



---

**PALMERSTON NORTH CITY COUNCIL**

---

**AGENDA**

**ARTS, CULTURE & HERITAGE**

**COMMITTEE**

---

**9AM, WEDNESDAY 10 JUNE 2020**

**ELWOOD ROOM, CONFERENCE & FUNCTION CENTRE**  
**354 MAIN STREET, PALMERSTON NORTH**

---



---

## MEMBERSHIP

---

**Rachel Bowen (Chairperson)**  
**Brent Barrett (Deputy Chairperson)**  
**Grant Smith (The Mayor)**

**Zulfiqar Butt**  
**Renee Dingwall**  
**Lorna Johnson**

**Karen Naylor**  
**Bruno Petrenas**  
**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**

---

**Heather Shotter**  
**Chief Executive, Palmerston North City Council**

**Palmerston North City Council**

**W pncc.govt.nz | E info@pncc.govt.nz | P 356 8199**  
**Private Bag 11034, 32 The Square, Palmerston North**



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

10 June 2020

### **ORDER OF BUSINESS**

#### **NOTES:**

- The Arts, Culture & Heritage Committee meeting coincides with the ordinary meeting of the Committee of Council and the Planning & Strategy Committee meeting. The Committees will conduct business in the following order:
  - Planning & Strategy Committee (to hear submissions on the Amendment to Cemeteries & Crematorium Bylaw)
  - Committee of Council
  - Planning & Strategy Committee (continued)
  - Arts, Culture & Heritage Committee
- Due to the changing situation in relation to COVID-19, this meeting will also be held via audio visual links. A recording of the meeting will be made available on our website shortly after the meeting has finished.

If you wish to attend this meeting via audio visual link then please contact the Democracy & Governance Administrator, Natalya Kushnirenko, on [natalya.kushnirenko@pncc.govt.nz](mailto:natalya.kushnirenko@pncc.govt.nz) to request a link.

#### **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.)

- |           |  |          |
|-----------|--|----------|
| <b>5.</b> | <b>Presentation - CET Arena Redevelopment</b>  | Page 7   |
| <b>6.</b> | <b>Confirmation of Minutes</b><br>"That the minutes of the Arts, Culture & Heritage Committee meeting of 4 March 2020 Part I Public be confirmed as a true and correct record."    | Page 9   |
| <b>7.</b> | <b>Cultural CCOs Draft Statements of Intent 2020-23</b><br>Memorandum, presented by Julie Macdonald, Strategy & Policy Manager.  | Page 13  |
| <b>8.</b> | <b>Maintenance and Renewal Plans and Budgets for Cultural Facilities</b><br>Memorandum, presented by Bryce Hosking, Manager - Property.  | Page 117 |
| <b>9.</b> | <b>Options for formalising the relationship between Palmerston North City Council and the NZ Rugby Museum</b><br>Report, presented by Joann Ransom, Community Development Manager. | Page 129 |



## 10. Committee Work Schedule

Page 139

## 11. 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.

*[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 & Heritage Committee

**MEETING DATE:** 10 June 2020

**TITLE:** Presentation - CET Arena Redevelopment

**ITEM 5**

---

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

- 1. That the Arts, Culture & Heritage Committee receive the presentation for information.**

---

### **SUMMARY**

Sacha Haskell, General Manager – Marketing & Communications, Wiremu Te Awe Awe and Warren Warbrick will make a presentation regarding the Culture & Heritage designs for the Arena Redevelopment. This redevelopment stage covers the Plaza entrance, the Speedway Pits and the Embankment.

### **ATTACHMENTS**

Nil



# PALMERSTON NORTH CITY COUNCIL

## Minutes of the Arts, Culture & Heritage Committee Meeting Part I Public, held in the Council Chamber, First Floor, , Civic Administration Building, 32 The Square, Palmerston North on 04 March 2020, commencing at 9.02am

**Members Present:** Councillor Rachel Bowen (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Zulfiqar Butt, Renee Dingwall, Lorna Johnson, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**Non Members:** Councillors Susan Baty, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta and Aleisha Rutherford.

**Apologies:** The Mayor (Grant Smith) (for early departure on Council business) and Councillors Billy Meehan and Leonie Hapeta (for early departure).

The Mayor (Grant Smith) was not present when the meeting resumed at 2.33pm. He was not present for clauses 2 to 6 inclusive.

### 1-20 Apologies

Moved Rachel Bowen, seconded Vaughan Dennison.

#### The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 1-20 above was carried 15 votes to 0, the voting being as follows:

#### For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting adjourned at 9.03am.

The meeting resumed at 2.33pm.

When the meeting resumed The Mayor (Grant Smith) was not present.

### 2-20 Presentation - Centrepoint Theatre

Ms Kate Louise Elliott made a presentation on behalf of Centrepoint Theatre regarding current funding for Centrepoint, future plans for the Theatre and this year's programme of activity.

Ms Elliott noted Creative NZ were happy with the Theatre's progress and vision and had provided increased funding, making it possible to increase staff numbers.

A building feasibility study is currently being undertaken on the building that houses the Theatre, the outcome of which will be of interest as the Theatre



has occupied this building since the late 70s, and has outgrown the space.

Ms Elliott was pleased to note the Theatre had smashed its target of bringing in 1,000 new people per year, and continued to set the standard in professional performing arts in the Central North Island.

After discussion Elected Members felt Centrepunkt should be included in the work being undertaken on the Civic & Cultural Precinct Masterplan, to ensure as much prework as is sensible went into consulting with the appropriate people.

Moved Rachel Bowen, seconded Brent Barrett.

**The COMMITTEE RESOLVED**

1. That the Arts, Culture & Heritage Committee receive the presentation for information.
2. That the Chief Executive ensure that Centrepunkt Theatre is considered in the current work around the Civic & Cultural Precinct Masterplan.

Clause 2-20 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

**3-20**

**Presentation - Palmerston North Defence Heritage Advisory Group**

Mr Joe Hollander made a presentation on behalf of Palmerston North Defence Heritage Advisory Group regarding the Group's activities.

Mr Hollander noted planning for events such as Anzac Day were being reconfigured to allow for greater audience numbers, and that Palmerston North was one of the few cities in New Zealand to hold a formal Armistice Day commemoration.

The 175<sup>th</sup> anniversary of the Army had been planned for commemoration this year, but as the NZ Defence Force were unsure as to how they wanted to mark this occasion it had been postponed.

The Remembrance Army Project was working at great pace, in particular addressing the restoration of service personnel graves.

Mr Hollander noted the Group was very interested in the work being done around the CET Arena, and hoped it would be involved in the consultation on the masterplan.

Moved Rachel Bowen, seconded Brent Barrett.

**The COMMITTEE RESOLVED**

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

Clause 3-20 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

**4-20**

**Confirmation of Minutes**

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

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

Clause 4-20 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

**5-20**

**Status of the Relationship Between PNCC and NZ Rugby Museum**

Memorandum, presented by Joann Ransom - Community Development Manager.

Elected Members were of the opinion that this report did not adequately address the way in which PNCC could support local museum spaces, which had come out of annual budget discussions last year, and asked that this be explored more fully in a further report.

Moved Rachel Bowen, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Chief Executive ensure the NZ Rugby Museum is considered in the current work around the Civic and Cultural Precinct Master Plan.
2. That a further report on the status of the relationship between Palmerston North City Council and the NZ Rugby Museum be provided to Arts, Culture & Heritage Committee; and that the report seeks to identify options for formalising the relationship between Palmerston North City Council and the NZ Rugby Museum.

Clauses 5.1 and 5.2 above were carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

## **6-20 Committee Work Schedule**

Moved Rachel Bowen, seconded Brent Barrett.

### **The COMMITTEE RESOLVED**

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated March 2020.

Clause 6-20 above was carried 14 votes to 0, the voting being as follows:

#### **For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting finished at 3.31pm

Confirmed 10 June 2020

**Chairperson**

## MEMORANDUM

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

**MEETING DATE:** 10 June 2020

**TITLE:** Cultural CCOs Draft Statements of Intent 2020-23

**PRESENTED BY:** Julie Macdonald, Strategy & Policy Manager

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

### RECOMMENDATION(S) TO COUNCIL

1. That the draft Statements of Intent 2020–23 submitted by the cultural CCOs (Attachments 1–5 of this memorandum entitled ‘Cultural CCOs Draft Statements of Intent 2020-23’) be received.
2. That the Globe Theatre Trust is advised of the recommended changes to the final Statement of Intent 2020–23 outlined in Table 1 of this memorandum entitled ‘Cultural CCOs Draft Statements of Intent 2020-23’.
3. That Caccia Birch Trust Board is advised of the recommended changes to the final Statement of Intent 2020–23 outlined in Table 3 of this memorandum entitled ‘Cultural CCOs Draft Statements of Intent 2020-23’.
4. That the Regent Theatre Trust is advised of the recommended changes to the final Statement of Intent 2020–23 outlined in Table 5 of this memorandum entitled ‘Cultural CCOs Draft Statements of Intent 2020-23’.
5. That Te Manawa Museums Trust is advised of the recommended changes to the final Statement of Intent 2020–23 outlined in Table 7 of this memorandum entitled ‘Cultural CCOs Draft Statements of Intent 2020-23’.
6. That the Chief Executive develop a proposal for an increase of \$50,000 per year to the Globe Theatre Trust operating grant for Elected Members to consider in the 10 Year Plan 2021–31 process.
7. That the Chief Executive develop a proposal for an increase of \$40,000 per year to the Caccia Birch Trust Board operating grant for Elected Members to consider in the 10 Year Plan 2021–31 process.

### 1. ISSUE

The cultural Council-Controlled Organisations (CCOs) have delivered their draft Statements of Intent (SOIs). Officers have analysed the SOIs drafted by each cultural CCO, and the full

documents are appended to this memo. Representatives of each CCO are in attendance to present their draft SOIs.

Under the Local Government Act 2002 (LGA), when preparing the final SOI, a CCO must consider any comments made on the drafts by the Council prior to a certain date. Due to COVID-19 the draft SOIs were not presented to Council before the deadline. However, the CCOs may still choose to consider Council's comments prior to delivering a final SOI by 31 July 2020. The purpose of this report is to provide an opportunity for the Council to give feedback to the CCOs on the SOI.

## 2. BACKGROUND

A CCO is an organisation in which Council has the right to appoint at least fifty percent of the trustees. Council has four cultural CCOs which were set up to independently manage Council-owned cultural facilities for a mixture of commercial and community purposes: Globe Theatre Trust, Te Manawa Museums Trust, Caccia Birch Trust Board and Regent Theatre Trust. These organisations are each managed by a Board of Trustees made up of committed volunteers.

Caccia Birch Trust Board, while currently exempted as a CCO pursuant to s 7(3) of the LGA, is still required to report to Council in the same way as a CCO.

The CCOs were each sent a Statement of Expectation to assist them in preparing the draft SOIs. Statements were presented to and approved by Council at its meeting on 18 December 2020. In March 2020, the Boards were further asked to amend their draft SOIs to include a "best guess" illustration of the impact of COVID-19. To assist with this, the deadline for delivery of the final SOIs was extended by one month, the maximum allowed under the LGA.

## 3. GLOBE THEATRE TRUST

The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the Statement of Expectation, as outlined in Table 1 below. The Board has responded to COVID-19 by revising down its usage targets for 2020/21 to match the six-month result as at 31 December 2019.

**Table 1: Comparison of Globe SOI with Council's Statement of Expectation**

Statement of Expectation	Globe Draft SOI	Comments for Final SOI
Contribute towards specific actions in the Arts Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	N/A
Develop 4-6 high-quality performance measures with officers.	In progress. Discussion of new performance measures was delayed due to COVID-19.	Work with Council staff to review performance measures.



Statement of Expectation	Globe Draft SOI	Comments for Final SOI
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Included in “How we operate” section.	N/A
Produce a business plan and 10-year plan.	The Board will finalise its plans in time to provide input into Council’s next 10 Year Plan.	N/A
Actively explore and report on commercial models.	Included in performance measures.	N/A
Actively explore collaboration on a one-stop front of house booking operation.	Further discussions planned with Council staff.	N/A
Actively explore bringing ticketing functions under one umbrella for city venues.	Further discussions planned with Council staff.	N/A
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	Included in performance measures.	N/A
Work with Council and other agencies to develop Economic Impact reporting for regionally/nationally significant events.	Further discussions planned with Council staff.	N/A
Financials.	Summarised in Table 2. The Board has illustrated how it would utilise a \$50,000 increase in its Council operating grant from the year beginning 1 July 2021.	Reduce Council operating grant to the level set in the 10 Year Plan 2018–28, adjusted for inflation, and update expenses accordingly.

**Table 2: Globe SOI Summary Financials**

Summary Financials (\$000)	Forecast	SOI		
	2019/20	2020/21	2021/22	2022/23
<b>Financial Performance</b>				
Revenue provided by PNCC	116	118	170	173
Total revenue	302	204	278	278
Total Expenses	273	269	326	333
Net Surplus (Deficit)	29	(65)	(48)	(55)
<b>Financial Position</b>				
Current Assets	55	46	56	70
Total Assets	357	292	243	189
Current Liabilities	18	18	18	18
Total Liabilities	18	18	18	18
Equity	339	274	225	171
<b>Cash Flows</b>				
Total Net Cash Flows	(34)	(9)	10	14
Opening Cash	71	37	28	38
Closing Cash	37	28	38	52
<b>Current Ratio</b>	3.06	2.56	3.11	3.89
<b>Working Capital</b>	37	28	38	52

- In 2021/22 and 2022/23 it is assumed revenue provided by PNCC will increase by \$50K compared to 2020/21
- In 2020/21 – 2022/23 it is expected that donations and fundraising revenue will be significantly lower than previous years
- Employee, trustee and contractor costs increase by \$45K in 2021/22 onwards compared to 2020/21
- A net deficit is expected for 2020/21 – 2022/23

Staff recommend that Council consider the Board's request for funding as part of the 10 Year Plan process, once the Board's new strategic plan is complete. In the meantime, the Board should adjust the SOI to reflect current funding levels to ensure the SOI is consistent with the Council's budgets.

#### 4. CACCIA BIRCH TRUST BOARD

The Board has presented a draft SOI that aligns with Council’s strategic direction and addresses the Statement of Expectation, as outlined in Table 3 below. The Board has responded to COVID-19 by revising its usage targets for 2020/21. In last year’s SOI it anticipated five publicly accessible events; the new target is three. Targets for social function and conference/meeting hires are reduced from 464 to 395.

**Table 3: Comparison of Caccia Birch SOI with Council’s Statement of Expectation**

Statement of Expectation	Caccia Birch Draft SOI	Comments for Final SOI
Contribute towards specific actions in the Culture and Heritage Plan and align activities to Council’s overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council’s strategic direction.	N/A
Council believes the Trust Deed needs to be updated to include more of an emphasis on commercial viability.	The Board does not consider it necessary to amend the Trust Deed. Its preference is to seek regular agreement with Council about the balance of its activities through the SOI process.	Engage in further discussions with Council.
Develop 4-6 high-quality performance measures with officers.	Work complete.	N/A
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Included in “About Caccia Birch Trust Board” and “How we operate” sections.	N/A
Produce a business plan and 10-year plan.	The Board will finalise its plans in time to provide input into Council’s next 10 Year Plan.	N/A
Actively explore and report on commercial models.	Included as an activity under strategic objective 3.	N/A
Financials.	Summarised in Table 4. The Board has illustrated how it would utilise a \$40,000 increase in its Council operating grant from the year beginning 1 July 2021.	Reduce Council operating grant to the level set in the 10 Year Plan 2018–28, adjusted for inflation, and update expenses accordingly.

**Table 4: Caccia Birch SOI Summary Financials**

Summary Financials (\$000)	Forecast	SOI		
	2019/20	2020/21	2021/22	2022/23
<b>Financial Performance</b>				
Revenue provided by PNCC	107	109	151	154
Total revenue	313	260	363	378
Total Expenses	334	289	382	385
Net Surplus (Deficit)	(21)	(29)	(19)	(7)
<b>Financial Position</b>				
Current Assets	55	59	62	72
Total Assets	126	109	91	85
Current Liabilities	30	42	42	43
Total Liabilities	30	42	42	43
Equity	96	67	49	42
<b>Cash Flows</b>				
Total Net Cash Flows	(3)	(17)	2	9
Opening Cash	40	37	20	22
Closing Cash	37	20	22	31
<b>Current Ratio</b>	1.83	1.40	1.48	1.67
<b>Working Capital</b>	25	17	20	29

- In 2021/22 and 2022/23 it is assumed revenue provided by PNCC will increase by \$40K compared to 2020/21
- A net deficit is expected for 2020/21 – 2022/23
- Wages and salary costs increase by \$45K in 2021/22 onwards compared to 2020/21
- Property, plant and equipment decreases from \$50K in 2020/21 to \$14K in 2022/23

Staff recommend that Council consider the Board's request for funding as part of the 10 Year Plan process, once the Board's 10-year plan is complete. In the meantime, the Board should adjust the SOI to reflect current funding levels to ensure the SOI is consistent with the Council's budgets.

## 5. REGENT THEATRE TRUST

The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the Statement of Expectation, as outlined in Table 5 below. The Board has responded to COVID-19 by revising its usage targets for 2020/21. In last year's SOI it

anticipated 200 use-days; the new target is 158 days. Attendance targets have been revised from 102,550 to 88,600.

