

CHRISTCHURCH CITY COUNCIL SUPPLEMENTARY AGENDA #2

THURSDAY 3 OCTOBER 2013

9.30AM

**COUNCIL CHAMBER, CIVIC OFFICES,
53 HEREFORD STREET**

AGENDA - OPEN**CHRISTCHURCH CITY COUNCIL**

**Thursday 3 October 2013 at 9.30am
 in the Council Chamber, Civic Offices, 53 Hereford Street**

Council: The Mayor, Bob Parker (Chairperson).
 Councillors Peter Beck, Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen,
 Barry Corbett, Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid, and
 Sue Wells.

ITEM NO.	DESCRIPTION
52.	RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORTS (CONT'D)
28.	REPORT OF A MEETING OF THE CORPORATE AND FINANCIAL COMMITTEE: MEETING OF 6 SEPTEMBER 2013 CONT'D - ADDITIONAL INFORMATION
59.	REPORT OF THE AUDIT AND RISK COMMITTEE MEETING: EXTRAORDINARY MEETING OF 2 OCTOBER 2013
60.	REPORT OF THE CORPORATE AND FINANCIAL COMMITTEE MEETING: EXTRAORDINARY MEETING OF 2 OCTOBER 2013
40.	RESOLUTION TO EXCLUDE THE PUBLIC (CONT'D)

COUNCIL 3. 10. 2013

- 3 -

52. RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORTS (CONT'D)

Approval is sought to submit the following reports to the Council meeting of 3 October 2013:

- **REPORT OF THE AUDIT AND RISK COMMITTEE MEETING:
EXTRAORDINARY MEETING OF 2 OCTOBER 2013**
- **REPORT OF THE CORPORATE AND FINANCIAL COMMITTEE MEETING:
EXTRAORDINARY MEETING OF 2 OCTOBER 2013**

The reason, in terms of section 46(vii) of the Local Government Official Information and Meetings Act 1987, why the reports were not included on the main agenda is that they were not available at the time the agenda was prepared.

It is appropriate that the Council receive the reports at the current meeting.

RECOMMENDATION

That the reports be received and considered at the Council meeting of 3 October 2013.

COUNCIL 3. 10. 2013

- 4 -

**28. REPORT OF A MEETING OF THE CORPORATE AND FINANCIAL COMMITTEE:
MEETING OF 6 SEPTEMBER 2013 CONT'D - ADDITIONAL INFORMATION****(2.) 2013 ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS (CCOS):
CHRISTCHURCH AGENCY FOR ENERGY TRUST, THE WORLD BUSKERS' FESTIVAL
TRUST AND ROD DONALD BANKS PENINSULA TRUST**

Additional information attached:

Memorandum from Acting General Manager Corporate Services & External Reporting
and Governance Manage.

Christchurch City Council Corporate Finance Unit

Memorandum

Date: 2 October 2013
To: Mayor and Councillors
cc: Acting Chief Executive
From: Acting General Manager Corporate Services & External Reporting and Governance Manager

Christchurch Agency for Energy Trust (CAfE) additional information regarding the 2013/14 SOI

In response to your questions raised in the Corporate and Financial Committee meeting of 6 September 2013 regarding CAfE's change in direction and any funding impact on the Council we have outlined the details below:

Background

On 27 September 2007 the Council, following a public consultation process, adopted the Sustainable Energy Strategy for Christchurch 2008-2018. The Strategy included 28 energy efficiency and renewable energy initiatives. One of the initiatives was the establishment of CAfE.

The Council established the Christchurch Agency for Energy Trust Board in July 2010. It is registered as a Charitable Trust under the Charities Act 2005 and the Charitable Trusts Act 1957. It is also a council-controlled organisation.

The purpose of the Trust is to achieve a number of objectives that would raise awareness of and promote energy efficiency, renewable energy and related issues.

The Council invited a number of participants in the energy sector to support the trust, both financially and by appointing representatives to the board. At the date of registration 5 organisations had been appointed, Orion, Meridian, Solid Energy, EECA and ECan.

The work of the Trust began and several projects were initiated. In late 2012 Orion, Meridian and Solid Energy advised the chairperson of the trust that they were withdrawing their support with effect from 1 July 2013.

