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**PALMERSTON NORTH CITY COUNCIL**

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**AGENDA**

**ARTS, CULTURE AND HERITAGE**

**COMMITTEE**

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**9AM, MONDAY 17 JUNE 2019**

COUNCIL CHAMBER, FIRST FLOOR,  
CIVIC ADMINISTRATION BUILDING,  
32 THE SQUARE, PALMERSTON NORTH

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## MEMBERSHIP

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**Rachel Bowen (Chairperson)**

**Jim Jefferies (Deputy Chairperson)**

**Grant Smith (The Mayor)**

**Susan Baty**

**Vaughan Dennison**

**Brent Barrett**

**Karen Naylor**

**Adrian Broad**

**Bruno Petrenas**

**Gabrielle Bundy-Cooke**

**Tangi Utikere**

**Agenda items, if not attached, can be viewed at:**

**pncc.govt.nz | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library**

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**Heather Shotter**

**Chief Executive, Palmerston North City Council**

**Palmerston North City Council**

**W [pncc.govt.nz](http://pncc.govt.nz) | E [info@pncc.govt.nz](mailto:info@pncc.govt.nz) | P 356 8199**

**Private Bag 11034, 32 The Square, Palmerston North**



## **ARTS, CULTURE AND HERITAGE COMMITTEE MEETING**

17 June 2019

### **ORDER OF BUSINESS**

NOTE: The Arts, Culture and Heritage Committee meeting coincides with the ordinary meeting of the Finance and Performance Committee. The Committees will conduct business in the following order:

- Finance and Performance Committee
- Arts, Culture and Heritage Committee

#### **1. Apologies**

#### **2. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

#### **3. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**4. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

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|------------|--|---------|
| <b>5.</b>  | <b>Presentation - New Zealand National Kid's Lit Quiz Final</b>  | Page 7  |
| <b>6.</b>  | <b>Presentation - All Saints Development Project</b>   | Page 9  |
| <b>7.</b>  | <b>Presentation - NZ Rugby Museum</b>  | Page 11 |
| <b>8.</b>  | <b>Confirmation of Minutes</b><br>"That the minutes of the Arts, Culture and Heritage Committee meeting of 15 April 2019 Part I Public be confirmed as a true and correct record." | Page 13 |
| <b>9.</b>  | <b>Maintenance and Renewal Plans and Budgets for Cultural Facilities</b><br>Memorandum, dated 16 May 2019 presented by the Property Manager, Bryce Hosking.                        | Page 21 |
| <b>10.</b> | <b>Review of Asset Renewal Process for the Regent Theatre Trust</b><br>Memorandum, dated 16 May 2019 presented by the Property Manager, Bryce Hosking.                             | Page 31 |
| <b>11.</b> | <b>Military Heritage Update 2018/19</b><br>Memorandum, dated 31 May 2019 presented by the City Planning Manager, David Murphy.   | Page 35 |
| <b>12.</b> | <b>s17A Arts and Culture Review - Consultation on Options</b><br>Report, dated 30 May 2019 presented by the Head of Community Planning, Andrew Boyle.                              | Page 41 |

### 13. Committee Work Schedule

Page 53

### 14. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Chief Infrastructure Officer (Tom Williams), General Manager – Strategy and Planning (Sheryl Bryant), General Manager - Community (Debbie Duncan), Chief Customer and Operating Officer (Chris Dyhrberg), General Manager - Marketing and Communications (Sacha Haskell), Sandra King (Executive Officer) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Executive Leadership Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Committee Administrators (Penny Odell, Rachel Corser and Natalya Kushnirenko), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

*[Add Council Officers]*, because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

*[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

## **PRESENTATION**

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Presentation - New Zealand National Kid's Lit Quiz Final

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### **RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE**

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

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### **SUMMARY**

Representatives of the Palmerston North Intermediate Normal School Lit Quiz team will make a presentation about their success in the New Zealand National Kid's Lit Quiz Final, and their upcoming trip to the Kid's Lit Quiz World Final in Singapore in July.

### **ATTACHMENTS**

Nil



## **PRESENTATION**

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Presentation - All Saints Development Project

**ITEM 6**

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### **RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE**

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

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### **SUMMARY**

Mr John Hornblow will make a presentation regarding the All Saints Development Project.

### **ATTACHMENTS**

Nil



## **PRESENTATION**

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Presentation - NZ Rugby Museum

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### **RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE**

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

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### **SUMMARY**

Stephen Berg will make a presentation to the Committee regarding the work of the New Zealand Rugby Museum.

### **ATTACHMENTS**

Nil



# **PALMERSTON NORTH CITY COUNCIL**

## **Minutes of the Arts, Culture and Heritage Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 15 April 2019, commencing at 9.02am**

**Members Present:** Councillor Rachel Bowen (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Jim Jefferies, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**Non Members:** Councillors Lew Findlay QSM, Lorna Johnson and Duncan McCann.

**Apologies:** Councillor Leonie Hapeta.

### **6-19 Apologies**

Moved Rachel Bowen, seconded Vaughan Dennison.

#### **The COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 6-19 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

### **7-19 Public Comment**

Public Comment was received from the following people regarding the importance of climate change and the Council's role in addressing this:

- Robert Gibb (on behalf of Rachel Andrews)
- Robert Gibb
- Peter Wheeler. Mr Wheeler tabled a document to each Elected Member requesting their signature to show support.

Moved Rachel Bowen, seconded Brent Barrett.

#### **The COMMITTEE RESOLVED**

1. That the public comment be received for information.

Clause 7-19 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian

Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**8-19 Presentation - Val Burr**

Ms Val Burr made a presentation to the Committee regarding the Palmerston North Electric Power Station Society and tabled an informative brochure.

The Society came into existence in 1997. It was noted that there was a lack of wide ranging preservation expertise available and the group would like to have further assistance with activities such as displaying historical items.

There was great interest in the building due to its heritage status and numerous groups had used the building over the years. It was noted that the building was earthquake prone and people were advised to enter at their own risk.

Moved Rachel Bowen, seconded Lorna Johnson.

**The COMMITTEE RECOMMENDS**

Moved Grant Smith, seconded Brent Barrett.

1. That the Arts, Culture and Heritage Committee receive the presentation for information.
2. That the Chief Executive be instructed to consider what support Council can provide to the Palmerston North Electric Power Station Society.

Clause 8-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**9-19 Confirmation of Minutes**

Moved Rachel Bowen, seconded Tangi Utikere.

**The COMMITTEE RESOLVED**

1. That the minutes of the Arts, Culture and Heritage Committee meeting of 11 February 2019 Part I Public be confirmed as a true and correct record.

Clause 9-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**10-19 Cultural CCOs Six Month Reports to December 2018 and Draft Statements of Intent 2019-2022**

Memorandum, dated 13 March 2019 presented by the Community Development Manager, Joann Ransom.

Elected Members made a number of amendments regarding the Statement of Intent for the CCOs. It was agreed that the asset renewal process for the Regent Theatre needed to be reviewed.

The meeting adjourned at 10.54am

The meeting resumed at 11.12am

Moved Rachel Bowen, seconded Jim Jefferies.