**Table 5: Comparison of Regent SOI with Council's Statement of Expectation**

Statement of Expectation	Regent Draft SOI	Comments for Final SOI
Contribute towards specific actions in the Arts Plan and Culture and Heritage Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives (particularly 1, 2 and 4) and Council's strategic direction.	Consider rolling objectives 3, 5 and 6 into a single objective which outlines the Board's internal aims.
Council has reviewed the purpose statement in the Regent Theatre Trust's constitution and believes the constitution needs to be updated.	In progress. Discussion with officers was delayed due to COVID-19.	Engage in further discussions with Council.
Develop 4-6 high-quality performance measures with officers.	In progress. Discussion of measures was delayed due to COVID-19.	Work with Council staff to review performance measures.
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Included in "Activities" and "How we operate" sections.	N/A
Produce a business plan and 10-year plan.	The Board will finalise its plans in time to provide input into Council's next 10 Year Plan.	N/A
Actively explore and report on commercial models.	Included as an activity under strategic objective 2.	N/A
Actively explore collaboration on a one-stop front of house booking operation.	Further discussions planned with Council staff.	N/A
Actively explore bringing ticketing functions under one umbrella for city venues.	Further discussions planned with Council staff.	N/A
Identify your regionally/ nationally significant events based on current delivery and explore a stretch target.	Included in performance measures.	N/A
Work with Council and other agencies to develop Economic Impact reporting for regionally/nationally significant events.	Further discussions planned with Council staff.	N/A
Financials.	Summarised in Table 6.	N/A



**Table 6: Regent SOI Summary Financials**

Summary Financials (\$000)	Budget	SOI		
	2019/20	2020/21	2021/22	2022/23
<b>Financial Performance</b>				
Revenue provided by PNCC	234	237	241	244
Total revenue	1,425	991	998	1,021
Total Expenses	980	1,024	1,038	1,048
Net Surplus (Deficit)	445	(33)	(40)	(27)
<b>Financial Position</b>				
Current Assets	267	294	331	388
Total Assets	1,202	1,170	1,130	1,103
Current Liabilities	167	167	168	168
Total Liabilities	167	167	168	168
Equity	1,035	1,003	962	935
<b>Cash Flows</b>				
Total Net Cash Flows	40	28	36	57
Opening Cash	180	220	248	284
Closing Cash	220	248	284	341
<b>Current Ratio</b>	1.60	1.76	1.97	2.31
<b>Working Capital</b>	100	127	163	220

- A net deficit is expected for 2020/21 – 2022/23
- Theatre operations revenue for 2020/21 – 2022/23 is expected to remain consistent with 2019/20 revenue budget
- Current assets increase from \$267K in 2019/20 to \$833K in 2022/23 due to an increase in bank accounts and cash

## 6. TE MANAWA MUSEUMS TRUST

The Board has presented a draft SOI that aligns with Council's strategic direction and largely addresses the Statement of Expectation, as outlined in Table 7 below.

The development of Te Manawa's Statement of Intent followed a long process of engagement with Council, which did not leave the Board much time to integrate the final expectations into the SOI. Staff have therefore analysed the draft SOI and suggested specific changes to ensure full alignment with the Council's SOI.

The Board has responded to COVID-19 by revising its visitor targets for 2020/21. In last year's SOI it anticipated 170k physical visits; it now anticipates 150k. However, the target for online visits has been increased, from 450k to 500k.

**Table 7: Comparison of Te Manawa SOI with Council's Statement of Expectation**

Statement of Expectation	Te Manawa Draft SOI	Comments for Final SOI
Contribute towards specific actions in the Arts Plan and Culture and Heritage Plan and align activities to Council's overall vision, goals and strategies.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	N/A
Focus on engaging local communities in relevant and meaningful learning experiences.	Development of an education strategy is signalled in the Chair's introduction and in the performance measures (under strategic objective 4).	Include specific actions planned to enhance the learning experience offered by Te Manawa, including development of an education strategy, in the "What we will do" section.
Focus on developing and growing use of and access to collections.	Actions to increase access to collections is signalled in the Chair's introduction, such as maintaining a turnover of exhibitions and reviewing programmes.	Include specific actions planned to increase use of and access to collections in the "What we will do" section.
Focus on attracting visitation and third-party investment.	Increased visitation is a focus of the actions under strategic objective 1. Development and implementation of fundraising strategies is included as an activity under strategic objective 3.	N/A
Develop a thorough and evolving understanding of the community.	Community engagement included as activities under strategic objective 4.	Include specific actions planned to ensure strategy is based on an understanding of the community, e.g. undertaking data collection, in the "What we will do" section.
Strategic partnerships.	Stakeholder engagement included as activities under strategic objective 4.	Include specific actions planned to establish, formalise and nurture strategic partnerships in the "What we will do" section.
Develop performance measures that demonstrate performance (specific measures requested).	Included some requested measures. A full review was disrupted by COVID-19.	Work with Council staff to incorporate requested performance measures. Ensure performance measures

## PALMERSTON NORTH CITY COUNCIL

Statement of Expectation	Te Manawa Draft SOI	Comments for Final SOI
		clearly explain what is being counted, and that planned activities are captured in the "What we will do" section rather than as performance measures.
Outline approach to good governance practices, financial sustainability and environmental sustainability.	Included in Statement of the Board's Approach to Governance and in the performance measure "Develop and environmental framework".	Address these items in a separate "How we operate" section.
Produce a business plan and 10-year plan.	The Board is working on a draft business plan; however, COVID-19 recovery work has disrupted this.	Provide a timeframe for completion of plans.
Financials (produce an activity-based budget).	Summarised below.	N/A

**Table 8: Te Manawa SOI Summary Financials**

Summary Financials (\$000)	Forecast	SOI		
	2019/20	2020/21	2021/22	2022/23
<b>Financial Performance</b>				
Revenue provided by PNCC	3,200	3,264	3,329	3,396
Total Revenue	3,586	3,860	4,052	3,821
Total Expenses	3,463	3,849	4,028	3,797
Net Surplus (Deficit)	123	11	24	24
<b>Financial Position</b>				
Current Assets	1,084	1,132	1,176	1,296
Total Assets	18,503	18,523	18,547	18,571
Current Liabilities	430	441	441	441
Total Liabilities	436	444	444	444
Equity	18,067	18,079	18,103	18,127
<b>Cash Flows</b>				
Total Net Cash Flows	(107)	(45)	47	112
Opening Cash	582	475	430	477
Closing Cash	475	430	477	589
<b>Current Ratio</b>	2.52	2.57	2.67	2.94
<b>Working Capital</b>	654	691	735	855

- A net surplus is expected for 2020/21 – 2022/23

- Fundraising and sponsorship revenue is expected to be greater than \$250K in 2020/21 and 2021/22. Fundraising and sponsorship revenue is forecasted to be \$9K in 2019/20

## 7. NEXT STEPS






Any Council comments on the draft SOIs will be communicated in writing to the CCOs.

The cultural CCOs will deliver their final SOIs by 31 July 2020 and their annual reports by 30 September 2020. These will be presented to the next available Arts, Culture and Heritage Committee.

## 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: to support CCOs to achieve the objectives of the arts plan.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Providing comments on the Draft Statements of Intent is a mechanism for Council to provide guidance and direction to the cultural CCOs

**ATTACHMENTS**

1. Globe Theatre Trust - Draft Statement of Intent for 2020-23 [↓](#) 
2. Caccia Birch Trust Board - Draft Statement of Intent for 2020-23 [↓](#) 
3. Regent Theatre Trust - Draft Statement of Intent for 2020-23 [↓](#) 
4. Te Manawa Museums Trust - Draft Statement of Intent for 2020-23 [↓](#) 
5. Te Manawa Museums Trust - Draft Statement of Intent for 2020-23 (financials) [↓](#) 





address: PO Box 132, 132 Main Street  
Palmerston North  
website: [www.globetheatre.co.nz](http://www.globetheatre.co.nz)  
email: [info@theglobe.co.nz](mailto:info@theglobe.co.nz)  
phone: 06 351 4409

---

## Globe Theatre Trust Statement of Intent For the three years to 30 June 2023

---

DRAFT

---

*Version:* 2

---

*Date:* 30/04/2020

---

*Prepared by:* Globe Theatre Trust Board

---

## CONTENTS

## CONTENTS

Trust Details as at 30 June 2020 .....	3
Foreword .....	4
Purpose of the Statement of Intent .....	5
About the Globe Theatre Trust .....	5
Governance Statements .....	5
Core Purpose .....	5
Vision .....	5
Mission .....	6
Values .....	6
Contribution to small city benefits, big city ambition .....	6
The Globe Theatre Trust's Strategic Objectives .....	6
Nature and scope of activities of the Trust Board – what we do .....	7
Performance Measures .....	8
Definitions .....	8
Strategic priorities and performance monitoring for 2020/21, 2021/22, 2022/23 .....	9
How we operate .....	13
Working together .....	13
Half-yearly report .....	13
Annual report .....	14
Forecast financial statements .....	15
Statement of financial performance for the years ended 30 June 2021, 2022, 2023 .....	15
Statement of financial position for the years ended 30 June 2021, 2022, 2023 .....	<b>Error! Bookmark not defined.</b>
Statement of changes in accumulated funds for the years ended 30 June 2021, 2022, 2023 .....	16
Statement of cashflow for the years ended 30 June 2021, 2022, 2023 .....	17
Summary of significant accounting policies .....	19

## Trust Details as at 30 June 2020

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams M Dale (Chairperson) R Harris G Hudson M May
Treasurer	G Hudson
Secretary	M May
Theatre Manager	G Keating
Address	312 Main Street PO Box 132 Palmerston North  Telephone: (06) 351 4409
Telephone	(06) 351 4409
Website	<a href="http://www.globetheatre.co.nz">www.globetheatre.co.nz</a>
Email	<a href="mailto:info@globetheatre.co.nz">info@globetheatre.co.nz</a>
Bankers	Bank of New Zealand
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Charity Registration Number	CC28111
Inland Revenue Number	43-006-495

## Foreword

The Globe Theatre Trust Board is pleased to present its draft Statement of Intent for the three-year period from July 2020. The Board continues to be driven by its vision of the Globe Theatre as a thriving hub for community performing arts in the cultural heart of the City.

In 2017/18, the Board prepared a 5-year Strategic Plan which informed its input into the 2018-28 Council 10-year plan. Its intention was to review this during 2020/21 in good time for input into the 2021-31 Council 10-year plan. The Board notes that the Council have requested the Board completes this process prior to submitting its final SOI. The Board was informed of this in mid-December 2019 and simply has not had the capacity to complete a full review over January/February 2020. Our intention was to undertake this process during March/April 2020. However, due to the COVID-19 Pandemic, this has not been possible, and we envisage our Strategic Plan review to now take place during May/June 2020 in time for the final SOI deadline of July 31<sup>st</sup>.

This draft SOI was originally presented under a "business as usual" scenario as per the current Strategic Plan. However, the COVID-19 Pandemic has drastically changed the SOI outlook and as advised by council officers, this draft is a "best-guess" scenario. The Board had anticipated further growth in its business, although not on the recent steep trajectory. The busy-ness of the theatres has necessitated taking on an additional staff member during 2019/20. The Board is confident that this additional position can be funded from the growth in hire income and ticketing business. The Board has also budgeted for increased technical support and hopes that this may grow into a permanent paid position over the period of this SOI.

The Board is also aware of the Council's move to a Results Based Accountability methodology and looks forward to working with council officers during May & June with a view to implementing this new methodology in the final SOI due July 31<sup>st</sup>.

The Board will be delighted to work further with Council staff to develop its aspirations for Council consideration at the stage of the final SOI in May 2020. In the meantime, the Board also notes Council's request in the Letter of Expectation that it:

- actively explore and report on commercial models (such as the shared risk/reward model that The Globe have initiated in some of their music programming) that might attract hirers who otherwise would not use the venue because of the cost but whose offering might enable the venue to expand into new audience areas or explore commercial opportunities.
- to actively explore collaboration on a one-stop front of house booking operation that enables getting bookings in the right City venue for the event.
- actively explore bringing ticketing functions under one umbrella for city venues.
- identify your regionally/nationally significant events based on current delivery and explore what a stretch target for that would look like, and
- work with Palmerston North City Council and other agencies to develop Economic Impact reporting for those events, as used in the Significant Events report that CEDA has previously presented to the Economic Development Committee.

The Board currently reports upon the first bullet point and is aware of the avenue via the Arts Powerhouse Committee to work collaboratively on the other actions identified.

Globe Theatre Trust Board  
February 2020

## Purpose of the Statement of Intent

This Statement of Intent is presented by The Globe Theatre Trust in accordance with the requirements of s 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intention of The Globe Theatre Trust for the next three years, and the objectives to which those activities will contribute.

This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

## About the Globe Theatre Trust

### GOVERNANCE STATEMENTS

The Globe Theatre Trust is established and governed by the Globe Theatre Trust Deed, available on request from the contact officer.

#### Objectives of Globe Theatre Trust Deed

The objectives of the Trust Deed provide the framework for the Trust to control, develop, promote, enhance and maintain the Globe Theatre so that it may be used and enjoyed by the inhabitants of the Manawatu area including:

- (i) Securing the future of the Globe Theatre.
- (ii) Preparing, in consultation with the Council, a Strategic Plan and an Annual Plan for attaining these objectives.
- (iii) Acknowledging the Globe Theatre as the home of the Manawatu Theatre Society.
- (iv) Ensuring the Globe Theatre remains accessible to the community (both physically and financially).
- (v) Fostering a sense of community by encouraging youth, assisting amateurs, and promoting participation.

The primary objective of the Trust is to promote the performing arts within Palmerston North by catering for a variety of local and touring arts and cultural events such as drama, comedy, musical theatre, dance and musical recitals, public artistic competitions, conferences and seminars, rather than making a financial return.

#### Structure and governance

The Board of up to seven Trustees (5 appointed by Palmerston North City Council and up to 2 co-opted Trustees) is responsible for the strategic direction and control of The Globe Theatre Trust's activities. The Board guides and monitors the business and affairs of the Trust, in accordance with the Trustee Act 1956, the Local Government Act 2002, the Trust Deed and this Statement of Intent. The Board's approach to governance is to adopt "good practice" with respect to:

- (i) the operation and performance of the Board, including being a good employer
- (ii) managing the relationship with the Theatre Manager
- (iii) being accountable to the community and reporting to the Palmerston North City Council

The Theatre Manager is responsible for the day-to-day operations of the Globe Theatre, engaging and oversight of staff/volunteers and reporting to the Trustees on performance against The Trust's objectives.

### CORE PURPOSE

That the Globe Theatre is "home" to the local performing arts community within a City-wide cultural precinct.

### VISION

A dynamic, bustling, vibrant centre for the performing arts community in Palmerston North.

## MISSION

To be recognised as the most collaborative and co-operative organisation amongst the city's cultural organisations.

## VALUES

Customer Focus – we listen and understand the interests and important concerns of our internal and external stakeholders and business partners (patrons, hirers, suppliers).

Teamwork – we work cooperatively with others to produce innovative solutions that meet the needs of all.

Respect for others – we listen and respond constructively and promptly. We try to understand alternative points of view and accommodate these into our core business.

Accountability – we focus on making things happen fast - solving problems and getting work done. We identify what needs to be done and act before being asked or the situation requires it.

Honesty and integrity - we will be straightforward in conducting ourselves and our business. We will be trustworthy, loyal, fair and sincere.

## Contribution to small city benefits, big city ambition

Palmerston North is the heart of the Manawātū region within central New Zealand - a small city with a lot to offer, and ambitious about where it's going. The City Council vision is Palmerston North: Small city benefits, big city ambition.

Council has identified five strategic goals for achieving this vision and the Globe Theatre Trust contributes primarily to Goal 2: A creative and exciting city. Council has developed strategies to support achievement of its goals, and the Globe Theatre Trust contributes primarily to the Creative and Liveable Strategy. Within this Strategy, Council has identified priorities and the Globe Theatre Trust contributes primarily to Priority 3, to develop the city into an arts powerhouse with a national reputation for creativity and the arts, and to a lesser but still significant extent, Priority 4, to develop a national and international reputation as an exciting city with plenty to do at night and on weekends.

The Globe Theatre Trust also has a part to play in Goal 4: An eco-city, particularly in Priority 2 to work with Council to reduce carbon emissions.

The Globe Theatre Trust believes that its contribution to the Council's vision, strategic goals and underpinning strategies can be realized as it works towards its vision to deliver a dynamic, bustling, vibrant centre for the performing arts community in Palmerston North. It has in turn developed strategic objectives and strategies to support it to achieve this within the framework of its Trust Deed.

## The Globe Theatre Trust's Strategic Objectives

The Trust Board has identified three strategic objectives which describe the change that it will endeavour to bring about to support the Council to develop the City into an arts powerhouse with a national reputation for creativity and the arts.

Firstly, it will ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse.

Secondly, it will support the local performing arts community to showcase their diverse talents at the Globe.

Thirdly, it will maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility. In addition, the Board will encourage and support Council, as asset manager, to ensure that these developments incorporate incremental sustainability and environmental improvements to contribute to the reduction in CO<sup>2</sup> emissions.

## Nature and scope of activities of the Trust Board – what we do

To achieve its objectives, the Trust Board aims to:

1. Increase the number of events that take place at the Globe Theatre and the number of people who are involved in these events (actively organising or participating in a performance or performing art).  
This will entail:
  - Providing a seamless, customer-focused hire service that is responsive to the needs of hirers and is enabling and supportive.
  - Ensuring that there are friendly, helpful and knowledgeable staff/volunteers who can support our hirers in delivering a successful event, whether it is negotiating an appropriate contract, advising on promotion, securing front of house/ushering volunteers or providing technical support.
  - Encouraging national and international visiting productions and artists to perform at the venue.
  
2. Maximize the use of the venues by local community performing arts groups and events and to represent the diversity of the Palmerston North community.  
This will entail:
  - Undertaking community outreach and collaborating with other agencies and organisations to demonstrate how the Globe may contribute to their aspirations to showcase and develop their cultural heritage.
  - Working particularly with community hirers to support them to showcase their cultural and performing arts heritage, ensuring that the venues are available and accessible for them and encouraging them to become regular users of the theatres.
  
3. Maintain the fixtures, fittings and theatre equipment to ensure it continues to offer a professional experience to all its clients/customers/users.  
This will entail:
  - Working with the local performing arts community to identify future needs and advancing technologies to support developing performing arts practice.
  - Working closely with PNCC as the building owner, local suppliers with theatre specialisms and local philanthropic organisations which contribute necessary funding.
  - Encouraging and supporting PNCC as the building owner, working closely with local suppliers with theatre specialisms and local philanthropic organisations, to incorporate low carbon choices.

## Performance Measures

### DEFINITIONS

#### USER GROUPS

**MOU Group** – has an MOU arrangement with the Globe Theatre, is performance-based, may be a community group or professional group

**Art School** – is performance based, where the performance is delivered by students whether or not the organisation is a commercial company

**Community Group** – the hirer is a community organisation, may or may not be performance based

**Professional Group** – the hirer is a professional performing arts practitioner, a private individual or a commercial company (may or may not be performance based)

**Community Festival** – the Globe Theatre participates in a city-wide/cultural precinct-wide series of events that form part of a festival. May or may not be performance based, may or may not attract a hire fee

#### USAGE AND PERFORMANCE

**Usage** – A space in the theatre is set aside for a specific event, activity or exclusive use by a hirer.

**Performance** – The “usage” involves an audience of any description

#### PERFORMANCE BASED USEAGE:

**Theatre Performance** – a dramatic or dance performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Musical Performance** – a musical performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Film Performance** – a film shown to an audience, open to the public, may be ticketed or not

#### NON-PERFORMANCE BASED USEAGE:

**Conference** – a presentation on stage to an audience, may be open to the public or may be pre-registered delegates, may be ticketed or not

**Celebration** – a ceremony, party or other festive event, may be open to the public or not, may involve a “performance” to an audience, may be ticketed or not

**Misc. meeting** – anything else!

#### HOURS OF USE BY HIRERS

Approximate length of each usage from pack in to pack out (does not include box office or café opening hours)

#### NO. OF DISCREET PARTICIPANTS

People taking part in multiple “usages” for a single event are counted only once. For example, a play that is rehearsed at the Globe and shown at the Globe with 10 participants is only counted as 10 participants although each rehearsal and performance is a separate hire or “usage”

#### NO. OF VISITORS/AUDIENCE MEMBERS

People participating at the Globe as an audience member/attending an event but not as an organiser or performer. For example, someone who has been to multiple events at the Globe as an audience member would be counted for each event they attend. It does not include people visiting the box office or café.)



