

26. CHRISTCHURCH EARTHQUAKE MAYORAL RELIEF FUND: APPLICATIONS FOR GRANTS

General Manager responsible:	General Manager, Community Services, DDI 941-8607
Officer responsible:	Strategic Initiatives Manager
Author:	Lincoln Papali'i, Strategic Initiatives Manager

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval to:
 - (a) grant \$100,000.00 to Sumner Surf Life Saving Club
 - (b) grant \$40,000.00 to Kahikatea Adventure Education Trust
 - (c) grant \$18,389.00 to Avonside House Trust
 - (d) transfer \$6,000.00 to Shirley Community Trust
 - (e) decline \$18,307.00 to Catapult Employment Services Trust
 - (f) decline \$5,750.00 to Artist Collective
 - (g) decline \$7,499.00 to Christian World Service.



EXECUTIVE SUMMARY

2. The purpose of the Christchurch Earthquake Mayoral 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. The applicant organisations have requested a total of \$330,945.00 towards the costs incurred by them as a result of earthquake damage. Summary details of the individual requests are given in the report.
4. Staff recommend that the Council makes grants totalling \$158,389.00 to applicant organisation projects and to transfer \$6,000.00 to the Shirley Community Trust as specified by a donor.

FINANCIAL IMPLICATIONS

5. The financial requests for each project are outlined in the background section of this report. As at 13 November 2012 there was \$2,818,146.00 in uncommitted funds held by the Christchurch Earthquake Mayoral Relief Fund. There is a Christchurch Earthquake Mayoral Relief Fund report on the Council agenda for the meeting on 22 November 2012. If the grants recommended in this report are approved in full, there will be \$ 2,739,721.00 remaining in the fund. If the grants recommended in this report for the meeting on 6 December 2012 there will be \$2,575,332.00 remaining in the 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 any activity or work required as a result of those events that:*

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- (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.*
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) **contribute** 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

14. It is recommended that the Council approve the following grant allocations from the Christchurch Earthquake Mayoral Relief Fund:
- (a) \$100,000.00 to the Sumner Surf Life Saving Club to assist with the rebuilding of their Club Building and Tower.
 - (b) \$40,000.00 to Kahikatea Adventure Education Trust to assist with the rebuilding of their ropes course at a new location, at the Groyne.
 - (c) \$18,389.00 to Avonside House Trust to assist with the purchase of a temporary office building for their site at Lychgate Close.

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- (d) \$6,000.00 transfer to the Shirley Community Trust as specified by a donor who specifically wished their donation to be applied to this organisation.
- 15. It is recommended that the Council decline the following grant applications to the Christchurch Earthquake Mayoral Relief Fund:
 - (a) \$18,307.00 to Catapult Employment Services Trust for the reimbursement of rent paid for temporary offices and cabling work at their new permanent site.
 - (b) \$5,750.00 to the Artist Collective for repairs to power and water supplies to the artist's studio.
 - (c) \$7,499.00 to Christian World Service for the reimbursement of office contents.

BACKGROUND (THE ISSUES)

Sumner Surf Life Saving Club - \$200,000.00 Request

- 16. Sumner Surf Life Saving Club (SSLSC) is an Incorporated Society based at 1 Main Road, Sumner. SSLSC sustained extensive damage in the February earthquake. An engineer's report has confirmed that it is not financially feasible to repair the building to conform to the current building code regulations. SSLSC plans to demolish the existing building and start the rebuild for their new building in early to mid 2013. The rebuild is expected to take approximately four to five months to complete.
- 17. The estimated cost to have the new building open and functioning is \$1.3 million. SSLSC has received an insurance settlement of \$300,000 for building damage. A further insurance payment of \$150,000 has been paid for building works that had been completed but had not been signed off at the time of the earthquake. SSLSC have received a number of donations totalling approximately \$180,000 and has pending funding applications with the Canterbury Earthquake Appeal Trust for \$200,000 and Canterbury Community Trust for \$200,000. The Vodafone Foundation Canterbury Fund has granted \$50,000 towards the cost of the rebuild.
- 18. The new building design is for a single storey building with a lookout tower for the lifeguards. The building will sit within the existing footprint on the current site.
- 19. SSLSC is the second oldest club within the Canterbury Region and was founded in 1911. SSLSC has a membership base with 80 active members, 100 junior members and 80 non active members. The age group of the members ranges from fourteen years of age to mid-fifties. The subscription charges vary from \$80 to \$100 per year. The subscription charges are the main source of income for SSLSC along with funding from Surf Life Saving New Zealand and local fund raising.
- 20. SSLSC not only trains the youth lifeguards, it promotes positive leisure and sporting environments for children, youth and adults. SSLSC offers the use of their facilities to Surf Life Saving New Zealand throughout the summer months, who educate young children on the importance of beach safety. The facilities are regularly used by the local and wider community and can be hired for a nominal fee for functions, yoga, scouts and are also used by the local rugby club. It is the intention of SSLSC to offer the use of their facilities to other community groups once the rebuild has been completed.
- 21. SSLSC is currently operating on Sumner beach front using storage containers and portable toilets supplied by the Council. SSLSC is dedicated to the rebuild of their club and will continue to operate under these conditions until they have raised the necessary funds to complete the rebuild.
- 22. Professional lifeguards patrol Sumner Beach between December and January and is reliant on SSLSC youth volunteers to ensure that the beach is manned 7 days a week. The sea at Sumner Beach is very challenging due to the potential rips from the estuary mouth and the beach is a popular attraction helping to generate income for the local Sumner businesses.

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23. The SSLSC application is supported by a number of organisations including Surf Life Saving New Zealand, Ferrymead Boys Football, Girl Guiding East/West, Sumner Church, Christchurch City Council, Recreation and Sports Unit, Sumner Toy Library, Sumner Rugby, Sumner Long Boarders and the Honourable Ruth Dyson.
24. The financial statements for SSLSC for the year ended 30 June 2011, shows a total income of \$216,283.20 (including donations and grants), a total operational expenditure \$49,271.41 and total assets \$178,240.13. The total cash at hand in the bank is \$107,018.38.
25. It is recommended that a grant of \$100,000.00 is granted to SSLSC to assist with the rebuild of their earthquake damaged building.