### The **COMMITTEE RECOMMENDS**

1. That Council receive the six-month reports to December 2018 submitted by Globe Theatre Trust Board, Te Manawa Museums Trust, Caccia Birch Trust Board and Regent Theatre Trust (the cultural CCOs).
2. That Council receive the draft Statements of Intent 2019–2022 submitted by the cultural CCOs subject to the below comments (clauses 10.3-10.6) for consideration by the Boards.

Clauses 10.1 and 10.2 inclusive above were carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Lorna Johnson, seconded Tangi Utikere.

3. The Globe to clarify strategic Priority 2 in the Statement of Intent to include 'represent the diversity of the Palmerston North Community' as referenced on page 6 of the Draft Statement of Intent.

Clause 10.3 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Lorna Johnson, seconded Rachel Bowen.

4. The Regent to modify strategic objective 3 under Migrant and Cultural Communities to 'To assist with 2 additional culturally diverse events' and the word 'additional' to be added in each year.

Clause 10.4 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay Jim Jefferies, QSM, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Karen Naylor, seconded Rachel Bowen.

5. That the Te Manawa Trust Board consider increasing the KPI for visitor

numbers in the Statement of Intent.

Clause 10.5 above was carried 13 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**Against:**

Councillor Lew Findlay QSM.

Moved Brent Barrett, seconded Duncan McCann.

6. That the CCOs consider their role in Eco-City Strategy Priority 2 (Work With the Community to Reduce Carbon Emissions) in their statements of intent.

Clause 10.6 above was carried 9 votes to 5, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Gabrielle Bundy-Cooke, Jim Jefferies, Duncan McCann, Karen Naylor and Tangi Utikere.

**Against:**

Councillors Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Lorna Johnson and Bruno Petrenas.

Moved Jim Jefferies, seconded Rachel Bowen.

7. That the Chief Executive be instructed to review the asset renewal process for the Regent Theatre Trust with particular reference to the Sound System and report back to the Arts, Culture and Heritage Committee in June 2019.

Clause 10.7 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Moved Jim Jefferies, seconded Rachel Bowen.

8. That the Chief Executive go back to Caccia Birch Trust Board to address the unsustainable financial issue as presented in their Statement of Intent.

Clause 10.8 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

## **11-19 Presentation - Margaret Tennant**

Ms Margaret Tennant and Ms Nicola Legat made a presentation regarding the creation of a historic book for the City.

The book would be published by an experienced publisher with a strong track record, and the editor and writers were all locals working voluntarily on the project. A powerpoint presentation with mock layouts of the book was shown and it was noted it would be heavily illustrated with both colour and black and white images. It was anticipated the book would cost approximately \$60 to purchase.

Funding support from the Council would enable the publisher to keep the book price as low as possible. This could be done by a financial grant or by pre-purchasing 500 copies of the print run.

Moved Grant Smith, seconded Brent Barrett.

### **The COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive the presentation for information.

Moved Lorna Johnson, seconded Tangi Utikere.

2. That the request for a contribution to the city anniversary book be referred to the Annual Budget process.

Clause 11-19 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

## **12-19 Outcome of the Fringe Festival**

Memorandum, dated 26 February 2019 presented by the Head of Events and Partnerships, Natasha Paladin.

Moved Rachel Bowen, seconded Lorna Johnson.

### **The COMMITTEE RESOLVED**

1. That the Committee receive the report titled 'Outcome of the Fringe Festival' dated 26 February 2019.

Clause 12-19 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**13-19 Programme 1157 Commemorative Programme post WW100 Events**

Memorandum, dated 26 February 2019 presented by the Head of Events and Partnerships, Natasha Paladin.

Elected Members requested that a schedule of post WW100 events be added to the Committee's work schedule.

Moved Rachel Bowen, seconded Grant Smith.

**The COMMITTEE RESOLVED**

1. That the Committee receive the report titled 'Programme 1157 Commemorative Programme post WW100 Events' dated 26 February 2019.

Moved Tangi Utikere, seconded Rachel Bowen.

2. That a schedule of post WW100 Commemorative Events for 2019-2021 be added to the Arts Culture and Heritage work schedule.

Clause 13-19 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**14-19 Outcome of the National Young Performer Awards with Proposals for future events and Council's commitment as Civic Partner**

Memorandum, dated 26 February 2019 presented by the Head of Events and Partnerships, Natasha Paladin.

Moved Rachel Bowen, seconded Brent Barrett.

**The COMMITTEE RESOLVED**

1. That the Committee receive the report titled 'Outcome of the National Young Performer Awards with proposals for future events and Council's commitment as Civic Partner' dated 26 February 2019.

Clause 14-19 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Adrian Broad, Rachel Bowen, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**15-19 Committee Work Schedule**

Moved Rachel Bowen, seconded Susan Baty.

The **COMMITTEE RESOLVED**

1. That the Arts, Culture and Heritage Committee receive its Work Schedule dated April 2019.

Clause 15-19 above was carried 13 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting finished at 1.00pm

Confirmed 17 June 2019

**Chairperson**



## MEMORANDUM

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Maintenance and Renewal Plans and Budgets for Cultural Facilities

**DATE:** 16 May 2019

**PRESENTED BY:** Bryce Hosking, Property Manager, Infrastructure

**APPROVED BY:** Tom Williams, Chief Infrastructure Officer

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### RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Arts, Culture and Heritage Committee receive the report titled 'Maintenance and Renewal Plans and Budgets for Cultural Facilities' dated 16 May 2019.

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#### 1. ISSUE

- 1.1 The Arts, Culture and Heritage Committee Meeting on 11 June 2018 resolved:

5. *That the Chief Executive be instructed to present annual maintenance and renewal plans and budgets for the cultural facilities to the Arts, Culture and Heritage Committee, excluding the Central Library.*

- 1.2 The resolution above was in response to concerns from Councillors regarding the Property Division's asset management plans and delivery of well scoped and costed programmes of work for these facilities.
- 1.3 This report addresses the resolution and these concerns by addressing the following:
  - Asset Management Planning;
  - Proposed Property Division Restructure;
  - Improved Facilities Management Approach;
  - Improved Building Compliance Approach;
  - Overview of the Capital Renewal Schedule for the 2019/20 Year.

## 2. BACKGROUND

- 2.1 The Property Division is responsible for the facilities management and capital renewal work for these properties. The division ensures the cultural facilities are not only fit for purpose, but that they are well maintained, and the level of service expectations of the key stakeholders are being met.
- 2.2 The buildings that sit in the Cultural Facilities portfolio include:
- The Globe Theatre;
  - The Regent Theatre;
  - Square Edge Building;
  - Te Manawa and the Art Gallery;
  - Creative Sounds;
  - Caccia Birch; and
  - Central Library Building.
- 2.3 The resolution in Clause 1.1 specified excluding the Central Library. While this building is in a unique situation, the improved asset management and facilities management approach will improve Council's service delivery over its entire portfolio. The same approach will be applied to the Central Library Building.
- 2.4 The renewal budget sits under *Programme 213 – Cultural Facilities – Replacement of Structures, Internal Fit Out and Services*.
- 2.5 The day-to-day operation and upkeep of the cultural facilities is undertaken by the facility's respective boards. The Property Division works with these boards along with Council's Community Unit to set the level of service expectations and prioritise and coordinate the works required.

