

# **Museums**

## **Activity Management Plan**

### **Long Term Plan 2015–2025**

28 May 2015

## Quality Assurance Statement

|   |                                       |                       |
|---|---------------------------------------|-----------------------|
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## 1 Key Issues for the Museums Activity

The Canterbury Museum is located in the central city of Christchurch. Established by an Act of Parliament in 1867 with Julius Haast as its first director, it operates independently of Council with a Board which manages its affairs and collections under the Canterbury Museum Trust Board Act of 1993. The building is registered as an 'Historic Place - Category I' by the New Zealand Historic Places Trust. It sustained minor damage to its façade but considerable damage to back of house collections areas during the February 2011 earthquake. Overall, however, it remains structurally sound. This can be attributed to the progressive strengthening and renovating of the buildings to earthquake standards between 1987 and 1995. The museum reopened to the public in September 2011. The museum is seeking a major upgrade to the miscellany of its internal building structures, including the retro-fitting of base isolation, within the 2015-25 LTP period.

Akaroa Museum is located on Banks Peninsula. Founded in 1964 it was operated with local authority support until 1986 when it came under the direct management of the Akaroa County Council, Responsibility for the Museum passed to CCC in 2006 with the abolition of Banks Peninsula District Council and since then it has been managed as part of the Art Gallery and Museums Unit. Akaroa Museum manages three heritage buildings, two of which (Langlois-Eteveneaux House and the Court House) are adjacent to the main museum. The third, The Customs House, is a short distance away on Rue Balguerie. All three are listed buildings registered by heritage New Zealand.

Following a period of closure after the earthquakes, the Museum's public areas have been partially re-opened and, as a result of the removal of an admission charge in July 2014 and the influx of cruise ships to Akaroa, visitor numbers to the Museum have risen by some 32%, with up to 25% of visitors originating from the Christchurch and surrounding areas.

During the 50 years since opening Akaroa Museum had fallen behind the recognised sector standards. A new collection store in 2009, combined with upgrades being undertaken with earthquake repair and strengthening, will allow for the provision of improved standards of collection care and a better visitor experience. Following building strengthening and reroofing, the installation of climate control and the development of new long-term exhibitions, Akaroa Museum will reopen in the 2015/16 summer.

### Community Outcomes

Canterbury Museum assists achieving Council's community outcomes in that:

- the central city is used by a wide range of people and for an increasing range of activities
- Arts and culture thrive in Christchurch
- the city's identity is enhanced by its buildings and public spaces
- the city's heritage and taonga are conserved for future generations
- cultural and ethnic diversity is valued and celebrated

Akaroa Museum also contributes to achieving community outcomes in that:

- arts and culture thrive in Christchurch
- the city's identity is enhanced by its buildings and public spaces
- the city's heritage and taonga are conserved for future generations
- cultural and ethnic diversity is valued and celebrated

Section 4 shows how these outcomes flow down into and influence the Council's activities and levels of service in relation to Museums.

## 1.1 Key Challenges and Opportunities for Museums

In working towards the community outcomes and influenced by population growth and demand, Council faces the challenge of making decisions that prioritise resources to deliver the best mix of services at the right level and in a sustainable way. The key challenges and opportunities that have been prioritised by Council are below in Table 2-1.

Table 1-1

| Key Issue                                   | Discussion   |
|---|--|
| <p><b>Canterbury Museum renovations</b></p> | <p>Funding for major renovations envisaged for Canterbury Museum appears in the 2015-17 LTP. While the entire project is estimated at \$170 million, and will require Canterbury Museum to close for some three years, it is not clear whether progress is dependent on other funding being certain at the same time.</p> <p>The Council currently has budgeted \$4.2m in in 2015/16, \$8.3m in 2016/17 and \$4.2m in 2017/18 for Museum redevelopment. Inflation needs to be applied to these amounts.</p> <p><b>Robert McDougall Base Isolation and earthquake strengthening</b><br/>This project appears in the CCC capital programme, where it is listed as "unfunded" which means that other projects have been prioritised ahead of it and that no funding stream has been identified.</p> <p>The note below is from the Council minutes on 26 February 2013 in relation to this matter.</p> <p><b>Museum strengthening</b><br/>That the Council note on unfunded project 1469 - Robert McDougall Art Gallery strengthening. Council will consider moving this project from unfunded (2015/16 - \$21,742,000) to funded upon confirmation from the Government of the level of its funding contribution to the project.</p> |

