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12th July 2017

Dr Karleen Edwards
Chief Executive
Christchurch City Council
Via Email – karleen.edwards@ccc.govt.nz

Dear Dr Edwards,

ChristChurch Cathedral – Matters for Clarification

Following the Christchurch City Council [CCC] passing of resolution CNCL/2017/00149 and the letter from the Mayor to Bishop Victoria Matthews dated 1st July 2017 advising an in principle decision to support the reinstatement of ChristChurch Cathedral, we are seeking clarification of a number of questions in order that members of the Diocesan Synod can make an informed decision with regard to the damaged Cathedral building in the Square.

1. Can CCC assure Church Property Trustees [CPT] that a grant of \$10m would be made available? [yes/no please]
2. Is it possible that a lesser amount might be granted? [yes/no please]
3. Is it possible that no grant would be made? [yes/no please]
4. Please provide a copy of the “... *report and attached information...*” [Resolution bullet no. 7]
5. If Synod votes to reinstate the Cathedral, when would certainty exist regarding any grant from CCC?
6. Would CCC sign a legally binding commitment for the grant to CPT and how long would this take to complete?
7. Given that CPT/the Diocese was not invited to the meeting held on 30th June 2017 and was not privy to the report to CCC and any other information discussed, can CCC confirm:
 - a. What is meant by “...*towards the capital cost of reinstatement...*” [CCC Resolution 4.1.a] [Emphasis added]? That is, what costs associated with reinstatement could any grant not be used towards?
 - b. The resolution stipulates that any grant would only be made available “...*once other sources of Crown and Church funding have been applied to the reinstatement project.*” [4.1.a] Do “other sources” include funds raised?



- c. Would CCC hold back the grant if CPT held back insurance funds to fund the required endowments and its project related costs?
- d. The resolution is subject to Synod "*deciding to reinstate*" [4.2.a] the Cathedral. Would CCC impose any conditions as to what it considered reinstatement to be?
- e. What does "*other contributors confirming their financial commitment*" [4.2.b] mean?
- f. Is the Great Christchurch Buildings Trust (GCBT) an "*other contributor*"?
- g. What evidence would satisfy the CCC condition of "*confirming their financial commitment*"? [4.2.b]
- h. Can the CCC confirm that CPT would need to make a request for payment rather than automatically receive a grant instalment?
- i. What would the process be and how lengthy would it be for CPT to apply in each instance for a draw down against any grant?
- j. What other conditions, in addition to the resolution of 30th June 2017, might CCC impose?
- k. Would a covenant be required by CCC and if so what would be the key conditions of any covenant?
- l. Please advise the types and values of any probable in kind funding that CCC might provide. How long would the in kind support be guaranteed for?

Your response will assist with questions raised at pre-Synod meetings. Questions and answers are being compiled to be sent to all members in advance of Synod [to be held 8th/9th September 2017]. A written reply to all questions and requests contained in this letter by 28th July 2017 would be appreciated.

Yours faithfully


Gavin Holley
General Manager
Church Property Trustees

28 July 2017

Gavin Holley
General Manager
Church Property Trustees
PO Box 4438
CHRISTCHURCH 8140

via email: cptgm@anglicanlife.org.nz

Dear Gavin

CHRIST CHURCH CATHEDRAL – MATTERS FOR CLARIFICATION

Introduction

Thank you for your letter of 12 July 2017, referring to the Council's decision to contribute to the Crown's offer to assist with the reinstatement of ChristChurch Cathedral. You have sought clarification of some aspects of the decision, made at an extraordinary meeting of the Council on 30 June 2017.

The Council's Decision

The Council's decision recognises the heritage and civic value of the Cathedral to the city. As with all other aspects of the Crown's offer, the decision is therefore contingent on the Anglican Synod deciding to reinstate the building, based on the recommendations of the Cathedral Working Group.

The Council's decision is also subject to public consultation, which is a statutory obligation to be met by the Council before it can make a final determination on a matter of this significance. The Synod may have had greater certainty had the Council been able to undertake consultation before the September meeting, but the timeframes required by the Church Property Trustees for receipt of the Crown's offer meant this was not possible.

Even if there had been time available, the expenditure of public funds on a consultation process that may or may not be required, depending on the Synod's decision, would not in the Council's view be financially prudent. However, as an indication of the Council's willingness to provide certainty at the earliest opportunity, it will undertake consultation as soon as practicable after the Council is advised of a decision to reinstate.

If that happens, the Council's final position is likely to be known later this year, probably by the end of November. If its contribution to the Crown's offer is confirmed, the Council will make provision in its 2018/28 Long Term Plan for funds to be made available sequentially to the joint venture entity established to manage delivery of the reinstatement project.

The report and attached information considered by the Council before it made its decision have been publicly available on the Council's website since 4 July:

Agenda: http://christchurch.infocouncil.biz/Open/2017/06/COU_20170630_AGN_1958_AT.PDF

Minutes: http://christchurch.infocouncil.biz/Open/2017/06/COU_20170630_MIN_1958.PDF

If it would assist, and in response to your request, copies are also attached.

Other matters

The Council's funding is intended to follow receipt by the joint venture entity of the Crown's contribution and the suspensory loan, insurance proceeds, and the pledges already made to the Great Christchurch Buildings Trust. The cashflow table set out in DPMC's response to your letter of 12 July 2017 sets out the both the receipt and application of funds over the term of the project.

The Council's decision of 30 June 2017 refers to a contribution to the capital costs of the reinstatement, as referred to in the Crown's offer and in DPMC's response to your 12 July letter. It is assumed your concern about whether or not there are any costs the Council would not contribute to arises from the project leadership and governance costs estimated to be incurred by the Church Property Trustees over the life of the reinstatement project (30 June 2017 Management Report to Synod prepared by the Trust's Senior Management Team). The Council's view is that a number of these have been addressed in the Crown's offer, with the proposed establishment of the joint venture entity and fundraising trust, and will not fall to the Trustees.

As to whether or not the Council would withhold all or any part of its contribution if the Church Property Trustees held back insurance funds to meet the cost of the endowments it seeks, the Council again refers you to the Crown's offer. This states that "the joint venture will establish a maintenance and insurance fund at the outset of the project and allocate \$5 million to it. A final determination on the long-term level of maintenance and insurance funds that are required by the completion of the project will be made by an independent expert".

The only adjustment that may be made to the Council's contribution would be if the fundraising still to be undertaken exceeded the amount required for reinstatement. The Council has not considered requiring a covenant.

It should also be noted that the Council's resolution of 30 June 2017 includes considering as part of the 2018/28 Long Term Plan process whether the Council contributes operating funding for the ChristChurch Cathedral reinstatement project. The Council's 'in principle' decision notes that its Chief Executive may exercise her authority to consider and provide in kind support for the reinstatement project as appropriate. This would be likely to include the waiving of resource and building consent fees for reinstatement and the provision of a Case Manager at no cost.

The Crown has also indicated that legislation will be promoted to streamline consenting and approval processes for the whole reinstatement project (DPMC's response to your 12 July 2017 letter). The result of both commitments would mean a saving of time and tens of thousands of dollars for the Church Property Trustees.

Conclusion

The Council reiterates its support for the Crown's offer. It acknowledges the Synod's need for certainty before it commits to the cost of reinstating the Cathedral. However, the Council also notes that the parties contributing to the support package have all worked extremely hard to provide as much of that certainty as possible, and to demonstrate their commitment to making this project work.

Yours sincerely



Dr Karleen Edwards
CHIEF EXECUTIVE

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