## 3. ASSET MANAGEMENT PLANNING

- 3.1 To ensure Council's cultural facilities portfolio is managed effectively it is important asset management delivers improved accountability, sustainability, risk management, financial efficiency and optimised asset investment.
- 3.2 Overall the current Asset Management Plans (AMPs) for the Property Division are not fit for purpose, do not achieve this, and require significant improvement. Improved AMPs are needed to better inform the budgeted programme of works for the cultural facilities and the overall property portfolio.
- 3.3 The Property Division is currently not resourced to undertake strategic asset management planning. This is due to a capacity issue and this requires a specific skill set over and above that of project managers and facilities management.

- 3.4 To give effect to the points in Clause 3.1, a new Asset Planning Division (APD) is proposed as being set up within the Infrastructure Unit. Staff are being consulted on this currently as part of the greater Infrastructure Unit Restructure. The consultation period concludes on 27 May 2019.
- 3.5 Specifically, the APD will:
- Provide corporate-wide asset management and planning function;
  - Provide an asset management function that develops an Asset Policy, Strategic Asset Management Plans, Asset Management Plans, and an Infrastructure Strategy that align with the organisation's vision, goals and strategic direction;
  - Provide an asset planning function that develops a budgeted programme of works informed by Asset Management Plans and the Infrastructure Strategy; and
  - To provide asset information intelligence that better informs asset management planning at the operational, tactical and strategic levels and asset planning when developing priorities for the programme of works.
- 3.6 The improved asset management planning will become evident through the updating of the AMPs in the 2019/20 Year, resulting in a well scoped, deliverable, end of life replacement programme.

#### 4. PROPOSED PROPERTY DIVISION RESTRUCTURE

##### Current Structure

- 4.1 The current structure within the Property Division has Asset Managers and Facilities Managers covering a broad range of areas and has a lot of cross over roles and functions that are delivered by multiple roles.

##### Proposed New Structure

- 4.2 The structure of the Property Division has been reviewed by the Manager – Property, and it has been identified that the existing structure does not allow for the key deliverable areas to be resourced and focused on, is not aligned to best practice, and has resulted in double ups, no clear line of sight to strategic direction, and Council Officers practicing a wide variety of tasks rather than focusing on key deliverables.
- 4.3 This has been addressed through the current proposed restructure for the Infrastructure Unit. Staff are being consulted on this currently. The consultation period concludes on 27 May 2019.

- 4.4 It is proposed that the Property Division be structured into four key teams, all focusing specifically on their respective key deliverable areas. The four teams are:
- **Tenancy and Contract Management Team** – Responsible for tenancy and lease management, the sale and purchase of property for Council, and the coordination of Council-created property development projects.
  - **Facilities Management Team** – Responsible for the facilities management and coordination of scheduled and unscheduled maintenance for all of Council's building portfolio. They ensure Council's facilities are fit-for-purpose and is meeting and exceeding the level of service expectations of its stakeholders. This team also coordinates the internal carpentry, painting and cleaning teams.
  - **Capital Projects Team** – Delivers all small and/ or non-complex capital projects as well as working closely with the Project Management Office around the projects being delivered by that division, and the Asset Planning Division assisting with asset management and planning.
  - **Property Compliance Team** – Responsible for ensuring Council's facilities and staff within the Property Division are meeting all compliance requirements and where possible demonstrating best practise in these areas e.g. asbestos, seismic, fire, BWOFF etc.
- 4.5 For clarity, without this being addressed, it may limit the Division's ability to give effect to the improved AMPs, and by association, the improved facilities management and execution of the capital renewal programme for these properties.

## 5. IMPROVED FACILITIES MANAGEMENT APPROACH

### Current Facilities Management Approach

- 5.1 The Property Division's current approach to the facilities management of the cultural facilities portfolio is a limited approach and is not deemed best practice. It does consider:
- Scheduled and planned maintenance;
  - Reactive maintenance and emergency callout work;
  - Grounds maintenance;
  - Cleaning and Graffiti removal;
  - Building Warrant of Fitness/ compliance-based maintenance; and
  - Minor new works compliance.

- 5.2 It relies on 3-yearly condition grade assessments and focuses on replacement upon failure. The condition information is entered into Council's asset information management system (SPM) and this forms the starting point for the compiling the renewal upgrade programme.
- 5.3 This is important data to collect but does not provide a very agile model for facilities management. In addition to this, the asset hierarchy is also incorrect, and incorrectly focused, making it very difficult to integrate this into an agile model.
- 5.4 The cultural facilities portfolio had a condition grade inspection completed in March 2017.
- 5.5 In conjunction to this broader assessment, a HVAC services condition report was undertaken by COR Associates in March 2017 for all of Council's cultural facilities.

#### Improved Facilities Management Approach

- 5.6 KPMG were commissioned to review Council's commercially approved facilities management operations and activities. This review will provide a series of recommendations as to the way forward to achieve an enhanced service delivery model suitable for the Council and the desired future state.
- 5.7 The enhanced service delivery model will also allow for prudent asset management to be integrated into FM service provision. For example, when a contractor is conducting service work in one of our facilities they are also reporting on the condition of the asset at the same time. This is a far superior approach than waiting for the condition assessments every 3 years.
- 5.8 These recommendations inform the model of how we do asset and facilities management going forward and have a direct improvement on the content of our AMPs. The report will promote:
  - Cost efficiencies;
  - System and technology recommendations;
  - Movement to a single facilities management service provider;
  - Clearly documented scheduled maintenance approach to maximise asset life cycle;
  - Integrated asset management;
  - Visible KPIs and expectations including response times to maintenance, customer satisfaction etc.
  - Potential risk transfer to 3<sup>rd</sup> party industry to incentivise good performance
- 5.9 KPMG's report is due late May 2019.

## 6. IMPROVED BUILDING COMPLIANCE APPROACH

- 6.1 One of the key areas that the Property Division has not resourced previously is in the compliance space. This has resulted in several unexpected failures over the last few years over the entire property portfolio.
- 6.2 The compliance space is a specialist area and the compliance landscape is continually evolving and changing. This exposes Council to several risks such as reputational risk, business continuity risk to name a few.
- 6.3 It is proposed in the new Property Division structure in Clause 4.4 that a Property Compliance Officer be created. The role will be responsible for ensuring Council's facilities and staff within the Property Division are meeting all compliance requirements and where possible demonstrating best practise in these areas.
- 6.4 This is a unique discipline and specialised role. This is reflected in other Councils and local government organisations.
- 6.5 The key areas of compliance this role will be responsible for are:
- Asbestos Management;
  - Seismic Building Management;
  - Fire Compliance;
  - Building Compliance (BWOFF); and
  - Electrical Testing and Tagging.
- 6.6 As our cultural portfolio continues to age, there is a risk of non-compliance if this area is not resourced. New resources in this area will address this risk.

## 7. OVERVIEW OF THE CAPITAL RENEWAL SCHEDULE FOR THE CULTURAL FACILITIES

- 7.1 Attached is an overview of the schedule of works planned to be completed in the current Long-Term Plan.