| Key Issue  | Discussion  |
|--|---|
| <p><b>Akaroa Museum renovations</b></p> <p><b>Heritage buildings</b></p> <p><b>Collecting and preserving local history</b></p> | <p>This project has received a one-off grant of \$500k from the Ministry for Culture and Heritage, awarded on the basis that the Museum is expected to be fully repaired and operational in time for the 2015/16 summer tourist season. Repair works, which include reroofing, are being managed by FIR. Improvements to the Museum are being made concurrent with the repair, and include the installation of climate control. Additional substantial funding (\$350k) for the Museum's new long-term exhibitions is being sought from external sources. It is noted that increased visitor numbers will increase pressure on the Museum's facilities and staff.</p> <p>While the Court House has been temporarily repaired post-quakes to allow for staff and public occupancy, substantial sub-floor repairs are still required. The repair of Langlois-Eteveneaux House, including reconstruction of the chimney, is included in the Facilities Rebuild Heritage Programme, but the Customs House repair, which involves reconstruction of interior earth linings, is not yet programmed. All three buildings are showing signs of lack of maintenance.</p> <p>Banks Peninsula has iwi, regional and national historical significance, particularly in the 1830-1850 period. Akaroa Museum will continue its activities relating to the collection and preservation of Banks Peninsula history. In these activities it serves the Banks Peninsula community and the wider city, as many Christchurch residents have holiday houses in the area, family links to the Peninsula, or regularly visit for recreation. A relatively new collections store provides safe spaces for collections not on display, but current operational budgets do not provide for conservation of the collection nor is there capital funding available for acquisitions. These deficiencies impact on the Museum's ability to responsibly care for and grow its collection.</p> |
| <p><b>CCC support for Okain's Bay Museum and Lyttelton Historical Society</b></p>  | <p>For the last few years \$10k + \$5k has been paid from Museums budget for support of Okain's Bay Museum and the Lyttelton Historical Society respectively.</p> <p><b>It is recommended that this responsibility shift to Community Grants, with both organisations applying for and reporting on how their grant is spent.</b> This will both enable to application of quality standards to the applicant organisations and reinforce their ability to demonstrate value for money to their funders.</p>   |

## 2 Proposed changes to activity

Considerable building renovations are envisaged for the Akaroa Museum in the forthcoming year, which may affect its ability to remain open to the public. However, collections care and cataloguing will continue as well as planning for re-opening, and standard family history enquiries, etc. No changes are envisaged to levels of activity following its repair, visitor expectations will be recalibrated after a further three years of operation.

**Table 2-1 Proposed changes to activity**

| Key Change  | Reason  | Level of significance? What investigations are needed?   | Options for consultation and engagement |
|---|---|--|---|
| <p>It is proposed that the Canterbury Museum operational levy be reduced over the next three years. For the next three years the levy grows by 5% each year. It is proposed that the Canterbury Museum still receive inflation at around 2.9% but will not receive the full 5% per year increase.</p> | <p>This will align it with the required 2% per year savings that internal City Council activities are required to make.</p> | <p>The levies proposed in the draft Annual Plan may be objected to by the Christchurch City Council or two or more of the remaining contributing authorities and if an objection is received the Board must convene a meeting. The Christchurch City Council or not less than three other contributing authorities may resolve that the levy be reduced to an amount which is not less than the total levy made in respect of the previous year. The proposed levies are binding on the four contributing authorities, unless the CCC or 3 of the other contributing authorities resolve to hold the levies. (section 16 of Canterbury Museum Trust Board Act 1993).</p> | <p>Advise Canterbury Museum.</p>        |



| Key Change  | Reason  | Level of significance? What investigations are needed?  | Options for consultation and engagement  |
|---|---|---|--|
| Alignment of grants for Okain's Bay Museum and Lyttelton Historical Society with wider CCC grants system. | Currently the Museums budget (basically that for Akaroa Museum) pays \$15k of support grants annually to both these organisations which are run completely independently of Council. Neither organisation applies nor reports on how this public funding is used. This is considered an inappropriate way to distribute public funding and it is recommended that applications be made in future to the Community Grants Fund and reports provided annually to account for this distribution. | No further investigations, though a letter explaining the change will need to be written to both parties. | Consultation not needed. Indeed this would ensure a better alignment with other funds distributed. |

## 3 Activity description

### 3.1 Focusing on what we want to achieve

Council undertakes activities in order to deliver on the community outcomes for Christchurch. The outcomes that relate most directly to the management of Canterbury and Akaroa Museums are:

- The central city is used by a wide range of people and for an increasing range of activities
- Arts and culture thrive in Christchurch
- The city's identity is enhanced by its buildings and public spaces
- The city's heritage and taonga are conserved for future generations
- Cultural and ethnic diversity is valued and celebrated

### 3.2 How we will know we are achieving the outcomes

We will know we are achieving the above outcomes when we see the following results:

- The **history and heritage** of Akaroa and Banks Peninsula **is retained**, displayed and shared **through the preservation, research and display of materials** at the Akaroa Museum.
- The **Canterbury Museum levy is distributed**.

The activities that follow in section 4 and the levels of service within them are all linked to the above results to ensure Council stays focused on moving towards the community outcomes. This link aims to confirm why we are doing the activities – that they will realistically move us closer to our goals – and that service delivery remains relevant to strategic direction.

