

Christchurch City Council SUPPLEMENTARY AGENDA

Notice of Meeting:

An ordinary meeting of the Christchurch City Council will be held on:

Date: Thursday 28 May 2020

Time: 10am

Venue: Council Chambers, Civic Offices, 53 Hereford Street,
Christchurch and by Audio Visual Link

Due to Covid-19 requirements physical public access is restricted. The meeting is open to the public through access to the live streaming of the meeting, and a recording of the meeting will be available on the Council website: <https://councillive.ccc.govt.nz/live-stream>

Membership

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

26 May 2020

Principal Advisor

Dawn Baxendale
Chief Executive
Tel: 941 6996

Jo Daly
Council Secretary
941 8581
jo.daly@ccc.govt.nz
www.ccc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

Watch Council meetings live on the web:
<http://councillive.ccc.govt.nz/live-stream>

TABLE OF CONTENTS

14. Resolution to Include Supplementary Reports.....	5
15. Central City Covid 19 Recovery - Parking Charges	7
16. Review of Council policy for the donation of directors' fees earned by Councillors on Council Organisation boards and decisions on recipients for 2019/20 and beyond	21
12. Resolution to Exclude the Public.....	29

14. Resolution to Include Supplementary Reports

1. Background

- 1.1 Approval is sought to submit the following reports to the Council meeting on 28 May 2020:
 - 15. Central City Covid 19 Recovery - Parking Charges
 - 16. Review of Council policy for the donation of directors' fees earned by Councillors on Council Organisation boards and decisions on recipients for 2019/20 and beyond
 - 17. 2020/21 Insurance Renewal Update
- 1.2 The reason, in terms of section 46A(7) 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.
- 1.3 It is appropriate that the Council receive the reports at the current meeting.

2. Recommendation

- 2.1 That the reports be received and considered at the Council meeting on 28 May 2020.
 - 15. Central City Covid 19 Recovery - Parking Charges
 - 16. Review of Council policy for the donation of directors' fees earned by Councillors on Council Organisation boards and decisions on recipients for 2019/20 and beyond
 - 17. 2020/21 Insurance Renewal Update

15. Central City Covid 19 Recovery - Parking Charges

Reference / Te Tohutoro: 20/615275

Report of / Te Pou
Matua:

Richard Osborne, Head of Transport, richard.osborne@ccc.govt.nz;
Steffan Thomas, Manager – Operations, Transport
steffan.thomas@ccc.govt.nz;
Tim Cheesebrough, Senior Transport Planner
(tim.chesebrough@ccc.govt.nz)

General Manager /
Pouwhakarae:

David Adamson, GM City Services, david.adamson@ccc.govt.nz

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The purpose of this report is to outline for Council a number of options it may wish to consider at this time, for reduced fee central city parking charges, in order to help stimulate the central city's Covid 19 recovery. This report has been written in response to a request from the Mayor (Council meeting 14 May 2020) and arising principally from discussions with the Central City Business Association.
- 1.2 This report has been prepared for Council's consideration as a matter of urgency, given that Council's current free parking offer (introduced at the time of the Covid 19 emergency) is now due to cease before the end of this month, unless Council chooses to extend it in some form.
- 1.3 Staff have outlined for Council's consideration a small number of time limited options for reduced fee parking in the central city, focussed on the coming winter months - and directed to assisting central city hospitality, leisure and retail visits, as best served by short stay (ie circa two hours) parking availability. In each case, the options have been considered against a number of factors, but especially their potential effects on the following three Council strategic priorities considered especially pertinent to this matter, namely:
 - 1.3.1 Accelerating the momentum the city needs;
 - 1.3.2 Ensuring rates are affordable and sustainable;
 - 1.3.3 Meeting the challenge of climate change through every means available.
- 1.4 Staff are unable to advise Council with any certainty as to whether an uplift in central city visits, or resulting spending patterns, might arise from a Council funded short-stay free parking offer over the coming winter months. However, if on balance, Council considers that a proposal to introduce such an offer for a limited period should be supported (as against an alternative option to not continue with any form of parking fee reduction or subsidy), then staff have recommended the details of a resolution that is believed to represent a reasonable balance between the tensions that exist in responding to these three strategic priorities.
- 1.5 The matters considered in this report are of medium significance overall in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by the number of people likely to be directly affected by the proposal at some point (ie the expected number of visitors to the central city choosing to travel by car as a proportion of the Christchurch community) – and its likely impact on rates (which although relatively low on a monthly basis, does accumulate over time, and does affect all ratepayers). It is also influenced to some degree by the potential longer term effects on the environment, safety and health to the community, of further incentivising car use – which is in tension with

Council's strategic priority, of: *Meeting the challenge of climate change through every means available.*

- 1.6 However, on balance, the level of significance of the recommended option for Council's consideration is low, due to two key issues:
 - 1.6.1 the primary matter (of reduced fee parking) has been the subject of consultation with the community on two previous occasions: at the time of a first hour free parking initiative in Council's two parking buildings, commenced in 2017 – and then subsequently as part of the 2018 Long Term Plan consultation process;
 - 1.6.2 measures Council might consider to help stimulate the central city's recovery at this critical time are consistent with Council's strategic priority of *accelerating the momentum the city needs*, providing they can be shown to be balanced with *ensuring rates are affordable and sustainable.*
- 1.7 In summary therefore, while of medium significance in totality, it is therefore considered of low significance in the light of those earlier engagements and the details of the recommended option of this report for Council's consideration.
- 1.8 The report outlines three options for reduced charges for on and off street parking, targeted at short stay parking support principally for hospitality, leisure and retail premises. The options especially seek to explore those incentives against their relative impacts on the following key factors:
 - the cost of each option to Council and its likely impact on rates for a three month duration;
 - the potential impact (of all three parking options) on Council's climate change strategic priority - and associated transport and parking policies and strategies;
 - the limited evidence existing, as to the likely effectiveness of providing reduced fee parking in incentivising travel into the central city.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Considers the (three) options outlined by staff in this report for reduced fee parking in the central city over the coming three months' winter period, as against a (fourth) option, of ceasing the current free parking offer in its entirety on 31 May 2020. If as a result of these considerations, Council resolves to support a proposal to reduce short stay parking fees in the central city over the coming winter months, then:
2. Council Resolves to offer free short stay (ie up to two hours' duration) parking between 1 June 2020 and 31 August 2020 at weekends - and on weekdays between the hours of 5pm and the following 6am, at the following locations:
 - a. in its two off street parking buildings (33 Lichfield Street and the Art Gallery);
 - b. all on street metered (i.e. paid) parking spaces within the four Avenues;
3. Notes that the uptake and effectiveness of the initiative and central city stakeholder and wider community reactions to it during its early implementation period, will be reported to Council in the August meeting cycle;
4. Notes that the cost of this offer, currently estimated at circa \$0.4m (0.1% of rates) for three months, is unbudgeted and will impact on the 2019/20 and 2020/21 financial results;
5. Resolves that the cessation date and time of these arrangements will be midnight, 31 August 2020;