## 8. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the outcomes of the Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in the Arts Plan	
The action is: Develop plans for the seismic strengthening and enhancing the city's existing arts and culture buildings to achieve the Council's aspirations and meet the community's needs.	
Contribution to strategic direction	A robust renewals programme and facilities management model will help ensure the city's existing arts and culture buildings are achieving the Council's aspirations and meet the community's needs.

## ATTACHMENTS

1. Programme 213 - Capital Renewals Report - May 2019 [↓](#) 

Project Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cultural Facilities - Replacement of Structures Internal Fitout and Services					\$ 33,946	\$ 112,913		\$ 890,750	\$ 1,265,000	\$ 2,398,000
Caccia Birch - Upgrade of old light fittings to LED lights										
Caccia Birch Carport enclosure	\$ 80,000									
Te Manawa - Fire Safety Upgrades										
Caccia Birch Embankment Work		\$ 75,700								
Globe Theatre - wc/shower upgrades		\$ 145,000								
City Library - HVAC Work		\$ 225,000	\$ 91,881							
Square Edge	\$ 110,000		\$ 180,000		\$ 100,000	\$ 75,000	\$ 150,000			
Library					\$ 100,000	\$ 75,000	\$ 150,000			
Globe Theatre	\$ 105,200				\$ 100,000	\$ 75,000	\$ 150,000			
TeManawa/Art Gallery				\$ 95,000	\$ 100,000	\$ 75,000	\$ 150,000			
Caccia Birch					\$ 100,000	\$ 75,000	\$ 150,000			
Creative Sounds			\$ 20,000		\$ 100,000		\$ 150,000			
City Library				\$ 61,365	\$ 100,000	\$ 75,000	\$ 150,000			
Art Gallery - Asbestos Removal, ceiling renewals, flooring upgrades										
Regent Theatre		\$ 95,000			\$ 100,000		\$ 150,000			
Inflation Adjustment	\$ 5,904	\$ 10,814	\$ 5,838	\$ 3,127	\$ 16,679	\$ 11,258	\$ 23,806	\$ 17,815	\$ 25,300	\$ 47,960
	\$ 301,104	\$ 551,514	\$ 297,719	\$ 159,492	\$ 850,625	\$ 574,171	\$ 1,223,806	\$ 908,565	\$ 1,290,300	\$ 2,445,960





## MEMORANDUM

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Review of Asset Renewal Process for the Regent Theatre Trust

**DATE:** 16 May 2019

**PRESENTED BY:** Bryce Hosking, Property Manager, Infrastructure

**APPROVED BY:** Tom Williams, Chief Infrastructure Officer

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### RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Arts, Culture and Heritage Committee receive the report titled 'Review of Asset Renewal Process for the Regent Theatre Trust' dated 16 May 2019.

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#### 1. ISSUE

- 1.1 The Regent Theatre Trust have advised Council that the sound system in the Regent Theatre building is approaching the end of its economic life and requires replacing and potentially upgrading to meet the requirements of the activities within the Theatre.
- 1.2 Council Officers have confirmed that the Regent Theatre Trust does not have a life-cycle costing asset replacement plan in place for the replacement of the sound system.
- 1.3 The sound system is not fixed to the building and considered part of the building fabric, so it is regarded as a Tenant fitout item and a non-Council-owned, non-fixed asset. This means it is typically the responsibility of the Tenant to install, maintain and service, and replace if, and when, required.
- 1.4 Council has a capital renewal programme for works at all the Council-owned cultural facilities including the Regent Theatre, however, as it is deemed a fitout item, there is no provision in the current 10-year plan for the full replacement or contribution towards replacement of the sound system.
- 1.5 If Council would like to take responsibility for the full replacement of the sound system, or financially contribute towards its replacement, this would be an

unbudgeted expense and would need to be considered in the next 10-year plan process.

## 2. BACKGROUND

### Renewal Programme for the Regent Theatre

- 2.1 Council's capital renewals for Council-owned cultural facilities are provided for in Programme 213 – Cultural Facilities – Replacement of Structures, Internal Fitout and Services.
- 2.2 In the current 10-year plan Programme 213 has the following budget provisions for the Regent Theatre building:

Year	Budget Provision	Project Description
2020/21	\$95,000	Replacement the heritage carpet in the foyer
2023/24	\$100,000	Changing Room and W/C Upgrades
2025/26	\$150,000	Exterior Cladding Upgrades

### Sound System

- 2.3 If Council is interested in exploring whether to assist with the replacement of the sound system, Council Officers would need to work with the Regent Theatre Trust to undertake:
- Needs Analysis – to understand exactly what they require from a new sound system, now and in the future;
  - Project Optioneering, Scoping and Design – makes/ models/ options, project timeline, installation requirements etc.;
  - Cost Analysis.

## 3. NEXT STEPS

- 3.1 If Council would like to take responsibility for the full replacement of the sound system, or financially contribute towards its replacement, this could be considered in the next 10-year plan review in the 2020 year.
- 3.2 Work with the Regent Theatre Trust to undertake a needs analysis, optioneering, scoping, design and costings.

#### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the outcomes of the Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in the Arts Plan	
The action is: Develop plans for the seismic strengthening and enhancing the city's existing arts and culture buildings to achieve the Council's aspirations and meet the community's needs.	
Contribution to strategic direction	A robust renewals programme and facilities management model will help ensure the city's existing arts and culture buildings are achieving the Council's aspirations and meet the community's needs.

#### ATTACHMENTS

Nil



## MEMORANDUM

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Military Heritage Update 2018/19

**DATE:** 31 May 2019

**PRESENTED BY:** David Murphy, City Planning Manager, Strategy & Planning

**APPROVED BY:** Sheryl Bryant, General Manager - Strategy & Planning

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### RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Memorandum titled 'Military Heritage Update 2018/19' dated 30 May 2019 is received.
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### 1. ISSUE

In June 2018 the Arts, Culture and Heritage Committee passed the following recommendations (20-18) that were subsequently adopted by Council in August 2018 (122-18):

1. *That it be noted that:*
  - a. *a spatial database of known military heritage has been prepared as a resource and to inform Council 10 Year Plan Programmes.*
  - b. *the Draft 10 Year Plan contains a number of programmes that relate to the known military heritage sites and that there are opportunities to raise awareness and communicate military history in programme delivery.*
  - c. *work is commencing on a military heritage trail to help communicate the significance and location of known military heritage across the city.*
2. *That the Chief Executive provide an annual progress report on the development of a Military Heritage Theme across Council Programmes to Arts, Culture and Heritage from June 2019.*

The purpose of this memorandum is to update the Committee on the work that has been completed in the 2018/19 period. This includes the following significant projects:

- The launch of the Manawatū Heritage Tours App, including two military heritage tours.
- Poppy Places project completion with 31 recognised Poppy Places in Palmerston North – first in city to complete this project.
- Events with a Military History theme e.g. Chunuk Bair lecture – Prof. Craig Stockings and John McLeod.
- Installation of an American Howister Cannon from WW2 and the Veitnam War at Memorial Park.