## Strategic priorities and performance monitoring for 2020/21, 2021/22, 2022/23

Strategic Priority 1: Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations as an arts powerhouse.

Performance measure	Actual		Target		
	2018/19	at 31 Dec 2019	2020/21	2021/22	2022/23
Number of usages	Result as at 31 Dec 2018 = 326  Result as at 30 June 2019 = 680	380	380 Commentary on issues	650 Commentary on issues	675 Commentary on issues
Number of performances	Result as at 31 Dec 2018 = 123 (38% of total usage)  Result as at 30 June 2019 = 253	190 (50% of total usage)	190 Commentary on issues	220 Commentary on issues	240 Commentary on issues
Hours of Use by Hirers  Benchmarks to be established in 2018/19	Result as at 31 Dec 2018 = 1,268  Result as at 30 June 2019 = 2,544	1,436	1,436 Commentary on issues	2,600 Commentary on issues	2,800 Commentary on issues
No. of discreet participants  Benchmarks to be established in 2018/19	Result as at 31 Dec 2018 = 878  Result as at 30 June 2019 = 1,843	1,156	1,156 Commentary on issues	1,750 Commentary on issues	1,850 Commentary on issues
No. of visitors/audience members  Benchmarks to be established in 2018/19	Result as at 31 Dec 2018 = 10,860  Result as at 30 June 2019 = 21,409	12,635	12,635 Commentary on issues	26,000 Commentary on issues	27,000 Commentary on issues
Maintain or improve satisfaction ratings of hirers	Result as at 31 Dec 2018 = 81% (n=22)  Result as at 30 June 2019 = 93% (n=41)	86% (n=24) record an excellent rating, 7% good and 7% fair	2020/21 result maintained or improved – commentary on issues	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues

Maintain or improve satisfaction ratings of visitors (audiences)	Result as at 31 Dec 2018 = 85% (n=62)	83% (n=51)	Provide annual result and commentary on any issues	Provide annual result and commentary on any issues	Provide annual result and commentary on any issues
Benchmark established for visitors up to July 2017 = 78%	Result as at 30 June 2019 = 84% (n=148)				
Number of national and international visiting productions performing at the Globe	Result as at 31 Dec 2018 = 11 Result as at 30 June 2019 = 28	11	11	15	17

Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe, and working to ensure our users represent the diversity of the Palmerston North community					
Performance measure	Actual		Target		
	2018/19	at 31 Dec 2019	2020/21	2021/22	2022/23
Proportion of use driven through MOU arrangements.	Result as at 31 Dec 2018 = 47%  Result as at 30 June 2019 = 57%	63%	63%	70%	70%
Proportion of MOU-driven use that is performance-based	Result as at 31 Dec 2018 = 96%  Result as at 30 June 2019 = 95%	98%	95%	95%	95%
Proportion of overall usage from established community users <sup>1</sup>	Result as at 31 Dec 2018 = 33%  Result as at 30 June 2019 = 21%	20%	2020/21 result maintained or improved – commentary on issues	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues
Proportion of overall usage from new community groups <sup>2</sup>	Result as at 31 Dec 2018 = 7.5%  Result as at 30 June 2019 = 5.3%	3.5%	2020/21 result maintained or improved – commentary on issues	2021/22 result maintained or improved – commentary on issues	2022/23 result maintained or improved – commentary on issues

<sup>1</sup> The target will be to reduce this proportion, aiming to convert regular community users to MOU arrangements

<sup>2</sup> Note will be made of the ethnic and cultural origin of users to monitor success in outreach programmes

Strategic Priority 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.					
Performance measure	Actual		Target		
	2018/19	at 31 Dec 2019	2020/21	2021/22	2022/23
Carry out capital development programme	Globe 1: new digitally enabled rig installed.	Globe 1: New digital lighting rig to be installed early 2020	Globe 1: New Roller door/backstage storage	Investigate digital signage options	New projector for Globe 1 with electric screen
Funding capital renewal programme from depreciation fund	45% depreciation funded	Not measured; capitalisation not done until year end	68% depreciation costs available for capital renewal	60% depreciation costs available for capital renewal	60% depreciation costs available for capital renewal

## How we operate

The team at the Globe Theatre are a passionate group of people driven to grow and develop the performing arts in the City and wider region. We recognise, and take responsibility for, our role in contributing to the common vision to develop the City into an arts powerhouse with a national reputation for arts and creativity. We will work to:

- Increase the culture of supporting performing arts events from the local community (residents and businesses) to grow the sector.
- Collaborate with all cultural organisations to support each other's contribution towards the common vision.
- Liaise effectively with a city council committed to and contributing to the common vision.
- Participate in decision-making – governance and operational – that is co-creational building trust and capacity within and between each collaboration partner.

In keeping with best management practice, the Globe Theatre Trust aims to operate efficiently and effectively, reducing any adverse impacts on the natural and built environment. The Theatre management will work towards zero waste in its operations and in developing technologies and processes which reduce the carbon footprint of the theatre's day-to-day operations.

As a future-focused organisation, we aim to promote the social and cultural well-being of our communities through participation in the arts. The Trust regularly reviews its internal processes, seeking continuous improvement in order to deliver value for money to the shareholders and the rate payer. As a Council Controlled Organisation (CCO), the Trust is also aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny. The Trust recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local Iwi and recognition of Tangata Whenua in the region.

The Trust is committed to the health and safety of all workers, volunteers, visitors and the public across its premises by undertaking all measures reasonably practicable to provide a safe working environment. The Trust believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where employees, volunteers and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities. As such, the Trust will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

## Working together

### HALF-YEARLY REPORT

By the end of February each year, The Globe Theatre Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

- Theatre Manager's commentary on operations for the relevant six-month period.
- Comparison of The Globe Theatre Trust's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

**ANNUAL REPORT**


By 30 September each year, The Globe Theatre Trust will provide the Council with an annual report complying with ss 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be provided in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of The Globe Theatre Trust, and will include the following information:

- Commentary on operations for the year.
- Comparison of The Globe Theatre Trust's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.
- Any other information that the Trustees consider appropriate.

This Statement of Intent was approved by the Globe Theatre Trust Board on 20 May 2019.

Signed:



Maxine Dale, Chairperson, Globe Theatre Trust Board

## Forecast financial statements

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Reforecast 2020	Indicative 2021 2% inflation adjustment	Indicative 2022 2% inflation adjustment	Indicative 2023 2% inflation adjustment
<b>Revenue</b>					
Donations, fundraising and other similar income	100,267	113,726	25,000	25,000	15,000
Council funding	113,366	115,748	118,063	170,424	173,833
Investment income	421	368	300	350	400
Sales of Goods and Services	90,785	71,886	60,464	82,000	88,600
<b>Total Revenue</b>	<b>304,839</b>	<b>301,728</b>	<b>203,827</b>	<b>277,774</b>	<b>277,833</b>
<b>Expenditure</b>					
Costs related to providing goods and services	31,970	12,127	8,341	16,150	16,800
Administration and Overhead Costs	45,062	56,187	46,405	48,100	49,062
Employee, Trustee and Contractor Costs	85,223	123,685	125,314	171,486	174,916
Other Expenses	21,247	22,661	22,206	22,650	23,103
Asset Write offs	1,599	0	0	0	0
Depreciation	37,363	58,529	66,748	67,748	68,748
<b>Total Expenditure</b>	<b>222,464</b>	<b>273,190</b>	<b>269,014</b>	<b>326,134</b>	<b>332,628</b>
<b>Net surplus/(Deficit)</b>	<b>82,375</b>	<b>28,538</b>	<b>-65,187</b>	<b>-48,359</b>	<b>-54,796</b>

Note 1: Funding for capital additions and renewals is recorded as income whilst the corresponding expenditure is recorded as an increase in assets. Large capital programmes in 2019 and 2020 are reflected in the Net surplus in those years and consequently (through increased depreciation) as a net deficit in the 2021 and 2022 financial years. The Globe Theatre Trust has traditionally not funded depreciation but is moving towards partially funding depreciation through this SOL period,

## STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Forecast 2020	Indicative 2021	Indicative 2022	Indicative 2023
<b>Assets</b>					
<b>Bank</b>					
Cash and Cash Equivalents	70,799	36,823	28,384	37,773	51,725
<b>Total Bank</b>	<b>70,799</b>	<b>36,823</b>	<b>28,384</b>	<b>37,773</b>	<b>51,725</b>
<b>Current Assets</b>					
Accounts Receivable	13,233	16,699	17,000	17,000	17,000
Provision for impairment	0				
Accrued Revenue	0	0	0	0	0
GST Receivable	0	0	0	0	0
Prepayments	0	1,108	1,200	1,200	1,200
Sundry debtor accruals	0	0	0	0	0
<b>Total Current Assets</b>	<b>84,032</b>	<b>54,630</b>	<b>46,584</b>	<b>55,973</b>	<b>69,925</b>
<b>Fixed Assets</b>					
<b>Property, Plant and Equipment</b>					
Value of equipment purchased	585,126	585,126	669,727	679,727	689,727
Less accumulated depreciation	-309,278	-367,807	-434,555	-502,303	-571,051
New Capital purchase		84,601	10,000	10,000	0
<b>Total Property Plant and Equipment</b>	<b>275,848</b>	<b>301,920</b>	<b>245,172</b>	<b>187,424</b>	<b>118,676</b>
<b>Total Fixed Assets</b>	<b>275,848</b>	<b>301,920</b>	<b>245,172</b>	<b>187,424</b>	<b>118,676</b>
<b>Total Assets</b>	<b>359,880</b>	<b>356,551</b>	<b>291,756</b>	<b>243,397</b>	<b>188,601</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Creditors and Other Payables					
Accounts payable	36,556	16,699	17,000	17,000	17,000
Income in advance	0	0	0	0	0
Grants in advance	5,500	0	0	0	0
Accrued Expenses	0	0	0	0	0
PAYE Payable	0	1,107	1,199	1,199	1,199
GST	0	0	0	0	0
<b>Total Creditors &amp; Other Payables</b>	<b>42,056</b>	<b>17,806</b>	<b>18,199</b>	<b>18,199</b>	<b>18,199</b>
<b>Employee Costs Payable</b>					
Holiday pay liability	4,677	0	0	0	0
Wages accrual	2,942	0	0	0	0
<b>Total Employee Costs Payable</b>	<b>7,619</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Current Liabilities</b>	<b>49,676</b>	<b>17,806</b>	<b>18,199</b>	<b>18,199</b>	<b>18,199</b>
<b>Total Liabilities</b>	<b>49,676</b>	<b>17,806</b>	<b>18,199</b>	<b>18,199</b>	<b>18,199</b>
<b>Net Assets</b>	<b>310,205</b>	<b>338,744</b>	<b>273,557</b>	<b>225,198</b>	<b>170,402</b>



## STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Forecast 2020	Indicative 2021	Indicative 2022	Indicative 2023
Opening balance as at 1 July	227,831	310,205	338,743	273,556	225,197
<i>Comprehensive Income</i>					
Surplus/(Deficit)	82,375	28,538	-65,187	-48,359	-54,796
<b>Balance at 30 June</b>	<b>310,205</b>	<b>338,743</b>	<b>273,556</b>	<b>225,197</b>	<b>170,401</b>

## STATEMENT OF CASHFLOW FOR THE YEARS ENDED 30 JUNE 2021, 2022, 2023

	Actual 2019	Forecast 2020	Indicative 2021	Indicative 2022	Indicative 2023
<b>Cash Flows from Operating Activities</b>					
Donations and Fundraising	101,182	113,726	25,000	25,000	15,000
Receipts from Council grants	113,366	115,748	118,063	170,424	173,833
Receipts from sale of goods and services	87,264	85,119	60,464	82,000	88,600
Interest Received	421	368	300	350	400
Payments to Suppliers & staff	-181,434	-264,336	-202,266	-258,385	-263,880
Goods and Services Tax (net)	-932				
<b>Net Cash Flows from Operating Activities</b>	<b>119,867</b>	<b>50,625</b>	<b>1,561</b>	<b>19,389</b>	<b>13,953</b>
<b>Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets/Renewals	-81,977	-84,601	-10,000	-10,000	0
Sales of Fixed Assets	0	0	0	0	0
<b>Net Cash Flow from Investing Activities</b>	<b>-81,977</b>	<b>-84,601</b>	<b>-10,000</b>	<b>-10,000</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>37,890</b>	<b>-33,976</b>	<b>-8,439</b>	<b>9,389</b>	<b>13,953</b>
Cash and Cash Equivalents at the start of the Year	32,909	70,799	36,823	28,384	37,773
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>70,799</b>	<b>36,823</b>	<b>28,384</b>	<b>37,773</b>	<b>51,725</b>

## Summary of significant accounting policies

### ***Changes in Accounting Policies***

There have been no changes to accounting policies this year.

### ***GST***

The Trust is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

### ***Sale of goods***

Revenue from the sale of goods is recognised when the goods are sold to the customer.

### ***Sale of services***

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

### ***Theatre Hire***

Charges for Theatre Hire are recognised when the Theatre is hired to the customer.

### ***Interest Revenue***

Interest revenue is recorded as it is earned during the year.

### ***Grants***

Grants received from the Palmerston North City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed.

Council, government, and non-government grants are recognised as revenue when they are received unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### ***Fundraising and Donations***

Fundraising and donations are recognised as revenue when cash is received, unless the donations have a "use or return" condition attached. If there is such a condition, then the donation is initially recorded as a liability on receipt and recognised as revenue when conditions of the donation are met.

### ***Donated assets revenue***

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

### ***Advertising, marketing, administration, overhead and fundraising costs***

These are expensed when the related service has been received.

### ***Bank Accounts and Cash***

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

### ***Debtors and other receivables***

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

### ***Investments***

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

### ***Property, plant, and equipment***

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

#### **Depreciation**

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows

- Theatre Equipment 10 years (10%)
- Computer Equipment 5 years (20%)
- Furniture & Fittings 10 years (10%)

#### **Creditors and other payables**

Creditors and accrued expenses are measured at the amount owed.

#### **Employee and contractor costs**

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements. Independent contractor costs are also included where at the discretion of management these services could equally have been delivered by an employee.

Performance payments are recorded when the employee has been notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

#### **Employee Costs Payable**

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

#### **Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **Income Tax**

The Trust has been granted Charitable Status by the Inland Revenue Department and therefore is exempt from income tax.

#### **Accumulated Funds**

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

#### **Budget figures**

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

#### **Tier 2 PBE Accounting Standards applied**

The Trust has applied the following Tier 2 Accounting Standards in preparing its financial statements.

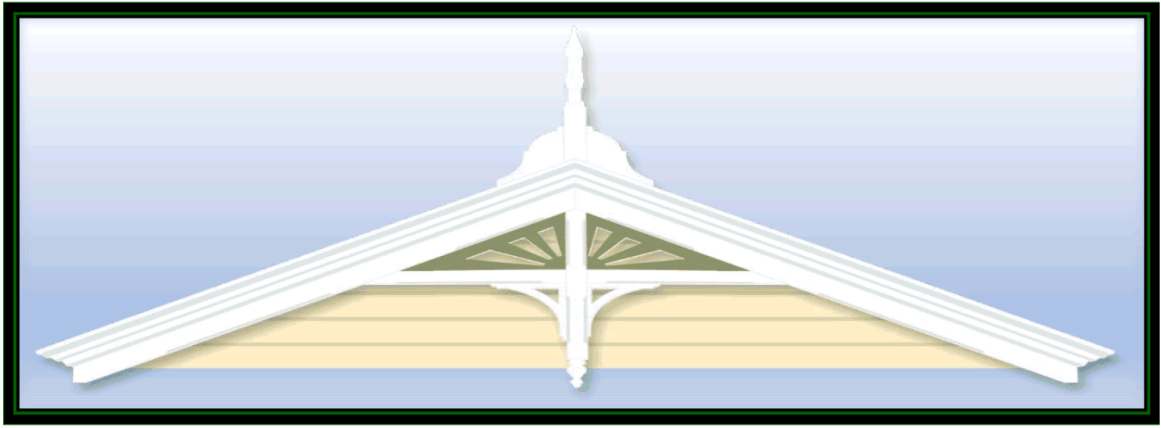
***Grant expenditure***

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Globe Theatre Trust has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Grants Approval Committee and the approval has been communicated to the applicant. The Globe Theatre Trust's grants awarded have no substantive conditions attached.

DRAFT





# CACCIA BIRCH TRUST BOARD

## STATEMENT OF INTENT

2020 – 2021

2021 – 2022

2022 – 2023



UPDATED VERSION 1<sup>st</sup> MAY 2020

<b>1. CONTENTS</b>	<b>PAGE</b>
<i>Contact Details</i>	<b>2</b>
<i>Foreword</i>	<b>3</b>
<i>Purpose of SOI</i>	<b>4</b>
<i>About Caccia Birch Trust</i>	<b>4</b>
<i>Background History</i>	<b>6</b>
<i>Key Strategic Objectives</i>	<b>8</b>
<i>Key Performance indicators</i>	<b>10</b>
<i>How We operate</i>	<b>11</b>
<i>Financial Statements:</i>	<b>13</b>
<i>Accounting Policy &amp; Signature</i>	<b>13 - 15</b>
<i>PRE COVID Budget Forecast for the Years Ended 30 June 2021, 2022 &amp; 2023</i>	<b>16</b>
<i>POST COVID Forecast Cashflow and Balance for the Years Ended 30 June 2021, 2022 &amp; 2023</i>	<b>17 / 18</b>
<i>Appendix – KPI schedule</i>	<b>19</b>

<b>2.CONTACT DETAILS</b>	
<i>Registered Office:</i>	Caccia Birch House 130 Te Awe Awe St, Palmerston North 4410
<i>Website &amp; Email</i>	<a href="http://www.caccia-birch.co.nz">www.caccia-birch.co.nz</a> <a href="mailto:manager@caccia-birch.co.nz">manager@caccia-birch.co.nz</a>
<i>Phone:</i>	06 3575363
<i>Email:</i>	<a href="mailto:manager@caccia-birch.co.nz">manager@caccia-birch.co.nz</a>
<i>Office Contact:</i>	Nicky Birch
<i>Role in CCO:</i>	Manager
<i>Address:</i>	As Above
<i>Chairperson:</i>	Grant O'Donnell
<i>Email:</i>	<a href="mailto:home@odonnell-law.co.nz">home@odonnell-law.co.nz</a>
<i>Phone:</i>	06 3567754 / 0274 424395
<i>Trustees 2019 to 2020</i>	Grant O'Donnell, Patricia Keiller, Jireeth Soni, Cushla Scrivens and David Campbell
<i>Legal Status:</i>	<i>Caccia Birch Trust Board is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trust Act 1957 and Charities Act 2005.</i>



### 3. FOREWORD

The Board is pleased to present this draft Statement of Intent for the three years from 2020 for Council comment.

