Henderson-Massey Local Board

OPEN MINUTE ITEM ATTACHMENTS

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Arts Community and Events venue partners interim service approach

File No.: CP2020/07952

Te take mō te pūrongo
Purpose of the report
1. To seek approval for an interim service approach for Arts Community and Events venue partners for 1 July 2020 to 30 September 2020.

Whakarāpopototanga matua
Executive summary
2. More than half of the Arts Community and Events (ACE) venues portfolio is managed by 122 partners.
3. Fifty-five of these partners (including seven of Henderson Massey's ten partners) have contracts and funding agreements that expire on 30 June 2020.
4. Key concerns for these partners are:
   - the council’s expectation of service delivery from 1 July 2020
   - levels of activity they should be delivering
   - funding availability
   - their responsibilities as employers.
5. The recommended approach is, firstly, a clarification that services should continue from 1 July 2020 to 30 September 2020.
6. Secondly, it is to ensure a sustained level of service from the ACE venues portfolio while Emergency Budget deliberation is underway.
7. Finally, it is to provide a pro rata interim payment (12 weeks of the annual amount) covering the first quarter of FY 2020/2021, to ensure the above can be delivered.

Ngā tūtohunga
Recommendation/s
That the Henderson Massey Local Board:
a) approve interim payments be made to:
   i) Corban Estate Arts Centre for $145,695 plus CPI
   ii) Pacifica Arts Centre for $39,170 plus CPI
   iii) Waitakere Central Community Arts Centre for $12,397 plus CPI
   iv) Manutewhau Community Hub for $15,086 plus CPI
   v) Massey Community Hub for $13,567 plus CPI
b) note the proposed interim payments to:
   i) Glendene Community Hub for $15,051 plus CPI
   ii) Henderson Youth Facility for $41,942 plus CPI
   iii) Hub West/MacLaren Park Community House for $41,942 plus CPI.
Horopaki Context

8. Auckland Council provides spaces in the community where all Aucklanders can come together to do things that interest them, stretch themselves, have fun, participate, connect, interact, discover new things and learn about each other.

9. There is an Arts Community and Events (ACE) venue in almost every neighbourhood across Auckland, and the ACE team ensures this diverse portfolio – including community centres, community art galleries, theatres and both rural and urban community halls – is delivering for local communities.

10. This portfolio contains more than 240 ACE Venues with 122 partners managing over half of these on behalf of the council.

11. These partnerships are managed with a variety of contracts and agreements in place and funding of over $8m per annum, in addition to in-kind support and resources, including asset provision.

12. To help protect Aucklanders during the COVID-19 response, Auckland Council made the decision to temporarily close the Arts, Community and Events venues including community centres, community art galleries, theatres and venues for hire and to support its partners to do the same.

Partner Insights

13. Staff have continued to be in close contact with ACE venue partners through all Alert Levels to answer queries where possible and offer support to their decision-making where appropriate, including:
   - varying contracts to explicitly relieve them of responsibilities under their contracts and funding agreements, as they could not deliver their service under Alert Level Four or Three
   - prioritising final contract payments due in Q3 and Q4 of the current financial year
   - supporting the reopening of venues at Alert Level Two, including implications of group and capacity restrictions.

14. Staff surveyed ACE venue partners during this time to gather insights on the impacts of COVID-19. Key considerations for partners were:
   - financial security, including uncertainty of funding that might be available in FY 2020/2021
   - concern about their ability to continue to pay staff and deliver expected services and programmes to their local communities.

15. Fifty-five of these 122 partners have contracts and funding agreements that expire on 30 June 2020.

16. From survey results and subsequent conversations with partners, the key concerns being are as follows.
   - Are they expected to open and deliver services from 1 July 2020?
   - What level of service should they be delivering?
   - What funding is available for them to continue to deliver services?
   - Concerns regarding their responsibilities as employers.

17. While our ACE venue partners are aware that the Emergency Budget consultation and deliberation is underway, a number have notified us that without an arrangement they may have to suspend services until the Emergency Budget is adopted and implemented in August 2020.

18. Staff are also aware of concerns raised by local board members and these were discussed in workshops when ACE staff visited local boards to discuss facility reopening plans over the last month.
Tātaritanga me ngā tohutohu
Analysis and advice

Interim service delivery support

19. The recommended approach is to clarify that services should continue from 1 July 2020 to 30 September 2020, ensuring a sustained level of service from the ACE venues portfolio while Emergency Budget deliberation is happening.

20. In consultation with Auckland Council’s Commercial & Finance and Legal departments, staff have determined that the best approach to both sustain service and to address the level of uncertainty that exists with ACE venue partners is to provide interim funding covering the first quarter of FY 2020/2021.