Funding

The Council's contribution to CAfE involved administrative support and \$3.4 million funded from the sale of carbon credits earned through the extraction of gas from the Burwood landfill. This source of funding ceased in 2012/13 when the contract came to an end. The Council has allocated its total funding to CAfE on an annual basis until 2015/16 as base and project specific funding. The other participants contributed varying and much smaller amounts ranging from \$40,000 per annum for 5 years and \$100,000 per annum for the same period.

Change in focus

The key role of CAfE was to progress the majority of actions identified in the Sustainable Energy Strategy for Christchurch (2008 – 2018) which, in combination, aim to achieve two levels of service in the 2009-2019 LTCCP:

- A programme is developed to contain the increase in the amount of energy used in Christchurch (to reduce increase in energy use to +12% by 2014)

- Programme developed to encourage an increase in the proportion of renewable energy used in the City (to 23% by 2014)

The internal service activity management plan 13.4 Corporate Support: 13.4.21 Audit compliance of Asset Management planning & practices (including Energy Management) identified the following in the rationale column:

This includes the management of Council's energy contracts as well as its contract with the Christchurch Agency for Energy. Funding from Carbon Credit revenue for the Sustainable Energy Strategy will be exhausted during 2014/15 and no further funding is likely from Carbon Credit sales in the current market. For this reason there is no proposed budget for the Sustainable Energy Strategy from 2015/16.

The Trustees have reconsidered the activities of CAfE in the post earthquake environment and given the cessation of the carbon credit funding. They determined that more tangible progress on the objectives of the Sustainable Energy Strategy would be made if the focus of the CAfE funding was put towards supporting the uptake of renewable energy and enhanced energy-efficiency in rebuild projects.

In assessing CAfE's existing initiatives it was agreed that it would continue to support and fund the EnergyFirst Grants (for concept design work) in conjunction with EECA and would establish the Christchurch Energy Grant Scheme.

Administrative support to initiatives

Prior to the refocus of activities, the Trust contracted a Chief Executive and a number of other contractors to support and administer its initiatives. The Council also provided financial administration services to Trust for no cost.

In considering the best manner to administer and manage the Trust going forward discussions were held with EECA and various units within Council and it was determined that:

- The Christchurch Energy Grant Scheme should be managed by the Council and CAfE would pay the Council up to \$50,000 to provide this service. CAfE will fund the grants.
- The EnergyFirst grants would be administered by the Council and EECA, with the Council taking responsibility for the grants for smaller buildings (between 500 and 999m²). CAfE will provide the Council with up to \$50,000 of funding annually to cover the costs of these grants. CAfE will also provide a one off payment of \$50,000 to EECA to build capacity for and to process the EnergyFirst grants.
- In addition to the financial administration services that Council were providing to CAfE the Council will provide secretarial support for Trustees meetings, maintain the Charities Commission and Companies Office registers, arrange Trustees public liability insurance and complete the annual report and SOI. CAfE will pay Council up to \$50,000 annually for these services.
- The management of the CAfE website, including the energy database, will be maintained and its content reviewed by Council, ECan and EECA. CAfE will pay Council up to \$55,000 annually for these services.
- Energy Schools – the Ministry of Education has a contract with CAfE to assist with examining the effectiveness, outcomes and potential sustainability of this programme in schools. Council will support this initiative as part of normal operations in the Education Team, City Environment. This initiative was due to be completed by September 2013.
- CAfE has committed funding of up to \$10,000 to support the 2014 EECA Awards – special Christchurch award and travel of the recipient to the award ceremony in 2014. Council will fund this cost for 2014 and will work with EECA to gain best leverage from this opportunity.
- The continued membership of the Energy Cities and EU Covenant of Mayors will be considered part of the normal Council Long Term Plan by the Natural Environment and Heritage Unit, Strategy & Planning.

The trustees considered that providing funding to Council and EECA to manage and administer its activities was more cost effective than employing its own contractors.

In relation to the Council's involvement in the EnergyFirst grants the Council through its Target Sustainability services is already involved in this area and in the recruitment of projects to the scheme. Where Christchurch has differed from the rest of the country is that EnergyFirst grants have also been available for smaller developments; those between 500-999m², this will continue. EECA will undertake the administration of all EnergyFirst grants with the Council's Christchurch Target Sustainability representative being involved in determining whether applications in the 500-999m² ranges meet the criteria for funding support.

The Council will administer the Christchurch Energy Grants Scheme. Council staff will assess applications against the agreed criteria and will make recommendations to the Trustees.