This Statement was drafted before the occurrence of Covid-19. It has now been modified to reflect the uncertainties we all face.

While we have retained our Vision and our plans for the future, however we have extended the timeline for implementation of some items and brought some of the lower cost items forward.

More importantly, we have modified the Budget, anticipating a reduction of 30 per cent in business revenue, and reduced operational costs appropriately for the 2020 to 2021 year. Subsequent years show the positive results we hope and expect to achieve.

The Board has long sought clarification from Council as to Council's expectations of Caccia Birch House. The recent Section 17A review did not clarify matters and indeed gave the Board further cause for concerns as to the future.

However, in the last Statement of Expectation and in subsequent discussions with Councillors and Council staff, Council has provided us with guidance about what developments to our operation and business activities it would like to see and has offered its support to make this happen.

The Board and its Manager have undertaken a full strategic review of our operations and has begun to prepare a 10-year business plan to align our aspirations with Council's 10-year planning process. This process is not yet complete, but the Board undertakes to complete the work before the final SOI is due in June

The process to date has:

- Refreshed our vision, mission and values
- Identified three key strategic objectives that more properly reflect what we do and enable us to focus on maximising outcomes in all three areas
- Analysed our current businesses and services, their market potential and their contribution to the strategic objectives
- Prioritised a work programme for the next three years and aspirations for developments in the next 10 years
- We recognise we cannot achieve our objectives alone. We will work on developing a stakeholder engagement strategy and a partnership/collaboration plan.
- These are likely to include:
  - a) Working with CEDA to develop our visiting tourist products to showcase the City on the national and international markets. This includes developing an internationally recognised Qualmark rating.
  - b) Capitalising on the opportunities provided by the Arts Powerhouse initiative as a path to increase our contribution to a planned programme of events and activities across the City venues, despite the restrictions placed on the House by its District Plan zoning.
  - c) Collaborations with other local museums and heritage facilities to develop interpretative displays and signage to enhance a casual visit to the property
  - d) Community outreach plan.

We have identified several low cost/no cost initiatives which we are planning to implement in year 1 of the period covered by this SOI.

However, we believe that the staff team was managing to capacity during the current pre-covid year. The expected downturn of hire may allow us to continue harvesting all the “low-hanging fruit”, at least until such times as the revenue stream and activities resume to a ‘business as usual’ level.

We trust that Council will feel that we are moving in the right direction.

However, to elevate our performance to the aspirational targets contained in our emerging 10-year Business Plan, we require that Council partner with us in looking at the financials we present in this document to develop an asset management process, capital improvements programme and operational funding plan.

This will enable the Board to confidently commit to growth targets in 2021/22 and beyond.

We are looking forward to, and excited by, our future managing the “jewel in the crown” of the region’s heritage offering.

#### 4. Purpose of this Statement of Intent

This Statement of Intent is presented by CCO in accordance with the requirements of s 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intention of CCO for the next three years, and the objectives to which those activities will contribute.

This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organizational accountability.

#### 5. About Caccia Birch Trust Board

##### Purpose

Our key objective is to secure the future for the House and Gardens:

- as a Category 1 Heritage Property
- in the hearts and minds of our stakeholders and customers

##### Vision Statement

That residents, visitors and hirers have memorable experiences at the Caccia Birch House and Gardens that resonate with them personally and connect them with our cultures and history.

##### Mission Statements

In order to achieve this vision, the Caccia Birch Trust Board will work to:

- Maximise the heritage values of the Caccia Birch House and Gardens
- Maximise the opportunities for residents and their visitors to experience the property and gardens and learn about its history
- Maximise income from the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North.

### Values

The Caccia Birch Trust Board and Staff Team will aspire to uphold the following values:

- **Inclusivity:** To create an environment that is warm and welcoming, respectful of diversity and provides something for everyone
- **Focus:** To articulate our goals clearly and to strive honestly to achieve them
- **Innovation:** To be open to new ways of doing our business and to aim for continuous improvement
- **Architectural and Historical Integrity:** to enshrine the heritage values of the House and Gardens in everything that we do

### Constitutional objectives

The Trust was established in 1989 by PNCC, primarily to oversee and manage the restoration of the house from a derelict and dilapidated state.

The gifting of the heritage listed property to the community underpinned the purpose of the Board and fundraising was one of the tasks required to meet the high costs of restoration and development.

The first objective of the Trust, as described in the Trust Deed is:

**“To develop, promote, enhance and maintain the land and buildings described in the Schedule of property hereto known as Caccia Birch House, in recognition of the heritage status of the building, so that it may be utilised and enjoyed by the community”.**

The second objective enables the Trust to undertake any actions that it deems necessary or desirable to achieve this purpose.

In 1993, as restoration work neared completion, it was agreed that making the house available to the community for meeting and function hire was a compatible use for the grand old homestead. A Manager was employed to administer the property and grow this activity in 1993.

The Board has been asked to consider whether its Deed is still relevant to its business in the 21<sup>st</sup> century, specifically whether it places adequate emphasis on the commercial hire activities of the House and Gardens.

The Board considers that the Trust Deed may need updating or modernising, for example to enable Board to meet and conduct business electronically. The Trust Board does not consider it necessary or desirable to amend the Trust Deed for activities which may be managed through the SOI process.

The Board's preference is to seek regular agreement with Council about the balance of its activities which will best maintain, enhance and add value to the heritage status of the House and Garden. This is already enshrined as the primary objective of the Trust.

### The Board's approach to governance:

The Board's approach to governance is to adopt good governance practices with respect to:

- ensuring a heritage preservation focus to the Board's activities,
- working with stakeholders and with interested community groups to meet objectives,
- maintaining a constructive and proactive relationship with Palmerston North City Council,
- to be a good employer: The Board employs a Manager who is responsible for the day-to-day operations of Caccia Birch, engaging with the community and clients, oversight of staff, contractors and day to day administration. The Manager reports to the Board on performance against Caccia Birch Trust Board objectives.

### Caccia Birch House History Background.

- 1895 Caccia Birch House was built for Norwegian sawmiller & businessman Jacob Nannestad, who was co-owner of the towns largest sawmill Richter, Nannestad, Jenssen & Co located on Broadway and Albert St.
- 1903 'Hokowhitu' was sold to English businessman John Strang who developed it to what we see today and renamed it "Woodhey".
- 1908 the Governor General Lord Plunket and his family resided at the property, vacating in 1910 when the Strang's returned from their trip to England.
- 1921 William and Maud Caccia Birch (nee Keiller) purchased the property and occupied the House until William's death in 1936.
- 1941 The property was gifted to the Government to be used in the war effort as Army accommodation for Home Guard officers during World War II
- 1946 PN Hospital Board Convalescence home for war veteran nurses.
- 1961 Victoria University annex.
- 1963 Massey University
- 1970 PN Teachers College.
- 1975 Massey University found they could not develop the property and handed it back to the Government.
- 1977 the building stood empty, vandalised and derelict.
- 1983 After much debate about its future, former PNCC planner Ken Tremaine, Mayor Brian Elwood, Councillors Paul Rieger and Dr Bernard Forde felt it important to preserve local history and petitioned the government to gift the property to the city.
- A Deed of Agreement with a purchase price of 10 cents gifted Caccia Birch House to PNCC and community. It took a further ten years to find a way to fund the expensive restoration project.
- 1989, PNCC created the Caccia Birch Trust Board to oversee the restoration and preservation.
- The Trust Deed was created to ensure that Caccia Birch House would be preserved by the city for future generations.
- 1991 The restoration of the dilapidated buildings was largely funded from the sale of surrounding land and additional money from a large community house group, the Lottery funds and the PNCC.
- 1992 Restoration of the ground floor was completed, along with some grounds landscaping.
- 1993 Restorations of the upper floor and employment of a manager / custodian.
- 1994 Restoration of the CoachHouse.

The Trust Board was asked to find a sympathetic use for the property. Making the house available to the community for meeting and function hire was a compatible use for the grand old homestead. This was also the vehicle to ensure the property was accessible and well utilised by the community.

During the last twenty-seven years additional financial assistance has been received from PNCC, Central Energy Trust, Eastern & Central Community Trust, The Lion Foundation, Pub Charities and Earle Trust enabling numerous projects to be completed on the property.

The house is well-utilised for meetings, family functions, weddings, community events and promotion of local history to the visitor industry, contributing to the city's vibrant cultural facilities. Continuing with these activities will ensure future generations can continue to enjoy this iconic property.



## 6. Contribution to small city benefits, big city ambition

Palmerston North is the heart of the Manawatū region within central New Zealand. We are a small city with a lot to offer, and we're ambitious about where we're going. Our vision is Palmerston North: Small city benefits, big city ambition.

Council has identified five strategic goals for achieving this vision:

**Goal 1: An innovative and growing city**

**Goal 2: A creative and exciting city**

**Goal 3: A connected and safe community**

**Goal 4: An eco-city**

**Goal 5: A driven and enabling Council**

Council's Culture and Heritage Plan supports Priority 2 of the Creative and Livable Strategy:

**"to celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages".**

Our strategic objectives demonstrate how the Caccia Birch Trust Board contributes to the following actions within the Culture and Heritage Plan:

- Make use of, and invest in, Heritage Buildings to provide Council and community facilities.
- Investigate opportunities to develop and add value to Council heritage buildings and sites.
- Provide facilities to enable the ongoing collection of, and access to, local history.

The Caccia Birch Trust also has a part to play in Goal 4:

- An eco-city, particularly in Priority 2 to work with Council to reduce carbon emissions.
- The Trust staff will work closely with Council asset managers to ensure that asset management and renewal incorporates sustainability principles and environmental improvements.
- The Trust staff will work with the hospitality sector to incorporate best sustainability practices in their operations.

## 7. Strategic objectives:

### Strategic Objective 1:

Maintain and enhance the heritage values of the Caccia Birch House and Gardens.

- This will ensure that the property meets all the requirements of its Category 1 Historic Property Status, is capable of providing the experiences of the Board's vision and is preserved to be available to future generations of residents in Palmerston North.

### Strategic Objective 2:

Increase the range of opportunities for residents and their visitors to experience the property and gardens and learn about its history.

- This will increase the visibility of the house and gardens within the local community, increase satisfaction with the casual visitor experience and enable more community members to experience the house and gardens.

### Strategic Objective 3:

Increase income generated through the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North.

- This will increase the visibility of the house and gardens within the local community and enable the Trust Board to invest in activities that contribute to Strategic Objectives 1 and 2.



## 8. What we will do

### **Strategic objective 1:**

Maintain and enhance the heritage values of the Caccia Birch House and Gardens:

- Oversee PNCC's Asset Management Programme to the standard required for the heritage status of the house and gardens
- Maintain the grounds and gardens to the standard required for the heritage status of the house and gardens
- Secure improvements that enhance the heritage status of the house and gardens

### **Over the next three years, the Board will implement the following capital improvements:**

- In conjunction with Council, clear and develop the Lagoon embankment to improve the visual link between Caccia Birch House, Hokowhitu Lagoon, the Manawatu River and restore the outlook towards Te Motu-O-Poutoa Pa. \*
- Improve existing footpath network on the property \*
- Provide more seats in the grounds, and focal point from which to enjoy the serenity of the gardens\*
- Increase period furniture and furnishings in the house
- \*Denotes assistance may be required with input of council funding.

### **Strategic objective 2:**

Provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history:

- Provide as much access as possible to the house and grounds for residents and their visitors to "self-guide" through the Coach House and interpretive signage in the gardens
- Provide regular, well-advertised open days and guided tours for residents and their visitors
- In collaboration with the Council and other public bodies (including other CCOs), community organisations and commercial operations, to provide a range of activities and events at no or low cost to residents and their visitors at the house and gardens. \*

### **Over the next three years, the Board will implement the following capital improvements:**

- Create various types of focal points in the grounds
- Work to reduce carbon emissions by improving pedestrian access to the property and bicycle parking facilities at the property. \*
- Develop and promote more history displays and use modern technology for information sharing to engage the younger community
- Make more historical and property information available – could be electronic, incl CoachHouse
- Provide better signage in the grounds to enhance visitor experience. \*
- Develop interactive displays
- Interpretation of gardens – plan and info on features with a path circumnavigating property to enable self-guided tours. \*

### **Over the next three years, the Board will aim to increase the number of social activities available to the casual visitor to the house and gardens by:**

- Providing greater visitor engagement through well trained and knowledgeable staff/volunteers.
- Age-specific activities
- Themed days
- Encouraging more ethnic, multi-cultural and non-profit community groups to experience this heritage facility.
- Investigating the provision of a coffee cart/food trucks for regular use by casual visitors

\*Denotes assistance may be required with input of council funding.

**Strategic objective 3:**

Manage the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North:

- Hire the venue for weddings and special occasions to residents and visitors to the City
- Hire rooms/venue for corporate meetings and seminars
- Hire rooms/venue to community users focusing on special interest groups to increase the visibility of the house and gardens in the community
- Provide a tourist experience for visitors to the City, in conjunction with partners such as CEDA

*Over the next three years, the Board will aim to increase the income from venue hire with the following capital improvements:*

- Build a summerhouse/stage in grounds (self-contained) \*
- Publication of a Caccia Birch House history book (for sale)
- Infrastructure updated e.g. improved Wi-Fi\*
- State of the art electronic displays
- Enhance business/conference furniture and equipment\*

Over the next three years, the Board will aim to increase the income from venue hire by:

- Ensuring that the operation is appropriately staffed to meet the changing outcomes.
- Apply for 12-night extension\*
- Develop a program of 'shared-risk' events to engage with the community
- Increase catering revenue
- Tours international - value added (e.g. afternoon tea)
- Qualmark
- Develop full-service packages and discontinue the 'self-service model.

*\*Denotes assistance may be required with input of council assistance.*

## 9. Performance measures

The Board has reviewed its performance measures in the light of the Statement of Expectation for "4-6 high-quality performance measures with officers which demonstrate Caccia Birch Trust's performance against key activities that contribute to Council's strategic outcomes".

Specifically, it undertook an RBA<sup>1</sup> process to identify performance measures for Strategic objective 2 (to provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history).

The Board will survey a sample of casual visitors to the House or to a publicly accessible event to find out if it is delivering experiences which meet its aspirational vision. A sample of 100 will be indicative of the general experience of visitors.

This information will feed directly into the reporting templates provided by the Council officers and is attached.

<sup>1</sup> Results Based Accountability: <https://www.msd.govt.nz/what-we-can-do/providers/results-based-accountability/index.html>

Strategic Objective	Performance measure	Target 2019/20	Target 2020/21	Target 2021/22	Target 2022/23
Maintain and enhance the heritage values of the Caccia Birch House and Gardens	Planned capital new and renewal programme is completed	100% completed, commentary on progress	100% completed, commentary on progress	100% completed, commentary on progress	100% completed, commentary on progress
Provide a range of opportunities for residents and their visitors to experience the property and gardens and learn about its history	No of Trust / Council & stakeholder operated publicly accessible events	Target 4	3	5 / 6	
	No. visitors to Open Days	Target 560	580		
	No. Visitor experience surveys completed (RBA see below)	new	100	100	100
Manage the house and gardens as a venue for hire, focusing on its market strength as the only Category 1 Heritage Status Homestead in Palmerston North	No. of hires	Target 400	425	450	500
	No. of Community Groups hires	New	30	40	50
	Income from venue hire incl net catering	Target: \$100,000	\$85,000	\$121,000	\$130,000

How Much	How Well	Is anyone better off?				Population outcomes
		Skills and knowledge	Attitude and opinion	Behaviour change	Circumstance change	
<b>Secure 100</b> surveys from a range of visitor activities at CBH	# / % survey respondents who would recommend to someone else.	# / % survey respondents who report having learned something new	# / % survey respondents who report they would be more likely to visit another heritage facility or similar event or activity	# / % survey respondents who would visit again	# / % survey respondents who report feeling more connected to the City and its history	Creative and Exciting City
<b>Catchall Question:</b> <b>What else would you have liked to have seen/done during your visit to Caccia Birch House?</b>						



## 10. How We Operate:

The Board believes that there is an increased interest in local history and heritage and that Caccia Birch is the premier local heritage offering.

There is nowhere else of this quality, locally, that is available for public access or for *hire in the manner we operate*.

Of particular note, is the combination of property and gardens, providing an oasis of tranquility in the heart of the City.

The Board has identified opportunities to capitalise on this through creating more opportunities for community access.

It also believes that there is limited room for expansion in its venue hire activities, recognising that this is a fickle and crowded market.

The Board is constrained in developing a stream of income from events because of its zoning in a residential area in the District Plan.

The Board, in making decisions, acknowledges the principles of Te Tiriti o Waitangi/The Treaty of Waitangi and the importance of engaging with Tangata Whenua in our operations. It also aims to make its decisions taking regard to its obligations to reduce carbon emissions and to operate sustainably.

The Board employs a full-time manager, part time gardener, mowing contractor, a secretarial contractor, a part time housekeeper and four part-time after-hours venue / function staff, working as required. The Board believes that this small staff team is operating at full capacity under the "business as usual" scenario.

The staff team needs to be expanded to manage the growth in business. Over the next few years, the Board envisages an increasingly full-time assistant manager with increased hours also for gardening and after-hours/function staff.

## 11. Working together

The Caccia Birch Trust Board has long been hoping to move beyond business-as-usual planning. It has been pleased to work with Council to develop an aspirational business plan.

It has costed this business plan based on previous experience and knowledge of the current market for its services. However, these costings are not presented in this draft Statement of Intent.

The Board will work to achieve identified growth in hire income and has included targets for its hire activities which it believes to be ambitious but realistic.

