

COUNCIL 14. 2. 2013

**CORPORATE AND FINANCIAL COMMITTEE
8 FEBRUARY 2013**

**A meeting of the Corporate and Financial Committee
was held in the No. 1 Committee Room
on 8 February 2013 at 9am**

PRESENT: Councillor Helen Broughton (Chairperson)
Councillors Ngaire Button, Jimmy Chen, Councillor Jamie Gough
and Yani Johanson

APOLOGIES: Councillor Tim Carter

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. VBASE LIMITED – STATEMENT OF INTENT FOR THE YEAR ENDING 30 JUNE 2013

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Patricia Christie – External Reporting and Governance Manager

PURPOSE OF REPORT

1. The purpose of this report is to present to the Council the draft Statement of Intent (SOI) for Vbase Limited (Vbase) for review and comment.
2. The SOI is attached for information (**Attachment 1**).
3. Vbase is required by statute to submit an annual SOI to the Council. The SOI must set out Vbase's objectives and performance measures, as well as certain other information. The draft SOI is required by the Local Government Act 2002 to be delivered to shareholders on or before 1 March. Vbase is required by the Act to consider comments received from the shareholder by 1 May and then issue a final SOI by 30 June.
4. Due to priority given to matters relating to the effect of the Canterbury earthquakes on the operations of Vbase, the SOI is only now being reported to the Council.
5. The major changes in the SOI from the prior year are:
 - Vbase has a better understanding of the impact of the Canterbury earthquakes on its operations than was reflected in the SOI for the year to 30 June 2012. The SOI does not include income from the Town Hall and Lancaster Park as these facilities are not expected to be operational during the period of the SOI. Vbase's activities at the new AMI Stadium together with the planned management of the event space at the Air Force Museum at Wigram have been included.
 - Vbase have outlined in section 5 of the SOI its contribution to the rebuild.
 - The financial performance targets differ significantly from the prior SOI. This is the result of the better understanding of the impact of the earthquakes on the operations, the latest damage assessments of facilities (the 30 June 2012 financial statements fully impaired the Town Hall and Lancaster Park which has significantly reduced the depreciation cost) and the timing and estimated cost of the rebuild and repair of Vbase facilities. The timing and estimated cost of the rebuild and repair of facilities is in line with the Council's 2012/13 Annual Plan.

1 Cont'd

- The operational performance targets are generally consistent. New measures have been set targeting the number of event days at CBS Canterbury Arena. The Brand Equity and Health and Safety targets have been removed.
- The governance section has been amended to reflect that CCHL no longer has a monitoring role and the greater involvement of the Council in the management of the company.

FINANCIAL IMPLICATIONS

6. Not applicable.

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

7. Yes.

LEGAL CONSIDERATIONS

8. Not applicable.

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

9. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

10. Not applicable.

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

11. Not applicable.

ALIGNMENT WITH STRATEGIES

12. Not applicable.

Do the recommendations align with the Council's strategies?

13. Yes.

CONSULTATION FULFILMENT

14. Not applicable.

STAFF RECOMMENDATION

That the Council:

- (a) Receive the draft Statement of Intent for Vbase Limited.
- (b) Decide whether or not to make any formal comment on the Statement of Intent.
- (c) Agree to the Statement of Intent if it does not wish to make any formal comment.

1 Cont'd

COMMITTEE CONSIDERATION

15. The Committee considered a number of matters it wished the Vbase board to consider when drafting its SOI for the 2013/14 year, and requested staff to provide the following comments to the Board to this end:

- that adding a performance measure to cover percentage utilisation for venues be considered
- that the SOI include an explanation of how Vbase works with community and charitable groups regarding access and charges for Vbase venues
- that the SOI include information on the total cost of hosting an event at one of its venues
- that its operational performance target in relation to growth be amended to read "support the Christchurch City Council *and other interested stakeholders* in endeavours to increase the available conference venues".

COMMITTEE RECOMMENDATION

That the Council:

- (a) Receive the draft SOI for Vbase Limited.
- (b) Agree not to make any formal comment on the Statement of Intent.
- (c) Agree to the Statement of Intent.
- (d) Note the Committee's comments on the statement of intent.

PART B - REPORTS FOR INFORMATION

2. DEPUTATIONS BY APPOINTMENT

Nil.

PART C – DELEGATED DECISIONS

3. APOLOGIES

An apology for absence was received and accepted from Councillor Tim Carter.

4. RESOLUTION TO EXCLUDE THE PUBLIC

At 10am the Committee **resolved** to exclude the public for Clauses 5, 6, 7, 8, 9 on the grounds set out on pages 24 and 25 of the agenda.

Councillor Johanson wished to have his vote against items 5 and 8 being considered in public excluded recorded.

The meeting concluded at 11.20am.

CONSIDERED THIS 28TH DAY OF FEBRUARY 2013

MAYOR