21. To do this will require a pro rata interim payment (12 weeks of the annual amount).

22. Interim funding will enable ACE venue partners to operate throughout July, August and September. In August 2020, after local boards approve their work programmes staff will make contract/grant payments for the balance of approved funding to partners for the remaining quarters of FY 2020/2021.

23. For the Henderson Massey Local Board area the partnerships under consideration are:

<table>
<thead>
<tr>
<th>ACE venue partner</th>
<th>Interim payment amount +CPI</th>
<th>Annual contract amount</th>
<th>Funding mechanism</th>
<th>Expiry</th>
<th>Budget source</th>
<th>Key relationship holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corban Estate Arts Centre</td>
<td>145,695</td>
<td>582,778.00</td>
<td>FA*</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>Pacifica Arts Centre (based at CEAC)</td>
<td>39,170</td>
<td>156,679.00</td>
<td>FA</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>Waitakere Central Community Arts Centre (based at CEAC)</td>
<td>12,397</td>
<td>49,586.00</td>
<td>FA</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>Manurewa Community Hub (West Harbour Community Hub)</td>
<td>15,066</td>
<td>60,264</td>
<td>CCMA**</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Massey Community Hub</td>
<td>13,567</td>
<td>54,268</td>
<td>FA</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Ranui Community House</td>
<td>13,451</td>
<td>53,808</td>
<td>SA***</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Sturges West Community House</td>
<td>10,070</td>
<td>40,280</td>
<td>FA</td>
<td>FY20</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
</tbody>
</table>

24. The following partnership agreements for the Henderson Massey Local Board area are supported by multi-year agreements that are in-train. Staff are working closely with these partners to arrange interim quarterly payments.

<table>
<thead>
<tr>
<th>ACE venue partner</th>
<th>Interim payment amount +CPI</th>
<th>Annual contract amount</th>
<th>Funding mechanism</th>
<th>Expiry</th>
<th>Budget source</th>
<th>Key relationship holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glendene Community Hub</td>
<td>15,051</td>
<td>60,204</td>
<td>CCMA</td>
<td>FY22</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Henderson Youth Facility</td>
<td>41,942</td>
<td>167,771</td>
<td>FA</td>
<td>FY22</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Hub West/McLaren Park Community House</td>
<td>23,406</td>
<td>93,625</td>
<td>FA</td>
<td>FY21</td>
<td>ABS opex</td>
<td>Community Places</td>
</tr>
</tbody>
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*FA – Funding agreement
**CCMA – Community Centre Management Contract

Arts Community and Events venue partners interim service approach
25. Staff are aware of the concerns this uncertainty is causing ACE venue partners and have advised them in writing that this approach will be brought to local boards as governors of local facilities and locally funded services.

26. This approach requires a commitment to advance funding for the first quarter of FY 2020/2021 ahead of the Emergency Budget approval and decisions to finalise local board work programmes for FY 2020/2021.

27. Options for consideration by the board are:

<table>
<thead>
<tr>
<th>Option</th>
<th>Option one</th>
<th>Option two</th>
<th>Recommended Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Defer funding decision until the Emergency Budget is confirmed</td>
<td>Allocate interim partial payment</td>
<td>Allocate full pro rata 12 weeks payment</td>
</tr>
<tr>
<td>Action</td>
<td>No interim payment is made</td>
<td>A payment of less than pro rata amount is made at a later date</td>
<td>An interim payment can be made early July</td>
</tr>
<tr>
<td>Implications</td>
<td>Possible suspension of services</td>
<td>Negotiations on level of service and new Key Performance Indicators would need to be entered into for the first quarter</td>
<td>Service is sustained at current level – doors remain open</td>
</tr>
<tr>
<td></td>
<td>Risk of those partners not being able to reopen</td>
<td>New contracts generated and agreed</td>
<td>The impact of different funding scenarios can then be workshopped with board and partners as the Emergency Budget is considered</td>
</tr>
</tbody>
</table>

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

28. ACE venues can have a positive climate impact as they enable people to connect, participate and recreate locally without having to travel long distances. They help foster a sense of community and contribute positively to people’s views of where they live.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

29. Auckland Council provides fair, easy and affordable access to safe and welcoming venues through the Arts, Community and Events department of the Customer and Community Directorate.