The Board will also work to enhance heritage values and increase community access but will need Council to increase its operating grant and to develop an asset management programme which will contribute to our success.

### Half-yearly report

By the end of February each year, Caccia Birch Trust Board will provide the Council with a half-yearly report complying with section 66 of the Local Government Act 2002. The report will include the following information:

- Manager/Chief Executive's commentary on operations for the relevant six-month period.
- Comparison of Caccia Birch Trust Board's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

### **Annual report**

By 30 September each year, Caccia Birch Trust Board will provide the Council with an annual report complying with sections 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be required in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of Caccia Birch Trust Board and will include the following information:

- Commentary on operations for the year.
- Comparison of Caccia Birch Trust Board's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.
- Any other information that the trustees consider appropriate.

### **12. Forecast financial statements.**

This section helps readers assess the cost-effectiveness of the activities that the CCO delivers. Statements must be for three years and be prepared in accordance with generally accepted accounting practice.

This section will contain the following information:

- Statement of financial performance
- Statement of financial position
- Statement of cash flows
- The CCOs Accounting Policies.
- For each section of information, it will contain the following years of information:
- Last full year of actual financials
- Current financial year budget and forecast
- The 3 years that the SOI covers
- Any occurrence where the CCO receives funds from a local authority will be separately noted.

### **13. STATEMENT OF ACCOUNTING POLICIES**

Basis of Preparation:

The Board has elected to apply PBE SFR-A Public Sector Entity Simple Format Reporting - Accrual on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Changes in Accounting Policies: There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

(a) Tier 2 PBE Accounting Standards Applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

(b) Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars (\$), and all financial information presented has been rounded to the nearest dollar.

(c) Property, Plant & Equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation and impairment costs.

Donated assets are recognised on receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

Donated Artwork had not been recognised because the values of the artwork are not readily available. For an asset to be sold, the asset is impaired if the market price of an equivalent asset falls below the carrying amount.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Plant & Equipment	10 years (10%)
Leasehold Improvements	10 years (10%)

(d) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(e) Income Tax

The Trust is exempt from taxation due to the charitable nature of its activities via the operation of Section CW 35 of the Income Tax Act 2004.

(f) Revenue

Grants

Grants received from the Palmerston North City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed. The Trust also receives other government assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of Goods and Services

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Donated Goods or Services Not Recognised

The Trust receives volunteer services at no charge.

Interest Revenue

Interest income is recorded as it is earned during the year.

(g) Employee Related Costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, & leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

(h) Advertising, Marketing, Administration, and Fundraising Cost

These are expensed when the related service has been received. This does not include staff time spend on marketing activities.

(i) Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Bank overdrafts are presented as a current liability in the statement of financial position.

(j) Investments

Investments comprise investments in term deposits with banks.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

(k) Lease Expenses

Lease payments are recognised as an expense on a straight-line basis over the lease term.

(l) Debtors & Prepayments

Debtors & Prepayments are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected or applied to an invoice, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

(m) Creditors & Accrued Expenses

Accounts payable and accrued expenses are measured at the amount owed.

(n) Employee Costs Payable

A liability for employee costs payable is recognised when an employee has earned the entitlement. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

(o) Budget Figures

The budget figures are derived from the statement of intent as approved by the board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the board in preparing these financial statements.

**CACCIA BIRCH TRUST BOARD**

**CHAIRPERSON**

**GRANT O'DONNELL** \_\_\_\_\_ **DATE:**

CACCIA BIRCH TRUST BOARD	Budget Forecast 2019 to 2020	Indicative Budget 20/2021	Indicative Budget 21/2022	Indicative Budget 22/2023
<b>Income</b>				
Council Funding		2% inflation adjusted	2% inflation adjusted	2% inflation
PNCC Operational Grant	100,948	103,168	145,231	148,136
PNCC Meeting Grant	6,120	6,120	6,120	6,120
<b>Total Council Funding</b>	<b>107,068</b>	<b>109,288</b>	<b>151,351</b>	<b>154,256</b>
<b>Donations and Fundraising Income</b>				
Capital Projects	-		tba	tba
Donations Coach House	-	-	-	-
Project Grants	11,500	2,774		
<b>Total Donations and Fundraising Income</b>	<b>11,500</b>	<b>2,774</b>	<b>-</b>	<b>-</b>
<b>Investment Income</b>				
Interest Income	546	566	566	566
<b>Total Investment Income</b>	<b>546</b>	<b>566</b>	<b>566</b>	<b>566</b>
<b>Sales of Goods and Services</b>				
Facilities hireage	100,550	81,872	116,960	125,147
Catering revenue	93,636	65,545	94,000	98,000
Miscellaneous income	-			
<b>Total Sales of Goods and Services</b>	<b>194,186</b>	<b>147,417</b>	<b>210,960</b>	<b>223,147</b>
<b>Total Income</b>	<b>313,300</b>	<b>260,045</b>	<b>362,877</b>	<b>377,969</b>
<b>Less Cost of Sales</b>				
<i>Less Costs related to providing goods or services</i>				
Catering expenses	88,594	62,545	89,300	93,100
Public Event Expenses	-	5,774	9,000	9,180
Casual staff for hire events	44,015	32,218	44,468	45,357
Conference expenses	500	500	750	1,000
<b>Total Costs related to providing goods or services</b>	<b>133,109</b>	<b>101,037</b>	<b>143,518</b>	<b>148,637</b>
<b>Total Cost of Sales</b>	<b>133,109</b>	<b>101,037</b>	<b>143,518</b>	<b>148,637</b>
<b>Gross Profit</b>	<b>180,191</b>	<b>159,008</b>	<b>219,359</b>	<b>229,332</b>
<b>Less Operating Expenses</b>				
<i>Fixed Overhead Costs</i>				
Total Garden Maintenance	8,160	27,123	31,166	31,789
Cleaning consumables & Waste Disposal	4,150	3,386	4,318	4,404
Light, Power, Heating	10,100	7,211	10,500	10,710
Security	6,150	6,273	6,398	6,526
Repairs and Maintenance	9,300	3,000	5,600	5,712
Renewals - Minor assets	4,350	2,500	5,250	5,120
<b>Overhead Costs</b>	<b>42,210</b>	<b>49,493</b>	<b>63,232</b>	<b>64,262</b>
<i>Employee Costs</i>				
Wages & Salaries	129,015	100,155	148,764	151,739
Professional Development	600	428	612	624
Governance - secretarial	3,500	3,500	3,500	3,570
Trustee remuneration	6,120	6,120	6,120	6,120
<b>Total Employee Costs</b>	<b>95,220</b>	<b>77,985</b>	<b>114,528</b>	<b>116,696</b>
<i>Administrative Costs</i>				
Audit Fees	9,750	9,945	10,144	10,347
Bank Fees	680	680	694	707
Governance Expenses	1,100	785	801	817
Insurance	3,900	3,978	4,058	4,139
Marketing	5,700	5,000	6,500	7,000
Consulting & Accounting	8,920	9,098	9,280	9,466
Printing & Stationery	4,200	4,000	4,500	4,590
Telephone & Internet	2,200	2,244	2,500	2,550
Project expenses	9,000	2,500		
Office Expenses- Software	1,235	1,260	1,285	1,311
<b>Total Administrative Expenses</b>	<b>46,685</b>	<b>39,490</b>	<b>39,762</b>	<b>40,927</b>
<b>Total Operating Expenses</b>	<b>184,115</b>	<b>166,968</b>	<b>217,521</b>	<b>221,884</b>
<b>Operating Profit</b>	<b>(3,924)</b>	<b>(7,960)</b>	<b>1,838</b>	<b>7,447</b>
<i>Non-operating Expenses</i>				
Depreciation	17,200	21,473	20,741	14,872
New Capital purchase	-			
<b>Total Non-operating Expenses</b>	<b>17,200</b>	<b>21,473</b>	<b>20,741</b>	<b>14,872</b>
<b>Net profit / loss after depreciation</b>	<b>(21,124)</b>	<b>(29,433)</b>	<b>(18,903)</b>	<b>(7,425)</b>

CACCIA BIRCH TRUST BOARD	Budget FORECAST 2019/ 2020	Indicative Budget 20/2021	Indicative Budget 21/ 2022	Indicative Budget 22/2023
<b>Revenue</b>				
Donations, fundraising & other similar income	11,500	2,774	0	0
Council Operational Grant	107,068	109,288	151,351	154,256
Investment income	546	566	566	566
Sales of Goods and Services	194,186	147,417	210,960	223,147
<b>Total Revenue</b>	<b>313,300</b>	<b>260,045</b>	<b>362,877</b>	<b>377,969</b>
<b>Expenditure</b>				
Costs related to providing goods and services	133,109	101,037	143,518	148,637
Administration and Overhead Costs	42,210	49,493	63,232	64,262
Employee & Trustee Costs	95,220	77,985	114,528	116,696
Other Expenses	46,685	39,490	39,762	40,927
Asset Write offs	-1	0	0	0
Depreciation	17,200	21,473	20,741	14,872
<b>Total Expenditure</b>	<b>334,423</b>	<b>289,478</b>	<b>381,780</b>	<b>385,394</b>
<b>Net Surplus/(Deficit) after Depreciation</b>	<b>-21,123</b>	<b>-29,433</b>	<b>-18,903</b>	<b>-7,425</b>

<b><u>SOI Budget Notes</u></b>
<b><u>2020 to 2021 - Post Covid 19 Lockdown - Survival at a fiscal level.</u></b>
<i>The revenue forecast for venue hireage and catering reduced by 30%</i>
<i>Operational expenses are reduced to reflect lower venue use.</i>
<i>Essential staffing for venue and minimal free events until hire and activity lifts. Implemented legislated minimum wage increase.</i>
<i>Fixed costs such as grounds, security, insurance, accounting &amp; audit &amp; administration approx. based on 2019 to 2020 forecast</i>
<i>No non-essential spending until revenue stream picks up or grants received for projects</i>
<i>Pre-planned capital projects around the property, held over due to lockdown to be undertaken</i>
<i>The total cost of grounds maintenance includes the part time staff wages, lawn contractor and supplies - minimal spend</i>
<i>The depreciation increase is brought about by the developments and improvements to Councils' asset by the Trust Board. Approximately \$18 K of the total accounts for this work. The Trust is currently unable to fund the depreciation.</i>
<b><u>2021 to 2022 - Recovery start up</u></b>
<i>Working towards a 'business as usual' return during 2021 with increased income from added value activities</i>
<i>Anticipating additional resources for marketing and staff to generate more large events and revenue producing activities.</i>
<i>Reinstatement of budget for renewals and improvements to services - catch up.</i>
<i>Increased general staff wages in line with higher use and implementing legislated minimum hour rate increases.</i>
<i>Grounds budget increased for catch up maintenance and planting.</i>
<b><u>2022 to 2023 - On track and growing.</u></b>
<i>Revenue tracking upwards,</i>
<i>Related expenses along with fixed costs levelling out – commensurate with activities.</i>

<b>Caccia Birch Trust Board</b>				
<b>Forecast Statement of Cash Flows</b>				
<b>For Years Ended 30 June 2020, 2021, and 2022</b>				
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Council Operating Grants	100,948	103,168	145,231	148,136
Interest Receipts	546	566	566	566
Receipts from Other Revenue	211,806	135,311	216,570	229,787
Payments to Suppliers and Employees	(317,224)	(256,022)	(360,249)	(369,716)
GST(net)	0	40	41	42
<i>Net Cash Flow from Operating Activities</i>	<i>(3,924)</i>	<i>(16,937)</i>	<i>2,159</i>	<i>8,815</i>
<b>Cash Flows from Investing and Financing Activities</b>				
Receipts from Sale of Investments	14,400	14,400	14,400	14,400
Payments to Acquire Property, Plant & Equipment	-	-	-	-
Payments to Acquire Investments	(13,900)	(14,400)	(14,400)	(14,400)
<i>Net Cash Flow from Investing and Financing Activities</i>	<i>500</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net Increase(Decrease) in Cash for the Year	(3,424)	(16,937)	2,159	8,815
Add Opening Bank Accounts and Cash	40,000	36,576	19,639	21,798
<b>Closing Bank Accounts and Cash</b>	<b>36,576</b>	<b>19,639</b>	<b>21,798</b>	<b>30,613</b>
	-	-	-	-
Operating Surplus	-21,124	-29,434	-18,903	-7,424
Depreciation	17,200	21,473	20,741	14,872
Accounts Receivable Decrease/(Increase)	0	-21,000	-510	520
Accounts Payable Increase/(Decrease)	0	11,984	790	805
Net GST Increase/(Decrease)	0	40	40	41
Total	-3,924	-16,937	2,158	8,814
Total per above	(3,924)	(16,937)	2,159	8,815
Difference	0	0	-1	-1



<b>Caccia Birch Trust Board</b>				
<b>Forecast Statement of Financial Position</b>				
<b>As At 30 June 2020, 2021 &amp; 2022.</b>				
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
<b>Current Assets</b>				
Bank Accounts and Cash	36,576	19,639	21,798	30,613
Debtors and Prepayments	4,500	25,500	26,010	26,530
Investments	13,900	14,400	14,400	14,400
<b>Total Current Assets</b>	<b>54,976</b>	<b>59,539</b>	<b>62,208</b>	<b>71,543</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	70,980	49,507	28,766	13,894
<b>Total Assets</b>	<b>125,956</b>	<b>109,046</b>	<b>90,974</b>	<b>85,437</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors	10,000	21,634	22,067	22,508
Accrued Expenses	1,050	1,071	1,092	1,114
ANZ Credit Card	200	204	208	212
Secure Venue Fee	2,500	2,550	2,601	2,653
GST	2,000	2,040	2,081	2,122
Accrued Salaries and Wages	3,000	3,060	3,121	3,184
Accrued Leave	10,750	10,965	11,184	11,408
<b>Total Current Liabilities</b>	<b>29,500</b>	<b>41,524</b>	<b>42,355</b>	<b>43,202</b>
<b>Total Liabilities</b>	<b>29,500</b>	<b>41,524</b>	<b>42,355</b>	<b>43,202</b>
<b>Total Assets Less Total Liabilities</b>	<b>96,456</b>	<b>67,522</b>	<b>48,619</b>	<b>42,235</b>
<b>Trust Equity</b>				
Accumulated Surpluses	96,456	67,522	48,619	41,195
<b>Total Trust Equity</b>	<b>96,456</b>	<b>67,522</b>	<b>48,619</b>	<b>41,195</b>





SCHEDULE OF PERFORMANCE MEASURES FOR CACCIA BIRCH

			Performance Measures						
Name of Partner	Investment (\$)	Direct Client	How Much	How Well <sup>2</sup>	Is Anyone Better Off <sup>3</sup>				Population Outcomes
					Skills & Knowledge	Attitude & Opinion	Behaviour Change	Circumstance Change	
Caccia Birch	Operating grant \$110k Asset management tbc	ALL Clients	Total # clients <sup>4</sup>						
		Visitors to the house and /or grounds	Total # visitors <sup>5</sup> at any event that is publicly accessible (ticketed or free)	NPS Score <sup>6</sup> – (how likely is it that you would recommend Caccia Birch to others?)	#/% first time visitors report they strongly agree/agree they learnt something about the history of the property	#/% respondents who report they strongly agree/agree that: * they would be more likely to visit another heritage facility/similar event or activity * it's important to invest in the maintenance and availability of heritage facilities in our City <sup>7</sup>	#/% respondents who report they strongly agree/agree that would visit again	#/% respondents who report they strongly agree/agree feeling more connected to the City and its history	Creative and Exciting City
			Total # attendees <sup>8</sup> at hired events						
		Venue hirers: including Council, community, commercial and private hirers	Total # venue hirers	NPS Score <sup>9</sup> – (how likely is it that you would recommend Caccia Birch to others?)					Creative and Exciting City
			Total # community group hirers	NPS Score <sup>10</sup> – (how likely is it that you would recommend Caccia Birch to others?)					Creative and Exciting City
		Hires/Events	Total # bookings						
			Total # public events <sup>11</sup>						
		Financial Management	\$ Revenue	% growth in income from venue hire/net catering					

<sup>2</sup> Note that numerators and denominators for all how well measures will be checked to inform reporting tools. Some are not captured in this table.

<sup>3</sup> Note that numerators and denominators for all better off measures will be checked to inform reporting tools. Some are not captured in this table.

<sup>4</sup> Clients – all individuals

<sup>5</sup> Visitors = individuals who visit Caccia Birch venue

<sup>6</sup> NPS – Net Promoter Score measures the willingness of customers/clients to recommend a company’s products or services to others. It is used as a proxy for client satisfaction. For more information please see [www.netpromoterscore.com](http://www.netpromoterscore.com)

<sup>7</sup> As above.

<sup>8</sup> Attendees = individuals who attend a scheduled social or community function at Caccia Birch venue

<sup>9</sup> As above.

<sup>10</sup> As above.

<sup>11</sup> This include Trust / Council and stakeholder operated publicly accessible events. Examples are Caccia Birch Open Days, accessible days for Coach Archive House, and casual visits.



# STATEMENT OF INTENT

---

2020 - 2023

THE REGENT THEATRE TRUST

## CONTENTS

## Page

Directory	2
Chairpersons Introduction	3
Purpose of the Statement of Intent	3
<b>About the Regent Theatre Trust</b>	
Vision statement	3
Mission statement	3
Values	4
Governance	4
<b>Strategic Objectives</b>	
City vision statement	5
Strategic objectives	5
Activities	6 – 7
Performance measures	8
How we operate	9
Working together	10
<b>Financial Performance</b>	
Statement of Financial Performance	11
Statement of Forecast Cash Flow	12
Statement of Financial Position	13
Statement of Accounting Policies	14 – 16

## Our Directory

<b>Come and see us at:</b>	53 Broadway Palmerston North New Zealand	
<b>Mail, Phone or Fax us at:</b>	PO Box 1723 Palmerston North Phone (06) 3502100 Fax (06) 3502108	
<b>Email and web addresses are:</b>	<a href="mailto:manager@regent.co.nz">manager@regent.co.nz</a> <a href="http://www.regent.co.nz">www.regent.co.nz</a>	
<b>Registered office of the Trust:</b>	c/- Palmerston North City Council Civic Administration Building The Square PO Box 11-034 Palmerston North	
<b>Accountants</b>	BDO Central (NI) Limited	
<b>Legal Advisers</b>	Fitzherbert Rowe Lawyers	
<b>Bankers</b>	ANZ Bank New Zealand Limited	
<b>Auditors</b>	Audit New Zealand on behalf of the office of the Auditor General	
<b>General Manager</b>	Charles Forbes	
<b>Trust Board</b>	David Lea (Chairperson) Susan McConachy (Deputy Chairperson) Kane Parsons Penny Odell (Secretary)	Mark Mabbett Tania Kopytko Natalie Rowney

### Legal Status

The Regent Theatre Trust is a Council Controlled Organisation (CCO) for the purpose of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trust Act 1957, Reg No CC41202. The theatre trades as the "Regent on Broadway" and is a not-for-profit CCO.