6. In parallel with this time limited change to Council's parking charges (i.e. over three months of winter 2020), it will explore with central city stakeholders, the Central City Business Association, Chambers of Commerce and Christchurch NZ, other actions it might take to further stimulate the central city's economy.

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

- 3.1 Council aims to support the city's economic recovery as it emerges from the Covid 19 Level 4 and 3 restrictions, as this is fully in accordance with Council's strategic priority of *accelerating the momentum the city needs*. There are however both direct and indirect ways in which this can be achieved while the country is at alert Levels 2 and 1. Council recognises from previous and ongoing discussions with central city stakeholders and representative groups, that parking is a recurring subject of discussion. In this context, the cost of off and on street parking is perceived by some to have at least a partial influence on the attractiveness of the central city as a destination to the community as a whole – and especially for visits to hospitality, leisure and retail premises.
- 3.2 More people were beginning to return to the central city prior to Covid 19, as it has been recast as a modern, attractive and thriving hospitality and retail hub. Given the loss of international visitors, it is well recognised that hospitality and retail businesses are among those most adversely affected. Logically, encouraging more people to return to the central city for non-business purposes, especially over the coming winter months, can help alleviate the economic impacts on centrally located businesses. However, removing charges on Council parking and / or some other buildings will come with cost, and these must be carefully assessed against the anticipated benefits, in order to address Council's strategic priority of *ensuring rates are affordable and sustainable*. There will be a financial impact to Council from all the reduced fee parking options outlined in this report - and, in turn, all ratepayers. While this may be seen as an effective measure Council can deploy quickly, it needs to be thought of in the context of existing Council climate change commitments and transport policies and objectives, best summarised in Council's strategic priority of *meeting the challenge of climate change through every means available*.
- 3.3 A further reason for the preparation of this report and the recommended option for Council's consideration, is that of the need for utmost urgency. Council's current free parking offer (introduced at the time of the Covid 19 emergency) is now due to cease before the end of this month, unless Council chooses to extend it in some form. It is perfectly possible that other Council incentives and activities (distilled into Option D of this report) may be more effective in attracting people to the CBD and ultimately supporting the hospitality and retail sectors. Such other such measures and possible initiatives are not described in detail in this report however - and are not ready for implementation with the degree of urgency Council has been asked to consider the request of the CCBA, linked to a parking initiative. A limited time application of the recommended option, should Council support this approach, will allow Council and key central city stakeholders to therefore explore whether better initiatives remain to be implemented.

4. Alternative Options Considered / Ētahi atu Kōwhiringa

- 4.1 In recommending the proposal for Council's consideration, of free short stay (ie up to two hours) weekend and evening parking in Council's two parking buildings, with accompanying free on-street short stay parking over the coming winter months, two alternative options for parking charge – led incentives were considered by staff for this report. These are as

summarised (*with their key relative advantages and disadvantages in each case*) in Attachment A. Their main features are as below:

- 4.1.1 Option A. (The recommended option for Council's consideration). Free weekend and weekdays' evening short stay (up to two hours' duration) parking in Council's two off street parking buildings, as well as on-street (ie otherwise metered spaces). The likely cost of this initiative to Council (mainly in lost parking revenue) is circa \$135,000 per month, or \$405,000 for the proposed three months' winter period (~0.1% of rates). An alternative of first hour free parking only (estimated at around half the cost in lost revenue and therefore corresponding rates impact), is not however perceived as likely to be effective in boosting central city visits, especially those to hospitality and leisure businesses, where many visits are circa 1.5 hours or more. The option focusses therefore on incentivising short stay parking (of up to two hours duration), in order to maximise turnover and the efficient use of central city parking supply, but with slightly longer visits (than one hour) to a range of hospitality and retail premises. It is not directed to incentivise longer stay or worker parking.
- 4.1.2 Option B. First two hours' free (seven days a week) in Council's two off street parking buildings, along with free on street (*most on-street parking is P60 or P120 – the time limits for which would still be enforced to ensure maximum turnover*). The likely cost of this initiative to Council is circa \$200,000 per month for the buildings, plus \$280,000 per month for the loss of on-street revenue, or \$480,000 per month in total. This equates to a projected loss of \$1,440,000 to the Council for the envisaged three months' winter period (~0.3% of rates). The reasons for a two hours offer as opposed to one hour are the same as for Option A.
- 4.1.3 Option C. As Option B (ie first two hours' free parking) – but, with no free on-street parking at metered spaces. It would instead be extended to third party owned central city parking buildings, available to the public wholly or partially for casual (ie short stay) parking. This would seek to achieve an equal offer to the market from all the central city's public casual parking buildings. The arrangement would exclude any "early bird", leased or commuter parking and Council would therefore reimburse those owners for the loss of two hours' revenue for each parking event. It would importantly not include any "at grade" and temporary parking areas privately owned and operated throughout the central city. This option would be estimated to cost the Council around \$425,000 per month, or \$1,275,000 for the proposed 3 months' winter period (~0.25% of rates).
- 4.1.4 A further Option 4. Cease to provide the current free on street and off street parking in Council facilities at the end of May – and that Council continue to seek alternative means (i.e. to parking incentives) to support the central city's post Covid 19 recovery. It should be noted that this report does not explore the merits or costs of any such alternative initiatives.