## 2. BACKGROUND

The Culture and Heritage plan is one of the nine plans established in the Creative and Liveable Strategy to deliver Goal 2: A Creative and Exciting City. The Plan includes the following relevant actions:

- Adopt the value of cultural heritage awareness in the delivery of Council activities, whether placemaking, plan making or asset management.
  - Research and identify key local themes to inform Council projects;
  - Investigate and develop a common register or local history and heritage;
  - Include heritage conservation principles in Council Asset Management decisions;
  - Include heritage story-telling in the delivery of major Council projects

Council has been working on several military heritage and commemorative projects over the past two years, including the compilation of the *Chronology of Palmerston North's Military and Defence History (1860-1975)* written by Leanne Hickman, a spatial database of known military heritage to inform Council 10 Year Plan Programmes, and research and adoption of military heritage trails via an app called Manawatū Heritage Tours.

## 3. MILITARY HERIAGE ACTIVITIES SUMMARY 2018/19

Activity Type
<b>Meetings:</b>
<ul style="list-style-type: none"> <li>• Representation on PNDHAG meetings and preparatory meetings with PNDHAG Chair (monthly) – 2x library staff including minute taker July-Dec</li> <li>• Ongoing liaison with PNDHAG</li> </ul>
<b>Poppy Places:</b>
<ul style="list-style-type: none"> <li>• Eight Poppy Places researched and submitted for Poppy Places Trust approval</li> </ul>

<ul style="list-style-type: none"> <li>• Road signage organised</li> <li>• Research placed on Manawatū Heritage.</li> <li>• Palmerston North first city in NZ to complete all applicable streets. (Linton - undertaken by NZ army - nearing completion).</li> <li>• Poppy Places dedication as part of Armistice Day celebrations</li> </ul>
<b>Research:</b>
<ul style="list-style-type: none"> <li>• Two Palmerston North military tours created, Manawatū Heritage Tours App launched</li> <li>• Research into Military links to Palmerston North Showgrounds - to inform Arena development</li> <li>• Research requests from public: 16th Field Artillery; WWI soldier; William Lang, WWI soldier</li> </ul>
<b>Public talks and programmes:</b>
<ul style="list-style-type: none"> <li>• Charlotte Warburton – War on The Home Front - for Engineering Corps Memorial Centre (ECMC)</li> <li>• Chunuk Bair lecture – Prof. Craig Stockings and John McLeod</li> <li>• Virginia Military Institute Band Concert in the Square</li> <li>• Dr. Steven Loveridge talk - ANZAC Wrap Around programme</li> <li>• Children's 'care packages for soldiers' workshop and display - Anzac Day commemoration</li> <li>• D – Day lecture – Prof. Gary Sheffield</li> <li>• Monthly Midday Military History Presentation series (ECMC)– venue and liaison</li> </ul>
<b>Displays:</b>
<ul style="list-style-type: none"> <li>• Display for Mayor's ANZAC Day morning tea</li> <li>• Creation of Manawatū WWI sacrifice boards for display at Anzac Day commemoration in The Square and for ongoing use</li> <li>• Creation of sets of military images for Manawatū Heritage Kiosk – taken to Awapuni Racecourse for Centenary (War) History Programme book launch.</li> <li>• WWI images on Ground Floor walkway windows</li> </ul>

<ul style="list-style-type: none"> <li>• ANZAC Club window decal on Cafe Cuba – community collaboration</li> </ul>
<b>Content Creation - Acquisition of military archives:</b>
<ul style="list-style-type: none"> <li>• Kings Empire Veteran's Assn</li> <li>• Heritage Manawatu (support for children of servicemen)</li> <li>• Ex-prisoner of War Assn</li> <li>• R.S.A.</li> <li>• Argyle letters (WWI)</li> <li>• 2016 Charter Parade video</li> <li>• Various images</li> </ul>
<b>Permanent Installations :</b>
<ul style="list-style-type: none"> <li>• Howitzer WW2 and Veitnam War (Cannon) installation Memorial Park</li> </ul>

#### 4. 10 YEAR WORK PROGRAMMES UPDATE

At the 25 June 2018 Arts, Culture and Heritage Committee Meeting, Council officers introduced a list of 10 Year Plan programmes that could potentially incorporate the Military Heritage theme. To date, activities that have been undertaken in these individual programmes have been mainly routine maintenance and upgrades, with no specific military heritage aspect.

#### 5. NEXT STEPS

- Explore further opportunities to incorporate the military heritage theme across Council projects and activities, including:
  - Toa O Manawatū – Bronze Soldier Sculpture along the Manawatū River Pathway near Linton Military Camp.
  - Restoration of original WW2 flagpole at Memorial Park.
- Military Tattoo – April 4 2020.

#### 6. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>

Does this decision require consultation through the Special Consultative procedure?		<b>No</b>
Is there funding in the current Annual Plan for these actions?		<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City		
The recommendations contribute to the outcomes of the Creative and Liveable Strategy		
The recommendations contribute to the achievement of action/actions in the Culture and Heritage Plan		
The action is: Adopt the value of cultural heritage awareness in the delivery of Council activities, whether placemaking, plan making or asset management.		
Contribution to strategic direction	The recommendation contributes to fulfilling the action of raising awareness of cultural heritage through the delivery of Council activities, because it demonstrates the projects that have been undertaken in relation to the military heritage of the city.	

### **ATTACHMENTS**

Nil



## REPORT

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** s17A Arts and Culture Review - Consultation on Options

**DATE:** 30 May 2019

**PRESENTED BY:** Andrew Boyle, Head of Community Planning, Strategy & Planning

**APPROVED BY:** Sheryl Bryant, General Manager - Strategy & Planning

### RECOMMENDATION(S) TO COUNCIL

1. That the Council consult on future options for the governance of Te Manawa and Caccia Birch and approve the attached consultation material for this purpose.
2. That the Mayor and Chairperson of the Arts, Culture and Heritage Committee be authorised to make minor amendments to the consultation material prior to publication.
3. That the Council ask the Globe Theatre and Regent Theatre Trust Boards to work together to prepare a proposal by October 2019 on how the two Boards can take a more cooperative approach to governing and running the two theatres to deliver Council's aspirations.

### SUMMARY OF OPTIONS ANALYSIS FOR ARTS AND CULTURE REVIEW

<b>Problem or Opportunity</b>	<p>Part of this report is about the best way to get more collaboration between the Globe and Regent Theatres. The report contains an options analysis on the best ways forward for this.</p> <p>The other part of this report is seeking Council approval of consultation material on the governance of Te Manawa and Caccia Birch. Here the main options at this point are to consult or not consult so no detailed options analysis has been carried out.</p>
<b>OPTION 1:</b>	<b>Disband the Globe Theatre and Regent Theatre Trust Boards and form a single new Board for both Theatres</b>
Community Views	Wide community views have not been sought. The two Boards are opposed to this option.