### 3.3 What services we provide

This activity includes the following services:

- Operate the Akaroa Museum
- Hold and distribute the Canterbury Museum levy

As required by the Canterbury Museum Trust Board Act 1993, Council provides funding by way of a levy on ratepayers to the Canterbury Museum to enable it to develop and maintain its heritage collections, conduct research, and offer visitor and educational programmes.

Council operates the Akaroa Museum which consists of a cluster of facilities, including three heritage buildings and a collections store completed in 2009. Parts of Akaroa Museum have been closed to visitors as a result of the earthquake events, although the reception area and shop, and the two heritage buildings flanking the entrance have been accessible again since July 2013. Detailed Engineering Evaluations have been completed for the various Museum buildings and strengthening and repair works are underway. The work has been designed to have minimal impact on the operation of the Museum. Work has yet to begin on the strengthening and repair of the customs house.

When it returns to normal, Akaroa Museum will resume full provision of the following services:

- Develop, maintain and provide access to collections of significance to Banks Peninsula;
- Provide a programme of changing exhibitions and events for visitors and the local community;
- Operate the Museum buildings, including heritage buildings.

### Growth

Based on the documented steady rise in visitors to Akaroa Museum over the past thirty years it is certain that the level of demand on facilities and services will grow. However, the Museum has expanded to fill its corner site and has no options for expanding its footprint further. The Museum is likely to continue to experience increased demand due to the diversion of cruise liners from Lyttelton to Akaroa that will lead to increased wear and tear at its facilities. This has been considered when formulating the LTP budgets.

## Legislative

The council has legislative responsibilities under the LGA.

### 3.4 Benefits and Funding Sources

#### Who Benefits?

Customers include:

- committed regular and returning visitors;
- supporters of the Museums (Friends, members, etc.);
- people in Christchurch and Canterbury interested in and receptive to the activities of the museums;
- national and international tourists and visitors to Christchurch and Akaroa;
- primary, secondary and tertiary teachers and students;
- researchers, professional colleagues and the museum sector (local, national and international);
- key funding stakeholders and donors.

| Who benefits?                      |      |
|------------------------------------|------|
| Individual                         |      |
| Identifiable part of the community |      |
| Whole community                    | Full |

#### Explanatory Comments:

Museums are storehouses of cultural history. Canterbury Museum has a regional focus, Akaroa Museum a local focus. Through the activities of collecting, documenting, interpreting, exhibiting and researching the objects related to our communities' histories, the city's museums contribute to cultural identity and social cohesion, enriching the lives of present and future communities.

Through the same activities, museums enhance the experience of visitors to the wider city, assisting their understanding of the influences that have shaped communities. Strong visitor numbers to both Canterbury and Akaroa Museums emphasise the important place they have in the city's tourist infrastructure and the resulting contribution they make to economic wellbeing.

#### Who pays?

| Funding - Fees / User Charges | Other revenue Grants & Subsidies | General rate | Targeted rate |
|-------------------------------|----------------------------------|--------------|---------------|
| 0%                            | 0%                               | 100%         | 0%            |
|                               |                                  | Full         |               |

Note, Funding Split % is derived from the 'Summary of Cost for Activity' (section 13).

| Key:     |   | Typically |
|----------|---|-----------|
| Full     | All or almost all the cost is funded from that source. If the comment is made in the general or targeted rate columns it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the fund. | 95%+      |
| Majority | The majority of the activity is funded from this source.  | 50%+      |
| Some     | Some revenue is derived from this source.   | <50%      |

Does this Activity generate surplus funds that can be applied to other areas? **No**

**Explanatory Comments:**

Akaroa Museum is majority funded from general rates. It generates more than 5% of its operating costs from donations, grants and retail activities. Entry to the Museum has been free since 2014, following a Council decision to remove the admission charge.

Council's contribution to Canterbury Museum is fully funded from rates.

### **3.5 Key legislation and Council strategies**

Canterbury Museum Trust Board Act, 1993, Local Government Act 2002 (schedule 10), Christchurch City Plan, Building Act, Facilities Rebuild Project framework/delegations