Kahikatea Adventure Education Trust - \$75,000.00 Request

26. Kahikatea Adventure Education Trust (KAET) was advised in December 2011 by the Council that they were no longer able to operate their Rope Course in the South Brighton forest domain. The Council is monitoring the trees as land subsidence from the earthquakes has had a serious affect, trees have fallen and others are dying. The monitoring will take many years and may result in parts of the forest being fenced off. KAET wishes to stay in the Christchurch area and have been advised that the only possibility for this is to find another site and re-establish the Rope Course installing large poles rather than using trees. The existing course has been removed and stored by Ranger Services at Bottle Lake Forest Park.
27. KAET is a registered charitable trust whose purpose is to develop and provide programmes designed to enable individuals to realise their full potential through participation in adventure activities which, provide social and intellectual growth, self confidence and physical fitness. In 1997 the Trust established the Christchurch Ropes Course with seed money from a pre-existing outdoor education trust and community funding. The ropes course was built in Christchurch's South Brighton Domain, under a lease agreement with the Council.
28. The new location will be the Kimihia site at The Groynes. It is situated inside the Groynes, away from general public access, with easy access to a number of natural resources. The site is perfect for camping and is well equipped with a small shelter, adequate flat camping space, water and toilets. Even with these facilities the site is severely underutilized; currently Kimihia sits vacant and unused for the majority of the year. In the last two years usage has averaged 338 people over 20 nights and one day. Almost all of this usage has been during weekends or school holidays. Girl Guiding New Zealand (GGNZ) has 12 years remaining on its lease of the Kimihia site, while the Council current lease with Environment Canterbury (ECan) expires in 2014/2015 (this misalignment is due to GGNZ's lease being with the previous Waimakariri District Council). Any extension beyond 2014/2015 will be dependent on ECan extending the Council lease, which is likely, but not guaranteed. ECan have stated that they are supportive of the activity, and would like to see it at The Groynes. In the unlikely event that the Council does not receive a lease renewal, ECan have stated that they would approve a continued lease for the ropes course. However, Ecan have noted that they are keen to renew the Council lease. Road access to Kimihia is partially over Clearwater land (due to the road alignment not being on the boundary alignment) and Clearwater, ECan and the Council have discussed this and intend to review the boundary /roading alignment in the future at an appropriate time.
29. Throughout its existence the Christchurch Ropes Course has been managed on behalf of KAET by Horizons Unlimited Ltd. Horizons Unlimited is a small privately owned training company that provides services across the areas of Youth Development, Adventure Education and Adventure Industry Training and Safety Management Services. They have a strong reputation within the adventure industry for delivering effective, high quality services and program's and for being thorough, professional, innovative and entrepreneurial. Horizons are used to working collaboratively, and currently work in several partnerships with other organizations.
30. The total cost to rebuild the course on the new site is \$279,500.00. Early in 2012 the Trust began fundraising towards the rebuild of the new ropes course. As at 13 November 2012, \$208,168.00 has been raised. The balance is being sought from the Christchurch Earthquake Mayoral Relief Fund to complete the rebuild. The funds so far committed to the project have

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come from the Trust itself, other funders and corporate sponsorship. Currently they are requesting a grant of \$75,000 from the Christchurch Earthquake Mayoral Fund. They plan and hope to have the project completed by the end of November 2012 and operating by December 2012 meaning the resource is available for use throughout summer (a popular time for schools) allowing the course to begin generating its own income – as a charitable trust all income is reinvested in resources and programmes.

31. Each year the course sees approximately 2,000-3,000 people per year. The participants using the course is made up of 95 per cent school students (intermediate or secondary age) and other charitable organisations with 5 per cent corporate use. Charges for school Students is \$10 per half day, \$15 per full day, Adults \$15 per half day, \$25 per full day and corporate \$25 per half day and \$35 per full day. From every corporate booking, \$10 is paid into a subsidy fund which the trust uses to subsidise other groups. No other site is being used for the schools and other organisations although Horizons has found alternative sites for corporate use.
32. The ropes course will be a unique facility that is not available elsewhere in or near to the city. Other ropes course providers in the greater Canterbury region include:
 - Rolleston Recreation Centre (comprises three elements inside the gym) – this facility is a much smaller course, hard to access, and generally not used.
 - Wainui YMCA, Orton Bradley and Geraldine –these courses are more than an hour's travel from Christchurch, and are therefore only used by local community and/or groups that are staying multiple days.
 - Burnham Military Camp (an advanced course designed for military personnel) – this isn't (generally) open for public/community use.
 - Adrenalin Forest at Spencer Park – this is a European style 'Adventure Park' recreational experience, where the focus is "adventure" or "thrill" (refer www.adrenalin-forest.co.nz). The physical approach utilized is completely different (one person looking after their own safety, as opposed to groups of people working together), and there are no facilitated developmental outcomes (e.g. self/team/leader development).
 - The original (South Brighton) ropes course pre-existed all of these facilities, and both it and the proposed replacement ropes course were differentiated from each of the above courses, by setting, location, proximity to city and the philosophy of the ropes course operation (i.e. the promoting communication, leadership and trust between individuals while on the ropes course). The proposed facility will not duplicate any other operation that currently exists within the City.
33. KAET notes that the re-establishment of this resource is important for Christchurch users. In the current situation, the ability to develop skills to help manage challenging situations, learning to build supportive relationships and continuing to view outdoors as a rewarding and safe place.
34. The total income generated for the period ended 31 March 2010 was \$38,599.00; total expenditure for the same period was \$11,728.00 leaving a surplus of \$26,871.00. The Trusts total assets less liabilities for the same period was \$96,234.00.
35. It is recommended that a grant of \$40,000.00 is granted to Kahikatea Adventure Education Trust to assist with the rebuild of their ropes course.

Avonside House Trust - \$18,389.00 Request

36. Avonside House Trust is an Incorporated Society/Charitable Trust based at properties in Lychgate Close and Te Orwai Place. The Trust formed in 1975 as a Church community programme to assist people in need. Originally, a hostel was built above the church hall to accommodate 12 young people but it was apparent that this was not financially feasible; therefore in 1980 the Church altered their focus and decided to assist intellectually disabled adults. As a result, the demand for housing increased so the Church purchased property at Lychgate Close converting the property into units. The Church struggled to cope with the expansion and decided to establish Avonside House Trust. Avonside House Trust leased the properties at Lychgate Close from the Church (Church Property Trustees) and sought funding through the Ministry of Health. Avonside House Trust purchased property at Te Orewai Place in June 2010 due to further demands for housing.

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37. Avonside House Trust accommodates 25 permanent residents (all male) and one regular part time resident. The residents, from their mid twenties to mid sixties, have varying intellectual disabilities, including Downs Syndrome, Autism and Asperger's Syndrome. Many of the residents' disabilities also consist of vision and hearing impairment, psychiatric disorders and restricted mobility.
38. Avonside House Trusts aim is to assist in developing the requisite skills to live independently. Staff members are on hand to provide advice with cooking, counselling and transportation. The average cost per month to accommodate a single resident is \$2,681.26. The residents receive an invalid's benefit from Work and Income and are expected to pay for their own everyday expenses such as toiletries and medical bills.
39. Avonside House Trust experienced significant damage to both sites during the 2010/2011 earthquakes. One of the buildings at Lychgate Close site has been demolished. The land status is Green and the building status is Not Applicable Urban Non Residential. The insurance company payment for the building has been made to Church Property Trustees as the building owner. Avonside House Trust received an insurance company payment for their contents only.
40. Avonside House Trust is seeking financial assistance to purchase a portable office. Staff members are currently working between both sites using overcrowded bedrooms as office space.
41. Two options for portable office space have been identified by Avonside House Trust with both short and long term plans in mind. The Trust's preferred option is more expensive at \$46,747.50 and is a higher specification option made from quality material designed to last for a longer period. With this option, it is planned that when the portable office is no longer required it can be converted into residential accommodation. The second option costs \$18,388.50 and is of a lower standard that could not be converted into residential accommodation. Both portable office options are 4.8m x 3m allowing two staff members to work comfortably along with disabled access for residents and families. The anticipated lead time for delivery is six weeks from receipt of deposit.
42. Avonside House Trust has sought some early advice from the Council regarding the building consent and it has been told that consent will be permitted under the City Plan. Avonside House Trust will formally apply to Christchurch City Council for consent once funds have been secured.
43. The financial statements up to 31 January 2012 show income of \$1,056,677.00; total expenditure of \$1,339,383.00 (including depreciation \$73K), leaving a deficit of \$279,368.00. Avonside House Trust net assets for the same period total, \$2,759,528.00. Cash at hand in the bank \$175,914.00.
44. It is recommended that a grant of \$18,389.00 is granted to Avonside House Trust to purchase the second option, as the trust has indicated the temporary office will be required for a number of years and that there is no guarantee that if the more expensive option was purchased it would be able to be converted and used as residential accommodation.