5. Detail / Te Whakamahuki

- 5.1 The proposed time limited reduced fee parking option for Council's consideration as featuring in Option A of this report, would apply to short stay (first two hours) parking in the Council's two off – street parking buildings:
 - 5.1.1 33 Lichfield Street (805 spaces);
 - 5.1.2 The Art Gallery car park (undercroft) (105 spaces);

- 5.1.3 All metered (now pay-by-plate) on street parking spaces across the central city (ie within the 5 Avenues) (circa 1200 spaces, largely operated either as time limited P60 or P120 paid parking).
- 5.2 The hours of operation for Council's parking buildings are:
- 33 Lichfield Street – 24 hours, 7 days a week
 - Art Gallery – 7am to 12am, 7 days a week.
- 5.3 Council currently charges \$2.80 per hour for its off street parking buildings, and \$3.10 per hour for on street parking. The calculated costs for Option A and each of the parking fee options outlined in 4.1 and Attachment A are based on these charges and the estimated consequential loss of Council parking revenue.
- 5.4 The costs of Option C are based on an understanding of current typical casual parking hourly charges for third party owned parking buildings (circa \$4 per hour)– and an assumed occupancy of 1.5 hours per parking event (similar to that in Council's parking buildings). Therefore, if the first two hours of each parking event is reimbursed by Council under this option, most short stay parking in those buildings would be fully subsidised. It should be noted therefore, that this option would specifically exclude any leased parking spaces and any "early bird"- ie commuter / long stay parking.
- 5.5 The decision affects the following wards/Community Board areas:
- 5.5.1 Linwood-Central-Heathcote Community Board and Central Ward.
- 5.6 In the limited time available, it has not been possible to explore the current community views and preferences regarding this proposal (beyond those received from the Central City Business Association – CCBA). However, prior to the commencement by Council of a first hour free parking subsidy initiative in late 2017 (on the opening of the Lichfield Street Car Parking Building), the views of the community were investigated. At that time, while members of the retail business community were generally supportive of the initiative of free parking being trialled, there were concerns expressed by parking asset owners, that free parking focussed on Council owned off street parking facilities could undermine the confidence of private sector investors contemplating provision of private city parking facilities- and that existing asset owners need to achieve a return on their investments. The concerns (as summarised in a March 2018 report) were that any offering needed to achieve a *level playing field*. These views are likely to remain pertinent to this possible initiative, especially concerning the need for asset owners to receive a return on their parking building investments. While only Option C directly addresses this issue, the potential uplift in total central city visits and vitality that may arise from a proposal such as Option A over the winter months, may somewhat balance this concern.
- 5.7 Also in this context, the *Life in Christchurch* Survey results of 2018 indicated that the majority of those surveyed said that the one hour free parking in Council car parks had made (central city) parking more affordable and accessible. Specifically, the survey results indicated the one hour free parking initiative encouraged around one third of respondents to visit the central city more often. Despite this, when the one hour free parking ceased in 2019, there were approximately 86,000 more visitors to the Lichfield street parking building in 2019 than there were in 2018. Furthermore, the median duration of stay was longer, possibly due to introducing a 'sunk cost' to people's journey. These findings highlight that there are multiple factors influencing peoples' choice of travel to a particular location. Travel behaviours are complex, and there is often a wide gulf between stated and revealed preferences when it comes to these types of surveys. Council staff are unable to advise therefore whether the community would continue to hold a favourable view of the first hour free (*or a two hour*

duration as under consideration now), but as a result of these considerations and urgency of action, it is not considered appropriate that wider community views be sought on these fresh, time limited options.

- 5.8 In this context, it should also be noted that there is currently very little quantitative or qualitative data regarding the spending behaviour of casual parkers in the central city. However, previous analysis prepared by Christchurch NZ in support of earlier consideration by Council of reduced fee parking, suggested that an attractive promotional parking subsidy could yield an uplift in central city consumer revenue. Conversely, a year-long trial in Hutt city found that there was little change overall to spending from free parking relative to competitor locations around the city. Time has not permitted any further analysis in support or otherwise of the leading option for Council's consideration, or its alternatives.

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

Strategic Alignment / Te Rautaki Tīaroaro

- 6.1 Option A for Council's consideration, is consistent with the following Community Outcomes and Strategic Priorities, in that it:
- 6.1.1 (Supports) a vibrant and thriving city centre;
 - 6.1.2 (Supports) a great place for people, business and investment;
 - 6.1.3 (Supports) an inclusive, equitable economy with board based prosperity; and
 - 6.1.4 (Supports) the Strategic Priority, of accelerating the momentum that the city needs.
- 6.2 However, the consideration of this report's recommendations and options also need to be carefully balanced by Council against the tensions with the following Community Outcomes and Strategic Priorities:
- 6.2.1 A well connected and accessible city promoting active and public transport;
 - 6.2.2 Meeting the challenge of climate change through every means available;
 - 6.2.3 Ensuring rates are affordable and sustainable.
- 6.3 This report supports the [Council's Long Term Plan \(2018 - 2028\)](#):
- 6.3.1 Activity: Parking
 - Level of Service: 10.3.1 Provide an appropriate number of parking spaces in the central city, so that occupancy is optimised. - 60-85%

Policy Consistency / Te Whai Kaupapa here

- 6.4 The decision is largely consistent with Council's Plans and Policies with respect to central city parking, as the recommended option conforms to the following key principles of the Christchurch Central Parking Plan, in that:
- 6.4.1 It manages parking to maximise occupancy of all central city public parking buildings (Council and privately controlled);
 - 6.4.2 It provides parking to support economic vitality;
 - 6.4.3 It is consistent with Council's wish to prioritise public short stay parking (visitor and shopper) to support businesses.