Benefits	Would get some synergies by having a single Board oversee both theatres, including more cooperation.
Risks	May dilute each current Board's specific focus on "their" theatre. Likely to be rejected by the two Boards and their stakeholders.
Financial	No major impacts.
<b>OPTION 2:</b>	<b>Ask the Globe Theatre and Regent Theatre Trust Boards to develop a proposal on how they can work together in more collaborative and efficient ways to help achieve Council's strategic aspirations</b>
Community Views	Likely to be supported by the two Boards and their stakeholders.
Benefits	Each theatre has a Board specifically focused on its individual circumstances, and the Boards are encouraged to work together.
Risks	The Boards are unable to identify acceptable (to Council) ways they can work together. (In which case Council can proceed with the single Board option.)
Financial	No major impacts.
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommended option contributes to the outcomes of the Creative and Liveable Strategy	
The recommended option contributes to the achievement of action/actions in the Arts Plan	
The action is: Support CCOs to achieve the objectives of this plan.	
Contribution to strategic direction	This report is about ensuring that the arts and cultural organisations are set up in a way that maximises their abilities to contribute to Council's strategic direction. See the next section for more details.

## **RATIONALE FOR THE RECOMMENDATIONS**

### **1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY**

- 1.1 Council's vision for Palmerston North is 'Small city benefits, Big city ambition'. Within this, one of Council's strategic goals is to make Palmerston North a creative and exciting city. This involves transforming Palmerston North into an arts powerhouse with a national reputation for creativity and the arts. Council also wants to celebrate the city's history and cultural diversity, and to ensure Palmerston North is an exciting place with plenty to do at night and on the weekends.
- 1.2 Arts, culture and heritage have a crucial role in this transformation and Council wants to ensure that the Arts and Culture Council Controlled Organisations (Te Manawa, the Regent, the Globe, Caccia Birch) all fully play their part.

1.3 While the CCOs contribute in particular to the Creative and Exciting City Goal they also have the potential to contribute to Council's other Goals. For example, they can all attract visitors to Palmerston North and hence contribute to an Innovative and Growing City. Te Manawa, through its links with the Science Centre Inc, can put on exhibits that increase peoples' understanding of what it means to be an Eco-City.

1.4 Hence Council is reviewing the governance structure of the CCOs to ensure they maximise their contribution to the Council's strategic direction. The review is being carried out under Section 17A of the Local Government Act.

1.5 Council is taking a staged approach to the review. Currently it is developing broad options and seeking feedback on these. If, at the end of this consultation Council favours options other than the status quo it will develop and consult on much more detailed proposals.

## 2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

2.1 In 2017 the Council carried out its first round of s17A reviews. These included the Arts and Culture CCOs. The reviews were high level reviews and, at the end of them, Council asked for a second and more detailed review of the CCOs.

2.2 PricewaterhouseCoopers (PwC) were engaged to assist with the review. PwC looked at the best forms of governance and service delivery for the CCOs. Options were:

- Maintain the status quo
- Set up new CCO(s)
- Full governance and service delivery by Council (in house).

2.3 Levels of service and funding levels were excluded from the review.

2.4 PwC met with the Chair and Chief Executive / Manager of each of the CCOs, along with representatives of the three founding Te Manawa organisations (Te Manawa Art Society, Te Manawa Museum Society, The Science Centre Inc). PwC also sought feedback on Te Manawa from Rangitāne – face to face meetings were not possible within the timeframe and limited written feedback was received.

2.5 Council circulated the PwC report to the CCOs Trust Boards and the three founding Te Manawa organisations for their comments.

2.6 A key finding from PwC was that the purpose of each organisation needs to be clarified so there is greater mutual understanding of the Council's and organisations' expectations, resulting in greater alignment with Council's strategic expectations.

2.7 Other findings are that:

- there is a need to develop more capability in marketing and promotion of the organisations, particularly in the digital space
  - Council could provide greater support in terms of financial services, which would allow the organisations to focus more on meeting Council's strategic expectations and revenue generation
  - Te Manawa has mixed relationships with its founding organisations
  - there is a lack of co-operation and coordination between the Globe and Regent Theatres
  - the Council and Caccia Birch need to be clearer about the purpose of the House – is it to generate revenue as a venue for hire, or to be available at below market rates to encourage more community use?
- 2.8 In response the Boards said they want to work with Council to discuss and address the issues raised in the PwC report.
- 2.9 The Boards also said that the evaluation criteria in the report were subjective and that different scores could be assigned from different perspectives. [Council acknowledges this. One of the reasons for the PwC Report was to get an independent outsiders view. Nevertheless, all such evaluations are to some degree subjective, so Council is using them as starting points for further discussions, not as definitive decision-making tools.]
- 2.10 The Te Manawa Boards said that Council needs to put more emphasis on strengthening the special relationship between tangata whenua and Te Manawa. Te Manawa is the only Board that has tangata whenua representation guaranteed in its deed.
- 2.11 The Regent and Globe Boards said that the two theatres have distinct priorities and issues that are best addressed by separate Boards. A single Board could also lose the skills, expertise and voluntary effort of Board members who are committed to the particular theatre to which they are associated.
- 2.12 Common themes in the feedback on the PwC report from the three founding Te Manawa organisations include:
- the three organisations support the review and want to work closely with the Council to improve outcomes for Te Manawa
  - whatever option is chosen Te Manawa governance and management needs stronger and closer relationships with the founding organisations and the wider arts, heritage and science communities
  - Te Manawa needs to generate higher community profiles for science, arts and heritage

- Te Manawa needs to promote the collections and provide heritage, science and arts exhibitions that wider communities can enjoy and learn from. Through these it can contribute to all Council's goals.

2.13 As outlined in section 1, this report is about feedback on these broad options. (In the case of the Regent and Globe Theatres this feedback is from the current Theatre Boards rather than wide public feedback.) If, following this consultation Council favours options for change, it will develop and consult on more detailed proposals.

### 3. DESCRIPTION AND ANALYSIS OF OPTIONS

3.1 **The Regent and Globe Theatres:** the main issue identified by PwC is a lack of co-operation and co-ordination between the two Theatres.

3.2 Hence Council has two broad options:

- Option 1 is to favour and consult on the formation of a single Trust Board for both theatres. Council would seek public and stakeholder feedback on the relative advantages and disadvantages of a single Board compared to the current two Boards.
- Option 2 is to ask the two Boards to develop a proposal on how they will work together more collaboratively and efficiently to achieve Council's strategic aspirations. Council would ask for this proposal by October 2019. This is an enhanced status quo option.

3.3 The recommended option is enhanced status quo. This retains the distinct focus of separate Boards and adds improved ways that they will work together to achieve Council's strategic aspirations.

3.4 The main risk in the enhanced status quo option is that the Boards do not come up with acceptable (to Council) ways of working together. This is unlikely given that Council will be sending a very clear message that it expects the Boards to work together collaboratively and efficiently. However, if it does occur then Council could develop and consult on the single Board option early next calendar year.

3.5 A single Board could lead to some efficiencies, but these would be relatively small, and may be achievable (eg joint marketing, shared backroom services) within the enhanced status quo model. Identifying these would be part of the Council's request to the Boards.

3.6 Stakeholder feedback is likely to strongly favour the enhanced status quo option. The Boards have said that they favour the retention of separate Boards. Each Board has a set of stakeholders that are likely to support their Board. The issue is unlikely to generate wider public interest and feedback.