Shirley Community Trust - \$6,000.00 Transfer

45. An international donor specifically tagged their donation of \$6,000.00 to be applied to the Shirley Community Trust to support their recovery services to the community.

Catapult Employment Services Trust - \$18,307.20 Request

46. Catapult Employment Services Trust is an Incorporated Society and Charitable Trust. Catapult had been leasing offices in Cashel Mall when the February earthquake occurred and as a result of the Central Business District being red zoned, have had to find temporary offices. The board members at Catapult have made the decision to purchase property as a result of the shortage of commercial rental premises within Christchurch.
47. Catapult was formed in 2005 to help assist disabled and disadvantaged individuals who are looking for employment. Catapult's consultants match the candidates experience and ability to a

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vacant position, offering ongoing support to both the employer and the employee. Catapult are contracted to provide 60 employees a year under their Support to Work Contract with Work and Income and to provide 71 employees a year under their Supported Employment contract with Ministry of Social Development. The value of both contracts for 2012–13 is approximately \$403,604.00.

48. In March 2012, Catapult purchased a residential property at 478 Barrington Street which is classed as land zone Green, Technical Category 2, Yellow. The property requires modifications to be used as commercial offices. A Temporary Accommodation Permit has been granted by the Council, architect drawings approved and a fire engineer's report carried out. As a result of the fire engineer's report, additional work has been identified and requires completing before the property can pass the commercial building code standards. These works were estimated at a cost of \$85,000 - \$90,000 of which Catapult had budgeted \$35,000 towards.
49. Catapult is working from leased premises at 282 Kilmore Street and will continue to do so until the building modifications have been completed by the end of 2012.
50. Catapult's original application for \$55,000.00 was for assistance towards the shortfall of funds to enable them to complete the building modifications. Catapult has requested that their application be amended to now seek assistance to reimburse them for the rent that they have paid at 282 Kilmore Street and for the cabling work that is required at 478 Barrington Street which they did not account for. The total cost to reimburse the rent and pay for the cabling is \$18,307.20.
51. Christchurch City Council has granted Catapult \$20,000.00 per year Strengthening Communities Grants in 2009, 2010 and 2011. The Community Trust has granted \$13,333.00 in 2012 along with a grant of \$2,000.00 from Maurice Carter Trust in 2012. The Vodafone Foundation Canterbury Fund has granted \$50,000.00 towards the cost of the building modifications at 478 Barrington Street. The mortgage balance currently outstanding at 478 Barrington Street is \$123,448.00 which has been loaned to Catapult from The Community Trust.
52. Catapult's financial statements for November 2012 shows total assets \$761,709.00, total liabilities \$268,349.00 and total equity of \$493,360.00. The total cash on hand is \$310,012.00 and the net profit for the period February 2012 to November 2012 is \$62,056.00.
53. No grant is recommended to support Catapult Employment Services Trust as their financial statements show that they have sufficient reserves available to them.

Artist Collective - \$5,750.00 Request

54. The Artist Collective is an informal group who meet at 227 Fitzgerald Avenue. The leader of the group, Neville Heyward is also the owner of the building and other buildings on the same site.
55. After the first earthquake in September, Neville Hayward was unable to find an insurance company to reinsure the buildings, therefore when the February earthquake occurred the building and surrounding buildings on the site were uninsured. Civil Defence disconnected the power and water to the buildings shortly after the February earthquake. Due to the age of the electrics and current regulations, an upgrade is required to the mains and switchboards before the electric and water can be reconnected. The building occupied by the Artist Collective has been classed as the land zone Green, Technical Category 2, Yellow.
56. The Artist Collective is seeking assistance to pay for the upgrade of the electrics and the reconnection of the water at a cost of \$5,750.00.
57. The Artists Collective has been meeting for approximately five years and consists of 8-10 artists, who are friends and associates. A membership/subscription is not charged to the artists. The running costs for the building had previously been supplemented by the rental income generated from another building owned by Neville Heyward, situated on the same site.

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58. The Artists Collective does not have any financial statements to provide.
59. No grant is recommended to support the Artists Collective due to the limited information available.

Christian World Service - \$7,498.68 Request

60. Christian World Service (CWS) is a Charitable Trust based at 159 Manchester Street, Christchurch Central. The Central Business District was Red Zoned with no access following the February earthquake therefore CWS have not been able to recover any furniture, computers or any other items to help them to set up a temporary office.
61. As of 1 February 2012 CWS have established an office at Halkett Street. CWS has not made a claim to their insurance company for the contents they have lost in their offices at 159 Manchester Street and at this time any claim they may wish to make is outside of the indemnity period for the contents and business interruption insurance.
62. The costs incurred by CWS to replace the contents of their office, is not a cost they have accounted for. CWS has provided invoices for all of the new equipment at a total of cost of \$7,498.68 which they are seeking reimbursement for. The invoices provided include items of furniture, computers, cabling, phones, signage and graphics.
63. CWS was founded in 1945 to help to raise funds for overseas community groups to rebuild their livelihoods due to poverty and to respond to humanitarian emergencies. CWS works closely with a number of partners and international networks both locally and across the globe.
64. Prior to the earthquakes CWS was financially stretched. The Government change to overseas development has reduced their funding from \$2.869 million in 2010 to \$298,000.00 in 2011. CWS also receive funds from various church organisations, New Zealand Ministry of Foreign Affairs and Trade, bequests and trusts.
65. The financial statements for CWS for the year ending 30 June 2011 shows a total income of \$1,771,266.00, a total expenditure of \$2,126,280.00 and a closing balance of \$1,225,634.00. Total cash at hand in the bank \$542,941.00.
66. No grant is recommended to support CWS as insurance cover was in place but CWS chose not to make a claim and they are now outside of the indemnity period.



27. PROPOSED DEMOLITION OF THE SUMNER LIBRARY

General Manager responsible:	General Manager Library Services DDI 941 8534
Officer responsible:	Unit Manager Library and Information
Author:	Lincoln Blair, Project Manager

PURPOSE OF REPORT

1. The purpose of this report is to seek Council resolution for the demolition of the Council-owned Sumner Library – 14 Wakefield Avenue, Sumner.



EXECUTIVE SUMMARY

2. The Council owned Sumner Library is on Wakefield Avenue and is located adjacent the Sumner Community Centre and Museum – these adjacent buildings have been demolished.
3. The Sumner Library Quantitative DEE Assessment completed on the 25 May 2012 by OPUS deemed the building to have major damage from the second major earthquake on 22 February 2011.
4. The Loss Adjusting Team (LAT), working with Insurer's review engineer SKM are in general agreement that this building was significantly damaged from the EQ2 event.
5. The LAT, in conjunction with City Care, established a scope of works and associated cost for repair across both earthquake events and deemed the building to be an uneconomic repair against the sum insured of \$518,021 (excluding 10 percent policy margin).
6. Insurers have agreed this building should be considered as a total loss and the Council have confirmed their intent to "reinstate the building/services provided by this building" – We have received a statement of position (SOP) from the insurers dated 1/8/12 with excerpt below:
7. "Insurers have agreed this building should be regarded as a total loss, and that consideration should be given to the demolition and reinstatement of this building) if Council so elects, and with the reinstatement costs yet to be established)."
8. Quotation for demolition was sort from CERA via a tender process with three parties. The CERA recommended contractor is Dcon Holdings Ltd and the recommended demolition price is \$27,010 (plus GST). Including CERA margin the total demolition price is **\$28,428.03** (plus GST).
9. The Council's agreement is sought for the demolition of the building.