Impact on Mana Whenua / Ngā Whai Take Mana Whenua

- 6.5 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.

Climate Change Impact Considerations / Ngā Whai Whakaaro mā te Āhuarangi

- 6.6 As highlighted in 6.2 and elsewhere, the options considered for this report are potentially in tension with Council's Strategic Priority of meeting the challenge of climate change through every means available. The initiative before Council for consideration would support, albeit for a limited period, the return of people to the central city by incentivising car travel over sustainable modes. It is conversely arguable that at present some people may not return by other modes, due to the current social distancing issues of public transport use – and that many trips to the central city are over distances where cycling or walking are not viable alternatives. However, in conclusion, it is clear that the leading options in this report are not consistent with this strategic priority principles.

Accessibility Considerations / Ngā Whai Whakaaro mā te Hunga Hauā

- 6.7 The recommended option in this report is consistent with enabling good access to central city parking under Council's control – and are helpful for people with mobility impairments.

7. Resource Implications / Ngā Hīraunga Rauemi

Capex/Opex / Ngā Utu Whakahaere

- 7.1 Cost to Implement – Option A for Council's consideration has a projected total operational cost, if implemented in full (ie for three months duration), of \$405,000 – impacting over the final month of the current fiscal year and two months of the new fiscal year.
- 7.2 Maintenance/Ongoing costs – there are no significant additional maintenance costs, and the operational costs would cease on 31 August 2020.
- 7.3 Funding Source – the optional proposal would be funded from rates, with an impact of \$135k in the current fiscal year – and a further \$270k in the new fiscal year.

Other / He mea anō

- 7.4 There will be some minor operational and communication costs associated with enabling the initiative and advertising it with the local community.

8. Legal Implications / Ngā Hīraunga ā-Ture

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

- 8.1 If Council resolve to implement Option A, there are no legal implications associated directly with this proposal.

Other Legal Implications / Ētahi atu Hīraunga-ā-Ture

- 8.2 The primary legal consideration if Council were to choose to implement **Option C**, is that the New Zealand Commerce Commission (NZCC) must be consulted over the proposal. This is because the proposal is believed to be a likely technical breach of the cartel provisions (section 30) of the Commerce Act 1986 - unless it can be established that it falls within the "collaborative activity" exception (section 31) of the Act. Council staff would be obliged to inform NZCC of the details of this option and how Council proposed to fall within the "collaborative activity" exception. Therefore, if Council were to instruct staff to proceed with Option C, it would be necessary to pursue such a collaborative activity clearance or formal

authorisation from the NZCC. A clearance or formal authorisation is the only way to obtain absolute certainty from the NZCC that no competition law issues arise.

- 8.3 There is also a legal implication around Local Government Act decision-making requirements, including consideration of other reasonably practicable options for stimulating Covid 19 recovery in the city centre, and consideration of community views/consultation. Any initiative such as this, particularly if it would be expected to extend beyond a very limited period (as currently considered for all three report options), should be consulted on with the community given the anticipated greater impact on rates and related financial implications. These impacts would be higher, the longer the extension - and again, NZCC would need to be appraised of Council's consultation processes and any real or perceived impact on competition issues were Option C to be favoured. Consultation on such a proposal could possibly be incorporated into the second round of Annual Plan consultation.

Key points

- 8.4 This report has been reviewed and approved by the Legal Services Unit.

9. Risk Management Implications / Ngā Hīraunga Tūraru

- 9.1 The primary risks around Council's consideration of Option A are as follows:
- 9.1.1 it is unproven to be the best means by which Council can support the central city's recovery;
 - 9.1.2 it places an unfunded burden on the current fiscal year's budget and into the new fiscal year;
 - 9.1.3 it fails to respond to previous feedback from central city public parking building owners, that parking incentives should seek to achieve a level playing field (ie between Council and privately owned and operated facilities);
 - 9.1.4 while consistent with Council's strategic priority of *accelerating the momentum the city needs*, it is inconsistent with Council's Strategic Priority *to meet the challenge of climate change through every means available*;
- 9.2 Additionally, if Council were to support implementation of Option C:
- 9.2.1 There is a risk that the proposal may be deemed a technical breach of the cartel provisions (section 30) of the Commerce Act 1986 - unless it can be established that it falls within the "collaborative activity" exception (section 31) of the Act.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Attachment A Options Analysis	16

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

Document Name	Location / File Link

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

Authors	Tim Cheesebrough - Senior Transport Planner Steffan Thomas - Manager Operations (Transport) Nicholas Lovett - Senior Policy Planner Transport John Morahan - Planning & Performance Advisor Judith Cheyne - Associate General Counsel
Approved By	Peter Langbein - Finance Business Partner Adela Kardos - Head of Legal Services David Adamson - General Manager City Services

