpose of this to establish some prioritisation of the portfolio into a set of categories for staged assessment and planning. It is proposed to set these out as; "deliver now" for which a framework and delegations is proposed in this report; a manageable list of phase 1 properties that a plan can be delivered on in a reasonable time frame; and future phasing for the balance.
22. The intention is to workshop the proposed phasing arising from this process with Councillors near the end of October with a report to follow in December seeking sign off.
23. The potential risks and constraints for this project are availability of staff and market resources to undertake assessments, continuing seismic activity, agreements with insurers and CERA notices.

### Programme

24. The immediate programme of work as it relates to the key Council touch points is as follows:
 

20 Sept 2011	1st Workshop – completed.
13 Oct 2011	Report - formally sets out the information covered in the workshop, seeks delegations and recommends Council approval.
End Oct 2011	2nd Workshop – to present a review of both strategies and a list of properties with suggested priorities by the asset owner/ business unit e.g. "deliver now", phase 1 etc and the framework for arriving at them. Along with issues and policy suggestions in respect of "suitability for occupancy". To review this information with the intention of getting buy in/acceptance and feed back on future process.
8 Dec 2011	Report – to sign off phasing i.e. Deliver Now, Phase 1 list and balance; service delivery strategies; "suitability for occupancy" policy and present a status report - project, demos, assessment progress, actions under delegation (first of the quarterly reports) .
Feb 2012	Workshop &/or Report - Facilities Rebuild Plan Phase 1 – Assessments, costings, strategies; insurance and funding issues; delivery options analysis and recommendations.
Ongoing in 2012	Workshops and Council reports and workshops on project phasing: Phase 2 and Phase 3, assessment updates etc.

### Structural Assessment Process

#### Summary:

25. The various types of structural assessment are diagrammatically set out at **Appendix 3**. It should be noted that these are not necessarily worked through linearly and can vary depending on particular circumstances present at the facility. Our proposed assessment application is represented diagrammatically at **Appendix 4** and outlined below.
26. To date assessment to a L4/L5 has been undertaken on the list of properties at **Appendix 5**. As mentioned above staff are currently undertaking a review to reframe the prioritisation for future assessments. This will be presented to a workshop in October followed by a December report for Council's consideration and input.

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**Prioritisation:**

27. Due to the large number of buildings to be assessed, to date we have adopted a risk-based approach to determine the priority order in which this occurs. This is explained and illustrated diagrammatically as follows.
28. A multi variable matrix approach has been adopted with “consequence” (on the vertical axis) this combines:
- People risk related to human life and safety
  - The criticality or Importance Level (IL) of the activity provided from the facility i.e. IL1 refers to buildings with a low degree of hazard (e.g. farm buildings, fences etc) to IL4 for buildings with post disaster functions (e.g. Civil Defence, medical, emergency services or lifelines facilities). Note that we have no IL5 facilities which include major dams or extreme hazard facilities;
29. “Likelihood” (on the horizontal axis) considers a number of factors which could give rise to a structural failure including:
- Age of a building (indicative of the required design levels current at the time)
  - Construction materials (e.g. unreinforced masonry)
  - Construction form (e.g. symmetrical vs. asymmetrical building layout) including the presence of a Critical Structural Weakness
  - Land damage experienced and/or suspect ground conditions
  - Any recommendations from the Rapid Assessment (Level 2) process.

**People Risk****Activity Importance**

5					
4					
3					
2					
1					
	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Very High</b>
	<b>Probability of Structural Failure</b>				

30. In effect, those facilities which score high on both axes are prioritised first (the cells shown in red and orange on the matrix) followed by the pink cells and so on i.e. working from the top right to the bottom left of the matrix.

**Assessment Application:**

31. To date the application of the assessments has been evolving as we have worked through the earthquake events, and as thinking has been developed by CERA, engineers approaches, insurers responses etc. The flow chart at **appendix 4** sets out the future process of application, which is currently being utilised.