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FINANCIAL IMPLICATIONS

10. The cost of demolition and the removal of the demolition debris will be fully met by insurance cover.
11. To summarise from above, we have received a quotation for demolition and site clearance of \$27,010.00 plus GST.

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

12. As the recommendations are a consequence of the earthquake events, this issue is not addressed in the LTCCP.

LEGAL CONSIDERATIONS

13. Consent will be required.
14. The building has no heritage values.

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

15. Not applicable.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

16. As the recommendations are a consequence of the earthquake events, this issue is not addressed in the LTCCP.

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

17. Not applicable.

ALIGNMENT WITH STRATEGIES

18. Due to the exigencies of the Earthquake Recovery process, this recommended action is outside of 'normal' strategic process.

Do the recommendations align with the Council's strategies?

19. Not applicable.

CONSULTATION FULFILMENT

20. Due to the level of damage which the building has sustained that demolition is recommended as the most cost-effective option available to the Council.

STAFF RECOMMENDATION

It is recommended that the Council agree to the demolition of the Council-owned Sumner Library at 14 Wakefield Avenue, Sumner.



28. PROPOSED DEMOLITION OF THE SOUTH BRIGHTON COMMUNITY CENTRE BUILDING, 74 BEATTY STREET, SOUTH BRIGHTON

General Manager responsible:	General Manager Community Services, DDI 941 8534
Officer responsible:	Strategic Property Analyst
Author:	Tim Priddy – Strategic Property Analyst

PURPOSE OF REPORT

1. The purpose of this report is to seek Council resolution to the full demolition of the South Brighton Community Centre building.

EXECUTIVE SUMMARY

2. The South Brighton Community Centre building at 74 Beatty Street, South Brighton has sustained progressive damage since the first earthquake on 4 September 2010 with the 22 February 2011 earthquake causing significant additional damage.
3. The Council has received a Notice of Demolition from the Canterbury Earthquake Recovery Authority (CERA) under Section 38(4) of the Canterbury Earthquake Act 2011. However, the Notice is for only partial demolition as required for 'Make Safe' work, as CERA is focused on Dangerous Buildings and the removal of any potential hazards. The scope of the CERA-required work is limited to the removal of the damaged brick veneer to mitigate any potential fall hazards.
4. The Council's engineer has confirmed the building structure has sustained extensive structural damage caused by ground movement and liquefaction which has also caused significant pile movement. The steel portals have been deformed and now show a significant deflection in their verticality. A level survey has shown significant variations in the floor levels across the building. The external brick veneer and the concrete masonry blockwork have either collapsed or show signs of significant cracking.
5. The Loss Adjustor has provided written confirmation on behalf of our insurers that the South Brighton Community Centre is uneconomic to repair against the sum insured of \$1,111,042, and that they would support an insurance settlement to the total sum insured. The Loss Adjustor supports the Council to carry out a demolition for the removal of the entire building.
6. The joint delegation given by the Council to the General Manager Corporate Services and General Manager Community Services at the 15 December 2011 Council Meeting, contained in Section 3 (g) (i) of the Meeting Memorandum, only covers to approve the demolition of buildings for safety reasons, i.e. act on Section 38 Notices from Canterbury Earthquake Authority (CERA)
7. As the recommended demolition covers the entire building; that is, a scope of work greater than the CERA Section 38 Notice for partial demolition, the Council agreement consistent with the Council Delegation is sought for the demolition of the remainder of the entire building.

FINANCIAL IMPLICATIONS

8. The cost of demolition and the removal of the demolition debris will be met by our insurance cover.
9. We have received a tender price from CJ Solutions Ltd, trading as Shilton & Brown for the demolition, debris removal, termination of utilities and site works. The tender that has been obtained confirms that the cost of demolition is well within the insured value. We will obtain two additional tenders before a tender contract is awarded.

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

10. As the recommendations are a consequence of the earthquake events, this issue is not addressed in the LTCCP.

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LEGAL CONSIDERATIONS

11. In order to expedite the demolition of this building, we are proceeding under the CERA process; hence a Resource Consent is not required.

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

12. Not applicable.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

13. As the recommendations are a consequence of the earthquake events, this issue is not addressed in the LTCCP.

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

14. Not applicable.

ALIGNMENT WITH STRATEGIES

15. Due to the exigencies of the Earthquake Recovery process, this recommended action is outside of 'normal' strategic process.

Do the recommendations align with the Council's strategies?

16. Not applicable.

CONSULTATION FULFILMENT

17. Due to the level of damage which the building has sustained, demolition is recommended as the most cost-effective option available to the Council.
18. If the Council agrees to the recommendation to demolish the building, it is proposed that the Council prepare an immediate communication for the Community Board and the wider local community confirming our plan of action. There is a clear level of awareness in the South New Brighton community that the building has been badly damaged and that full demolition is a possible outcome.
19. Although user contents etc have been retrieved through two managed recoveries, due to the level of damage which the building has sustained, there are still a small number of user possessions/assets remaining in the building. It is planned to retrieve these items using the demolition contractor before demolition work commences; which will be both the safest and most cost effective method.
20. The building is not a heritage building.
21. Any decision around rebuilding a building for the community's use and/or a new building at this site will come under the Facilities Rebuild Plan. It is possible that the site may not be suitable to allow a new building within the original building footprint without additional work, but this cannot be determined until a geotechnical investigation has been carried-out.
22. As the footprint of the existing building is sitting over the boundary with the South New Brighton School, the shared boundary with the school will need to be considered in any decision regarding the rebuilding of a Community Centre on this site.

STAFF RECOMMENDATION

It is recommended that the Council agree to the full demolition of the South Brighton Community Centre building.



29. OCCUPANCY OF COUNCIL OWNED BUILDINGS

General Manager responsible:	General Manager Community Services, DDI 941 8607
Officer responsible:	Corporate Support Unit Manager
Author:	Tim Priddy, Strategic Property Analyst, Property Asset Team

PURPOSE OF REPORT

1. The purpose of this report is to report on a review of the Council's delegation relating to the occupancy of Council buildings, in the light of new information and guidance received since the delegation was put in place in December 2011. As a result of this review, this report recommends a revision to the thresholds or levels of occupancy which are adopted in the future.