30. The Community Places and Arts and Culture units manage the relationship and contracts with ACE venue partners.

31. Subject to the outcome of this decision, staff will work with Community Facilities to manage implications for council-owned assets.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**

**Local impacts and local board views**

32. A number of local board workshops were conducted through May and early June 2020 on the Auckland Council approach to COVID-19 Level 2 and the phased reopening of local community facilities.
33. During these workshops local boards:
   - were informed the majority of ACE venue partners reopened promptly at Level Two
   - expressed an interest in the status of ACE venue partner delivery and FY2020/2021 funding
   - considered additional funds due to marked loss in revenue from classes and bookings.

### Tauākī whakaaweawe Māori

#### Māori impact statement
34. Art Community and Events venues support diverse, equitable, and affordable access to spaces to all Aucklanders, including Māori.

### Ngā ritenga ā-pūtea

#### Financial implications
35. This approach requires a total commitment of $571,016 from the Henderson Massey Local Boards Asset Based Services opex funding in advance of the Emergency Budget approval and decisions to finalise local board work programmes for FY 2020/2021.
36. $249,416 is interim payments to the seven partners with contracts and funding agreements that expire on 30 June 2020.
37. $321,600 is the total annual amount for the in-train agreements for the other three partners.
38. This total amount will not be available for reallocation in future FY 2020/2021 decision making.<Enter text>

### Ngā raru tūpono me ngā whakamaurutanga

#### Risks and mitigations
39. Risks associated with this decision and mitigations are:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A decision could preempt significant budgetary decisions</td>
<td>This is an interim approach, consistent with the council’s managed provision in this portfolio</td>
</tr>
<tr>
<td>The recommended approach may not provide sufficient surety for partners</td>
<td>Staff will communicate with partners and inform them of the Emergency Budget consultation process</td>
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### Ngā koringa ā-muri

#### Next steps
40. Subject to local board approval, staff will organise agreements and payments to partners no later than mid-July 2020.
41. Staff will continue to work with these partners to assess the impact of different funding scenarios, if any, to funding levels, service delivery, outcome areas, or key performance indicators for the remainder of FY 2020/2021. This will inform discussions on local board work programmes once the Emergency Budget has been approved.
Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Authors</th>
<th>Kat Teirney - Team Leader – Community Facilities, South</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Graham Bodman - General Manager Arts, Community and Events</td>
</tr>
<tr>
<td></td>
<td>Glenn Boyd - Relationship Manager Henderson-Massey, Waitakere Ranges, Whau</td>
</tr>
</tbody>
</table>
Chris Carter - Chair’s Report for June 2020

Nga mihi nui ki a koutou

During the last month, Local Board members and Council staff have been engaged in contingency planning regarding how we might best respond to any Auckland City Council budget cuts that have to be made as a result of the economic impact of the COVID 19 pandemic. Residents will be aware that the impact of the pandemic on Auckland City Council revenues is likely to be severe. Financial modelling indicates that if the COVID 19 disruption lasts six to twelve months then cash operating revenues for Auckland City will be $450 to $850 million lower than currently budgeted for the next year. Some of this shortfall can be met by delaying large infrastructure projects and support from central government may help. However, some cuts to services would seem inevitable.

The actual amount of revenue from Auckland Council’s total budget spent on the 21 Local Boards is quite tiny compared to the large revenue commitments to public transport, roading, water and other major ticket items. However, all services may face cuts in response to the economic impact of the pandemic.

In the Henderson Massey Local Board discussions so far Board Members have resolved to frame any budget spending decisions on a series of bottom lines. We have agreed that we must:

1. Continue to support our existing community partners, who are delivering very important social, sporting and cultural services to our local community.
2. Ensure that the local community in the Henderson-Massey Board area must continue to have access to local Council services that foster well-being, i.e. local libraries, local community centres etc.
3. We need to ensure that core environmental services are maintained.

Any decisions around cutting existing Local Board support or being unable to support worthwhile new programmes and projects will inevitably mean disappointment for individuals and groups involved. However, despite facing the financial realities of this challenging time, we remain committed to supporting services to our local community as best we can in these difficult circumstances.

I was delighted to see three local residents acknowledged in the recently released Queen’s Birthday Honours. Pravin Kumar has been recognized for his service in support of the local Indian community. Emelita Zee Luisi for her work with local youth and Lisa Woolley for her work as the founding CEO of Vision West. Vision West does invaluable work in providing housing, education, employment, counselling and a food parcel service to many needy West Aucklanders. These individuals and others like them, provide invaluable support to people living in our local area.

I am pleased to report that as we have now entered Phase One of the COVID 19 Response Plan Henderson-Massey Local Board workshops and business meetings will resume in the former Waitakere City Council Chambers from July 2020.

Naku noa na

Chris Carter
Chairman
Henderson-Massey Local Board