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32. Level 2 Rapid Assessments have been carried-out following all major earthquake events as follows:
- 4 September 2010 – all buildings
  - 22 February 2011 – all buildings
  - 13 June 2011 – 284 buildings\*.
- \* Following these events the trigger for determining which buildings to assess to a higher level was based on an analysis by an experienced engineer of ground acceleration data as the damage and impact of the shaking was more localised in close proximity to the epicentre.*
33. These Level 2 assessments were carried-out by experienced assessors following the earthquake events. That is, for most structures we used chartered engineers and for simple Greenspace buildings e.g. toilets, shelters, we used experienced park rangers to make the assessment.
34. Beyond level 2 assessments, as highlighted in **Appendix 3**, a L3 Assessment may be undertaken depending on the circumstances, however these are now being employed less often. We are now more typically undertaking L4 / L5 Assessments - "Detailed Engineering Evaluation" (DEE) as it is recognised these provide a much improved measure of a buildings capacity, per cent New Building Standard (NBS) and therefore indicate whether strengthening may be required in addition to damage repair.
35. To appropriately resource this significant stream of work we are currently working through a contestable tender process to establish a panel of engineering consultants to support this, with the target of having that in place by 1 December 2011.

### Insurance

36. Prior to 30/06/11 all Council facilities were insured under the material damage policy other than the Composting plant which had been omitted in error. Facilities were insured for replacement value other than a few buildings such as those around the new bus exchange site which were insured for demolition or indemnity value. The Council's above ground insurance programme totalled \$1.9 billion.
37. There is no material damage cover in place from 1 July onwards other than that detailed below but all damage incurred prior to 30 June is covered by the insurance policy in place at the time of the events.
38. Under the existing policies, 2,239 Residential Housing Units are insured at replacement value for \$413,869,294 for fire and earthquake under the EQC cover which is capped at \$100,000 per housing unit. Certain housing units that have been badly damaged are not covered. CBS Arena is also insured for replacement value at \$59,560,495 for defined perils only (fire excluding natural disaster). No other of the Council's buildings are insured.
39. In order to maximise efficiency of the claims process, the loss adjusting process and approvals required will be tailored according to the size of repair/reinstatement costs. Outlined below is a summary of the proposed approach:

#### *Category 1: Less than or equal to \$5,000:*

40. Such claims will be settled globally based upon the estimated cost of repair. No pre approval will be required from Insurers before incurring actual costs of repair. Council will however, preserve its right to claim actual costs in excess of estimate where like for like repair costs exceed the estimate.

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*Category 2: Greater than \$5,000 but less than, or equal to \$100,000:*

41. Within this loss category it is anticipated that any damage will be considered to be economically repairable. A scope of works would need to be developed and presented to the Loss Adjuster for approval in anticipation of undertaking the proposed repairs. The works would then be undertaken against the scope and the associated costs would be claimed as and when incurred.

*Category 3: Greater than \$100,000*

42. Losses in this category are likely to involve both repairable damage and non-repairable damage. Repairable damage would follow a similar process to that highlighted for Category 2 above. However, non-repairable damage would involve the following process below:
- Scope of damage is agreed with the Loss Adjuster and a case is presented to confirm the uneconomic nature of repairs;
  - Agreement is reached with the Loss adjuster as to need to replace the damage (i.e. not repairable);
  - Council preserves the reinstatement value by confirming its intent to reinstate/replace the damage in one form or another;
  - An interim claim is made immediately for the equivalent indemnity value;
  - Where the decision is made to reinstate the building (like for like) then the scope of work is developed and presented to the loss adjuster for approval prior to the commencement of works, and actual costs are claimed in excess of the Interim Indemnity payment received;
  - Where the decision is made not to replace like for like then a valuation is obtained on a like for like basis to determine the insurance entitlement under the policy;
  - The loss adjuster is presented with the proposal to reinstate the damage in some other form (i.e. not like for like) demonstrating that the proposed costs will be equivalent to or in excess of the like for like valuation. Actual costs to be claimed in excess of the interim Indemnity payment received.
43. Currently there is ongoing uncertainty over the time it will take to gain the agreement of Council's insurers to claim settlement and this poses a risk to the overall rebuild programme. In terms of any overall timeframes which are committed, we will seek to secure the insurers buy-in to those overall timeframes.
44. Consideration of this process is reflected in the decision making proposals of this report.
45. It should be appreciated that following a significant aftershock event, it may be necessary to 'reset the assessment clock' – for all or part of the portfolio, which brings a significant resource challenge in itself. If this event occurred now, our non-housing portfolio is uninsured so any additional or new damage, as well as the cost of the re-assessment of our facilities, would be at Council's expense. For our housing portfolio, we come under the EQC process.

