

30. Christchurch Red Zones Transformative Land Use Group – Community Member Appointments

Reference / Te Tohutoro: 20/196573

Report of / Te Pou
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Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.
Plain English Reason:	Report includes information relating to community members.
Report can be released:	Redacted report will be released when Council have considered and approved the membership.

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to recommend approval of the final membership of Te Tira Kāhikuhiku / the Christchurch Red Zones Transformative Land Use Consultation Group. This report has been written subsequent to the appointment of the Independent Chair, Community Board representatives, representatives from Ngāi Tuahuriri and Ngāti Wheke and most recently, the selection of Community Members.
- 1.2 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by the requirements set out in the Global Settlement and the previous reporting on the Global Settlement and the establishment of this Group.
- 1.3 The 19 December 2019 Council report noted that the Independent Chair, Ngāi Tūāhuriri, Te Hapu o Ngāti Wheke and Community Board representatives would select the Community representatives. The call for applications closed on 7 February 2020 and the selection of the community members occurred on 19 February 2020. Final Council endorsement of these selections is now sought from Council.

Community member selection timeline and method

- 1.4 The timeline and process for selection of community members is set out below. Staff were present to support the appointed panel members and facilitate their process:

November 2019

Call for applications for community members. Website and direct communications to a comprehensive stakeholder list.

Community information sessions in various locations across the city; candidate requirements and selection process socialised.

7 February, 2020

Applications closed (original closing date extended from 31 January 2020).

11 February 2020

Selection panel met to determine criteria for selection of community members.

12 February 2020

All panel members sent all applications and support letters, plus a candidate scoring matrix with the selection criteria confirmed at 11 February 2020 meeting. Panel members completed matrix for each applicant according to these criteria.

19 February 2020

Panel convened and selection process proceeded as follows:

- Initial round to short list candidates – based on matrix scores and panel discussion
- Consideration of remaining applicants by individual panel member. Matrix scores were included in the deliberation but cross-referenced with considerations of ‘fit’ with the purpose of the group, commitments for each candidate and the overall desire for diversity on the group.
- The group then considered Sian Carvell’s proposal regarding the three applicants from Banks Avenue School. The consensus was that there was a preference for an alternative youth-representative applicant, but a desire was expressed to look at ways these children and perhaps others, can be involved with the work of the group going forward.
- After comprehensive discussion and debate the group reached consensus on its selections.

1.5 The selection of the final five community representatives has been subject to a robust process lead by the original eight Council, Community Board and Ngāti Wheke and Ngāi Tuahuriri appointments.

1.6 The full membership of the group is as follows (application details for the five community members – noted in bold below - are appended to this report):

Independent Chair:

Chrissie Williams

Ngāi Tuahuriri (interim):

Shayne Te Aika

Ngāti Wheke:

Gail Gordon

Te Pātaka o Rākahautū/Banks Peninsula Community Board:

Tyrone Fields

Waiti/ Coastal Burwood Community Board:

Bebe Frayle

Waikura/Linwood Central Heathcote Community Board:

Jo Zervos

Waihoru/Spreydon-Cashmere Community Board:

Tim Lindley

Avon Ōtākaro Community Representatives:

Keir Leslie

Ashley Campbell

Adam Parker

Hannah Watkinson

Community Representative:

Bill Simpson

Youth Representative:

Jazmynn Hodder-Swain

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Endorse the community membership of Te Tira Kāhikuhiku / the Christchurch Red Zones Transformative Land Use Consultation Group as recommended by the appointment panel as follows: Ashley Campbell, Adam Parker, Hannah Watkinson, Bill Simpson, and Jazmynn Hodder-Swain.
2. Note that the names of the Community Representatives will be released as part of planned community communication once Council has endorsed the appointments.
3. Note that this report will be immediately released, with appropriate redaction, following the confirmation of the community member appointments.

3. Reason for Report Recommendations / Ngā Take mō te Whakatau

- 3.1 Endorsement of the membership is necessary under the recommendations accepted in the report to Council of 31 October 2019 and the Global Settlement Agreement.

4. Alternative Options Considered / Ētahi atu Kōwhiringa

- 4.1 No other alternative was considered, given this requirement to establish this Group is set out in the Global Settlement Agreement.

5. Detail / Te Whakamahuki

- 5.1 The decision affects the following wards/Community Board areas:
 - 5.1.1 Waihoru/Spreydon-Cashmere, Waiti/Coastal Burwood, Waikura/Linwood Central Heathcote, Te Pātaka o Rākaihautū/Banks Peninsula. Each of these Community Boards have been represented on the appointment panel.