## Chairperson's Introduction

Since reopening in May 1998 the Regent on Broadway has established itself as one of the most active, prestigious, provincial venues for hire for live theatre in New Zealand. The focus of this Statement of Intent will be to consolidate and enhance this position. The plan for the three years ending June 2023 is to build on this success and, where possible, endeavour to increase the use of the venue to help make the city's vision a reality.

The Regent on Broadway is by New Zealand and international standards, a large, splendid, historic, traditional proscenium arch theatre which provides grandeur and performance possibilities for large audiences and a professionally high level of staging and technical capability. We provide the city with the jewel in the crown within performing arts facilities.

## Purpose of this Statement of Intent

The Regent Theatre Trust is governed by its Trust Deed, which describes the purpose of the Trust as follows: *"To control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu area"*.

This Statement of Intent is presented by Regent Theatre Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of Regent Theatre Trust for the three year period ending June 2023, and the objectives to which those activities will contribute.

This Statement of Intent takes the Palmerston North City Council Vision Statement into consideration and includes performance measures and targets as the basis of organisational accountability.

The Regent Theatre Trust is in the process of developing a 10 year business plan which will provide information regarding stakeholder relationships, marketing and promotion, theatre organisational structure, plus the theatres aspirational growth along with the operational and capital expenditure budgets. It is planned to provide the 10 year business plan prior to July 2020.

## About the Regent Theatre Trust

### Vision statement:

To provide the most vibrant theatre going experience in an unforgettable venue of classical grandeur.

### Mission statement:

The Regent on Broadway will be maintained and preserved as a valuable historic venue. The Regent on Broadway will be the preferred local venue of choice for international, national and local performing arts experiences that cater to diverse people of all ages.

## Values:

- **Stewardship** - a commitment to quality care and oversight of the historic venue and its contents, heritage value and uniqueness and significance to the region.
- **Accountability** - through transparency, effective legal and financial management.
- **Integrity** - in maintaining high standards in a consistent way in accordance with ethically sound principles and actions.
- **Innovation** - continuous improvement through responding to change in an agile and responsive manner, such as advances in technology and changes in audience expectations.
- **Customer focused service** - ensuring that our contact with clients and patrons is always welcoming and hospitable, signifying a genuine commitment to providing them with a quality experience.
- Provide a good staff working environment.

## Governance:

The Regent on Broadway is governed by the Regent Theatre Trust Incorporated. The trust is governed by a Board of Trustees. The Board of up to nine (currently eight) trustees is responsible for the strategic direction and control of Regent Theatre Trust activities. The Board guides and monitors the business and affairs of Regent Theatre Trust in accordance with the Regent Theatre Trust Deed and this Statement of Intent.

The Board's approach to governance is to adopt "best practice" with respect to:

- The operation and performance of Trustees.
- Providing ongoing support for the General Manager.
- Being accountable to all stakeholders and reporting to the Palmerston North City Council

The General Manager is responsible for managing the Regent Theatre Trust as well as the day-to-day operations of the Regent on Broadway.



## City vision statement

Palmerston North is the heart of the Manawātū region within central New Zealand. We are a small city with a lot to offer, and we're ambitious about where we're going. The city's vision is Palmerston North: Small city benefits, big city ambition.

Palmerston North City Council has identified five strategic goals for achieving this vision:

**Goal 1:** An innovative and growing city.

**Goal 2:** A creative and exciting city.

**Goal 3:** A connected and safe community.

**Goal 4:** An eco-city.

**Goal 5:** A driven and enabling Council.

The Regent on Broadway plays a critical part in delivering this vision. The activities of the Regent help to build Palmerston North's national and international reputation as a creative and exciting place to live, work, study and play. The Regent on Broadway and the Palmerston North City Council work collaboratively to ensure decisions and activities reflect the ambitions of the city and its residents.

We do this by supporting: vibrant and healthy communities; the development of sustainable practice within our local performing arts; the development of connected and safe communities so that all sections of our community may enjoy the wonder of theatre and performance; environmental sustainability; and securing the future of the venue.

## Strategic objectives

The Theatre's six strategic objectives have been developed to provide a sound operational platform, thereby ensuring the theatre is in a strong financial and well-resourced position so as to enable the Regent on Broadway to achieve its vision.

**Objective 1.** To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region.

**Objective 2.** To engage in effective collaboration with our stakeholders and clients, that enables the best customer experience.

**Objective 3.** To maintain and build organisational capability.

**Objective 4.** To develop a marketing and promotion strategy that maintains and builds audiences.

**Objective 5.** To secure continuity in the professional operations and financial sustainability of the Regent on Broadway.

**Objective 6.** To have an effective and pro-active governance team.



## Activities

The Regent on Broadway works to provide a mix of diverse performance, talent and entertainment. This builds on the reputation that Palmerston North is a vibrant, creative and exciting city and aligns with the theatre's operational strategy to explore new ways of attracting high quality performances and increasing diverse community use.

In order to achieve its Strategic Objectives, the Board will undertake a range of activities during the next three years.

**Objective 1.** To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region.

The Regent on Broadway will support this goal by:

- Programming regional, national and international performance.
- Enabling people to come together for performing arts events and community celebrations – such as commercial and community shows, graduations, arts, cultural and educational events.
- Enabling diverse communities to come together to celebrate.
- To encourage local primary, intermediate and secondary schools, dance schools, also theatre educators and theatrical groups to take advantage of the theatre's significant capabilities and resources as a performance and learning space in respect to all aspects of the performing arts.
- To provide a well-resourced and well-equipped amenity so as to attract a wide range of performances and events to the city.
- Providing a specialised performance venue, professional technical advice and support, and marketing support.

**Objective 2.** To engage in effective collaboration with our stakeholders and clients, that enables the best customer experience.

The Regent on Broadway will support this goal by:

- Actively contributing to the arts powerhouse steering group.
- Consolidating and nurturing relationships with national and international promoters and national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Creative New Zealand) so that the Regent on Broadway is a principal venue of choice when considering their programming each year.
- Development of social media strategy which includes communication with diverse audiences.
- To establish and nurture strong relationships with all local and regional theatre, dance and entertainment groups in the view to supporting productions of significance and to maintaining and operating an entrepreneurial fund to procure these and other events (by production participation) that would not otherwise come to the Regent on Broadway.
- Set up customer service survey platform. Trial, review and act on findings.

**Objective 3.** To maintain and build organisational capability.

The Regent on Broadway will support this goal by:

- Working towards sustainable environmental practice such as recycling, replacing disposable with reusable and energy reduction.
- Undertaking a professional analysis of the human resource requirements for the current and future Regent on Broadway.

**Objective 4.** To develop a marketing and promotion strategy that maintains and builds audiences.

The Regent on Broadway will support this goal by:

- Understanding and responding to local and national trends.
- Supporting events by establishing professional marketing strategies, resources, tools and e-platforms – such as Facebook, Instagram and a well-appointed web site.
- Develop and promote events that reflect the architectural and/or historical significance of the venue and its significant point of difference as a venue.
- To engage positively with hirers and audience to ensure the Regent on Broadway is a user-friendly, favoured destination and facility for large scale events and performances.

**Objective 5.** To secure continuity in the professional operations and financial sustainability of the Regent on Broadway.

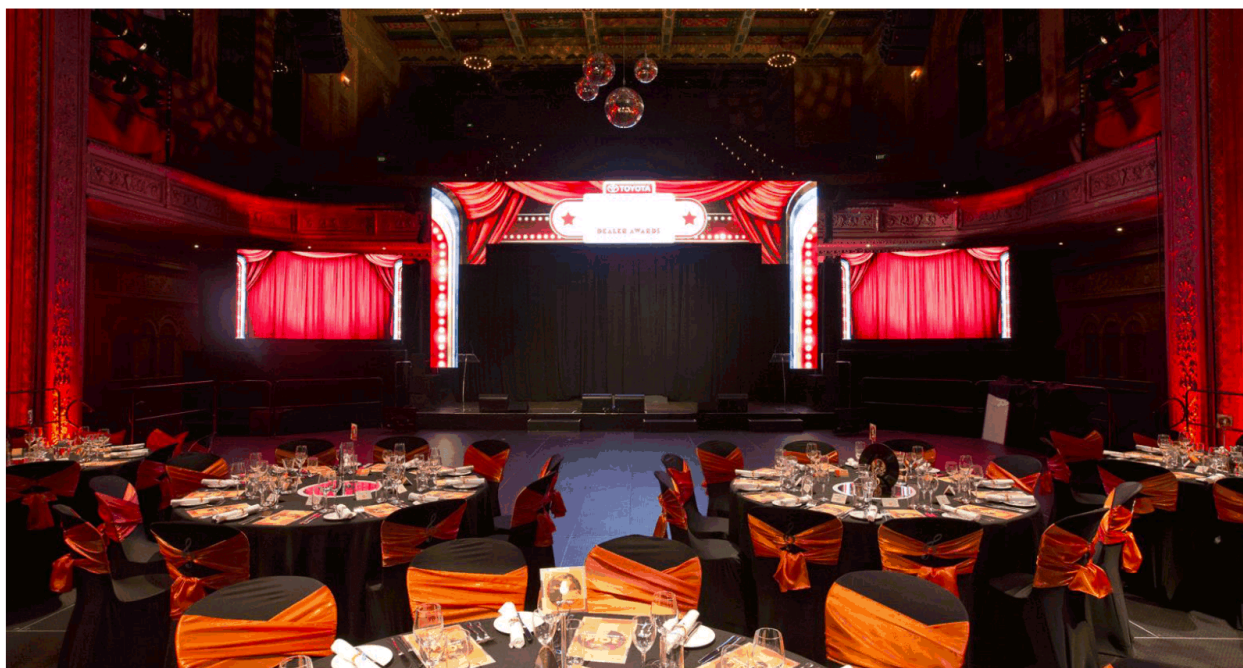
The Regent on Broadway will support this goal by:

- Working with and nurturing the relationship with the Friends of the Regent who are the principal funding providers that augment/update the regent's equipment so as to maintain a quality of service to all hirers, principally the theatres community users.
- Securing the funding for the theatre's main auditorium sound system and to progressively improve and add to the system.

**Objective 6.** To have an effective and pro-active governance team.

The Regent on Broadway will support this goal by:

- Timely and informative reporting to the Council.
- Sourcing skilled community support so as to provide sound expert guidance to theatre management.



## Performance measures

Objective	Performance Measure	Actual 2019/20	Target		
			2020/21	2021/22	2022/23
1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatu region.	Total number of main auditorium hires annually (days the auditorium is used), to be not less than.	130	158	180	200
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than.	17	30	35	40
	Total number of events overall that are held over all spaces in the theatre.	275	350	380	400
2. To engage in effective collaboration with our stakeholders and clients, that enables the best customer experience.	Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, not less than.	12	20	22	25
	Total number of tertiary graduation ceremonies held, not less than.	4	11	11	11
	Total number of local school concerts held, not less than	8	10	11	11
	Total number of school prize-giving held, not less than.	13	14	14	14
	Total number of ethnically diverse concerts and productions, both community and professionally produced, not less than.	3	6	7	8
4. To develop a marketing and promotion strategy that maintains and builds audiences.	Total attendances to all events held, not less than.	65,300	88,600	98,500	102,500
5. To secure continuity in the professional operations and financial sustainability of the Regent on Broadway.	Secure the funding for the theaters main auditorium sound system and to progressively improve and add to the system over the next 3 years. Funding to be sourced.	\$513,000	\$40,000	\$30,000	\$50,000
	Additional capital expenditure funding for other projects from the Friends of the Regent or other funding providers.	\$40,000	\$40,000	\$40,000	\$40,000

## How we operate

### To be professionally operated and financially secure

The Regent Theatre Trust is committed to ensuring sound Governance and guidance in financial, legal, compliance, operational, management, and most of all, Health and Safety systems, and to ensure procedures are in place and reported against on a regular basis. To ensure the review of key policies and documentation occurs in accordance with the Trust's annual schedule such as the review of:

- Insurance policies
- Contracts
- Memorandums of understanding
- Operational Policies
- Health and Safety Policies, procedures and documentation
- Staff reviews

The review of personnel resourcing is also undertaken so as to ensure the Regent on Broadway is meeting the needs of new marketing initiatives and progressive methodology in theatre operations.

Staff training occurs in all areas of theatre operations and is reviewed on a regular basis.

- ETNZ guidelines in theatre technical operations and safe working practices.
- Marketing with a specific focus to supporting Social Media requirements.
- Health and Safety in all areas of theatre operations.

The Regent Theatre Trust also undertakes the review and implementation of the 3 year Strategic Plan, and to provide guidelines for a strategic marketing programme that is focused to supporting the Regent on Broadway's Social Media requirements.

### Recognising volunteer input and support

Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising and to support and nurture the input by the Friends and all volunteers and to recognise the value of the contribution to venue operational requirements.

Maintain the excellent communications and the goodwill that has been establish with the elected volunteer supervisory/management team that works alongside venue operations with the objective of continuing to maintain and improve venue hospitality, ushering and catering.

Attracting and nurturing volunteers that possess the knowledge and skills required to deliver the high level of experienced guidance needed for good and successful governance.

## Working together

The preparation and approval of annual budgets so as to observe clear financial objectives and to prepare 3 year income and expenditure forecasts so as to meet statutory obligations and thereby informing our stakeholders of potential future financial outcomes.

### Half-yearly report

By the end of February each year the Regent Theatre Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

- Manager's commentary on operations for the relevant six-month period.
- Comparison of the Regent on Broadway's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

### Annual report

By 30<sup>th</sup> September each year the Regent Theatre Trust will provide the Council with an annual report complying with ss 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be undertaken in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of the Regent on Broadway and will include the following information:

- Commentary on operations for the year.
- Comparison of the Regent on Broadway's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.

### The Regent Theatre Trust

The Regent Theatre Trust is established and governed by The Regent Theatre Trust Deed; available on request from the Secretary to the Board c/o Palmerston North City Council.

#### SIGNATURES

This Statement of Intent was approved by The Regent Theatre Trust on:

**Date:**

**Signed:**

**David Lea, Chairman, The Regent Theatre Trust**



**Regent Theatre Trust Board**  
**Statement of Financial Performance**  
**For the year ended 30 June 2020 - 30 June 2023**

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b><u>TRADING ACCOUNT</u></b>				
Theatre Operations	463,800	462,100	474,100	474,100
Regent on Broadway Promotions	80,000	80,000	80,000	80,000
Event Ticketing Centre	126,000	124,000	124,000	124,000
Palmerston North City Council Funding	234,188	237,381	240,618	243,901
Grants received for capital expenditure	443,000	40,000	30,000	50,000
Donations from Friends of the Regent	70,000	40,000	40,000	40,000
	=====	=====	=====	=====
Total Trading Income	1,416,988	983,481	988,718	1,012,001
	=====	=====	=====	=====
Gross Income	1,416,988	983,481	988,718	1,012,001
	=====	=====	=====	=====
<b><u>Add Other Income</u></b>				
Interest Received	8,000	8,000	9,000	9,000
	=====	=====	=====	=====
Total Other Income	8,000	8,000	9,000	9,000
	=====	=====	=====	=====
	1,424,988	991,481	997,718	1,021,001
	=====	=====	=====	=====
<b><u>LESS EXPENSES</u></b>				
Theatre Operations	246,300	240,900	241,900	238,900
Employee related expenses	546,078	549,462	555,278	561,154
Regent on Broadway promotions	75,000	75,000	75,000	75,000
Event Ticketing Centre	28,800	19,500	19,500	19,500
	=====	=====	=====	=====
	896,178	884,862	891,678	894,554
	=====	=====	=====	=====
Surplus/(deficit) before depreciation	528,810	106,619	106,040	126,447
Less Depreciation	83,808	139,300	146,300	153,300
Less Provision for Bad Debts	0	0	0	0
	=====	=====	=====	=====
Surplus/(deficit) from trading	445,002	(32,681)	(40,260)	(26,853)
	=====	=====	=====	=====

**ACCOUNTANTS REPORT**

This Statement has been prepared by us for the above client from records, information and instructions furnished by our client. As our instructions did not include an Audit, we have not audited the statement and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material supplied from which the accounts have been prepared. Further, the Statement has been prepared at the request of and for the purpose of our client and neither we nor any of our employees accept any responsibility on any ground whatever to any other person.





**Regent Theatre Trust Board**  
**Statement of Forecast Cashflows**  
**For the year ended 30 June 2020 - 30 June 2023**

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b><u>OPERATING CASHFLOWS</u></b>				
<b><u>CASH INFLOWS</u></b>				
Income Banked	1,656,369	1,131,003	1,137,026	1,163,801
Interest Received	8,000	8,000	9,000	9,000
<b>Total Cashflow Inflows</b>	<b>1,664,369</b>	<b>1,139,003</b>	<b>1,146,026</b>	<b>1,172,801</b>
<b><u>CASH OUTFLOWS</u></b>				
Theatre Operations	283,245	277,035	278,185	274,735
Employee related expenses	546,078	549,462	555,278	561,154
Regent on Broadway promotions	86,250	86,250	86,250	86,250
Event Ticketing Centre	33,120	22,425	22,425	22,425
<b>Total Cash Outflows</b>	<b>948,693</b>	<b>935,172</b>	<b>942,138</b>	<b>944,564</b>
<b>Total Operating Cashflows</b>	<b>715,676</b>	<b>203,831</b>	<b>203,888</b>	<b>228,237</b>
<b><u>NON OPERATING CASHFLOW</u></b>				
Asset Purchases	(589,950)	(92,000)	(80,500)	(80,500)
GST Paid IRD	(85,099)	(84,857)	(86,992)	(90,633)
<b>Total Non Operating Cashflows</b>	<b>(675,049)</b>	<b>(176,857)</b>	<b>(167,492)</b>	<b>(171,133)</b>
<b><u>CHEQUE BANK ACCOUNT</u></b>				
Opening Balance	180,029	220,656	247,630	284,026
Add Operating surplus / (deficit)	715,676	203,831	203,888	228,237
Add Non-operating surplus / (deficit)	(675,049)	(176,857)	(167,492)	(171,133)
<b>Closing Balance</b>	<b>220,656</b>	<b>247,630</b>	<b>284,026</b>	<b>341,130</b>

**ACCOUNTANTS REPORT**

This Statement has been prepared by us for the above client from records, information and instructions furnished by our client. As our instructions did not include an Audit, we have not audited the statement and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material supplied from which the accounts have been prepared. Further, the Statement has been prepared at the request of and for the purpose of our client and neither we nor any of our employees accept any responsibility on any ground whatever to any other person.