### Demolitions

46. The Council has already made some "owner initiated" demolition decisions for its facilities:
- Sumner Community Centre/Museum – 9 June 2011
  - Godley House – 9 June 2011
  - Two grandstands at Rugby League Park to support a temporary rugby/rugby league facility – 8 September 2011
  - Several buildings at temporary bus interchange site – 17 August 2011
  - Buildings to allow Temporary Bus Interchange to progress
    - Ex. Brush and Palette building, 50 Lichfield Street
    - Ex. Hertz building, 46-48 Lichfield Street
    - Ex. Mico Wakefield building, 133-141A Tuam Street
    - Ex. YMCA Office building, 48 Lichfield Street.



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47. Civil Defence and CERA have also ordered the demolition of a number of other Council-owned buildings:
- Ex. Para Rubber building, 94A Manchester Street (ordered by CD)
  - Ex. R and R Sport building, 54 Lichfield Street (ordered by CERA)
  - Redcliffs Volunteer Library, 91-93 Main Road (ordered by CERA)
  - Redcliffs Pumping Station, Main Road (partial, ordered by CERA)
  - St Albans Community Centre, 1049 Colombo Street (ordered by CERA)
  - St Martins Volunteer Library, 122 Wilsons Road (partial, ordered by CERA)
  - Sydenham Methodist Church, 343 Colombo Street (ordered by CD, not owned by but insured by Council)
  - Woolston Volunteer Library, 689 Ferry Road (ordered by CERA).
  - Christchurch Convention Centre, 95-115 Kilmore Street (ordered by CERA)
  - Lyttelton Museum, 1 Gladstone Quay (ordered by CERA)
  - Ex. Penny Cycles building, 113-125 Manchester Street (113-119 ordered by CERA)
  - Plunket Society Rooms, 211 Oxford Terrace (ordered by CERA).
48. Properties under assessment that could result in demolition (more work required):
- Aranui Community Centre, 305 Breezes Road
  - Farmers Carpark, 194A Oxford Terrace (Council are a part owner as a member of the Body Corporate)
  - Christchurch Music Centre, Barbadoes Street (not owned by but insured by Council)
  - Ex. Electrolux building, 36 Welles Street (at least partial)
  - Lyttelton Service Centre, 35 London Street (expecting order from CERA)
  - Mt Pleasant Community Centre, McCormacks Bay Road (not owned by but insured by Council)
  - QE2 Stadium/Pool, 193 Travis Road
  - Shirley Community Centre, 10 Slater Street
  - South Brighton Community Centre, 74 Beatty Street
  - Sumner Library, 16-18 Wakefield Avenue.