6. Policy Framework Implications / Ngā Hīraunga ā- Kaupapa here

Strategic Alignment / Te Rautaki Tīaroaro

- 6.1 This report aligns with the Global Settlement.

Policy Consistency / Te Whai Kaupapa here

- 6.2 The decision is consistent with Council's Plans and Policies under the Global Settlement.

Impact on Mana Whenua / Ngā Whai Take Mana Whenua

- 6.3 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture and traditions.
- 6.4 As noted in paragraph 1.6, Mana Whenua have identified representatives who will be members of the Group.

Climate Change Impact Considerations / Ngā Whai Whakaaro mā te Āhuarangi

- 6.5 There is no direct climate change implication for approving the recommendations in this report. Transformative land uses are expected to positively contribute to our knowledge and practical experience on dealing with climate change.

Accessibility Considerations / Ngā Whai Whakaaro mā te Hunga Hauā

- 6.6 Establishing this Group will facilitate increased accessibility for the community to these parts of the city.

7. Resource Implications / Ngā Hīraunga Rauemi

Capex/Opex / Ngā Utu Whakahaere

- 7.1 Funding for this group is included in the FY2020 and FY2021 Annual Plan and is set out in the [31 October 2019](#) report .

Other / He mea anō

- 7.2 Not applicable.

8. Legal Implications / Ngā Hīraunga ā-Ture

Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa

- 8.1 The powers delegated to Council under the Local Government Act 2002 and the requirements of the Global Settlement Agreement.

Other Legal Implications / Ētahi atu Hīraunga-ā-Ture

- 8.1 There is no legal context, issue or implication relevant to this decision.
8.2 This report has not been reviewed by the Legal Services Unit.

9. Risk Management Implications / Ngā Hīraunga Tūraru

- 9.1 The risks regarding establishment of the group has been mitigated and managed through communication, community meetings and information provision to elected members.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Bill Simpson Red Zones Transformative group application form	
B	Adam Parker Red Zones Transformative group application form	
C	Jazmynn Hodder-Swain Red Zones Transformative group application form	
D	Hannah Watkinson Red Zones Transformative group application form	
E	Ashley Campbell Red Zones Transformative group application form	

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
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Confirmation of Statutory Compliance / Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

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32. Terms and Conditions of a Proposed Loan to The Canterbury Cricket Trust

Reference / Te Tohutoro: 20/262154

Report of / Te Pou Matua: John Filsell, Head of Community Support, Governance & Partnerships, john.filsell@ccc.govt.nz

General Manager / Pouwhakarae: Mary Richardson, General Manager Citizen and Community, mary.richardson@ccc.govt.nz

Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Plain English Reason:	Subject matter covers the appropriateness of third party assets as security against a loan, the consideration of a levy on cricket player subscriptions and Christchurch's ability to host a leading role in the Womens Cricket World Cup.
Report can be released:	30 June 2020 When the implications of the report have been discussed with stakeholders and Christchurch's role in the Womens Cricket World Cup is clear.

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is for the Council to consider and resolve terms and conditions on which it will, or will not, grant a loan to the Canterbury Cricket Trust (the Trust). This report has been written by staff because some of the information supporting the proposed terms and conditions presented in this report differ from those previously presented to Council's Finance and Performance Committee (Committee), when it originally considered the loan application on 5 March 2020.
- 1.2 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering that the Committee have resolved to grant a loan subject to terms and conditions acceptable to Council and this report seeks a decision on which terms and conditions, if any, are acceptable to Council.
- 1.3 On 5 March 2020 the Committee approved a loan to the Trust. The loan was subject to a number of conditions including that *the loan being secured or guaranteed, on terms and conditions acceptable to the Council, so that the loan will be repaid on, or before, the term of the loan expires.*