ATTACHMENT A

Covid 19 Central City Recovery – Parking Incentives Options Comparison

Option	Key features	Monthly Cost (to Council)	Total Cost to Council (3 months)	Estimated Impact on Rates	Key advantages	Key disadvantages	Other comments
A	<p>Free weekend and evening short stay parking (up to 2 hours) in CCC parking buildings for 3 months (from 1 June 2020 to 31 August 2020)</p> <p>Free weekend and evening short stay on- street parking in all metered (<i>pay-by-plate</i>) spaces for 3 months (from 1 June 2020 to 31 August 2020) (NB - would however remain time enforced. Majority are P60 or P120)</p>	\$135,000	\$405,000	<p>2019/20 fiscal year = 0.04% p/m</p> <p>2020/21 fiscal year = 0.04% p/m</p> <p>2020/21 fiscal year = 0.1% on annual rates</p>	<ul style="list-style-type: none"> Is lowest cost to Council of all the parking incentive options considered in this report Capable of activation by 1 June 2020, without need for wider consultation with business community Reflects some limited earlier evidence, that people may return to the central city early and in larger numbers, through reduced cost parking – as based on previous community engagement Responds positively to Central City Business Association (CCBA) request for assistance By applying to period of winter months only, enables review of effectiveness (and actual costs to Council), prior to spring – and permits fuller assessment of greater impacts on 2021 fiscal year, as resulting from any further extension By applying to short stay visitor parking outside of standard central city business hours – is targeted at short stay leisure parking – therefore not inconsistent with Council parking and transport policies Offers a viable alternative to leisure public transport trips while Level 2 social distancing requirements continue 	<ul style="list-style-type: none"> Has some negative impact on Council operational revenues - and hence early and direct corresponding rates impact for current and 2021 fiscal years Is a lesser response than requested of Council by CCBA at this time May adversely skew parking occupancy to Council supply – and therefore abstract some parking revenue from third party operators (<i>ie not a level playing field</i>) May be viewed as contrary to Council's transport and climate change policies 	Seeks to ensure parking turnover is maximised off and on – street to support central city vitality – and does not support or incentivise longer stay or employee parking.

B	<p>First 2 hours' free short stay parking in CCC parking buildings 7 days a week - for 3 months (from 1 June 2020 to 31 August 2020)</p> <p>Free short stay on-street parking in all metered (pay-by-plate) spaces 7 days a week for 3 months (from 1 June 2020 to 31 August 2020) <i>(Most are P60 or P120 – and would remain enforced)</i></p>	<p>Council Buildings = \$200,000 p/m <i>(\$600,000 for 3 months)</i></p> <p>On street = \$280,000 p/m <i>(\$840,000 for 3 months)</i></p> <p>Total = \$480,000 p/m</p>	\$1,440,000	<p>2019/20 fiscal year = 0.1% p/m</p> <p>2020/21 fiscal year = 0.1% p/m</p> <p>2020/21 fiscal year = ~0.3% on annual rates</p>	<ul style="list-style-type: none"> • Capable of activation by 1 June 2020 by Council, without need for wider consultation with business community • Reflects some limited earlier evidence, that people may return to the central city early and in larger numbers, through reduced cost parking – as based on previous community engagement • Responds positively to Central City Business Association (CCBA) request for assistance • By applying to period of winter months only, enables review of effectiveness (and actual costs to Council) prior to spring – and permits fuller assessment of greater impacts on 2021 fiscal year, as resulting from any further extension • By applying to short stay visitor parking primarily – is therefore not inconsistent with Council parking and transport policies • Offers a viable alternative to primarily leisure and short stay business trips by public transport, while Level 2 social distancing requirements continue 	<ul style="list-style-type: none"> • Is highest cost to Council of the three parking incentives considered in detail (due in part to high cost of on street parking revenue losses) • Has higher negative impact on Council operational revenues than leading alternatives - and hence early and direct corresponding rates impact for current and 2021 fiscal years • Remains a lesser response than requested of Council by CCBA at this time • May adversely skew parking occupancy towards Council supply – and therefore abstract some parking revenues from third party operators <i>(ie not a level playing field)</i> • May be viewed as partially undermining Council's transport and climate change policies 	<p>Seeks to ensure parking turnover is maximised off and on – street to support central city vitality – and does not support or incentivise longer stay or employee parking.</p>
---	--	--	-------------	--	--	---	--

C	<p>First 2 hours' free short stay parking in CCC parking buildings (7 days a week) for 3 months (from 1 June 2020 to 31 August 2020)</p> <p>Equivalent first 2 hours' free parking in third party public (casual) parking buildings (7 days a week) – Council recompenses - for 3 months (from 1 June 2020 to 31 August 2020)</p> <p>(No free on street short stay parking in otherwise metered / pay-by-plate spaces)</p>	<p>Council Buildings = \$200,000 p/m (\$600,000 for 3 months)</p> <p>Private buildings (assume five) = circa \$225,000 p/m (\$675,000 for 3 months)</p> <p>Total = \$425,000 p/m</p>	\$1,275,000	<p>2019/20 fiscal year = 0.1% p/m</p> <p>2020/21 fiscal year = 0.1% p/m</p> <p>2020/21 fiscal year = ~0.3% on annual rates</p>	<ul style="list-style-type: none"> • Responds fully to Central City Business Association (CCBA) request for assistance • Reflects some limited earlier evidence, that people may return to the central city early and in larger numbers, through reduced cost parking – as based on previous community engagement • By applying to period of winter months only, enables review of effectiveness (and actual costs to Council) prior to spring – and permits fuller assessment of greater impacts on 2021 fiscal year, as resulting from any further extension • By applying primarily to short stay visitor parking, not inconsistent with Council parking and transport policies • Offers a viable alternative to some leisure public transport trips while Level 2 social distancing requirements continue • Seeks to achieve a largely “level playing field” between Council and privately owned and operated casual public parking buildings • Prioritises off street short stay parking in buildings, as opposed to on – street parking, as consistent with the Christchurch Central Parking Plan (CCC, 2015) 	<ul style="list-style-type: none"> • Not capable of activation by 1 June 2020 by Council, as requires: <ul style="list-style-type: none"> ◦ need for direct consultation with business community and contract agreements drawn up with third party building owners; ◦ Council to inform Commerce Commission of proposals and seek exemption from likely technical break of collusive contract practices • Second highest estimated costs to Council of the three leading options assessed for this report • May be argued to unfairly advantage central city hospitality, leisure and retail premises over others outside of the central city – and therefore an inappropriate deployment of Council rates revenue 	<p>Important legal constraint of the need for full engagement with the Commerce Commission, which effectively precludes this option being viable for early activation (ie from June 1st)</p> <p>Seeks to ensure parking turnover is maximised in off – street public parking buildings, to support central city vitality – and does not support or incentivise longer stay or employee parking.</p> <p>Does not apply to any temporary or at-grade privately operated public parking facilities.</p>
---	---	--	-------------	---	--	--	--

