

27. 10. 2011



## 5. CHRISTCHURCH EARTHQUAKE MAYORAL RELIEF FUND: APPLICATIONS FOR GRANTS

<b>General Manager responsible:</b>	General Manager Regulation & Democracy Services
<b>Officer responsible:</b>	Democracy Services Manager
<b>Author:</b>	Sarah Owen, Mayor's Office Executive Manager

### PURPOSE OF REPORT

1. The purpose of this report is to request the Council to approve the allocation of grants from the Christchurch Earthquake Mayoral Relief Fund as follows:
  - (a) \$50,000 to Halswell Hall Incorporated to provide financial assistance for repairing earthquake damage to the Hall.
  - (b) \$13,350 to the Sumner Urban Design Team (SUDT) as a contribution to expenses incurred and projected in undertaking work on the Sumner Suburb Masterplan.

### EXECUTIVE SUMMARY

2. The purpose of the Mayoral Earthquake Relief Fund as adopted by the Council on 12 May 2011 is set out in paragraph 6 below. As trustee for the Fund, the Council is bound to apply the monies only for the purposes specified in the Council resolution of 12 May 2011.
3. Halswell Hall is a community hall that has had extensive damage through the earthquakes. The Trust is seeking a contribution of \$50,000 towards costs of building repairs not covered by their insurance claim. Those repairs are for the upgrading of the building to comply with the present building code. This report recommends that the full amount sought be granted.
4. There are two Masterplan planning projects currently underway in Sumner, a Sumner Village Masterplan and a Sumner Suburb Masterplan. The Sumner Urban Design Team (SUDT) is contributing to both and has applied for a grant of \$149,800 to reflect work (both completed and projected) for the Sumner Suburb Masterplan. This report recommends that a lesser amount of \$13,350 be granted.

### FINANCIAL IMPLICATIONS

5. Specific financial details for each project/activity are outlined in the Background section of this report. As at 28 September 2011 there was \$3,583,516 in uncommitted funds held by the Christchurch Earthquake Mayoral Relief Fund.

### LEGAL CONSIDERATIONS

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

6. At the Council meeting of 12 May 2011 it was resolved:
  - ...(b) *That the Christchurch Earthquake Mayoral Relief Fund was established, and will continue to be maintained, by the Council as a "public fund" (as described in section LD 3(2)(d) of the Income Tax Act 2007) exclusively for the purpose of providing money for any one or more charitable, benevolent, philanthropic or cultural purposes related to and in particular to provide relief to the people of Christchurch from the adverse effects of the 4 September 2010 and 22 February 2011 earthquakes, and associated aftershocks, by providing money for the any activity or work required as a result of those events that:*
    - (i) *contributes to the rebuilding of the social and physical infrastructure of Christchurch, and*
    - (ii) *assists in:*
      - *remedying hardship suffered by individuals, groups, community organisations and businesses, and/or*
      - *protecting, repairing damage to or enhancing the physical fabric of the city.*

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7. The Mayoral Earthquake Relief Fund essentially operates as a trust with the Council acting as the trustee. As trustee, the Council is bound to apply the monies only for the purposes specified in the Council resolution above.
8. In terms of the activities that can be funded by the Mayoral Earthquake Relief Fund, the first requirement is that any grant be used to contribute to the rebuilding of the social and physical infrastructure of Christchurch. The Oxford Dictionary defines the word "infrastructure" generally as "the foundation or basic structure of an undertaking", and specifically as "the installations and services (power stations, sewers, roads, housing etc) regarded as the economic foundation of a country". The word "infrastructure" therefore implies the undertaking of physical works.
9. However, paragraph (b)(i) of the resolution refers to "...any activity or work required as a result of those events that... (i) **contributes** to the rebuilding of the social and physical infrastructure of Christchurch..." It is therefore not necessary that the Mayoral Earthquake Relief Fund's monies be applied solely to rebuilding actual physical infrastructure, but it is necessary that the monies be applied to any work or activity that **contributes** to such rebuilding. Therefore, whilst the focus of the Mayoral Earthquake Relief Fund is the rebuilding of the social and physical infrastructure ("bricks and mortar"), it can also be used for any activity which **contributes** to that outcome.
10. In addition, any grant from the Mayoral Earthquake Relief Fund must also assist in either remedying hardship or protecting, repairing ... or enhancing the physical fabric of the city.

**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?**

11. Not applicable.

**ALIGNMENT WITH STRATEGIES****Do the recommendations align with the Council's strategies?**

12. Not applicable.

**CONSULTATION FULFILMENT**

13. Discussions with the individual applicants have been carried out.

**STAFF RECOMMENDATION**

It is recommended that the Council approve the following grant allocations from the Christchurch Earthquake Mayoral Relief Fund:

- (a) \$50,000 to Halswell Hall Incorporated to provide financial assistance for repairing earthquake damage to the Hall.
- (b) \$13,350 to the Sumner Urban Design Team (SUDT) as a contribution to expenses incurred and projected in undertaking work on the Sumner Suburb Masterplan.