- 3.7 **Te Manawa:** Te Manawa is by far the biggest organisation covered in this review. It gets over 80% of the funding Council gives to the four CCOs. It has a staff of 32 FTEs. It also has a more complicated stakeholder “map” than the other organisations. Rangitāne, the Manawatu Arts Society, the Manawatu Museum Society and the Science Centre Inc all have expectations in the governance of Te Manawa.
- 3.8 Added to this is the proposed redevelopment of Te Manawa. This is a project to give Te Manawa a much greater regional and national profile through enhanced visitor experiences, improved access to the collections and more use of exciting technologies. It was initiated by the Board but a business case for the project is currently being developed by Council as Te Manawa does not have all the necessary expertise.
- 3.9 This means governing Te Manawa is very complex compared to the other CCOs. Hence it is recommended that Council consult on two options: to keep the status quo or to bring Te Manawa in house so it is part of Council. Note, this report says that these are both viable options and that Council should explore the inhouse option further. The report does not evaluate the relative advantages and disadvantages of these options. Instead, it recommends that the Council seek public and stakeholder feedback on both options to feed into this evaluation. Draft consultation material is attached for approval. (Draft advantages and disadvantages of the options are set out in the attached consultation material.)
- 3.10 **Caccia Birch:** The PwC review said that the Council and the Board need to be clearer about the purpose of the House – is it to generate revenue as a venue for hire, or to be available at below market rates to encourage more community use? The Board has a growing deficit because of increasing staffing needs and is seeking additional funding from Council rather than trying to generate extra revenue.
- 3.11 PwC also suggested that the House could be leased to someone running a café. This is what happens with the café in the Esplanade. This third-party lease option would attract visitors and generate extra revenue that could be used to maintain and enhance the heritage nature the property. The other option is the status quo – keeping the Trust Board, but with more clarity from Council about the community use – revenue generating balance.
- 3.12 As with Te Manawa, these are both viable options and the report recommends that the Council seek public and stakeholder feedback on them so that their relative advantages and disadvantages can then be evaluated further.

#### 4. CONCLUSION

- 4.1 The recommended way forward for Te Manawa and Caccia Birch is to approve the attached consultation material for public consultation. This will give Council information on community views about the options for these organisations.

- 4.2 The recommended way forward for the Globe and Regent Theatres to ask the respective Trust Boards to develop a proposal on how they will work together more collaboratively and efficiently. This keeps the advantages of the current separate Boards' focus on the specific needs of their respective theatres and clearly shows Council's expectations that they must collaborate more.

## 5. NEXT ACTIONS

- 5.1 If the recommendations are adopted Council will consult on the identified options for Te Manawa and Caccia Birch (see section 6 of this report for an outline of the proposed consultation process).
- 5.2 Council will ask the Regent and Globe Theatre Trust Boards to develop a proposal on how they can work together more collaboratively and efficiently. The Council will receive this proposal in October 2019 and then decide whether it will lead to the desired level of collaboration and achievement of Council's strategic direction.
- 5.3 If, following these steps, the Council decides to proceed with any options other than the (enhanced) status quo it will hold another more detailed round of consultation. This is because Te Manawa, Regent, Globe, and Caccia Birch are identified in Council's Significance and Engagement Policy as strategic assets. Under s97 of the LG Act, Council can only transfer ownership or control of a strategic asset if it has first consulted on the proposal through a long-term plan. Such consultation could occur concurrently with consultation on the 2021 Annual Budget (ie around March of next year).

## 6. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 6.1 Council will consult widely on the Te Manawa and Caccia Birch options. It is expected however that most of the interest will be from key stakeholders. Key stakeholders will be contacted directly and invited to make written submissions. Council will work with the Trust Boards to ensure all stakeholders are involved.
- 6.2 Rangitāne will be consulted through the bi-monthly engagement meetings.
- 6.3 The consultation material will be on Council's website. Printed copies will be available. It will be promoted through social media.
- 6.4 Exact timelines for the consultation are still being set but, in general consultation will occur in July with hearings organised around early-August.
- 6.5 The results of the consultation will feed into a report recommending ways forward for the Arts, Culture and Heritage meeting in September.

**COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide? Under Delegations Manual clause 168.1 (NB. This delegation applies only to the adoption of consultation material.)	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>

**ATTACHMENTS**

1. Consultation Material [!\[\]\(d9f02d828651cdbd34e15085556a47ed\_img.jpg\)](#) 

## Community Feedback on the Review of Governance for Te Manawa, the Regent, the Globe and Caccia Birch

### Why is Council doing this review?

Council's vision for Palmerston North is 'Small city benefits, Big city ambition'. Within this, one of Council's strategic goals is to make Palmerston North a creative and exciting city. We want to transform Palmerston North into an arts powerhouse with a national reputation for creativity and the arts. We want to celebrate the city's history and cultural diversity. And we want to ensure it is an exciting place with plenty to do at night and on the weekends.

Arts, culture and heritage have a crucial role in this transformation and we want to ensure that Te Manawa, the Regent, the Globe and Caccia Birch all fully play their part.

This review is about who governs and runs Te Manawa, the Regent, the Globe and Caccia Birch. *Governance* means who makes the binding decisions about the organisations' strategic goals. *Run* means who makes the day to day decisions about what they do.

Te Manawa, the Regent, the Globe and Caccia Birch are all currently governed and run by independent Trust Boards. Council provides the \$3.6m a year for the Trusts. It also provides and maintains the buildings the Trusts use. Council sets broad expectations about what it expects in return. The Boards decide on the strategies the organisations will pursue and the day to day actions to work towards Council's broad expectations.

There are advantages to this way of working:

- the Boards may find it easier to get funds from external agencies
- they can act more quickly as they are not bound by all the requirements of the Local Government Act
- they can attract people with specific governance skills (eg museum skills)
- they can focus more on commercial opportunities.

There are also disadvantages:

- there can be gaps between Council's expectations and the Boards' actions
- the Boards are not as publicly accountable as Council is for the spending of ratepayer money
- building synergies with similar Council services or other Trusts can be more difficult
- the organisations can lack specialist skills in human resources, finance and information technology or end up duplicating overheads in these areas.

This review is about weighing these up to find the best ways of governing and running Te Manawa, the Regent, the Globe and Caccia Birch so that Palmerston North can be a truly creative and exciting city.

As part of the review we got PricewaterhouseCoopers (PwC) to have an independent look at Te Manawa, the Regent, the Globe and Caccia Birch. We also got feedback from the Boards on the PwC findings.

Council is carrying out the review under section 17A of the Local Government Act.

### Where are we now?

Palmerston North has a thriving arts sector – but it is somewhat hidden and does not flow through into the city’s reputation. For example, a series of residents focus groups in 2016 found that there is a growing arts scene in the city but it is easy to miss and people often had to dig a little to find it.

Within this arts scene there are many passionate people who want to collaborate, but bringing people and organisations together takes time and can still be a struggle. The PwC review found that there is low collaboration between the Boards. The Boards and management are aware of this and are trying to work together more.

The Boards have bought into our vision for the City and the role that arts, culture and heritage can play in this. However, the strategic links between Council and Boards are based on legally prescribed statements of intent and so can be formal and cumbersome at times.

The business environment for the Trust Boards is much more complicated now than it was when they were set up. Health and safety issues, HR requirements such as paid domestic violence leave, more public demand for accountability, and new technologies all pose governance challenges for voluntary Boards.