D	<p>Current Council free parking initiative ceases on 31 May 2020</p> <p>Council explores alternative actions (non- parking) to help support the central city's recovery</p>	Nil (from 1 June 2020)	Nil (from 1 June 2020)	Nil (from 1 June 2020)	<ul style="list-style-type: none"> • Lowest cost option to Council of those considered directly for this report • Enables Council to further consider other measures to support central city Covid 19 recovery • Is consistent with Council's transport and climate change policies (in not unduly favouring the private car over non-car modes) • Recognises prior evidence that reduced fee parking may not necessarily be the most effective measure Council could deploy to assist central city businesses through the Covid 19 recovery 	<ul style="list-style-type: none"> • Fails to respond to the CCBA request for Council assistance in reducing the costs of short stay central city parking to help boost the central city's early Covid 19 recovery • No immediate commitment from Council to respond to the CCBA's request for an early parking related initiative to help boost the central city's Covid 19 recovery 	
----------	---	------------------------	------------------------	------------------------	--	---	--

16. Review of Council policy for the donation of directors' fees earned by Councillors on Council Organisation boards and decisions on recipients for 2019/20 and beyond

Reference / Te Tohutoro: 20/130953

Report of: Linda Gibb, Performance Advisor, linda.gibb@ccc.govt.nz

General Manager: Carol Bellette, General Manager, Finance and Commercial, carol.bellette@ccc.govt.nz

1. Executive Summary / Te Whakarāpopoto Matua

- 1.1 The Council's Policy for the Appointment and Remuneration of Directors (Appointments' Policy) provides that Councillors or Council employees appointed to the boards of external organisations in the capacity as an elected member or employee of the Council will not receive fees, which will instead be donated to recipients specified by the Council from time to time and to be paid as at 30 June each year (further referred to as the Fees' Policy).
- 1.2 On an annual basis, prior to 30 June staff seek instructions from the Council as to the recipients of that year's fees. Since 2017 a donation of \$100,000 has been made annually to the Innovation and Sustainability Fund (I&S Fund) and the Mayor's Welfare Fund (\$127,000 last year, calculated as the residual amount held after allocation to other recipients). In some years, the Imagination Station has received a small amount (last year \$40,000).
- 1.3 A decision on recipients of the donations is required prior to 30 June 2020 to enable donating organisations to receive a tax benefit where the donation is made to a charitable organisation (note the I&S Fund is not a charitable organisation).
- 1.4 At a workshop on 10 March 2020, Councillors advised they would like to reconsider the Fees Policy prior to making decisions on recipients of the donations. Therefore, the decisions sought in this report are as follows:
 - confirming, amending or resetting the Fees Policy; and
 - identifying the recipients of donations of around \$253,500 for 2019/20.
- 1.5 The decisions in this report are of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by assessing the likely impact of the decisions on the community.

2. Officer Recommendations / Ngā Tūtohu

That the Council:

1. Notes the Council's policy for the remuneration of directors is set out in Part 4 of the Policy for the Appointment and Remuneration of Directors and provides in Clauses 9.10 and 9.11 that a person appointed to the governing body of an external organisation in the capacity as an elected member or employee of the Council will not receive the remuneration otherwise payable, and that those organisations will be directed to donate an equivalent amount to recipients specified by the Council from time to time to be paid as at 30 June each year;

2. Agrees to one of the following policy options for treatment of fees earned by Councillors and Council employee directors:
 - a. retain the current policy for fees to be donated;
OR
 - b. adjust the current policy to allow Councillor and Council employee directors to individually decide the recipients of his or her donated fees;
OR
 - c. change the policy to permit Councillor and Council employee directors to personally receive the fees paid for service on the boards;
3. Notes the donations to be received in lieu of payment of directors' fees to Councillor and Council employees by Council organisations in 2019/20 are expected to be at least \$253,672 in 2019/20 but lower in 2020/21 due to fee cuts taken by the Christchurch City Holdings Ltd and ChristchurchNZ Holdings Ltd boards;
4. Notes that the Innovation and Sustainable Development Committee has committed expenditure of \$100,000 in 2019/20 based on a presumption of receiving donations in lieu of Councillor and Council employee directors' fees of that amount, as has occurred annually since 2017 but that the Innovation and Sustainability Fund has sufficient financial flexibility to fund the commitments in 2019/20 without the donation of \$100,000 due to recycling of funding allocated to projects that have not proceeded;
5. Agrees, if recommendation 2.a. is resolved, to allocate funding of around \$253,672 from donations in lieu of Councillor and Council employee directors' fees for 2019/20 as follows:
 - (i) [amount to be inserted] to [recipient name to be inserted];
 - (ii) [amount to be inserted] to [recipient name to be inserted]; and
 - (iii) the residual amount to [recipient name to be inserted];
6. Agrees that due to the economic uncertainties created by Covid-19, annual allocation of donations is made instead of the provision made in the Policy for the Appointment and Remuneration of Directors for the recipients to be decided by the Council from time to time;
7. Notes that the recommendations in this report have no impact on rates; and
8. Agrees to request Council staff to review the Policy for the Appointment and Remuneration of Directors in its entirety and to report back to the Council by November 2020 with proposed amendments to the policy including those required to reflect the decisions made in this report.

3. Reason for Report Recommendations

- 3.1 To meet the requirements of the Council's Fees' Policy for the 2019/20 year which requires the recipients of donations in lieu of elected member and Council employee board fees to be identified, and payment to be made by 30 June each year.
- 3.2 Following a staff briefing on 10 March as to potential recipients of the donations for 2019/20, Councillors asked that the report to Council includes a review of the fees donation policy.