- 1.4 When considering the loan it was anticipated that security for the loan could have been provided by a third party underwrite / guarantee. On March 9 2020 the Trust advised staff that such underwrite / guarantee would not be available within a timeframe needed to commit to hosting a lead role in the Women's Cricket World Cup (World cup). As a result staff feel it prudent to seek further direction from Council on acceptable terms and conditions. A position supported by the Chair and Deputy Chair of the Committee.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Notes the previous decision of the Finance and Performance Committee of the Council, on 5 March 2020, granting a conditional Council loan of up to \$1,500,000 to the Canterbury Cricket Trust.
2. Resolves that the granting of the Loan to the Canterbury Cricket Trust is conditional upon:
 - a. Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup through the provision of Floodlights at the Hagley Oval.
 - b. The Canterbury Cricket Trust demonstrating that it has already secured a minimum of \$1,000,000 towards the cost of installing floodlights at the Hagley Oval.
 - c. The Canterbury Cricket Trust prepaying the equivalent of two years interest, \$40,000, upon the drawdown of the loan.
 - d. The Canterbury Cricket Trust agreeing to the repayment of subsequent year's interest, \$40,000, no later than 30 March 2023, from reserves, operating surplus [REDACTED]
 - e. The Canterbury Cricket Trust providing a charge by way of a General Security Agreement or a Specific Security Agreement over the pavilion and lights for \$1.5 million in favour of the Council, (or equivalent instrument).

[REDACTED]

[REDACTED]

 - g. The Trust providing Council details of their fundraising strategy and an annual report on progress.
 - h. The Trust providing a letter to Council explicitly stating that the Trust will not subsequently seek that any portion of the loan be converted to a grant or written off.
3. Delegate's authority to the Head of Community Support, Governance & Partnerships to make the necessary arrangements to implement this resolution noting that all loan documentation will be reviewed by Council's Financial Management and Legal Services Units.

3. Reason for Report Recommendations / Ngā Take mō te Whakatau

- 3.1 The recommendations of this report aim to balance the risks to Council from offering a loan, against appropriate mitigations, bearing in mind the ultimate opportunity for Christchurch namely:
- Securing the World Cup event and final.
 - Leveraging the World Cup opportunity to secure the provision of floodlights by a partner organisation, at no cost to the ratepayer.
 - Securing the Hagley Oval as a premier village-green international venue into the future.

4. Alternative Options Considered / Ētahi atu Kōwhiringa

- 4.1 Options are discussed in section 5 of this report below.
- 4.2 The alternative option is to insist on underwrite or guarantee secured by a third party. The advantage is that this provides an additional layer of security. This disadvantage is that, in the opinion of staff, informed by the Trust, the Trust will not be able to secure the underwrite in time to confirm a leading role in the World Cup.

5. Detail / Te Whakamahuki

Risks and Mitigations

Interest Repayment

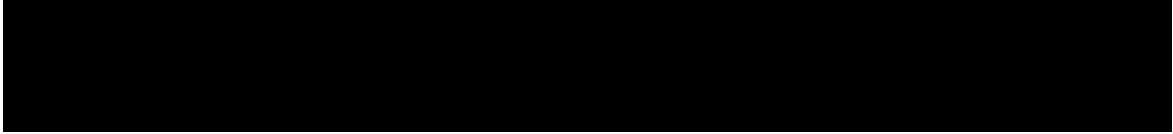
- 5.1 The risk. The interest payment, will not be paid on a regular (annual) basis due to insufficient fundraising.
- 5.2 The quantum. Approximately \$20,000 p.a. over a four year term. \$80,000. In terms of Council and World Cup benefits this is a small amount; 0.004% on rates in any one year.
- 5.3 The probability. Low, because the Trust have \$500,000 in reserves and sufficient financial turnover to cover payments of approximately \$20,000 annually. There will be clear visibility in advance of any default.
- 5.4 The potential mitigation.
 - 5.4.1 The Trust prepay the equivalent of two years interest, \$40,000, upon the drawdown of the loan.
 - 5.4.2 The Trust agree to repayment of subsequent years' interest, \$40,000 from reserves, operational surplus [REDACTED] by March 30 2023.
- 5.5 The residual risk to Council is **very low** due to the small size of the risk, effective mitigations, clear advance visibility of difficulty and a low probability of default.

Principal Repayment

- 5.6 The risk. The principle, will not be fully paid, at the end of the term due to insufficient fundraising.
- 5.7 The quantum. A maximum of \$1,500,000 in four years' time, dependent on fund raising. In terms of Council budgets and World Cup benefits this is a small amount:
 - 5.7.1 \$1,500,000 CAPEX is 0.014% on rates in 2024 for 30 years
 - 5.7.2 \$500,000 CAPEX is 0.007% on rates in 2024 for 30 years
- 5.8 The probability. Low because:
 - 5.8.1 Fundraising has been successful to date:
 - On March 10 2020 the Trust advised that they had raised \$1,500,000 and a grant of \$250,000 provisionally approved on 9 March 2020.
 - The Trust advise that they have raised and spent \$364,039 on process to secure floodlighting to date.
 - 5.8.2 The Trust have a proven track record in fundraising from a committed and influential range of individuals supported by the wide community infrastructure of the sport of cricket.