Despite all these challenges, the Boards are providing very valuable services that are appreciated by residents and visitors - and by the Council. For example, during 2017-18 Te Manawa developed and toured the hugely popular *The Topp Twins: an Exhibition for New Zealand*; the Regent celebrated its 20<sup>th</sup> birthday with events such as the Royal New Zealand Ballet and pianist Michael Houston; the Globe developed an outreach programme to involve groups that don’t traditionally use the theatre, including the Chinese, Bhutanese and Congolese communities; and Caccia Birch hosted fifteen free Sunday Open Afternoons that attracted 450 visitors keen to look around the house and gardens.

All this means that lots of very positive things happen through Te Manawa, the Regent, the Globe and Caccia Birch and the wider arts and heritage sector. However, more can be achieved to make arts and heritage more visible and to give them a much bigger and more positive place in the lives of Palmerston North’s residents and its reputation.

### What could this mean for each Board?

#### Te Manawa:

Te Manawa is by far the biggest of the organisations in this review. It gets over 80% of the funding Council gives to the four Trusts. It has a staff of 32 FTEs. It has more complex financial and information systems. It consists of different buildings for the Art Gallery, Science Centre/Museum, historical school and Totaranui. (Some of the buildings are earthquake prone and, since they will remain Council-owned whichever option Council chooses, the Council will fix them.)

It also has a more complicated stakeholder “map” than the other organisations. Rangitāne, the Manawatu Arts Society, the Manawatu Museum Society and the Science Centre Inc all expect stronger and closer relationships with the governance of Te Manawa.

Added to this is the proposed redevelopment of Te Manawa. This is a project to give Te Manawa a much greater regional and national profile through enhanced visitor experiences, improved access to the collections and the more use of exciting technologies. It was initiated by the Board but a

business case for the project is currently being developed by Council as Te Manawa does not have all the necessary expertise.

All this makes governing and running Te Manawa particularly complex ..... so Council is considering making Te Manawa an inhouse part of Council. It could be run as part of Council, with an advisory board to help run it involving the Manawatu Arts Society, the Manawatu Museum Society, the Science Centre Inc and Rangitāne. (We are setting up a similar group for the Central Energy Trust Wildbase Recovery Centre). The other main option is to keep the status quo with improvements.

[Leave space for people to write their comments]

#### Caccia Birch:

Caccia Birch house was gifted to the Council by the Government in 1983 with the intention that we maintain the heritage status of the building and that it be available for community use. The house is currently used for a range of events, including weddings, community and business meetings, and school functions. (Because it is in a residential area there are some noise restrictions which place constraints on events. None of the options discussed here would change these restrictions.)

The PwC review said that the Council and the Board need to be clearer about the purpose of the House – is it to generate revenue as a venue for hire, or to be available at below market rates to encourage more community use? The Board has a growing deficit because of increasing staffing needs and is seeking additional funding from Council (an extra \$30k on top of the current annual grant of \$107k) rather than trying to generate extra revenue.

One option is an enhanced status quo – keeping the Trust Board, but with more clarity from Council about the balance between community use and revenue generation.

PwC also suggested that the house could be leased to someone running a café. This is what happens with the café in the Esplanade. This would attract visitors and generate extra revenue that could be used to maintain and enhance the heritage nature the property.

Another option is for Council to run the House directly, alongside our community centres and community halls.

[Leave space for people to write their comments]

#### The Globe and Regent Theatres:

The Globe and Regent Theatres are currently governed and run by separate Trust Boards.

The Regent is a 1,400-seat theatre, so it can hold large shows. The Globe has two auditoria - one for 200 people, the other 100 - so is suited to smaller shows. Despite these different sizes and target audiences the PwC Review found there is sometimes competition instead of cooperation between the two theatres and some shows at the Regent have been cancelled because of relatively low ticket sales instead of being transferred to the more suitable Globe.

PwC suggested an option of the Regent and Globe theatres being governed and run by a new single Trust Board. A new single Board could put more focus on joint marketing and provide better, clearer options for people putting on shows to choose the venue that best suits them. There may also be some small operational efficiencies through running the two theatres more jointly.

The two Boards said there could also be disadvantages in having a single Board. In particular:

- the two theatres have some distinct priorities and issues that are possibly best addressed by separate Boards
- a single Board could lose the skills, expertise and voluntary effort of Board members who are committed to the particular theatre to which they are associated.

Hence, for now, we taking a middle ground. Council has asked the two Boards to come back with suggestions on how they can work together in a much more co-operative and efficient way to deliver our aspirations. If this is not successful, then we will relook at the option of a single Board for both theatres.

We are not specifically seeking feedback on this way forward, but if you have any general comments about the Globe and Regent you can tell us here:

[Leave space for people to write their comments]

[Need to add information on consultation timeline, hearing dates, etc]

## COMMITTEE WORK SCHEDULE

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 17 June 2019

**TITLE:** Committee Work Schedule

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### RECOMMENDATION(S) TO ARTS, CULTURE AND HERITAGE COMMITTEE

1. That the Arts, Culture and Heritage Committee receive its Work Schedule dated June 2019.

### ATTACHMENTS

1. Committee Work Schedule  

## ARTS, CULTURE AND HERITAGE COMMITTEE

COMMITTEE WORK SCHEDULE – JUNE 2019

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	February 2019 April 2019	Outcomes of the National Young Performer Awards with proposals for future events and Council's commitment as Civic Partner	General Manager, Marketing & Communications		Council 24 September 2018 clause 140-18
2	February 2019 April 2019	Outcomes of the Fringe Festival	General Manager – Marketing and Communications		ACH 10-September 2018-clause 25.3
3	February 2019 April 2019	Programme 1157 commemorative programme post WW100 events	General Manager – Marketing and Communications		
4	April 2019	Draft Statements of Intent and six-monthly reports for CCO's	General Manager – Community		
5	June 2019	Annual progress report on the development of a Military Heritage Theme across Council Programmes	General Manager, Strategy and Planning	On track	25 June 2018 clause 20.2
6	June 2019	Annual Report on maintenance and renewal plans and budgets for cultural facilities	Chief Infrastructure Officer		25 June 2018 Clause 19.2
7	February 2020 June 2019	Report back on S17A review and outcomes	General Manager, Strategy and Planning	Workshop planned April 2019	
8	June 2019	Review of asset renewal process for the Regent Theatre Trust	Chief Financial Officer		15 April 2019 clause 10.7
9	September 2019	Final Statements of Intent for CCO's	General Manager – Community		
10	September 2019	Schedule of post WW100 Commemorative Events for 2019-2021 be added to the Arts Culture and Heritage work schedule	General Manager – Marketing and Communications		15 April 2019 clause 13.2
11	TBA June September 2019	Potential collaborative opportunities with external funding providers to increase the level of funding available to the arts sector	General Manager – Community		12 November 2018 clause 38.3
12	November 2019	Annual Report for CCO's	General Manager – Community	Annual report	

13	TBA	Issues and options report on the audit issues facing Council Controlled Organisations	Chief Financial Officer	Once outcome of S17A reviews are determined	10 September 2018 clause 27.6
14	TBA	Status of the relationship between PNCC and NZ Rugby Museum	General Manager – Community		Committee of Council 20 May 2019 clause 8.6