### Building Occupancy

49. The following process is in place to clearly identify and communicate the status of Council facilities when aftershocks occur:
- The decision to evacuate and close Council facilities is triggered by a M5.0 or greater earthquake
  - A Level 2 assessment is then carried-out for all buildings unless the analysis of ground acceleration data by an experienced engineer highlights that it is not required for specific buildings in specific locations. This analysis is made through the use of a risk-based approach as detailed above
  - If the earthquake is of less than M5.0 but triggers an evacuation (e.g. the M4.9 aftershock on 26 December 2010) the building is checked for visible damage (or any change in damage status) by a designated person responsible for each facility before reopening. In addition, a Level 2 assessment is carried-out for specific buildings (e.g. EOC, Welfare Centres, buildings open to the public)
  - Rapid communication to staff, users and the wider community follows as to the open/closed status of all buildings using text message and information posted on the Council website.
50. The framework and hierarchy of opening Council's facilities post earthquake is focused on facilities which are open at the time an event occurs. Specifically the priority ranking is currently:
- Emergency Operations Centre – Rexel/Kathmandu building will fulfil this function for the foreseeable future
  - Welfare Centres (eg Pioneer Stadium)
  - Call Centre – currently operating from the Bishopdale Community Centre
  - Staff occupied facilities (includes libraries, parks facilities - at Botanic Gardens, Burwood, Victoria Park, temporary offices in specific community centres e.g. Avic Hill, Bishopdale Community Centre, Metro Refuse Centres, Wastewater Treatment facility)
  - Early Learning Centres
  - Remaining Recreation and Sport, Community Support and Reserves facilities, and commercial premises.

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51. It should be noted that following a satisfactory outcome from the Level 2 assessment by an engineer, that before a building can re-open, service checks and health and safety checks are also completed.
52. All social housing facilities will be visited by Housing Officers who will complete a rapid welfare check and any identified damage concerns are immediately escalated to our Asset Team for a follow-up assessment by an engineer. If our early reconnaissance highlights actual damage to specific facilities or locations or if our analysis of peak ground acceleration data indicates likely damage in specific locations, we will give a high priority to getting an engineer to complete a Level 2 rapid assessment for those facilities. EQC then undertake their own damage assessments.
53. As set out above in response to the current environment a sound practical approach, that errs on the side of caution in respect of safety, has been adopted to occupying facilities in the context of the earthquake and providing a suitably safe environment for staff and the public. It is now however timely to have that supported by a formal Council policy. There are a number of dependencies in respect of developing such a policy e.g. Council's Earthquake Prone Buildings Policy, insurance issues, Building Act requirements, the Department of Building and Housings Building Code, Health and Safety in Employment Act, Canterbury Earthquake Recovery Act. Some of these matters are under review and development it is however expected that some common clarity and guidance will emerge within the next couple of months thereby enabling the presentation of the issues in detail and a proposed policy to Council in the proposed December report.

#### **Status Reporting and Communication/Consultation**

54. Once projects are established by staff delegations, reporting on progress to the Council will be via a quarterly Facilities Rebuild Project report.
55. A communications update on the programme will also be included in the Chief Executive's monthly Council Update.
56. A number of Council facilities strategies in place have already undergone public consultation. These are currently being reviewed by Council staff and, as part of this review, staff have been engaging with key stakeholder groups around the future of Council facilities. Community consultation undertaken during the development of the draft Central City Plan is also informing this process.
57. An engagement framework for the Facilities Rebuild Project is being developed, which will provide guidelines around the level of community consultation/engagement required and when and how this should take place. It will include engagement with Community Boards. Further details about this will be included in the December report.
58. A dedicated space on the Council website will contain an easy-to-access database of regularly updated information about the status of each facility in the Facilities Rebuild Project. This will include final engineering reports as they are completed and the decision made about a facility.
59. Media updates and briefings, updates in Council publications and on Council social media sites will be other key communication tools.

#### **Governance and Decision Making**

##### **Assessment Process**

60. The current application of the assessment process has resulted in 656 facilities being open on a prudent, risk managed basis (69per cent of the portfolio). An approach that has a zero tolerance to risk would see practically all these facilities closed until L4/L5 assessments were completed with a satisfactory outcome. This could be expected to take more than two years.