4. Alternative Options Considered

4.1 Policy options for the future treatment of the fees are:

Option 1: retain current fees' policy (status quo);

Option 2: minor variation to the current fees' policy to provide that the Council directors may identify the recipients of their respective donations;

Option 3: reset the fees' policy to permit Council directors retention of fees.

Options analysis

4.2 The following table sets out the details of the options and the advantages and disadvantages of each.

	Option 1 Status Quo	Option 2 Minor adj.	Option 3 Fees paid
Efficiency - targeted financial assistance	✓	×	×
Rewards directors for risks associated with governance positions	×	×	✓
Provides a proxy return to directors	×	✓	×
Incentives to serve on boards	×	×	✓
Consistent with other major city councils – payment of fees to Councillor-directors	✓	✓	×

Option 1 Status Quo

4.3 This is an efficient way of allocating funds. Lump sums are donated to recipients taking into account the Council's priorities. The Council has the flexibility to, for example distribute small amounts to many recipients which could be to assist them to meet operating costs in the time period. Conversely the donations may be more strategically allocated with larger sums to fewer recipients for the purposes of generating benefits from a programme of work.

4.4 There is some inequity in this option – Council directors are taking on all the risks and liabilities of directorships, particularly in cases where the asset base is significant, without reward. The directorships are outside core Council 'public good' activities and have an opportunity cost to the director in terms of time that could be used in discharging core Council responsibilities and risks that could have an impact on the Council director's personal reputation in the event that the company experiences financial distress.

Option 2 Minor Adjustment to current fees' policy

4.5 This is largely the same as the status quo, the key difference being that each Councillor and Council employee director can determine the recipient(s) of an amount equal to the fees forgone. This option provides some 'return' to those directors by allowing them to support the causes that are important to them personally.

4.6 This option has several drawbacks – it is likely to lead to the distribution of smaller amounts of funds to a number of recipients without reference to Council priorities, probable distribution to a larger number of recipients which would increase the transaction cost to the donor organisation and the number of non-charitable organisations receiving the donations could increase which would reduce the value of tax benefits received by CCHL in particular on the donations made. In addition, other Councillors not on commercial governance boards may be

unhappy that Councillor-directors can donate the funds within their electorates whereas they have no access to a dedicated source of funding for such purposes.

Option 3 Directors receive fees for membership of boards

- 4.7 This compensates Councillor-directors for the risk and the time taken from his or her core Council responsibilities. It also treats all directors on the board of the organisation on an equal footing. However, the Council might come under pressure to make funding available to the I&S Fund from other sources.
- 4.8 Other Councillors may consider the proposal to be inequitable since they also participate on boards and committees that are unpaid due to them being of a public good nature. However, these boards and committees do not pose the same degree of risk to the member as the commercial boards do.

Comparison of Council policies

- 4.9 Auckland Council and Wellington and Dunedin City Councils either do not pay their Councillor and Council employee directors on Council organisation boards, or do not appoint them at all. The approaches taken by Auckland, Wellington and Dunedin Councils are similar to the Christchurch City Council's policy in that there is an expectation that elected members are not appointed to commercial Council-controlled organisation (CCO) boards and that they do not receive remuneration from the CCO boards that they are appointed to.
- 4.10 Dunedin City Council does not have Councillor-directors on its Holdings' company. Under section 93 of the Local Government Auckland Council Act 2009, councillors (and members of the local boards) may not be appointed to the board of a substantive CCO, except Auckland Transport. In the event councillors are appointed to the Auckland Transport board, they would be paid fees. Currently there are no elected members appointed to the company.
- 4.11 None of these councils' Appointments' policies refer to donating the amount equal to what they would have been paid. Therefore, the CCOs receive the benefit of not paying the fees.
- 4.12 The Christchurch City Council appoints Councillors to the boards of CCHL, CNZHL, Transwaste and OCHT, all of which are fee-paying boards. Other CCOs either do not pay the Councillor or Council employee directors on their boards (e.g. Vbase) or do not pay fees at all (e.g. Civic Building Ltd and charitable trusts).

5. Detail

Policy for the Appointment and Remuneration of Directors

- 5.1 The Council's Policy for the Appointment and Remuneration of Directors 2017¹ (CNCL/2017/00292 refers) sets out the following clauses with respect to fees earned by councillors and Council employees (Council directors) serving on the boards of Council organisations:
- To recognise the element of public service...“a person appointed to the governing body of an external organisation in his or her capacity as an elected member or employee of the Council will not receive the remuneration otherwise payable in respect of that appointment (clause 9.10);
 - Instead those organisations will be directed to donate an equivalent amount to recipients specified by the Council from time to time, to be paid as at 30 June each year. The recipients will be charitable organisations established for the purpose of benefitting the community (or particular sector of it) or to funds administered by the Council for the

¹ <https://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/policies/council-organisational-policies/appointment-and-remuneration-policy>

benefit of ratepayers, such as the Mayor's Welfare Fund and the Innovation and Sustainability Fund (clause 9.11); and

- The external organisations referred to in clause 9.10 and 9.11 include (but not exclusively) Council organisations, Council-controlled organisations and Council-controlled trading organisations (clause 9.12)".

Sources of donations

- 5.2 Total donations expected for the year ending 30 June 2020 are at least \$253,672 (\$175,671 from CCHL, \$70,000 from CNZHL and \$8,000 from the Council's director on the Transwaste board). These amounts will be donated as soon as the Council advises the recipients. There will be donations from OCHT, of unknown value.
- 5.3 Transwaste has declined to make the donations on behalf of its Council director. Therefore the Council director has, in the past made the donation upon receipt of the fees (which he/she receives after tax). Donations have been made monthly to the Mayors Welfare Fund for the period July-September 2019 by the former Councillor-director, amounting to a total of \$6,150. A new Councillor-director was appointed from 15 February 2020 and therefore donations of \$8,000 through to 30 June 2020 are expected from him.
- 5.4 OCHT pays fees to its two Councillor-directors, one of whom is understood to have donated an amount equivalent to the fees received to a charitable trust of his choice. It is also understood that the other Council director is awaiting notice of where to donate his fees. The amounts to be donated for the current financial year are unknown.