**MAYORAL RECOMMENDATION**

That the staff recommendation be adopted.

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**BACKGROUND (THE ISSUES)****Request for Grant by Halswell Hall Inc**

14. Halswell Hall is a community owned hall built in 1913 with money raised by local people on land which is believed to be donated by Sir Cecil Rhodes. It is used by Drama, Indoor Bowls, Garden, Dancing, Tai Chi, Probus, Craft, Walking, AA, Women in Motion and Tai Kwon Do Clubs on a weekly basis. Other organisations and local people also use the facility on an as needed basis or regular basis. The local Police have an office in the hall.
15. The earthquakes caused extensive damage to three of the load bearing walls of the hall, necessitating the total replacement of these three walls. The walls were made 96 years ago of bricks and the mortar has deteriorated allowing extensive cracks to the walls. Therefore, the walls no longer supply any strength to the structure. To comply with present building codes it is necessary to dismantle these walls and rebuild them. There has also been some movement of the ground but it has not caused any need for remedial work.
16. The Trust is seeking funds to cover building repairs not covered by their insurance claim. The Trust has advised that the total cost of the claim is \$786,467.31 but that their insurance only covers \$669,891.93, leaving a shortfall of \$116,575.38. This shortfall is due to the cost of upgrading the building to comply with the present building codes.
17. The Trust is seeking \$50,000 from the Mayoral Earthquake Relief Fund as a contribution to this shortfall, as they believe they can raise the remainder of \$66,000 through approaches to other organisations as well as traditional fundraising.

**Request for Grant by the Sumner Urban Design Team (SUDT)**

18. There are two master planning projects currently underway in Sumner.
  - **Sumner Suburb Masterplan**
    - This was initiated by the SUDT following the February earthquakes. SUDT comprises seven people with architectural and project management backgrounds.
    - This masterplan has a wide scope, extending to the esplanade, residential areas, surf reef options etc.
    - The outputs will be 'owned' by the community but may feed into Council processes (eg District Plan review, LTP submissions).
  - **Sumner Village Masterplan.**
    - The Council resolved in June 2011 to provide staff support for the 'community-led initiative in Sumner' as part of the Council's Suburban Centres Programme.
    - A Village Masterplan process has been commenced with a more narrow scope than the Suburb Masterplan, focusing on the commercial core of Sumner and upon earthquake recovery.
    - The project team is intended to comprise both Council officers and representatives of the Sumner Community Group (likely to be two to three members of the SUDT).
    - It is proposed that the output will be adopted by the Council as one of several masterplans in the Suburban Centres Programme and may lead to or inform a 'Recovery Plan' if considered necessary to support implementation.
19. The distinction between these projects is important given that the applicant for the Fund is working on both projects. The outputs from the broader Suburb Masterplan will inform development of the Village Masterplan. However, the Suburb Masterplan is a separate project and was neither proposed nor commissioned by the Council.
20. SUDT's application for assistance from the Christchurch Earthquake Mayoral Relief Fund requests \$149,800. This is for both work undertaken to date and projected for the future. The application indicates costs incurred from 1 March to 30 June 2011 were \$82,250 (of these costs, \$6,000 was spent on expenses). Projected costs from 1 July to 31 October 2011 will be \$67,550 (of these costs \$7,350 are for expenses). Of the \$149,800 sought, a total of \$13,000 is for expenses while the remainder of \$136,450 is for architectural hours.

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21. The Sumner Suburb Masterplan is 75% complete. To get to this point the SUDT has had numerous meetings, working sessions/design studios, discussions, and workshops and has been using several social media tools to receive and disseminate information. The SUDT strongly believe their work is of substantial value to their community and to future generations. Many members of the wider Sumner community also appear to hold that view.
22. At meetings with Council officers on the Sumner Village Masterplan, the SUDT has verbally requested that the Council pay for the work undertaken to date on the Suburb Masterplan. It has been explained that the Council does not retrospectively pay for work that it has not commissioned.
23. There is a risk of setting a precedent for communities to do work on a voluntary basis and then requesting financial support from the Council. Staff are therefore recommending that expenses to date and projected expenses totalling \$13,350, excluding professional fees, be granted to the applicant from the Mayoral Earthquake Relief Fund. It is suggested that any professional time be reinforced as pro- bono where it has not been specifically commissioned.
24. If the Council approves a grant from the Christchurch Earthquake Mayoral Relief Fund to the SUDT, it would need to clearly specify the relevant project as being the Sumner Suburb Masterplan, rather than the Sumner Village Masterplan.