EXECUTIVE SUMMARY

2. Following the 4 September 2010, 22 February 2011 and 13 June 2011 earthquakes the Council, at its meeting on 15 December 2011, delegated the authority to make decisions to close and reopen Council buildings to two General Managers, subject to a number of decision 'triggers'. These 'triggers' included that any building with a seismic capacity of less than or equal to 33 per cent of the New Building Standard (NBS) would not be occupied.
3. The delegation was based on the understanding at the time, of the impact of ongoing aftershocks and the programme of Detailed Engineering Evaluations (DEE) which were underway for Council's Facilities (above ground building assets) portfolio.
4. Since the delegation was put in place further guidance on the occupancy of buildings has been published by the Department of Building and Housing (DBH), and since 1 July 2012, by the Ministry of Business, Innovation and Employment (MBIE) into which the DBH has been merged. Further, more recent information from GNS Science on the probability or likelihood of future aftershocks has also been considered. This includes updated calculations, released as recently as 20 November 2012, which show that the probability of a large aftershock in the central Canterbury earthquake zone continues to drop due to the lower seismic activity.
5. The programme of DEE assessments for Council Facilities is now well underway. Of the 916 commercial buildings in the programme approved by Council in May 2012, 512 DEE reports have been received. Information is available from this process regarding the impact of the delegation on the occupancy of Council buildings.
6. Setting a seismic capacity cut-off for the occupancy of buildings is a trade-off between the provision of a 'safe' facility for users and the level of service which is provided through the facility. It may appear prudent to set a high cut-off or threshold for occupancy; however this will result in more buildings being closed than may be necessary. While the actual number of buildings affected may be low as a proportion of the total number of Council-owned buildings, the impact to the community of closure can actually be very great; especially if buildings such as important community facilities or social housing blocks need to be closed and vacated. Therefore, the benefit to the community from this revision could be significant.
7. An analysis of the DEE assessments has revealed that a number of buildings that have been closed under the current delegation may not have needed to be closed under the recent guidance from the former DBH.
8. As a result of current knowledge a revised delegation is proposed. In summary, if a building has suffered significant damage there is no change proposed. If a building is found to have an identifiable brittle collapse mechanism, there is an occupancy threshold. If a building has not suffered significant damage and it does not contain a brittle collapse mechanism, then it can be occupied without restriction.

29 Cont'd

FINANCIAL IMPLICATIONS

9. There are no direct financial implications from the proposed change in delegation however the proposed change may reduce the cost of maintaining levels of service by reducing the need for temporary facilities to replace buildings which have been closed.

LEGAL CONSIDERATIONS

10. The Legal Services Unit was asked for advice in relation to the implications for Council under the Health and Safety in Employment (HSE) Act 1992. The Council is unlikely to be exposed to liability under that Act, where Council has advice from an engineer and/or other professional advisers that a building is safe to occupy and work in, and/or to be near, in the current environment.

If an employer has obtained advice that a building is safe and/or has carried-out whatever interim work might be required to make it safe to work in, and it is reasonable for the employer to rely on that advice, then the fact that the building might be under 34 per cent NBS at that site does not mean the employer is breaching their obligations under the HSE Act. However, the employer/building owner might also need a programme of work planned as to how they are going to ensure their building is strengthened so it is no longer earthquake-prone.

In addition, the Building Act 2004 does not contemplate that buildings the Council considers (as the regulator) to be dangerous and/or earthquake-prone must, in every circumstance, not be occupied. The Council has a number of enforcement options available to it when dealing with such buildings. These range from doing nothing at all, to prohibiting occupation and use or restricting entry, or requiring that repairs be done on the building to address the danger or earthquake-prone nature of the building, with or without prohibiting use of the building in the meantime.

If the Council, in its regulatory role, issues any Building Act notices to the Council as property owner, compliance with the notices would be required irrespective of the delegations approved as a result of this report.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. The recommendations in this report would assist Council in continuing to meet levels of service outlined in the LTCCP.

ALIGNMENT WITH STRATEGIES

12. The recommendations in this report would assist Council in continuing to meet the agreed strategies

CONSULTATION FULFILMENT

13. Not applicable. Communication and consultation are a project work stream under the Facilities Rebuild Programme.

29 Cont'd

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Rescind the delegations given in 3. (b) (i) and (ii) of 15 December 2011 (See Paragraph 16) and replace with the following:
- (b) *Delegates the decision(s) to close and reopen buildings for staff and public use to the General Manager of Corporate Services and the General Manager of Community Services subject to the following framework:*
- (i) *A DEE assessment to be carried out on buildings of Importance Level 2 or above. (see Paragraphs 33, 34 for Level 1 definition)*
- (ii) *An Interim Use Evaluation (IUE) will be undertaken on Importance Level 1 buildings (an IUE assessment is defined as a low level engineering evaluation which identifies the impact of earthquake-related damage, and assesses structural adequacy through identifying potential collapse hazards and alternate load paths)*
- (iii) *Where a DEE assessment has been completed:*
- *buildings that have suffered significant damage and have a seismic capacity of 33%NBS or less will not be occupied;*
 - *buildings that have not suffered significant damage but have an identifiable brittle collapse mechanism, with a seismic capacity of 17%NBS¹ or less will not be occupied; (engineers consider that if a building has an identifiable brittle collapse mechanism, that this is only a risk to occupancy if the % NBS is less than 17% - ie half of 33% as engineers have already downrated the strength of these by a factor of 2)*
 - *buildings that do not fit into one of the above two categories may be occupied without restriction.*
- (iv) *Where IUE assessments have been completed, buildings shall be occupied on the recommendation of the Chartered Professional Engineer who carried out the assessment.*
- (v) *For clarity, buildings that shall not be occupied may be accessed for further assessments, for the removal of chattels or to undertake critical maintenance, (such as essential work on building services equipment), subject to a written access plan being approved by a Chartered Professional Engineer.*

Notes to recommendation:

Note ¹ The June 2012 DBH Guidelines recommend that if a building has not suffered significant damage, then there is no restriction on occupancy. However, it is recommended that Council adopt a slightly more conservative approach which is that if a building is undamaged and contains a brittle collapse mechanism, then some restriction is placed on occupancy. We have taken professional independent advice which recommends that a threshold be applied of 17 per cent NBS (that is, one half of 33 per cent NBS) for occupancy. It should be noted that in calculating the percentageNBS figure, the engineer has already 'down rated' the seismic capacity of the building due to the presence of the brittle collapse mechanism, so using a threshold of 33 per cent NBS would represent an extremely conservative approach. It should also be noted that our independent advice has been provided by the same engineers who have assisted the DBH (now MBIE) in their decision making.

29 Cont'd

14. It should be noted that if the Council agrees to amend the existing delegation, that all buildings which were closed under the current approach will be reviewed by the panel engineer who completed the initial DEE assessment, to establish the occupancy status of each building under the revised delegations. They will also judge whether any further checks are required to assess earthquake damage which may have occurred since the building was closed. Before a building could be re-opened, a number of tasks would also need to be completed including checks and any required work on systems and features in the building to achieve Building Act compliance as well as checks and maintenance of utility services.
15. Staff have started to review the documentation for currently closed buildings to allow progress to be made if the Council agrees to the change in delegation. Information will be tabled at the 6 December 2012 Council Meeting relating to any possible changes to occupancy as a result of the revised delegation; for the buildings which have been reviewed by the time of the meeting.

BACKGROUND (THE ISSUES)

16. Following the 4 September 2010, 22 February 2011 and 13 June 2011 earthquakes the Council gave a delegation, as follows, at its meeting on 15 December 2011 concerning the occupancy of Council buildings.