A handwritten signature in black ink, appearing to read 'Dean', followed by a long horizontal line extending to the right.

**MINUTES OF AN EXTRAORDINARY MEETING OF THE
AUDIT AND RISK MANAGEMENT SUBCOMMITTEE**

**Held in Committee Room 2, Civic Offices, 53 Hereford Street
on Wednesday 2 October 2013 at 4pm.**

PRESENT: Councillor Tim Carter (Chair)
Councillors Sally Buck, Ngaire Button, and Jamie Gough and Michael
Rondel.

1. APOLOGIES: An apology for lateness was received and accepted from Councillor
Ngaire Button who arrived at 4.11pm and was absent for Clauses 2
and 3.

An apology for lateness was received and accepted from Michael
Rondel who arrived at 4.09pm and was absent for Clauses 2 and 3.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

2. DECLARATION OF INTEREST

Nil.

3. RESOLUTION TO EXCLUDE THE PUBLIC

The Committee **resolved** that the resolution to exclude the public set out on page 2 of the agenda be
adopted.

The meeting concluded at 5.04pm

CONFIRMED THIS 3RD DAY OF OCTOBER 2013

CHAIRPERSON

**CORPORATE AND FINANCIAL COMMITTEE
WEDNESDAY 2 OCTOBER 2013**

**An Extraordinary meeting of the Corporate and Financial Committee
was held in Committee Room 2
on 2 October 2013 at 2pm.**

PRESENT: Councillor Helen Broughton (Chairperson)
Councillors Jamie Gough and Yani Johanson.

APOLOGIES: Apologies were received and accepted from Councillors Ngaire Button, Tim Carter and Jimmy Chen.

An apology for lateness was received and accepted from Councillor Johanson who arrived at 2.07 pm and was absent for clauses 1 and 2.

The Committee reports that:

PART C – DELEGATED DECISIONS

1. DECLARATION OF INTEREST

Nil.

2. RESOLUTION TO BE PASSED – SUPPLEMENTARY REPORTS

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Gough that the report be received and considered at the meeting of the Corporate and Financial Committee on 2 October 2013.

3. RESOLUTION TO EXCLUDE THE PUBLIC

The Committee **resolved** that the resolutions to exclude the public as set out on page 3 of the Agenda, be adopted.

4. ADJOURNMENT OF MEETING

The Committee **resolved** to adjourn the meeting at 2.35pm.

The meeting will reconvene at 2pm on Tuesday, 9 October 2013.

The meeting adjourned at 2.35pm.

CONSIDERED THIS 3RD DAY OF OCTOBER 2013

MAYOR

40. RESOLUTION TO EXCLUDE THE PUBLIC (CONT'D)

Attached.

THURSDAY 3. 10. 2013

COUNCIL

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely item(s) 59 and 60.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
59.	CHRISTCHURCH CITY COUNCIL ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013) GOOD REASON TO WITHHOLD EXISTS UNDER SECTION 7	SECTION 48(1)(a)
59.	CHRISTCHURCH CITY COUNCIL ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013 – SUPPLEMENTARY REPORT) GOOD REASON TO WITHHOLD EXISTS UNDER SECTION 7	SECTION 48(1)(a)
60.	Legal advice)GOOD REASON TO WITHHOLD EXISTS) UNDER SECTION 7)	SECTION 48(1)(a)
60.	PWC Review Report)GOOD REASON TO WITHHOLD EXISTS) UNDER SECTION 7)	SECTION 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
59.	Prevent damage to the public interest	7(f)(i)	To allow debate of the content of the audit opinion and letter of representation.	When Council adopts the Annual Report
59.	Prevent damage to the public interest	7(f)(i)	To allow debate of the draft annual report before it is submitted to Council for adoption	When draft is provided to Council
60.	Maintain legal privilege	7(2)(g)	So that Committee can receive legal advice	Never
60.	To enable the carrying on of commercial activities and negotiations	7(2)(h) and (i)	The information in the report is to enable the Council to have additional information in the undertaking of its insurance claim activities and negotiations	Never

Chairperson's

Recommendation: That the foregoing motion be adopted.

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

COUNCIL 3. 10. 2013

- 7 -

- “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
- (a) Shall be available to any member of the public who is present; and
 - (b) Shall form part of the minutes of the local authority.”