Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
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Arts, Community and Events Venue Partners Interim Service Approach

File No.: CP2020/08011

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 five of the eight Waitākere Ranges 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 Waitākere Ranges Local Board:

a) approve interim payments be made to:
   i) McCahon House for $5,540 plus CPI
   ii) Te Uru for $164,489 plus CPI
   iii) Upstairs Art Gallery for $12,397 plus CPI
   iv) West Coast Gallery for $3,836 for CPI
   v) Playhouse Theatre for $4,630 for CPI

b) note the proposed interim payments to:
   i) Glen Eden Community House for $10,280 plus CPI
   ii) Titirangi Community House for $10,070 plus CPI
   iii) Hoani Waititi Marie for $17,262 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 to for the balance of approved funding to partners for the remaining quarters of FY 2020/2021.

23. For the Waitākere Ranges 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>McCahon House</td>
<td>$5,540</td>
<td>$22,158</td>
<td>FA*</td>
<td>FY20</td>
<td>ABS Opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>Te Uru</td>
<td>$164,489</td>
<td>$657,955</td>
<td>FA*</td>
<td>FY20</td>
<td>ABS Opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>Upstairs Art Gallery</td>
<td>$12,397</td>
<td>$49,586</td>
<td>FA*</td>
<td>FY20</td>
<td>ABS Opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>West Coast Gallery</td>
<td>$3,836</td>
<td>$15,342</td>
<td>FA*</td>
<td>FY20</td>
<td>ABS Opex</td>
<td>Arts and Culture</td>
</tr>
<tr>
<td>Playhouse Theatre</td>
<td>$4,630</td>
<td>$18,520</td>
<td>FA*</td>
<td>FY20</td>
<td>ABS Opex</td>
<td>Arts and Culture</td>
</tr>
</tbody>
</table>

24. The following partnership agreements for the Waitākere Ranges Local Board area are supported by multi-year agreements that is 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>Glen Eden Community House</td>
<td>$10,280</td>
<td>$40,280</td>
<td>CCMA**</td>
<td>FY22</td>
<td>ABS Opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Titirangi Community House</td>
<td>$10,070</td>
<td>$40,280</td>
<td>CCMA**</td>
<td>FY22</td>
<td>ABS Opex</td>
<td>Community Places</td>
</tr>
<tr>
<td>Hoani Waititi Marae</td>
<td>$17,262</td>
<td>$69,051</td>
<td>FA*</td>
<td>FY21</td>
<td>ABS Opex</td>
<td>Community Places</td>
</tr>
</tbody>
</table>

*FA – Funding agreement  
**CCMA – Community Centre Management Contract  
***SA - Service Agreement

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>
</tbody>
</table>
| Implications | • Possible suspension of services  
• Risk of these partners not being able to reopen | • Negotiations on level of service and new Key Performance Indicators would need to be entered into for the first quarter  
• New contracts generated and agreed  
• Neither Auckland Council nor ACE venue partners have resources or time to manage this | • Service is sustained at current level – doors remain open  
• The impact of different funding scenarios can then be workedshopped with board and partners as the Emergency Budget is considered |

 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.

35. Programming through Arts Community and Events venues supports Māori outcomes, and showcases work from Māori content creators and artists.

**Ngā ritenga ā-pūtea**  
**Financial implications**

36. This approach requires a total commitment of $340,503 from the Waitākere Ranges 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.

37. $190,892 is interim payments to the seven partners with contracts and funding agreements that expire on 30 June 2020.

38. $149,611 is the total annual amount for the in-train agreements for the other three partners.

39. This total amount will not be available for reallocation in future FY 2020/2021 decision making.

**Ngā raru tūpono me ngā whakamaurutanga**  
**Risks and mitigations**

40. 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>
</tr>
</tbody>
</table>

**Ngā koringa ā-muri**  
**Next steps**

41. Subject to local board approval, staff will organise agreements and payments to partners no later than mid-July 2020.

42. 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>
</table>
| Authorisers | Graham Bodman - General Manager Arts, Community and Events  
Glen Boyd - Relationship Manager Henderson-Massey, Waitākere Ranges, Whau |