31. FACILITIES REBUILD PLAN

It was resolved unanimously on the motion of Councillor Broughton, seconded by Councillor Buck, that the Council:

- (b) *Delegates the decision(s) to close and reopen buildings for staff and public use to the General Manager of Corporate Services and the General Manager of Community Services subject to the following framework:*

- (i) *The assessment and occupancy approach as set out in paragraphs 22 - 36 and Appendix 2 of this report.*

- (ii) *In the event of Detailed Engineering Evaluation assessments that staff and/or public are able to occupy buildings as follows:*

- *buildings with a capacity of 33 per cent New Building Standard (NBS) or less will not be occupied*
- *buildings with a capacity between 34 per cent NBS and 66 per cent NBS inclusive can be occupied where engineering advice confirms that there is a moderate to low risk exposure (based on building strength, occupancy levels and occupancy duration) and/or a high cost (financial or otherwise) of not using the building. This assessment is made on a case-by-case basis*
- *buildings with a capacity of 67 per cent NBS or greater can be occupied without restriction.*

17. Engineering assessments of existing buildings are undertaken in accordance with the New Zealand Society for Earthquake Engineering (NZSEE) document 'Assessment and Improvement of the Structural Performance of Buildings in Earthquakes', 2006 (AISPBE). Table 1 below shows the relative risks from different building capacities as set out in that document.

%NBS	Approximate Relative Risk	Risk Category
67 - 100	1 to 5 times	Low Risk
33 - 67	5 to 10 times	Moderate Risk
0 - 33	10 to over 25 times	High Risk

Table 1: NZSEE Relative Risks for Different Building Capacities

29 Cont'd

When commenting on the relative risk of a particular building the structural engineering panel undertaking the Detailed Engineering Evaluations (DEEs) are following this guidance. By default a building with a capacity between 34 per cent NBS and 66 per cent NBS inclusive is therefore a moderate risk and can be occupied.

18. The December 2011 delegation can therefore be summarised as shown in Table 2 below.

Category	Damaged	Current Seismic Capacity	Occupy?
A	N/A	equal to or greater than 34%NBS	Yes
B	N/A	less than 34%NBS	No

Table 2: DBH Occupancy Guidance

19. At the Council meeting in December 2011 the Council approved a programme for undertaking Detailed Engineering Evaluations of Council owned buildings in the Facilities Programme. Of the 916 buildings in the Commercial Programme (that is, all buildings excluding social housing buildings), we have currently received 512 DEE reports. Of these, 161 buildings have been found to have a seismic capacity of less than 34 per cent NBS. To apply the approach retrospectively (that is, to re-open an already closed building) it must be remembered that work will be required to review the assessment documentation, as well as carry-out any required Building Act compliance work and maintenance work prior to re-opening. It is impossible at this time to estimate the number of currently closed buildings which could re-open, as well as the associated timeframes.
20. The Council does not necessarily have the authority to close Council buildings leased to non-council tenants as this depends on the wording in the lease.

DBH Occupancy Guidelines

21. In June 2012 the then DBH released the document 'Guidance for engineers assessing the seismic performance of non-residential and multi-unit residential buildings in greater Christchurch', June 2012. This guidance is primarily related to the occupancy of buildings. Since 1 July 2012, guidance has been provided by the Ministry of Business, Innovation and Employment (MBIE) into which the DBH has been merged.
22. These DBH guidelines provided the following guidance for deciding when to occupy a building.
- A. *'Where a building has not suffered damage to the seismic or gravity load resisting system that would reduce its ability to resist further loads, regardless of its assessed capacity, it may still be considered suitable for continued use.'*
 - B. *'If the building in its damaged state is capable of resisting a moderate earthquake (ie, it is not earthquake prone) it may be used while repairs are taking place provided user safety is not compromised (for example, by blocking fire egress paths).'*
 - C. *'If the building is damaged and not capable of resisting a moderate earthquake without collapse it should not be used until such time as repairs to the primary load path have been completed.'*
23. The guidelines refer to 'damage' as being damage to the seismic or gravity load resisting system that is sufficient to impair or significantly reduce the building's ability to resist further loads.

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24. Table 3 below summarises the DBH guidance.

Category	Damaged	Current Seismic Capacity	Occupy?
A	No	Any	Yes
B	Yes	equal to or greater than 34%NBS	Yes
C	Yes	less than 34%NBS	No

Table 3: DBH Occupancy Guidance

25. CERA have advised that they had input into the DBH guidelines and that their approach is consistent with those guidelines.
26. The requirements in the Building Act relating to local authority Earthquake Prone Building policy requirements are being reviewed currently. The revision of these is likely to include a greater emphasis on building 'behaviour' in earthquake events rather than the current reliance on percentage NBS figures, which has been found to be somewhat limiting following the central Canterbury earthquakes.

The Guidelines which Chartered Professional engineers use in building assessment are also under review currently and we will come back to Council if any further change to delegations is considered necessary.

Dangerous Building Definition

27. In the Canterbury Earthquakes (Building Act 2004) Order 2011 the definition of 'dangerous building' was extended to cover all buildings with a capacity less than 34 per cent NBS. The DBH document 'Guidance for engineers assessing the seismic performance of non-residential and multi-unit residential buildings in greater Christchurch', June 2012 clarifies the use of the term 'dangerous' building by stating

'This extension of the definition of "dangerous" buildings does not necessarily mean that those additional buildings now included are to be considered dangerous in the ordinary dictionary meaning. The purpose of the change was to give Councils greater flexibility in applying their powers in respect of the many buildings damaged by, or at risk as a result of, the Canterbury earthquakes in the months following the declared emergency period. In particular, this modification allowed the council to treat buildings as dangerous buildings rather than earthquake-prone buildings for the purposes of the council's policy. This meant the council could set shorter time periods for carrying out strengthening works. It allowed the council to address concerns about building safety in light of continuing aftershocks.'

28. The extension of the definition also meant that buildings that could not otherwise be defined as earthquake-prone (such as small single storey residential buildings) that might be affected in the ongoing aftershocks, could be dealt with appropriately.
29. The use of the term dangerous raises connotations under the Health and Safety in Employment Act. The Legal Services Unit has advised the following.

'In general, if the Council has advice from an engineer and/or other experts that a building is safe to occupy and work in, and be near, in the current environment in Canterbury, then it seems unlikely that the Council would be exposed to any liability under the HSE Act.'

'The Building Act 2004 does not contemplate that buildings that the Council considers are dangerous and/or earthquake-prone must in every circumstance not be occupied.'

29 Cont'd

'If the employer has obtained advice that a building is safe and/or done whatever interim work might be required to make it safe to work in, and it is reasonable for the employer to rely on that advice, then the fact the building might still be under 34% of the structural strength of a new building at that site does not mean the employer is breaching their obligations under the HSE Act. However, the employer/building owner might also need a programme of work planned as to how they are going to ensure their building is strengthened so it is no longer earthquake-prone (and dangerous).'

Aftershock Risk

- 30. Further more recent information from GNS Science on the probability or likelihood of future aftershocks has also been considered. The information indicates that both the frequency and magnitude of the aftershocks are reducing with time. The frequency of aftershocks is less than one third of that a year ago and the average maximum magnitude has dropped from around M5.5 to around M4. This includes updated calculations, released as recently as 20 November 2012, which show that the probability of a large aftershock in the central Canterbury earthquake zone continues to drop due to the lower seismic activity.
- 31. Table 4 below outlines the relative risks from different activities as published by the British Medical Association. The risks associated with earthquakes in New Zealand have been added to this. This illustrates that risk exposure to everyday activities and through lifestyle choices actually pose significantly greater risk to human life than earthquake events occurring while occupying a building

ACTIVITY	RISK OF AN INDIVIDUAL DYING IN ANY ONE YEAR
Smoking 10 cigarettes a day	1 in 200
Influenza	1 in 500
Natural causes, 40 years old	1 in 850
Road Accident	1 in 8,000
Playing Soccer	1 in 25,000
Accident at Home	1 in 26,000
Earthquake in low strength building[#]	1 in 40,000
Accident at Work	1 in 43,500
Earthquake in new building[*]	1 in 1,000,000
Hit by Lightning	1 in 10,000,000

Table 4: "Living with Risk", published by the British Medical Association, 1987.