## 4 Levels of service and performance measures

Table 4-1

| Performance Standards Levels of Service<br>(we provide) | Results<br>(Activities will contribute to these results, strategies and legislation) | Method of Measurement (We will know we are meeting the level of service if.....) | Current Performance   | Benchmarks                                     | Future Performance (targets)  |   |   | Future Performance (targets) by Year 10<br>2024/25  |  |
|---|--|--|---|--|---|---|---|---|--|
|   |  |  |   |  | Year 1  | Year 2  | Year 3  |   |  |
|   |  |  |   |  | 2015/16   | 2016/17   | 2017/18   |   |  |
| <b>Hold and distribute the Canterbury Museum levy</b>   |  |  |   |  |   |   |   |   |  |
| 3.3.1   | Administer the Canterbury Museum levy and report on annual plan targets              |  | Council receives the Annual Report of the Canterbury Museum Board. 2012-13 annual plan target visitors pa: 500,000 (from 2 Sept 2012/16 April 2013 = 334,000 visitors recorded)<br><br>Percentage of visitors who rate their experience as good, very good or excellent:<br>90% or better (2011/12 = 95%) | CCC levy provided as per statutory requirement | This is a legal requirement for Auckland, Christchurch and Dunedin City Councils in line with legislation at the time all 3 metropolitan museums were established; metropolitan museums (i.e. Te Papa) are managed by independent boards. | <b>3.3.1.1</b><br>Maintain:<br>Canterbury Museum levy funding paid as required.<br><i>Non-LTP</i> | <b>3.3.1.1</b><br>Maintain:<br>Canterbury Museum levy funding paid as required.<br><i>Non-LTP</i> | <b>3.3.1.1</b><br>Maintain:<br>Canterbury Museum levy funding paid as required.<br><i>Non-LTP</i> | <b>3.3.1.1</b><br>Maintain:<br>Canterbury Museum levy funding paid as required.<br><i>Non-LTP</i><br><br><b>3.3.1.2</b><br>Canterbury Museum annual plan targets reported. |
| <b>Operate the Akaroa Museum</b>                        |  |  |   |  |   |   |   |   |  |

| Performance Standards Levels of Service<br>(we provide) |                                     | Results<br>(Activities will contribute to these results, strategies and legislation) | Method of Measurement (We will know we are meeting the level of service if.....)  | Current Performance   | Benchmarks   | Future Performance (targets) |              |              | Future Performance (targets) by Year 10<br>2024/25 |   |
|---|-------------------------------------|--|---|---|--|------------------------------|--------------|--------------|--|---|
|   |                                     |  |   |   |  | Year 1                       | Year 2       | Year 3       |  |   |
|   |                                     |  |   |   |  | 2015/16                      | 2016/17      | 2017/18      |  |   |
| 3.3.2   | Visitors per annum to Akaroa Museum | The local history and heritage of Akaroa and BP is displayed and shared.             | <p>Door count by staff at front desk</p> <p>While the performance targets for visitors to Akaroa Museum are set at +/- 5% of the average over 3 years prior to the earthquakes, this may well increase due to the removal of the admission charge. Adjustments made during the next LTP period will become more relevant.</p> <p><b>Dependency:<br/>Museum open</b><br/>LoS pro-rated from time of full re-opening.</p> | <p>2013/14: 11,310<br/>2012/13: 471 visitors off-site (closed)<br/>2011/12: 14,424<br/>2010/11: 12,672<br/>2009/10: 16,291</p> <p>Average no. of visitors<br/>2007/12:<br/>15,343 per annum</p> | <p>South Canterbury Museum, Timaru (free admission): 19,700 visitors</p> <p>Hokitika Museum (admission charge): 12,000</p> | <b>3.3.2</b>                 | <b>3.3.2</b> | <b>3.3.2</b> | <b>3.3.2</b>                                       | Upward trend in Visitors per annum within a range of +/- 5% of the average of the last 5 years. |
| 3.3.3   | Hours of opening at Akaroa Museum   | The local history and heritage of Akaroa and BP is shared.                           | <p>Akaroa Museum is open 6 hours daily in summer, 5.5 hours daily in winter, 364 days pa.<br/>To extend hours would require increased staffing levels. Akaroa Museum's approved staffing level = 3.5 FTE (compared with SCM: 6 &amp; HM: 2.9 FTE).</p> <p><b>Dependency:<br/>Museum open</b><br/>LoS pro-rated from time of full re-opening.</p>  | <p>2013/14: tbc<br/>2012/13: 0 hrs<br/>2011/12: 2035hrs<br/>2010/11: 2038hrs<br/>2009/10: 2188hrs</p>   | <p>South Canterbury Museum, Timaru: 1560 hours pa (min)</p> <p>Hokitika Museum: 2551 hrs pa</p>                            | <b>3.3.3</b>                 | <b>3.3.3</b> | <b>3.3.3</b> | <b>3.3.3</b>                                       | Minimum of 2,093 opening hours per annum.   |