Recipients of donations

- 5.5 The **Innovation and Sustainability Fund**² has been allocated \$100,000 per year since 2017 under the fees' policy. This has supplemented its \$400,000 Long Term Plan 2018-2028 funding which is due to expire in 2025.
- 5.6 The I&S Committee assumes the \$100,000 donation will be provided each year and commits expenditure against it over the course of the year leading up to its payment. It has done so during 2019/20 notwithstanding Council decided in 2019 that staff were to report back for new decisions on the recipients of the donations in lieu of Councillor-director fees for 2019/20 (CNCL/2019/00123 dated 27 June refers).
- 5.7 Staff understand that, due to the recycling of funding that was allocated to projects which did not proceed, it could manage its commitments without the donations in lieu of Councillor and Council employee directors' fees of \$100,000.
- 5.8 The I&S Fund has, to date supported a wide range of projects, with details of grant recipients available on the Council's website³. Staff intend to undertake a review of the Fund and report to the Sustainability and Community Resilience Committee prior to the next funding round in 2020/21.
- 5.9 **Imagination Station**³ received \$40,000 in 2018/19, a proposal that was raised by Council itself. It is probable that it came about as a follow-on from funding granted from the Community Resilience Partnership Fund of \$40,000 in each of 2017/18 and 2018/19. For 2019/20 the Strengthening Communities Fund granted \$35,000 to the Imagination Station (short of the \$60,000 that had been sought).

² Innovation & Sustainability Fund <https://ccc.govt.nz/culture-and-community/community-funding/innovatefund>

- 5.10 The mechanism for providing a grant includes a requirement for the recipient to report back on expenditure against the grant, unlike donations from the fees. The Imagination Station relocated during the year to Tūranga which may have an impact on its funding needs. To date staff are unaware of any requests from the Imagination Station for donations.
- 5.11 **Mayor's Welfare Fund**⁴ received the remainder of the donations in 2018/19, amounting to around \$127,000.
- 5.12 There is no contestable process that drives the allocation of the donations. Staff consider that in the current COVID-19 circumstances, demand for financial assistance from the Mayor's Welfare Fund is likely to increase and maximising donations to this Fund might be desirable.

Potential recipients of donations

- 5.13 At its meeting on 27 June 2019 the Council resolved to direct staff to report to the new Council for new decisions on the recipients for the donations in lieu of the fees for 2019/20 (CNCL/2019/00123 refers).
- 5.14 Currently donations are allocated on an annual basis, usually close to the end of the financial year. This makes planning for periods longer than one year difficult for potential recipients, and quite probably has the undesirable outcome of deterring beneficial projects that require more than one year of funding.
- 5.15 The Appointments' Policy currently allows the Council to identify recipients from time to time. In ordinary circumstances staff consider it would be desirable for commitments to be made for two or three years to provide greater certainty to recipients for the delivery of multi-year projects. However, it may be more prudent to continue to take annual decisions in view of uncertainties created by Covid-19.
- 5.16 If the Council would prefer to make the allocation decisions for greater than one year at a time, staff will report back before December 2020 on potential multi-year recipients and allocations.

Other issues

- 5.17 Decisions taken in this report will potentially require the Appointments' Policy to be updated, and if that is the case it might be useful for the policy to be reviewed in its entirety. It was last reviewed in November 2017. Staff propose to report back with recommended changes to the Appointments' Policy by November 2020.
- 5.18 If decisions are not made by 30 June 2020, CCHL will lose a tax benefit estimated at around \$49,000. However, if it is required to make a donation of \$100,000 to the I&S Fund, which is not a charitable organisation and therefore does not generate a tax benefit, the real loss to CCHL will be \$21,000.
- 5.19 There is no impact on rates from the recommendations in this paper.

6. Policy Framework Implications

Strategic Alignment

- 6.1 The decisions support the [Council's Long Term Plan \(2018 - 2028\)](#) and strategic priorities (e.g. addressing climate change challenges).

⁴ Mayor's Welfare Fund <http://ccc.govt.nz/culture-and-community/community-funding/mayors-welfare-fund/>

Policy Consistency

- 6.2 The decision is consistent with Council's Plans and Policies. Specifically, the allocation of donations set out in the Policy for the Appointment and Remuneration of Directors.

Impact on 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.

Climate Change Impact Considerations

- 6.4 Many of the projects supported by the Innovation & Sustainability Fund have broadly helped to address climate change, and decisions to allocate funding from Councillor-director fee donations could continue to do so.

Accessibility Considerations

- 6.5 Not applicable.

7. Resource Implications

Capex/Opex

- 7.1 There are no financial implications except for when directors are permitted to retain fees, there may be a corresponding decrease in council funding.

8. Legal Implications

Statutory power to undertake proposals in the report

- 8.1 The Policy for the Appointment and Remuneration of Directors is required by the Local Government Act 2002. The treatment of Councillor-directors' fees is subject to Council policy and is not provided for in the Act.

Other Legal Implications

- 8.2 This report has been reviewed by the Legal Services Unit.

9. Risk Management Implications

- 9.1 Not applicable.

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 Whakatūtutanga 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.

12. 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 items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

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

“(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.”

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.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
17	2020/21 INSURANCE RENEWAL UPDATE	S7(2)(B)(II), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, CONDUCT NEGOTIATIONS	NEGOTIATIONS WITH POTENTIAL INSURERS MUST PROCEED ON A CONFIDENTIAL BASIS DUE TO THE COMMERCIAL SENSITIVITIES INVOLVED.	AN ANNOUNCEMENT MAY BE MADE ONCE INSURANCE COVER IS CONFIRMED AND WORDING IS AGREED WITH OTHER PARTIES INVOLVED. THE DETAILS OF THE COVER MUST REMAIN CONFIDENTIAL.