* - Dave Kelly, Deputy Chief Executive, Department of Building and Housing

[#] - 1/25th of the new building risk as indicated by NZSEE

Closure Information from the DEE Process

- 32. To date 161 buildings have been identified as having a capacity of less than 34 per cent NBS. An analysis of these buildings has only identified a small number of buildings that the suggested delegation change would affect.

Setting a seismic capacity cut-off for the occupancy of buildings is a trade-off between the provision of a 'safe' facility for users and the level of service which is provided by the facility. It may appear prudent to set a high cut-off or threshold for occupancy; however this will result in more buildings being closed than may be necessary. While the actual number of buildings affected may be very low as a proportion of the total number of Council-owned buildings, the impact to the community of closure can actually be very great; especially if buildings such as important community facilities or social housing blocks need to be closed and vacated. Therefore, the benefit to the community from this revision could be significant.

29 Cont'd

Building Importance Level

33. The Council has a significant number of small stand-alone buildings that have sporadic, occupancy for short periods of time. These include parks storage buildings and toilets. In undertaking the Detailed Engineering Evaluation programme it has become apparent that the process does not necessarily suit some of these buildings and in some cases the assessment and reporting cost would exceed the building value.
34. The relevant standard AS/NZS1170 defines an Importance Level 1 building as 'structures presenting a low degree of hazard to life and other property' (examples given are small and simple farm buildings, isolated structures, fences, masts, walls, in-ground swimming pools). It is proposed that full DEE assessments are not undertaken on these buildings but rather a IUE assessment be completed.

Post Aftershock Inspections

35. After any aftershock a building manager may close a Council-owned building if they believe it prudent. The building manager contacts the Property Asset Management Team who take advice from structural engineers and coordinate any inspections needed.
36. After an aftershock of magnitude five or above a review of peak ground acceleration information provided by GNS Science is undertaken by a structural engineer. Based on this information the engineer makes a recommendation to the Property Asset Management Team as to whether buildings should be closed and what inspections should be undertaken for re-occupancy or continued occupancy. This gives a targeted approach allowing the best utilisation of resources for undertaking the inspections. The engineer's recommendation may range from a walk around inspection by the building managers in a specific area of the city through to city wide Level 2 Rapid Assessments by structural engineers.
37. Rapid communication to staff, users and the wider community follows as to the open/closed status of all buildings using telephone trees, email/intranet and information posted on the Council website.

Council Meeting 6 December 2012

Addendum to Agenda Item No. 29

Occupancy of Council Owned Buildings: Impact of the Proposed Delegation on Building Closures

Work in reviewing the documentation of closed buildings has been carried-out since the Council Report deadline. Below are two tables which list buildings that have been closed under the current delegation. Table 1 gives examples of buildings that may be able to be reopened under the proposed delegation subject to a detailed review of the Detailed Engineering Evaluation (DEE) report, Building Act compliance checks and services checks. Table 2 gives examples of buildings that would likely remain closed under the proposed delegation. These are illustrative examples, based on a recent review of DEE documentation. Further review may be required for some of these examples

Functional Location	Asset Type	Structural Assessment %NBS	Significant Damage	Brittle Collapse Issues	DBH Guidelines	Proposed CCC Policy
BU 3583-001 EQ2	Pigeon Bay Hall	29	No	No	Open	Open
BU 0450-001 EQ2	Fendalton Library	27	No	No	Open	Open
PRK_0966_BLDG_001 EQ2	Huntsbury Community Building	23	No	No	Open	Open
BU 1566-029 EQ2	Botanic Gardens Office/Library	18	No	No	Open	Open
PRK_0663_BLDG_001_EQ2	Macfarlane Park Pavilion	29	No	No	Open	Open
BU 3612-003 EQ2	Duvauchelle Works Yard Store	31	No	No	Open	Open
PRK_0528_BLDG_001 EQ2	House, Sumnervale Reserve	27	No	No	Open	Open
PRK_2635_BLDG_002 EQ2	Double Garage & Carport - 51 Lower Styx	24	No	No	Open	Open
BU 3612-004 EQ2	Duvauchelle Works Yard Fire Shed	15	No	No	Open	Open
BU 1530-001 EQ2	Sockburn Testing Station	14	No	No	Open	Open
PRK_2561_BLDG_004 EQ2	Dairy Unit - 75 Lower Styx Rd	7	No	No	Open	Open
PRK_1795_BLDG_001 EQ2	Toilets - Cashmere Rd / Valley Rd Reserve	5	No	No	Open	Open
BU 3590-003 EQ2	Little Akaloa Club Rooms	33	No	No	Open	Open
BU 3696-001 EQ2	Okains Bay Hall	30	No	No	Open	Open
PRK_1734_BLDG_001 EQ2	Pioneers Women's Memorial Shelter	28	No	No	Open	Open

Table 1: Buildings closed under the current delegation that may be able to be opened under the proposed delegation (subject to a detailed engineering review of the DEE report, Building Act compliance checks and services checks)

Functional Location	Asset Type	Structural Assessment %NBS	Significant Damage	Brittle Collapse Issues	DBH Guidelines	Proposed CCC Policy
PRK_1190_BLDG_033 EQ2	Hagley Park North - Band Rotunda	17	Yes	Yes	Close	Close
BU 3513-002 EQ2	Ladies Change Rm - Norman Kirk Mem Pool	18	Yes	No	Close	Close
BU 3513-003 EQ2	Mens Change Rm - Norman Kirk Mem Pool	18	Yes	No	Close	Close
BU 1691-005 EQ2	Halswell Pool - Swimming Club	13	Yes	No	Close	Close
BU 1359-004 EQ2	South Brighton Motor Camp - Camp Bldg 2	10	Yes	No	Close	Close
BU 3064-001 EQ2	Penny Cycles - 113-125 Manchester Street	10	Yes	Yes	Close	Close
BU 3513-006 EQ2	Lean-To Shelter - Norman Kirk Mem Pool	10	Yes	No	Close	Close
BU 1075-001 EQ2	St Martins / Opawa Toy Library	8	No	Yes	Open	Close
BU 0706-003 EQ2	Porritt Park - Garage	20	Yes	No	Close	Close
BU 0770-003 EQ2	Grandstand & Amenities - Denton Oval	16	No	Yes	Open	Close
BU 0706-001 EQ2	Porritt Park - Complex/Caretakers	9	Yes	Yes	Close	Close
BU 2194-001 EQ2	Sydenham Creche	8	Yes	Yes	Close	Close
BU 1044-001 EQ2	Waltham Pool - Main Building Complex	6	No	Yes	Open	Close
BU 1044-003 EQ2	Waltham Lido Pool - Plant Room	5	Yes	Yes	Close	Close
PRK_1927_BLDG_002 EQ2	Edmonds Clocktower - Phone Booth	5	No	Yes	Open	Close
PRK_1566_BLDG_001 EQ2	Botanic Gardens - Tea Kiosk	4	Yes	Yes	Close	Close
BU 1044-002 EQ2	Waltham Pool - Staff Room	3	No	Yes	Open	Close
BU 1211-001 EQ2	Central Library	32	Yes	Yes	Close	Close
BU 2669-001 EQ2	Christchurch Hospital Car Park	27	Yes	Yes	Close	Close
BU 1982-001 EQ2	Linwood Library (Cranley St)	24	Yes	No	Close	Close

Table 2: Buildings closed under the current delegation that would likely have been closed under the proposed delegation (subject to a detailed engineering review of the DEE report, Building Act compliance checks and services checks)



30. CAPITAL ENDOWMENT FUND - PROCESS: SPECIAL ONE-OFF PROJECTS SCHEME

General Manager responsible:	General Manager, Community Services, DDI 941-8607
Officer responsible:	Strategic Initiatives Manager
Author:	Lincoln Papali'i, Strategic Initiatives Manager

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's agreement to the proposed process and implementation programme for the new Capital Endowment Fund – Special One-off Projects Scheme to be managed through the Strategic Initiatives team.