| Performance Standards Levels of Service<br>(we provide) |   | Results<br>(Activities will contribute to these results, strategies and legislation)            | Method of Measurement (We will know we are meeting the level of service if.....)  | Current Performance  | Benchmarks  | Future Performance (targets)  |   |   | Future Performance (targets) by Year 10<br>2024/25  |
|---|---|---|---|--|---|---|---|---|---|
|   |   |   |   |  |   | Year 1  | Year 2  | Year 3  |   |
|   |   |   |   |  |   | 2015/16   | 2016/17   | 2017/18   |   |
| 3.3.4   | Exhibitions presented                   | The local history and heritage of Akaroa and BP is displayed and shared.                        | Akaroa Museum develops and presents a programme of changing exhibitions based on its collections, telling local stories.<br><br><b>Dependency:</b><br><b>Museum open</b><br>LoS pro-rated from time of full reopening.  | Average exhibitions presented 2006/11: 4 pa                                      | South Canterbury Museum, Timaru: 4-7 pa<br>Hokitika Museum: 1-2 pa  | <b>3.3.4</b><br><br>No fewer than 2 exhibitions presented pa                                    | <b>3.3.4</b><br><br>No fewer than 2 exhibitions presented pa                                    | <b>3.3.4</b><br><br>No fewer than 2 exhibitions presented pa                                    | <b>3.3.4</b><br><br>No fewer than 3-4 exhibitions presented pa                                  |
| 3.3.5   | Cost of providing Akaroa Museum service | The local history and heritage of Akaroa and BP is displayed and shared in a cost-effective way | Prior to 2010-11, the Akaroa Museum's cost per visitor was under or around the \$15.00 pa target, but it has not been possible to maintain this with the new (and essential) collection manager's position being filled following completion of the collection storage building.<br><br><b>Dependency:</b><br><b>Museum open.</b><br>LoS pro-rated from time of full reopening. | 2013/14: \$26.00<br><br>2011/12: \$21.30<br>2010/11: \$26.01<br>2009/10: \$13.28 | <i>South Canterbury Museum, Timaru \$22 (est)</i><br><i>Hokitika Museum \$19 (est)</i><br><br><i>Reliable benchmarking data not available</i> | <b>3.3.5</b><br><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 | <b>3.3.5</b><br><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 | <b>3.3.5</b><br><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 | <b>3.3.5</b><br><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 |

| Performance Standards Levels of Service<br>(we provide) |   | Results<br>(Activities will contribute to these results, strategies and legislation) | Method of Measurement (We will know we are meeting the level of service if.....)   | Current Performance   | Benchmarks  | Future Performance (targets)   |  |  | Future Performance (targets) by Year 10<br>2024/25 |
|---|---|--|--|---|---|--|--|--|--|
|   |   |  |  |   |   | Year 1   | Year 2   | Year 3   |  |
|   |   |  |  |   |   | 2015/16  | 2016/17  | 2017/18  |  |
| 3.3.6   | Collections developed and maintained with access provided | The local history and heritage of BP is retained...and preserved                     | <p>Collection safety and asset maintenance are core museum activities. The storage building at Akaroa Museum enhances the museum's ability to provide good access to its collection and its collections will be stored safely and securely whilst the building repairs are underway, with access provided by appointment.</p> <p>The collection manager is making good progress with transferring manual records to an electronic database. However, a proportion of an estimated 12,000 items remains unprocessed. While an independent valuation of the collection has been made, the validity of this will increase as more complete cataloguing information becomes available.</p> <p>The collection of archives has not yet been addressed.</p> | <p>Approx 100 collection items are added pa; at least 98% accessioned to standard within 3 months; and no fewer than 500 records added to database pa.</p> <p>Public enquiries are researched and answered as received (these usually total 80-100 pa).</p> | <p>South Canterbury Museum, Timaru: 175 accessions pa;<br/>Hokitika Museum: 125 accessions pa</p> <p>Documentation benchmarking data not available.</p> | <p><b>3.3.6.1</b><br/>Accessions reported and documentation completed within 3 months of acquisition.</p> <p><b>3.3.6.2</b><br/>Backlog of records and documentation addressed at rate of at least 500 pa.</p> | <p><b>3.3.6.1</b><br/>Accessions reported and documentation completed within 3 months of acquisition.</p> <p><b>3.3.6.2</b><br/>Backlog of records and documentation addressed at rate of at least 500 pa.</p> | <p><b>3.3.6.1</b><br/>Accessions reported and documentation completed within 3 months of acquisition.</p> <p><b>3.3.6.2</b><br/>Backlog of records and documentation addressed at rate of at least 500 pa.</p> |  |



## 5 Review of cost effectiveness - service delivery

The cost-effectiveness of providing the Akaroa Museum service has been established by the benchmarking process in which the Museum's operation is compared to that of two similarly-sized local authority operated museums in the South Island. This ongoing review of cost-effectiveness will be maintained throughout the LTP period.

Our assumption is that Akaroa Museum's activities and service delivery are unlikely to justify the cost of a review beyond that already provided by benchmarking with peers.