**Regent Theatre Trust Board**  
**Statement of Financial Position**  
**For the year ended 30 June 2020 - 30 June 2023**

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b>CURRENT ASSETS</b>				
Bank accounts and cash	220,656	247,630	284,026	341,130
Prepaid insurance	7,180	7,180	7,180	7,180
Debtors and production receivable	28,088	28,088	28,088	28,088
Prepayments	11,500	11,500	11,500	11,500
	267,424	294,398	330,794	387,898
<b>INVESTMENTS</b>	238,405	238,405	238,405	238,405
<b>FIXED ASSETS</b>	696,070	636,770	560,470	477,170
<b>TOTAL ASSETS</b>	<u>1,201,899</u>	<u>1,169,573</u>	<u>1,129,669</u>	<u>1,103,473</u>
<b>CURRENT LIABILITIES</b>				
GST balance	13,847	14,202	14,558	15,215
Creditors and accrued expenses	90,196	90,196	90,196	90,196
Deposits in advance	9,741	9,741	9,741	9,741
Employee costs payable	53,242	53,242	53,242	53,242
	167,026	167,381	167,737	168,394
<b>TOTAL LIABILITIES</b>	<u>167,026</u>	<u>167,381</u>	<u>167,737</u>	<u>168,394</u>
<b>NET ASSETS</b>	<u>1,034,873</u>	<u>1,002,192</u>	<u>961,932</u>	<u>935,079</u>
<b>EQUITY</b>				
Opening balance	589,871	1,034,873	1,002,192	961,932
Income for the year	445,002	(32,681)	(40,260)	(26,853)
Closing balance	<u>1,034,873</u>	<u>1,002,192</u>	<u>961,932</u>	<u>935,079</u>
<b>TOTAL EQUITY</b>	<u>1,034,873</u>	<u>1,002,192</u>	<u>961,932</u>	<u>935,079</u>

**ACCOUNTANTS REPORT**

This Statement has been prepared by us for the above client from records, information and instructions furnished by our client. As our instructions did not include an Audit, we have not audited the statement and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material supplied from which the accounts have been prepared. Further, the Statement has been prepared at the request of and for the purpose of our client and neither we nor any of our employees accept any responsibility on any ground whatever to any other person.

**Regent Theatre Trust Inc.**  
**Statement of accounting policies**



## For the year ended 30 June 2023

### Accounting Policies Applied

#### Basis of preparation

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

#### Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

### Significant Accounting Policies

#### Revenue

##### *Grants*

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

##### *Sale of goods*

Revenue from the sale of goods is recognised when the goods are sold to the customer.

##### *Sale of services*

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

##### *Donated assets*

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

##### *Interest*

Interest revenue is recorded as it is earned during the year.

##### *Recoveries and commissions*

Amounts disclosed in the Statement of Financial Performance consist of monies recovered from the theatre hirer for direct costs incurred during the hire period. These include labour, electricity and gas and staging expenses.

#### Employee Related Costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, leave entitlements and lieu hours.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

**Advertising, marketing, administration, overhead, and fundraising costs**  
**These are expensed when the related service has been received.**

**Bank accounts and cash**

Bank accounts, cash comprise cash on hand, cheque or savings accounts and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

**Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

**Investments**

Investments comprise investments in terms deposits with banks.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

**Property, Plant, and Equipment**

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Plant & equipment	10-25%	Straight-line
Furniture & fittings	20%	Straight-line
Piano	5%	Straight-line
Leasehold improvements	8.4%	Straight-line

**Creditors and accrued expenses**

Creditors and accrued expenses are measured at the amount owed.

**Employee costs payable**

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date, lieu hours and annual leave earned but not yet taken at balance date.

#### **Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **Income Tax**

The Regent Theatre Trust Inc. has been granted charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

#### **Tier 2 PBE Accounting Standards applied**

The Trust has not applied any Tier 2 Accounting Standards in the preparing its financial statements.







**DRAFT**

# STATEMENT OF INTENT

for

**TE MANAWA MUSEUMS  
TRUST**

**2020/21 – 2022/23**

CONTENTS	Page
▶ Contact Details .....	3
▶ Introduction.....	4
▶ Our Vision, Mission and Values .....	5
▶ Trust Objectives.....	7
▶ Key Strategic Objectives .....	8
▶ Key Priorities .....	8
▶ Key Performance Indicators and planned activities .....	10
▶ Governance Statements.....	14
▶ Signatures.....	14
▶ Budget: for the years ended 30 June 2021, 2022, 2023.....	15

**CONTACT DETAILS**

<b>Address</b>	Te Manawa Museums Trust	<b>Legal Status</b>	Te Manawa Museums Trust is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a charitable trust under the Charitable Trust Act 1957.  It is a not-for-profit CCO.
	Private Bag 11055		
	Palmerston North		
<b>Website:</b>	<a href="http://www.temanawa.co.nz">www.temanawa.co.nz</a>		
<b>Phone:</b>	(06) 355-5000		
<b>Email:</b>	<a href="mailto:enquiries@temanawa.co.nz">enquiries@temanawa.co.nz</a>		
<b>Main Contact:</b>	Andy Lowe	<b>Charities Registration number:</b>	CC38836
<b>Role in CCO:</b>	Chief Executive	<b>List of Trustees</b>	John Fowke - Chair Geoffrey Jameson Nuwyne Te Awe Awe Mohi Tyson Schmidt Manu Kawana Sarah Bell Caroline Tate
<b>Phone:</b>	06 351-4492		
<b>Email:</b>	<a href="mailto:andy.lowe@temanawa.co.nz">andy.lowe@temanawa.co.nz</a>		

## INTRODUCTION

The production of this SOI resulted from the new Statement of Expectation issued by PNCC followed by a draft SOI that was then amended after the COVID crisis changed all of our operations. The need to revise the SOI resulted in PNCC organising a workshop with council officers and elected representatives. This proved to be an extremely useful addition to the process and the discussion allowed for a full exchange of views and suggestions. In summary, although this has been a somewhat protracted process, it has been extremely productive.

Further flow on from the SOI workshop will also add to the quality and relevance of the next Te Manawa business plan, to be produced over the next few weeks.

As we emerge from the COVID measures have had to be very careful with our budgeting so that we can concentrate on the areas that PNCC has identified as our key drivers for success, as well as contributing to the objective of driving our community forward. The upcoming Palmerston North sesquicentennial will be a strong driver of this and we are planning our participation in marking this milestone.

- The key drivers that were signalled during our discussions were:
- Supporting inclusivity in our community
- Getting the collections out – using the assets we have
- Maintaining a turnover of exhibitions to engage our audiences
- Reviewing and publishing the exhibition programme – local, national and international
- Growing physical and digital visitation numbers
- Maintaining and enhancing connections and relationships
- Working with the Ministry of Education on the future of the LEOTC programme and its funding
- Sourcing sustainable external funding for programmes and exhibitions

These will all be incorporated into the draft business plan. The first order of priority will be responding to the processes for safely reopening to the public and the revision of our programmes to enable this. We will also be moving to support the other cultural CCOs as they move in to a post COVID mode and maximise our ability to develop joint programmes of activity.

The budget incorporated in to the SOI has also been revised to incorporate post COVID actions as far as are known. There may be further revisions required to our programmes and budget as we move forward but these will be kept to a minimum.

We continue to acknowledge and be reliant on the support of PNCC, Iwi our societies and the communities who participate in and support our operations.



John Fowke  
Chair, Te Manawa Museums Trust

15 May 2020



## Purpose of the Statement of Intent

*This Statement of Intent is presented by Te Manawa Museums Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002.*

*In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intention of Te Manawa Museums Trust for the next three years, and the objectives to which those activities will contribute.*

*The final Statement of Intent will take shareholder comments into consideration and include performance measures and targets as the basis of organisational accountability.*

## About Te Manawa Museums Trust

### PURPOSE

Amplifying possibilities

### OUR VISION

A museum without boundaries

Built on a foundation of manaakitanga (inclusion, kindness, safety, hospitality)

We are:

- 1 opening doors for different conversations
- 2 Enhancing through creativity
- 3 Building a profile of and championing the uniqueness of our region

By Opening doors for different conversations we mean, a:

- Place where people can speak for themselves
- Place that gives visibility to different viewpoints

By Enhancing through creativity we mean:

- Connecting to and amplifying what's already happening in the community to make a bigger impact
- We try new things and experiment

By Building the profile of and championing the uniqueness of the region...

- We do things that have a high impact and we co-create with all of our communities

### MISSION

We will partner with communities, thought leaders, change makers and supporters, to inspire, broker and deepen connections among them, and with our worlds' tangible and intangible treasures, so that we can create and deliver relevant, engaging programmes and experiences with and for our communities.

## Te Manawa will make a difference by:

Te Manawa will make a difference by being the hub for significantly growing the City's levels of learning and engagement, social cohesion and wellbeing, civic pride and vibrancy, and national reputation. We will do this by:

- ▶ Connecting people with each other and unlocking the riches of our treasures and stories;
- ▶ Incubating ideas through collaboration and experimentation;
- ▶ Amplifying possibilities and potential, with and for our communities;
- ▶ Challenging boundaries and responding proactively to change.

## OUR VALUES

In order to be able to co-create an energetic, surprising museum with multiple communities we need to embody the following values:

### Kaitiakitanga

We are passionate about the treasures we care for on behalf of the community, and their power to inform and transform us, now and into the future.

### Courageous and experimental

We are committed to making a real and positive difference, thinking clearly and openly about how Te Manawa can best evolve to achieve this – and when and how we need to think outside the box, and be brave, daring and fearless in our thinking and actions.

### Open and inclusive

The concept of *TĀTOU / WE* together is central to everything we do – acknowledging the mana of each person and the collective mana of all.

Open communication – the ability to listen actively, with respect, and to frame relevant questions that will unlock meaning, insights and value – underpins our culture.

### Smart and strategic

Our responsibility to our communities means we are strategic about where we are going, and smart, rigorous and pragmatic about how we will get there.

Our decisions are based on prioritising and growing our resources and monitoring outcomes, with a focus on building our ability to impact and achieve sustainable success.

### Generous and entrepreneurial

We believe our communities are part of a world full of the possibilities, talent, solutions and insight our future relies on. To realise this potential we are generous in our approach - our ability to have fun, enjoy life and value each other underpins the spirit of entrepreneurship that drives us forward.

## OBJECTIVES OF THE TE MANAWA MUSEUMS TRUST DEED

Te Manawa Museums Trust Board is established and governed in accordance with the Te Manawa Trust Deed; available on request from the Executive Assistant of Te Manawa.

Established 30 August 1999

- ▶ To provide governance of an organisation which is a regional museum complex, advancing interest in art, heritage and science (including interactive science)
- ▶ To provide study, educational and enjoyment opportunities through acquiring, conserving, researching, communicating and exhibiting material evidence of people and their environment
- ▶ To develop, promote, enhance and maintain collections to make them relevant to the peoples of the Manawatu and New Zealand
- ▶ To recognise and act in accordance with the principles of the Treaty of Waitangi and to involve and give special attention to the history of the Tangata Whenua in the Region
- ▶ To ensure that the facility functions as a valued professional education resource and community asset for the citizens of Palmerston North and the Manawatu Region
- ▶ To encourage and support the kindred Societies in accordance with the objects of this Trust Deed
- ▶ To recognise the organisation's location in the Manawatu and to be aware of the Regional focus

### STATEMENT OF THE BOARD'S APPROACH TO GOVERNANCE

The Board of up to seven independent directors is responsible for the strategic direction and control of Te Manawa's activities.

The Board guides and monitors the business and affairs of Te Manawa, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company's Constitution and this Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to shareholders and reporting to the Arts, Culture and Heritage Committee of Palmerston North City Council.

The Chief Executive is responsible for the day-to-day operations of Te Manawa, engaging and oversight of staff and reporting to the directors on performance against Te Manawa's performance objectives.

The Board encourages engagement on our strategic direction by stakeholders through three main avenues: the development and presentation of this Statement of Intent, a public Annual General Meeting held each year, and through presentations at Council's quarterly Arts, Culture and Heritage to report and outline new initiatives.

## CONTRIBUTION TO SMALL CITY BENEFITS, BIG CITY AMBITION

Te Manawa received a Letter of Expectation stating Council's objectives relating to Te Manawa. The Board has worked through the Statement of Expectation and has responded to these throughout this Statement of Intent. Council's strategic direction is expressed through five goals:

Goal 1: Innovative and Growing City

Goal 2: Creative and Exciting City

Goal 3: Connected and safe Community

Goal 4: Eco City

Goal 5: Driven and Enabling City

Te Manawa's specific contributions to these goals are:

*Celebrate the City's diversity, and builds on the strength of being a City of many cultures and languages:*

- Te Manawa collects, curates and presents in innovative ways the City's cultures and heritage
- Te Manawa in partnership (kaitiaki) with Rangitāne, as Tangata Whenua, protects its taonga, tells their stories and moves forward under the principles of Te Tiriti o Waitangi
- Te Manawa, as a gathering place, builds tolerance and connections among Palmerston North's diverse cultures – one community, many cultures.

*Develop the City into an arts powerhouse with a national reputation for creativity and the arts:*

- Te Manawa builds on its nationally significant Art collection to encompass also non-traditional artworks, including street art and art from traditionally marginalised communities
- Te Manawa in its exhibitions nurtures and promotes talent among established, new, young and diverse members of the artistic community
- Te Manawa encourages experimentation into new art forms and diversity
- Te Manawa through its exhibitions, both conventional and challenging, builds a national reputation.

*Build an Eco City:*

- Te Manawa, through its links to education, research institutes and local technology industries, develops science- and technology-focussed exhibitions of local and national interest
- Te Manawa leads the City by becoming carbon-negative and sustainable by 2025.

## STRATEGIC OBJECTIVES

### OUR CORE FUNCTIONS OVERALL

- *Te Manawa engages local communities in learning experiences – relevant and meaningful*
- *Te Manawa develops and presents its Art, Iwi and local heritage collections to an increasingly wider community*

- *Te Manawa through its exhibitions and experiences offered, both locally developed and externally sourced, grows science knowledge*
- *Te Manawa attracts through innovative exhibitions, especially those at the boundaries of art, science, heritage and culture, and creative marketing, including its on-line presence increasing visitation, third-party investment and national profile*

## OUR MEDIUM-TERM DRIVERS FOR CHANGE

- *The outside world is changing-(COVID-19)*
- *The digital world is moving fast*
- *People want to speak for themselves*
- *People want multi layered experiences*
- *Increasing number of competing leisure activities*
- *People want better and more engaged access*

## FOR 2020/21, 2021/22 and 2022/23

*The difference the Trust wants to make:*

- *Te Manawa's reputation as a creative and vibrant organisation drives visitation to Palmerston North*
- *Te Manawa is future-proofed to allow the community to connect and co-create*
- *Te Manawa is a special place for Tangata Whenua*
- *Te Manawa celebrates diversity*
- *Te Manawa enhances the creativity of the community*
- *Te Manawa assists the art, heritage and science communities*

## WHAT WE WILL DO

*Objective 1: Te Manawa's profile as a place with which to engage is maintained and enhanced*

- *Focus on developing experiences that attract over 100,000 physical visitors to Te Manawa*
- *Develop experiences and products that increase the Te Manawa profile*
- *Develop on-line experiences that attract increasing interest*
- *Te Manawa celebrates diversity through its' engagement*

*Objective 2 Te Manawa's relationship with Rangitāne is a priority*

- *Support Implementation of Rangimārie project*
- *Evolve relationship with Rangitāne in line with their post settlement aspirations*

*Objective 3: Third party revenue generation and excellent visitor feedback statistics are a priority:*

- *Short and long term fundraising strategies are developed and implemented*
- *High visitor satisfaction is maintained*

*Objective 4: Te Manawa is focussed on developing for the future.*

- *Develop digital strategy*
- *Creative, heritage and science stakeholders engaged.*
- *Engage with the community on creative projects*
- *Drive environmentally focussed projects*
- *Future museum principles established.*

## PERFORMANCE MEASURES

Te Manawa will focus on attracting visitors -both physical and digital- to ensure wide engagement with our activities and collections. Our digital engagement will help attract physical visitors but also provide for our collections and activities to be enjoyed and interacted with by those in our community who cannot visit our facilities.

### KEY PERFORMANCE INDICATORS FOR 2020/21, 2021/22 and 2022/23

1 Te Manawa's profile as a place with which to engage is maintained and enhanced			
Performance Measures	Target		
	2020/21	2021/22	2022/23
Develop experiences that attract visitors to Te Manawa	150,000	160,000	150,000
Develop experiences and products that increase the Te Manawa profile	50,000	100,000	100,000
Develop on-line experiences that attract increasing interest	500k	600k	700k
TOTAL VISITS	700k	860k	950K

2 Te Manawa's relationship with Rangitāne is a priority			
Performance Measures	Target		
	2020/21	2021/22	2022/23
Support implementation of Te Rangimārie project	<p>Phase 1 of Te Rangi whenua completed:</p> <ul style="list-style-type: none"> <li>- Front of House staff have confidence and capability to engage with visitors regarding Te Rangi Whenua</li> <li>• Pronunciation</li> <li>• Key Q&amp;A</li> <li>- Co-create one "activity" linked to Te Rangi Whenua (12 months agreed concept and delivery plan)</li> <li>- One new key event linked to Te Rangi Whenua (e.g. anniversary for Rangimārie)</li> </ul>	5,000 visitors to Rangimārie activities	10,000 visitors to Rangimārie activities
Evolve relationship with Rangitāne in line with their post settlement aspirations	Hui with Rangitāne o Manawatū Settlement Trust		

3 Third party revenue generation and excellent visitor feedback statistics are a priority			
Performance Measures	Target		
	2020/21	2021/22	2022/23
Short and long term fundraising strategies are developed and implemented	<p>Develop short and long term fundraising strategies</p> <p>Accelerate revenue generation and embed a business development mindset within Te Manawa</p>	<p>Implement short and long term fundraising strategies.</p> <p>Leadership Team to have an agreed Operating Budget that:</p> <ul style="list-style-type: none"> <li>- Outlines resources for agreed Programme of Activity and any required product and service development/realisation</li> <li>- Commits to secure 10% (or other agreed percentage) of operating budget from third party sources</li> <li>- Has a clear programme of work, structure, processes and roles that ensures the financial perspective is appropriately embedded and integrated into decision making and planning (including more advanced sharing of information)</li> </ul>	<p>Leadership Team to have an agreed Operating Budget that:</p> <ul style="list-style-type: none"> <li>- Outlines resources for agreed Programme of Activity and any required product and service development/realisation</li> <li>- Commits to secure 20% (or other agreed percentage) of operating budget from third party sources</li> <li>- Has a clear programme of work, structure, processes and roles that ensures the financial perspective is appropriately embedded and integrated into decision making and planning (including more advanced sharing of information)</li> </ul>
High visitor satisfaction is maintained	96%> satisfied	96%> satisfied	96%> satisfied



4 Te Manawa is focussed on developing for the future			
Performance Measures	Target		
	2020/21	2021/22	2022/23
Develop and implement Digital and Education Strategies	Develop a museum wide Digital Strategy  Develop an education Strategy	Implement Digital Strategy  Implement Education strategy	Develop 2 digital creative projects  Review Education strategy
Creative, heritage and science stakeholders engaged  Strategic partner relationships produce at least one exhibition of national significance every two years and delivers at least one exhibition of international significance	Concept for partner-based Exhibition developed	Implementation of partner-based exhibition	Concept for new exhibition developed
Engage with communities on creative projects	Identify and deliver at least 2 projects	Evaluate success	Identify and deliver at least 2 projects
Drive environmental projects	Develop environmental impact framework	Trial environmental impact	Review environmental impact
Future Museum principles established.  Test ideas for future experimentation	Develop and deliver three examples to use and test concepts  Debrief and document learnings	Develop and deliver a further three examples to use and test concepts  Debrief and document learnings	Develop and deliver a further three examples to use and test concepts  Debrief and document learnings

## GOVERNANCE STATEMENTS

Te Manawa Museums Trust Board is established and governed by the Te Manawa Trust Deed; available on request from the Executive Assistant of Te Manawa.