BACKGROUND

2. The Council resolved at its 27 September meeting that:
 - i) staff call for applications and/or nominations for funding from Community Boards for special one-off recovery / transitional projects or events and take recommendations to the Council's Metropolitan Funding Committee for approval
 - ii) staff report back on options for a new annual contestable process (that involves Community Boards) for distribution of the unallocated Capital Endowment Fund.
3. The following process and implementation programme for the Capital Endowment Fund – Special One-off Projects Scheme is submitted for the Council's consideration and approval.

PROCESS AND IMPLEMENTATION PROGRAMME – CAPITAL ENDOWMENT FUND: SPECIAL ONE-OFF PROJECTS SCHEME

4. All Community Boards will be invited to nominate appropriate projects and will be provided with application templates (which are modelled on current templates) to ensure that the appropriate project information is captured for assessment and investigation. Assistance in the process will be provided by the Strengthening Communities Team and the Earthquake Recovery Community Advocates (this will be a similar process to the Discretionary Response Fund).
5. Staff will collate and assess the nominations and report them to the joint Community Board Chairs. The joint Community Board Chairs will make recommendations to the Metropolitan Funding Committee for decision.
6. This process proposes that two funding rounds will occur for this fund. The first phase will take place during the 2012/2013 financial year. Any residual funds will be put into the Metropolitan Discretionary Response Fund but tagged for Special One-Off Projects. Any residual from that process would be carried over to the 2013/2014 financial year. The second phase will take place during the 2013/2014 financial year. The fund does not extend beyond the 2013/2014 financial year.

FIRST PHASE 2012/2013

7. The first phase in financial year 2012/2013, will invite Community Boards to directly nominate any one-off recovery or transitional projects, events or undertakings that it wishes to seek funding support for from the Capital Endowment Fund – Special One-off Projects Scheme. All nominations and applications need to be submitted to Community Support Unit staff by Friday 25th January 2013. An assessment report will be written and submitted to the joint Community Board Chairs so they can make recommendations to the Metropolitan Funding Committee for decision.
8. Staff will action all resolutions of the Metropolitan Funding Committee, including Terms and Conditions Grant, undertake all legal and security requirements, implement payment and payment terms and ensure that monitoring and accountability protocols are in place.

30 Cont'd

9. Any residual funding not allocated in 2012/2013 will be put into the Metropolitan Discretionary Response Fund but tagged for Special One-Off Projects. It is proposed through this process that Council staff would have delegated authority for applications up to \$15,000.00 and any applications over \$15,000.00 would be put before the Metropolitan Funding Committee for approval. Any residual funds following that process will be carried over into the 2013/2014 Capital Endowment Fund Special One-off Projects.

SECOND PHASE 2013/2014

10. The second phase in financial year 2013/2014, will invite Community Boards to nominate any one-off recovery or transitional projects, events or undertakings that it wishes to seek funding support for from the Capital Endowment Fund – Special One-off Projects Scheme. All nominations and applications will need to be submitted to Community Support Unit staff from by 1 August 2013. A report will be submitted to the joint Community Board Chairs for recommendation to the Metropolitan Funding Committee for decision.
11. The Strategic Initiatives team will action all resolutions of the Metropolitan Funding Committee, including Terms and Conditions of the Grant, undertake all legal and security requirements, implement payment and payment terms and ensure that monitoring and accountability protocols are in place. However, in all cases, the Strategic Initiatives Manager will retain oversight of the approved projects and their progress.
12. If any residual funds exist following the 2013/2014 process, these funds will be put into the Metropolitan Discretionary Response Fund process but tagged for Special One-Off Projects. It is proposed through this process that Council staff would have delegated authority for applications up to \$15,000.00 and any applications over \$15,000.00 would be put before the Metropolitan Funding Committee for approval.

FINANCIAL IMPLICATIONS

13. The Council resolved to allocate \$5.272 million to the Capital Endowment Fund – Special One-off Projects Scheme from the interest earnings of the Capital Endowment Fund. The allocations agreed were \$2.802 million in 2012/13 and \$2.470 million in 2013/14.

LEGAL CONSIDERATIONS

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

14. Yes, the allocations agreed by the Council for the Capital Endowment Fund – Special One-off Projects Scheme were carried by a greater than 80 per cent majority of the Council.

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?

15. Not applicable.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

16. Strengthening Communities Strategy.

CONSULTATION FULFILMENT

17. Not applicable.

30 Cont'd

STAFF RECOMMENDATION

- (a) That the Council: Approves the following assessment and approval structure for the Capital Endowment Fund – Special One-off Scheme financial year 2012/2013:
 - (i) Community Boards make nominations for one off recovery or transitional projects, events or undertakings and submit these recommendations to Community Support Unit Staff by 25th January 2013 for the 2012/2013 financial year Capital Endowment Fund – Special One-off Scheme budget.
 - (ii) Community Support Unit Staff carry out assessments of applications and report to the Joint Community Board Chairs for recommendations to put to the Metropolitan Funding Committee for decision in March 2013.
- (b) That the Metropolitan Discretionary Response Fund staff committee is granted delegated authority to make decisions on applications up to and including \$15,000.00 for the Capital Endowment Fund – Special One-off Scheme in 2012/2013 should any residual funds exist after the Metropolitan Funding Committee approval process.
- (c) That the Metropolitan Funding Committee is granted delegated authority to make decisions on applications over \$15,000.00 for the Capital Endowment Fund – Special One-off Scheme in 2012/2013 should any residual funds exist after the Metropolitan Funding Committee approval process.
- (d) That the Council approves the following assessment and approval structure for the Capital Endowment Fund – Special One-off Scheme financial year 2013/2014:
 - (i) That the Council approves that the 2013/2014 Capital Endowment Fund – Special One-off Scheme is opened for applications from 1 July – 1 August 2013.
 - (ii) That Community Support Unit Staff carry out assessments of applications and report to the Joint Community Board Chairs for recommendations to put to the Metropolitan Funding Committee for decision in September 2013.
- (e) That the Metropolitan Discretionary Response Fund staff committee is granted delegated authority to make decisions on applications up to and including \$15,000.00 for the Capital Endowment Fund – Special One-off Scheme in 2013/2014 should any residual funds exist after the Metropolitan Funding Committee meeting in September 2013.
- (f) That the Metropolitan Funding Committee is granted delegated authority to make decisions on applications over \$15,000.00 for the Capital Endowment Fund – Special One-off Scheme in 2013/2014 should any residual funds exist after the Metropolitan Funding Committee meeting in September 2013.