This section considers reviews for service delivery.

|   |  |  |  |   |   |   |   |   |
|---|--|--|--|---|---|---|---|---|
| Cost of providing Akaroa Museum service | The local history and heritage of Akaroa and BP is displayed and shared in a cost-effective way. | Prior to 2010-11, the Akaroa Museum's cost per visitor was under or around the \$15.00 pa target, but this has not been possible to maintain this with the new (and essential) collection manager's position being filled following completion of the collection storage building. | 2013/14: \$26.00<br>2011/12: \$21.30<br>2010/11: \$26.01<br>2009/10: \$13.28 | <i>South Canterbury Museum, Timaru \$22 (est)</i><br><i>Hokitika Museum \$19 (est)</i><br><i>Reliable benchmarking data not available</i> | <b>3.3.5</b><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 | <b>3.3.5</b><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 | <b>3.3.5</b><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 | <b>3.3.5</b><br>Average operating cost per visitor to Akaroa Museum of no more than \$21.00 |
|   |  | <b>Dependency: Museum open.</b><br>LoS pro-rated from time of full reopening.  |  |   |   |   |   |   |

### 5.1 Issues, principles and implications

Changes to the Local Government Act now require local authorities to consider their strategy and planning for infrastructure and assets over a 30-year timeframe:

- To provide early warning of investment gaps or risky levels of infrastructure-related expenditure.
- To provide a high level overview of the issues, options and implications, particularly relating to expenditure.
- Must take into account renewal, growth, levels of service changes, health, and resilience to hazards.
- Must cover the 5 mandatory activities, with additional infrastructure as appropriate.
- Has strong links to the Financial Strategy.

## 6 Review of cost-effectiveness - infrastructure delivery

Canterbury Museum is independent of Christchurch City Council, established and operating under its own legislation, but partly funded by council through a levy on city ratepayers.

Akaroa Museum is currently managed by council as part of the Parks, Culture and Leisure portfolio, reporting through the Christchurch Art Gallery. Given the Museum's location on Banks Peninsula, alternative arrangements for infrastructure delivery are very limited. It is considered the Museum's infrastructure is most efficiently run as at present, without the additional costs that would necessarily be associated with other CCO structures.

Selling Akaroa Museum is not a viable option since the collections contained within it are held in trust for the community for preservation into the future. Management of the Museum through an arms-length CCO is not considered a viable option as it would be unlikely to be sufficiently well funded to cover the costs of maintenance, operation and collections care.

| Current Arrangements: Canterbury Museum |                                      |          |                |
|---|--------------------------------------|----------|----------------|
| Governance                              | Funding                              | Delivery | Estimated Cost |
| Trust Board                             | CCC + Selwyn + Waimakariri and other | Grant    | \$             |

| Current Arrangements: Akaroa Museum |         |          |                |
|-------------------------------------|---------|----------|----------------|
| Governance                          | Funding | Delivery | Estimated Cost |
| CCC                                 | CCC     | CCC      | \$             |

| Arrangements that cannot reasonably be changed in next two years |                               |                              |        |
|--|-------------------------------|------------------------------|--------|
| Governed by Legislation  | Contract or binding agreement | Not cost effective to review | Option |
|  |                               |                              |        |

## Assumptions

Council has made a number of assumptions in preparing the Activity Management Plan.

**Table 6-1 Major Assumptions**

| Assumption Type                    | Assumption   | Discussion  |
|------------------------------------|--|---|
| <b>Financial assumptions</b>       | That all expenditure has been stated in 1 July 2011 dollar values and no allowance has been made for inflation.  | The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL).<br>The bitumen cost index is subject to high fluctuations and is difficult to predict and manage.   |
| <b>Asset data knowledge</b>        | That Council has adequate knowledge of the assets and their condition so that the planned renewal works will allow Council to meet the proposed levels of service. | There are several areas where Council needs to improve its knowledge and assessments but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.  |
| <b>Growth forecasts</b>            | That the district will grow as forecast in the Growth Demand and Supply Model (refer to Appendix F).   | If the growth is very different it will have a moderate impact. If higher, Council may need to advance capital projects, if it is lower, Council may have to defer planned works.   |
| <b>Network capacity</b>            | That Council's knowledge of network capacity is sufficient enough to accurately programme capital works.   | If the network capacity is higher than assumed, Council may be able to defer works. The risk of this occurring is low and will have little significance. If the network capacity is lower than assumed, Council may be required to advance capital works projects to address congestion. The risk of this occurring is low; however the impact on expenditure would be significant. |
| <b>Emergency funding</b>           | That the level of funding in these budgets and held in Council's disaster fund reserves will be adequate to cover reinstatement following emergency events.        | Funding levels are based on historic requirements. The risk of requiring additional funding is moderate and may have a moderate effect on planned works due to reprioritisation of funds.<br>Note, this assumption may need to be revised once the costs of the December 2011 heavy rain event are known.   |
| <b>Timing of capital projects</b>  | That capital projects will be undertaken when planned.   | The risk of the timing of projects changing is high due to factors like resource consents, funding and land purchase. Council tries to mitigate these issues by undertaking the consultation, investigation and design phases sufficiently in advance of the construction phase. If delays are to occur, it could have significant effects on the level of service.                 |
| <b>Funding of capital projects</b> | That the projects identified for subsidies will receive subsidy at the anticipated levels.   | The risk of Council not receiving project subsidy is high due to the current NZTAs criteria. If subsidies are not secured it may have significant effect on the levels of service as projects may be deferred due to lack of funding.   |