5.8.3 The project, flood lighting, is eligible for a wide range of philanthropic and other funding sources.

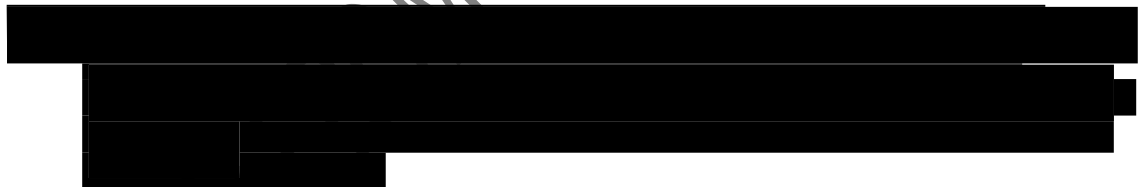
5.8.4 There will be clear visibility well in advance of any default, and in time to take corrective action.



5.9 The potential mitigation.

5.9.1 The Trust provide a charge by way of a General Security Agreement or a Specific Security Agreement over the pavilion and lights for \$1.5 million in favour of Council (or equivalent instrument).

- The Trust may be able to extend the security agreement to the antecedent Horticultural Hall however this may take a little time as the Hall is subject to a donor bequest. Staff believe that due to the condition of the Hall building a charge over the pavilion and lights may be of less risk.
- General Security Agreements against community-focused assets are common place in securing Council loans to not for profit organisations. Recent examples include the Isaac Theatre Royal, The Piano, Ōtautahi Urban Guild, The Stadium Trust and the Mt Pleasant Community Centre.
- The rationale behind the Council Policy of offering loans, is to allow partner organisations to develop community focused infrastructure, often on Council land and/or on a not for profit basis. This is because partner organisations are unable to get bank loans under these conditions. Council fulfils its partnership role as an enabler.



5.9.3 The Trust provide Council details of their fundraising strategy and an annual report on progress to allow both parties time to mitigate risks as they arise.

5.10 The residual risk to Council is **low** due to:

- The small “size” of the risk.
- Clear advance visibility of difficulty allowing time for corrective action.
- Security for the loan against the fixed assets of the Trust.
- A low probability of default due to the success of fundraising to date and a proven track record.



5.10.2 The reason the residual risk has not been ranked as very low is due to the nature of the security offered being sporting infrastructure essential to the operation of cricket at Hagley Oval.

Other

- 5.11 To avoid any doubt as to Council's intention it will be recommended that Council ask for a letter from the Trust explicitly stating that the Trust will not subsequently seek that any portion of the loan be converted to a grant or written off.

6. Resource Implications / Ngā Hīraunga Rauemi

Capex/Opex / Ngā Utu Whakahaere

- 6.1 Cost to Implement – If the loan is drawn down the Council will incur approximately \$1,000 in processing and legal costs from the draw down from the New Zealand Local Government Funding Authority. The Council will then advance the funds to the Trust pursuant to a separate loan agreement; the implementation cost of this loan will be paid by the borrower.
- 6.2 Maintenance/Ongoing costs - The Council will incur ongoing borrowing costs but under the on-lending agreement, these will be covered by the borrower. If the borrower defaults the maximum cost to Council will be \$1,500,000 (plus admin costs of \$1,000), a cost to rates of \$0.014% on rates for 30 years.
- 6.3 Funding Source - Council will borrow from the New Zealand Local Government Funding Authority. Subject to the form of the borrowing instrument (fixed or floating), the borrower will be charged interest during the loan period with the addition of 20 basis points.

7. Legal Implications / Ngā Hīraunga ā-Ture

Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa

- 7.1 The statutory power to undertake the proposal derives from Council's Status and Powers in S12 (2) of the LGA 2002. More specifically Council's Treasury Risk Management Policy detailed in volume three, page forty-one of the 2018/2028 LTP under the section Loan Advances.

Other Legal Implications / Ētahi atu Hīraunga-ā-Ture

- 7.1 Legal implications will arise when drafting and executing loan and other documentation. The Council's Legal Services and Financial Management Units will review all documentation prior to execution.

8. Risk Management Implications / Ngā Hīraunga Tūraru

- 8.1 Detailed in section 5. Of this report above.

Attachments / Ngā Tāpirihanga

There are no appendices to this report.

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not applicable	

Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).
(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
 - (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	John Filsell - Head of Community Support, Governance and Partnerships
Approved By	Mary Richardson - General Manager Citizens & Community

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