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61. Although the assessment of buildings has been an evolving body of work in the market place, the practices adopted by council staff to date have been founded on a good pragmatic approach that considered the following attributes: conservatism, risk, health and safety, life protection and Council's role as a good corporate citizen to public and staff. Council staff have used their internal networks and those with other public organisations and insurers to ensure the practices adopted in this space are prudent and as a minimum equal to, if not leading and exceeding the general market approach.
62. It is therefore recommended that Council support the current assessment practices as set out in this report, paras 25-35 and Appendices 3 and 4 of this report and its recommendations.

### Insurance

63. There are currently opportunities to get some up-front payments through insurance and technically there is no delegation to staff to accept these. It is therefore proposed as set out in the recommendations of this report that the General Manager Corporate Services be authorised to accept progress or partial insurance payments, so long as the Council is not committed to a full and final settlement.
64. Council has historically insured a small handful of properties which it does not own but has a strong relationship with the owner e.g. Riccarton House, Music Centre, Sydenham Methodist Church, Mt Pleasant Community Centre. We therefore also seek delegation for the General Manager Corporate Services to accept insurance payouts for these facilities which we insure but do not own and then distribute the payout to the appropriate party(s).
65. The category 1 claims as outlined in para 40 above, i.e. those less than or equal to \$5,000, are to be settled globally based upon the estimated cost of repair. No pre-approval will be required from Insurers before incurring actual costs of repair. Council will however, preserve its right to claim actual costs in excess of estimate where like for like repair costs exceed the estimate. Due to the minor nature of these claims a delegation for the Corporate Services General Manger to settle these is sought and contained in the recommendations of this report.
66. All other insurance related claims and settlements falling outside the scope of the above three categories will be referred to Council for consideration and resolution.

### Demolitions and Repairs

67. The demolition of a few Council facilities has occurred through decisions made either by Civil Defence and CERA or by Council through a formal report and resolution.
68. Repairs have been initiated and completed on the Papanui Library and Rexel/Kathmandu buildings on the basis that the repairs were minor, covered by insurance and essential to maintaining business.
69. The Council has a very large portfolio that has a wide range in terms of building types and nature of damage. The decision making around the portfolio accordingly ranges from simple and pragmatic to more complex and strategic. As set out above this has necessitated the phasing of the project and rebuild plans.
70. In considering the phasing process it has been identified that there are a number of properties in the simple and pragmatic end of the scale that could and logically should be progressed immediately in terms of repair or demolition. The framework for dealing with these properties is set out as follows and reflected in the recommended delegations for resolution.
71. Council approval is required for:
  - Work and demolitions of heritage buildings not covered by staff delegations. A list of the earthquake- affected heritage buildings is contained in **Appendix 5**
  - Recommended demolitions (not for safety reasons or ordered by CERA)
  - Recommended repairs exceed insured value (includes improving the building)
  - Rebuilds.

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72. Staff to have delegations for:
- Demolition approval for safety reasons (Section 38 CERA notice)
  - To repair an existing facility/structure within insurance proceeds where the work will cost less than \$1 million and the cost of the repairs is less than 50 per cent of the building's insured value
  - Urgent stabilisation/weather proofing, including heritage buildings.

**Occupancy**

73. Decisions will continue to be required in respect of returning facilities to staff and public use. In the absence of a policy, taking into consideration the risk-based decision making framework outlined in the assessment and occupancy processes above, staff and public are able to return to buildings as follows:
- Buildings with a strength of 33 per cent New Building Standard (NBS) or less are not to be used.
  - Buildings with a strength between 34 per cent NBS and 66 per cent NBS inclusive are only to be used where there is a moderate to low risk exposure (based on building strength, occupancy levels and occupancy duration).
  - Buildings with a strength of 67 per cent NBS or greater can be used.
74. The recommendations in this report seek to clarify that a decision to reopen buildings for staff and public use under the occupancy guidelines noted above be made jointly by the General Manager of Corporate Services and the General Manager of Community Services.
75. The future proposal is to replace this framework with a formal Council Policy and it is anticipated that this will be able to be workshopped and reported for adoption before the end of the year.