## 7 Risk management

**Table 7-1 Significant Risks and Control Measures**

|                            |   |  |
|----------------------------|---|--|
| Damage to collection items | Limited seismic restraint has been provided in the past for collection items, either in storage or on display.        | Improvement of seismic restraints as part of upgrade of exhibitions, ongoing in stores   |
|                            | Appropriate protection of collection items (including well-designed display cases)                                    | New display cases designed and installed as part of long-term exhibition refit during 2015/16.   |
|                            | Carefully locate or position items away from known areas vulnerable to roof leaks                                     | Roof repair is part of current project   |
|                            | Maintain insurance cover for collection   | Ongoing  |
|                            | Gradual, cumulative damage to collection objects due to fluctuating temperature and humidity within museum buildings. | Improvements to internal environment will result from installation of climate control system as part of Museum's rejuvenation project.   |
| Security against theft     | Provide security measures which are appropriate for the facility and the collection                                   | Existing after-hours monitored security system maintained.   |
|                            |   | CCT cameras operate in public spaces during opening hours.   |
|                            |   | Continual awareness by staff and ongoing review and evaluation of practice to improve security.  |
| Fire Prevention            | Akaroa Museum lacks fire sprinkler system   | Other fire prevention/control methods employed, including use of non/low flammable finishes and furniture; continued use of 24 hour monitored smoke detection system; hand-held fire-fighting equipment installed throughout building. |

## 8 Improvement plan

Akaroa Museum has embarked on a substantial repair project following the Canterbury earthquakes. After detailed engineering reports found many parts of the Museum to be below Council's threshold for occupancy, the Museum was closed in June 2012. Temporary repairs carried out in 2013 allowed for a partial reopening, but most of the Museum's exhibitions spaces remained closed, awaiting strengthening. Repair and strengthening began in 2015, work which will bring buildings up to 67% of NBS.

The Museum's closure provided an opportunity to take stock of buildings, spaces, collections and services. Roofs will be renewed over a substantial part of the Museum, eliminating leaks which have been troubling staff for years. A climate control system will be installed to provide improved conditions for collections (both in storage and on display) and more comfort for visitors. Finally, new long-term exhibitions will be developed and installed, if necessary, sequentially as funding become available. These will focus on the unique stories of Banks Peninsula and the people who lived there.

## 9 Operations, maintenance and renewals strategy

### 9.1 Operations and maintenance

Council provides an integrated operations and maintenance works programme which is tailored to maintain and preserve the integrity and value of the Akaroa Museum facility. Now that the scope of work of the current repair and strengthening project has been approved, the content of the works programme will be revisited to better define the content and timing of work ensuring good value-for-money.

The operational budget which was prepared for the LTP has been included as Attachment 1. This enabled us to optimise the works programme to reflect the current needs in a limited operational state in a cost-effective manner.

Planned works for buildings such as painting and other maintenance have been deferred since 2010, pending damage and strengthening assessments. This has resulted in a backlog of deferred maintenance work which will need to be addressed over the LTP period. LTP budgets have allowed for this. Due to the deferral of the planned work programme, reactive maintenance is likely to cost more and budgets have been adjusted to reflect this, diminishing in the later years of the LTP as the properties return to normal levels of service.

### 9.2 Renewals

A number of renewals and enhancements will be wrapped into a larger project, Akaroa Museum Rejuvenation. This project will address deferred maintenance and renewals and allow the Museum to provide an environment for its collections that better align with professional museum standards.

Concurrent with earthquake repair and strengthening, roofs will be replaced and rationalised; climate control will be installed throughout the building, enhancing the Museum's ability to provide good care for collections while in storage and on display; and long-term exhibitions will be developed and installed, a project necessitated by the complete removal of existing displays to allow for strengthening and repair.

The Capital Expenditure schedule contained in the LTP has assumed that this project would be approved. This schedule is included as Attachment 2

## 10 Key projects

Table 10-1 details the key capital and renewal work programmed for years 2015 to 2025.

**Table 10-1**

| Project Name             | Description   | Year 1 (\$) | Year 2(\$) | Year 3 (\$) | Years 4-10 (\$) | Project Driver |
|--------------------------|---|-------------|------------|-------------|-----------------|----------------|
| <b>Canterbury Museum</b> | This major project planned during the current LTP timeframe will depend on Canterbury Museum's ability to both fund-raise externally and successfully manage the project.<br><b>Note:</b> Canterbury Museum is not the responsibility of Council, although councillors sit on its Trust Board. It is independently managed under an Act of Parliament to ensure its independence. |             |            |             |                 |                |
| <b>Akaroa Museum</b>     | This project includes installation of climate control throughout the Museum; earthquake repair and strengthening; roof replacement and rationalisation; and the development and installation of new long-term exhibitions.  |             |            |             |                 |                |

Note: G = Growth, LoS = Levels of Service, R = Renewal

1 See Appendix F for a full detailed list of new capital works projects driven by growth and/or an increase in level of service.

2 See Appendix I for a full detailed list of renewal projects.

## 11 Summary of cost for Museums activity

Figure 11-1

| ARTS & CULTURE - MUSEUMS               |                                 |               |               |               | Funding splits exclude EQ Costs from all calculations                                |                                |                       |                   |                    |                                 |  |
|--|---------------------------------|---------------|---------------|---------------|--|--------------------------------|-----------------------|-------------------|--------------------|---------------------------------|--|
|  | Funding Caps in 2015/16 Dollars |               |               |               | Benefit<br>identifiable parts of the<br>community, whole<br>community or individuals | Funding -<br>User Charges<br>% | Other<br>revenue<br>% | General rate<br>% | Targeted rate<br>% | Period of<br>Benefit<br>(years) | Comments   |
|  | 2014/15<br>Annual<br>Plan       | 2015/16       | 2016/17       | 2017/18       |  |                                |                       |                   |                    |                                 |  |
|  | 000's                           |               |               |               |  |                                |                       |                   |                    |                                 |  |
| <b>Operational Budget</b>              |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |
| Canterbury Museum Levy                 | 6,989                           | 11,091        | 15,043        | 10,926        |  |                                |                       |                   |                    |                                 | The benefits from the museums are a mixture of both private and public. There is a private benefit to the museum patrons from the opportunity to attend exhibitions. There is public benefit to the community in the preservation of cultural heritage, natural history and the contribution of the museums to the cultural identity and social cohesion of the community is also a significant benefit. |
| Akaroa Museum                          | 413                             | 445           | 444           | 439           |  |                                |                       |                   |                    |                                 |  |
| <b>Activity Costs before Overheads</b> | <b>7,402</b>                    | <b>11,536</b> | <b>15,488</b> | <b>11,366</b> |  |                                |                       |                   |                    |                                 |  |
| Earthquake Response Costs              | -                               | -             | -             | -             |  |                                |                       |                   |                    |                                 |  |
| Corporate Overhead                     | 399                             | 597           | 798           | 557           |  |                                |                       |                   |                    |                                 |  |
| Depreciation                           | 79                              | 82            | 80            | 80            |  |                                |                       |                   |                    |                                 |  |
| Interest                               | -                               | -             | -             | -             |  |                                |                       |                   |                    |                                 |  |
| <b>Total Activity Cost</b>             | <b>7,880</b>                    | <b>12,215</b> | <b>16,365</b> | <b>12,003</b> |  |                                |                       |                   |                    |                                 |  |
| <b>Funded By:</b>                      |                                 |               |               |               | <u>% splits:</u>   |                                |                       |                   |                    |                                 |  |
| Fees and Charges                       | 25                              | 26            | 26            | 26            | Description:   | 0% Availability                | 0%                    | 100% Residual     | 0%                 |                                 |  |
| Grants and Subsidies                   | 2                               | 2             | 2             | 2             |  |                                |                       |                   |                    |                                 |  |
| Earthquake Recoveries                  | -                               | -             | -             | -             |  |                                |                       |                   |                    |                                 |  |
| <b>Total Operational Revenue</b>       | <b>27</b>                       | <b>28</b>     | <b>28</b>     | <b>28</b>     |  |                                |                       |                   |                    |                                 |  |
| <b>Net Cost of Service</b>             | <b>7,853</b>                    | <b>12,187</b> | <b>16,337</b> | <b>11,975</b> |  |                                |                       |                   |                    |                                 |  |
| <b>Funded by:</b>                      |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |
| Rates                                  | 7,853                           | 12,187        | 16,337        | 11,975        |  |                                |                       |                   |                    |                                 |  |
| Earthquake Borrowing                   | -                               | -             | -             | -             |  |                                |                       |                   |                    |                                 |  |
|  | <b>7,853</b>                    | <b>12,187</b> | <b>16,337</b> | <b>11,975</b> |  |                                |                       |                   |                    |                                 |  |
| <b>Capital Expenditure</b>             |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |
| Earthquake Rebuild                     |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |
| Renewals and Replacements              |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |
| Improved Levels of Service             |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |
| Additional Demand                      |                                 |               |               |               |  |                                |                       |                   |                    |                                 |  |

Note: Budget is increased for 3 years from 2015/16 with an operational contribution towards the capital works at the Canterbury Museum, split a quarter in 2015/16 and 2017/18 and half in 2016/17.

Figure 11-2