## SIGNATURES

This Statement of Intent was approved by the Te Manawa Museums Trust Board on:

Date: 13<sup>th</sup> May 2020

A handwritten signature in black ink, appearing to be 'J Fowke', written in a cursive style.

John Fowke, Chair, Te Manawa Museums Trust Board



**Te Manawa Museums Trust**

**Draft Statement of Intent (Financials)  
For the years ended 30 June 2021, 2022 & 2023**

## Contents

	Page Number
Budget Assumptions and Comments	17
Prospective Statement of Comprehensive Revenue and Expenses	19
Prospective Statement of Financial Position	20
Prospective Statement of Cash Flows	21
Statement of Accounting Policies	22

**Budget Assumptions and Comments:****Revenue****1. Palmerston North City Council (PNCC) Funding:****PNCC Operating Grant**

2020/21: \$3,263,907 (2019/20 plus 2.0%)

2021/22: \$3,329,185 (2020/21 plus 2.0%)

2022/23: \$3,131,479 (2021/22 plus 2.0%)

**2. Interest Revenue:**

Interest Income has been based on average bank balances remaining between \$879k and \$1,055k (the approximate required level to preserve Te Manawa tagged reserves) with weighted average bank interest rates forecast at 1.0%.

**3. Other Operating Revenue:**

Other Operating Revenue is expected to increase from the 2019/20 budget, with increased targets for fundraising and sponsorship.

**4. Net Collection Movements**

The level of donated collection assets is maintained level from prior years. (\$15,000).

The prospective financial statements do not provide for a forecast net movement in the market value of collection, due to data not being readily available for assumptions regarding the future market value of collections assets. Revaluation of collection assets is a non-cash item. The next revaluation of Art Collection will take place during 2020/21 financial year and the Heritage Collection revaluation is to take place at the end of 2019/20 financial year.

**Expenditure****5. Payroll:**

The Payroll budget for all years incorporates requirements of the remuneration system adopted by Te Manawa

**6. Operating Expenditure:**

Operating costs have been budgeted for the next three years based on current contractual commitments, as well as anticipated maintenance costs (i.e. cleaning, repairs and maintenance, security and administrative costs).

**7. Occupancy Costs:**

Te Manawa has received notice of some suppliers' intention to increase costs. An inflation adjustment of 2.0% has been applied across most expense categories.

**8. PNCC Leases and Service Level Agreements:**

It has been assumed that there will be no increase in charges from PNCC in relation to service level agreements - IT, vehicles and phones.

**9. Depreciation:**

The forecast depreciation for next financial years is based on the planned plant and equipment additions, the upgrade of the semi-permanent exhibitions (Te Awa and Kid TM).

**10. Operating Surplus/(Deficit) after Collection Movements:**

A net surplus has been budgeted for each of the three years covered by the financial statements 2020/21 (\$11.6k), 2021/22 (\$23.8k) and 2022/23(\$24.4k)

Prudent management of operating expenditure will be required to achieve the budgeted results. Revenue generation opportunities must be sought to ensure that operating cash surpluses are produced going forward.

**STATEMENT OF FINANCIAL POSITION:****11. Cash & Short-Term deposits:**

Cash & Cash Equivalents (including term deposits with a maturity of up to 3 months) are budgeted to remain relatively consistent at between \$1,034 and \$1,209k. This is enough to meet the current Trust's budgeted obligations and commitments.

**12. STATEMENT OF CASHFLOWS:**

Forecast net cash flows from operating activities are enough to cover the planned capital expenditure for the three financial years. financial year. During the.

**13. STATEMENT OF CASH BALANCES & RESERVES:**

Careful managing of resources will be required to maintain positive untagged reserves over next years, in order to both meet our operational costs and gradually increase our semi-permanent and touring exhibition capabilities. There is also an increased reliance on third party revenue to meet the forecast level of operating costs and allow for the strategic reserves to be built up.

The tables below indicate the way Te Manawa intends to gradually build up its strategic reserves within the constraint of maintaining positive untagged reserves.

**Endowment Fund Forecast**

Endowment Fund	Balance 1/7/19	Forecast at 30/06/19	Budget transfers in/(out)	2019/20 Budget	Budget transfers in/(out)	2020/21 Budget	Budget transfers in/(out)	2021/22 Budget
Clevely Fund	10,874	10,874	-	10,874	-	10,874	-	10,874
<b>Total Endowment Funds</b>	<b>10,874</b>	<b>10,874</b>	-	<b>10,874</b>	-	<b>10,874</b>	-	<b>10,874</b>

Specific Reserves	Balance 1/7/19	Forecast at 30/06/19	Budget transfers in/(out)	2019/20 Budget	Budget transfers in/(out)	2020/21 Budget	Budget transfers in/(out)	2021/22 Budget
Collection Development	20,840	20,840		20,840	-	20,840	-	20,840
Historical Building Maintenance	22,081	22,081	-	22,081	-	22,081	-	22,081
Semi-Permanent Exhibition Development Reserve	234,814	234,814		234,814	-	234,814		234,814
<b>Total Specific Reserves</b>	<b>277,735</b>	<b>277,735</b>	-	<b>277,735</b>	-	<b>277,735</b>	-	<b>277,735</b>

The Semi-permanent exhibition reserve is designed for the purpose of securing funding for future semi-permanent exhibition refresh and/or internally developed and built Te Manawa touring shows.

<b>Te Manawa Museums Trust</b> <b>Prospective Statement of Revenue and Expenses</b> For the Three Years Ended 30 June 2020, 2021 & 2022							
	Notes	Actual 2018/19 \$	Budget 2019/20 \$	Forecast 2019/20 \$	Budget 2020/21 \$	Budget 2021/22 \$	Budget 2022/23 \$
<i>as at 31 March 20198</i>							
<b>Revenue</b>							
PNCC Operational Grant	1	3,131,026	3,199,909	3,199,909	3,263,907	3,329,185	3,395,769
MDC Grant		20,360	20,000	20,000	20,000	20,400	20,808
Interest Received	2	13,892	6,236	14,725	14,000	8,000	8,000
Fundraising & Sponsorship		63,167	207,075	9,352	266,000	290,000	200,000
Other Revenue	3	352,757	418,122	330,269	281,320	389,227	181,643
<b>Total Revenue</b>		<b>3,581,201</b>	<b>3,851,342</b>	<b>3,574,256</b>	<b>3,845,227</b>	<b>4,036,813</b>	<b>3,806,220</b>
<b>Expenditure</b>							
Personnel Costs	4	2,107,405	2,230,680	2,091,787	2,259,778	2,291,539	2,317,289
Museum Activities	7	990,296	640,004	730,186	932,679	1,061,224	839,046
Occupancy Costs	7	242,267	277,846	269,376	289,113	294,671	300,340
PNCC Leases & SLA's	8	81,738	81,738	81,738	81,738	81,738	81,738
Fundraising costs	3	10,013	269,045	24,115	15,000	15,000	15,000
Depreciation/Amortisation	9	267,885	267,885	265,724	270,260	283,773	243,336
Assets Written Off		-	-	-	-	-	-
<b>Total Operating Expenditure</b>		<b>3,699,604</b>	<b>3,767,199</b>	<b>3,462,925</b>	<b>3,848,568</b>	<b>4,027,945</b>	<b>3,796,749</b>
<b>Operating Surplus/(Deficit) Before Collection Movements</b>	10	<b>(118,402)</b>	<b>84,143</b>	<b>111,330</b>	<b>(3,341)</b>	<b>8,868</b>	<b>9,471</b>
<b>Collection Movement Income</b>							
Custodial Assets		-	5,000	-	-	-	-
Donated Assets		74,426	20,000	11,753	15,000	15,000	15,000
<b>Collection Movement Expense</b>							
Custodial Assets Returned		-	-	-	-	-	-
Collection Assets Deaccessioned		115	-	184	-	-	-
<b>Net Collection Movements</b>	4	<b>74,311</b>	<b>25,000</b>	<b>11,569</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Net Surplus/(Deficit)</b>		<b>(44,092)</b>	<b>109,143</b>	<b>122,899</b>	<b>11,659</b>	<b>23,868</b>	<b>24,471</b>
<b>Other Comprehensive Revenue and Expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>(44,092)</b>	<b>109,143</b>	<b>122,899</b>	<b>11,659</b>	<b>23,868</b>	<b>24,471</b>
<b>Third Party Revenue Before Collection Income</b>		<b>450,175</b>	<b>651,433</b>	<b>374,347</b>	<b>581,320</b>	<b>707,627</b>	<b>410,451</b>
Third Party Revenue as % of total Income before Collections Income		13%	17%	10%	15%	18%	11%
<b>Third Party Revenue Including Collection Income</b>		<b>524,601</b>	<b>676,433</b>	<b>386,099</b>	<b>596,320</b>	<b>722,627</b>	<b>425,451</b>
Third Party Revenue as % of total Income.		14%	17%	11%	15%	18%	11%

The accompanying notes and accounting policies form part of the prospective financial statements.

**Te Manawa Museums Trust**  
**Prospective Statement of Financial Position**  
As at 30 June 2020, 2021 & 2022

Notes	Actual 2018/19 \$	Budget 2019/20 \$	Forecast 2019/20 \$ <i>as at March 20</i>	Budget 2020/21 \$	Budget 2021/22 \$	Budget 2022/23 \$
<b>Assets</b>						
<i>Current Assets</i>						
Cash & Cash Equivalents <b>12</b>	582,450	411,151	474,979	430,285	476,969	588,826
Short Term Deposits	150,000	282,988	525,866	539,866	547,866	555,866
Stock of Merchandise	50,070	45,000	52,365	50,000	40,000	40,000
Receivables	12,004	50,000	30,951	50,000	50,000	50,000
Interest Receivable	2,727	1,600	189	1,600	1,600	1,600
Prepayments	63,767	57,000	-	60,000	60,000	60,000
<b>Total Current Assets</b>	<b>861,018</b>	<b>847,739</b>	<b>1,084,350</b>	<b>1,131,751</b>	<b>1,176,435</b>	<b>1,296,292</b>
<i>Fixed Assets</i>						
Information Technology	24,170	75,021	36,663	73,773	78,730	84,938
Property Plant & Equipment						
Exhibitions	370,247	305,151	306,977	227,977	227,377	166,573
Furniture & Fittings	80,755	78,750	62,774	59,288	67,021	72,489
Leasehold Improvements	88,943	67,136	72,503	51,003	59,428	59,331
Plant & Equipment	375,903	364,421	309,780	297,758	216,458	128,613
Collection Assets (Owned)	8,276,844	8,323,404	8,328,550	8,368,550	8,393,550	8,443,550
Collection Assets (Custodial)	8,265,211	8,275,211	8,265,210	8,265,210	8,265,210	8,265,210
Work in Progress (Te Rangi Whenua)	24,515	30,000	26,105	30,000	30,000	30,000
<b>Total Fixed Assets</b>	<b>17,506,588</b>	<b>17,519,094</b>	<b>17,408,562</b>	<b>17,373,559</b>	<b>17,337,774</b>	<b>17,250,704</b>
<i>Other Non-Current Assets</i>						
Intangible Assets - Software	15,777	27,752	10,485	17,885	32,855	24,538
<b>Total Non-Current Assets</b> <b>13</b>	<b>17,522,365</b>	<b>17,546,846</b>	<b>17,419,047</b>	<b>17,391,444</b>	<b>17,370,629</b>	<b>17,275,242</b>
<b>Total Assets</b>	<b>18,383,383</b>	<b>18,394,585</b>	<b>18,503,397</b>	<b>18,523,196</b>	<b>18,547,064</b>	<b>18,571,535</b>
<i>Current Liabilities</i>						
Payables Under Exchange Transactions	235,736	160,000	141,062	160,000	160,000	160,000
Income Received in Advance)	35,873	30,000	45,624	30,000	30,000	30,000
Provisions	-	-	-	-	-	-
Employee Benefits	199,140	195,619	211,969	195,619	195,619	195,619
Interest Payable	-	-	-	-	-	-
GST Payable (Receivable)	56,430	55,000	31,943	55,000	55,000	55,000
Current Portion of Term Liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>527,179</b>	<b>440,619</b>	<b>430,598</b>	<b>440,619</b>	<b>440,619</b>	<b>440,619</b>
<i>Non-Current Liabilities</i>						
Employee Benefits	5,144	3,296	5,147	3,266	3,266	3,266
<b>Total Non-Current Liabilities</b>	<b>5,144</b>	<b>3,296</b>	<b>5,147</b>	<b>3,266</b>	<b>3,266</b>	<b>3,266</b>
<b>Total Liabilities</b>	<b>532,323</b>	<b>443,915</b>	<b>435,745</b>	<b>443,885</b>	<b>443,885</b>	<b>443,885</b>
<b>Equity</b>						
Trust Equity	10,533,352	10,544,165	10,582,953	10,705,852	10,717,512	10,741,380
Retained Surplus Current Year	(44,092)	109,144	122,899	11,659	23,868	24,471
Asset Revaluation Reserve	7,073,192	7,073,191	7,073,191	7,073,191	7,073,191	7,073,191
Specific Reserves <b>15</b>	277,735	213,296	277,735	277,735	277,735	277,735
Endowment Funds <b>15</b>	10,873	10,874	10,874	10,874	10,874	10,874
<b>Total Trust Funds</b>	<b>17,851,060</b>	<b>17,950,670</b>	<b>18,067,652</b>	<b>18,079,311</b>	<b>18,103,179</b>	<b>18,127,650</b>
<b>Total Liabilities and Trust Funds</b>	<b>18,383,383</b>	<b>18,394,585</b>	<b>18,503,397</b>	<b>18,523,196</b>	<b>18,547,064</b>	<b>18,571,535</b>



Te Manawa Museums Trust						
Prospective Statement of Cash Flows						
For the Three Years Ended 30 June 2020, 2021 & 2022						
Notes	Actual	Budget	Forecast	Budget	Budget	Budget
	2018/19	2019/20	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$
as at 31 March 2020						
<b>Cash Flows from Operating Activities</b>						
Cash was provided from:						
PNCC Grants	3,131,026	3,199,909	3,199,909	3,263,907	3,329,185	3,395,769
Fundraising and Sponsorship		207,075	9,352	266,000	290,000	200,000
Other Revenue	395,647	582,150	338,778	224,636	419,627	202,451
Interest	14,129	6,236	14,725	14,000	8,000	8,000
	3,540,802	3,995,370	3,562,765	3,768,543	4,046,813	3,806,220
Cash was disbursed to:						
Payroll	2,085,662	2,235,019	2,091,787	2,259,778	2,291,539	2,317,289
Suppliers	1,164,417	1,507,856	1,136,322	1,315,216	1,452,633	1,236,124
Interest	-	-	-	-	-	-
GST	-14,793	-	24,487	-	-	-
Net Change in working Capital	-	(96,860)	-	-	-	-
	3,235,286	3,646,015	3,252,596	3,574,994	3,744,172	3,553,413
<b>Net Cash Flows from Operating Activities*</b>	<b>305,516</b>	<b>349,355</b>	<b>310,169</b>	<b>193,549</b>	<b>302,641</b>	<b>252,808</b>
<b>Cash Flows from Investing Activities</b>						
Cash was provided from:						
Sale of Assets	-	-	-	-	-	-
Reduction in reserves	-	-	3	-	-	-
Cash was disbursed to:						
Change in short Term Investments	-167,275	8,725	140,307	(242,757)	7,999	8,000
Purchase of Intangible Assets - Software		20,000	5,000	16,000	24,000	-
Purchase of Leasehold Improvements			11,443	-	16,000	-
Purchase of Information Technology	212,656	28,000	33,688	56,770	25,600	27,000
Purchase of Exhibitions		136,141	40,995	266,238	91,800	30,000
Purchase of Furniture & Fittings		2,000	14,180	23,014	35,558	20,950
Purchase of Plant & Equipment		108,932	117,028	93,978	30,000	5,000
Purchase of Collection Assets	31,369	25,000	25,000	25,000	25,000	50,000
Work in Progress		-	30,000		-	-
	76,750	328,798	417,640	238,243	255,957	140,950
<b>Net Cash Flows from Investing Activities</b>	<b>(76,750)</b>	<b>(328,798)</b>	<b>(417,640)</b>	<b>(238,243)</b>	<b>(255,957)</b>	<b>(140,950)</b>
Net Increase/(Decrease) in Cash Held	<b>14</b>	228,766	20,557	(107,471)	46,684	111,858
Opening Cash Balances		353,684	316,684	582,450	474,979	430,285
<b>Closing Total Cash Balances</b>		<b>582,450</b>	<b>337,241</b>	<b>474,979</b>	<b>476,969</b>	<b>588,826</b>

The accompanying notes and accounting policies form part of the prospective financial statements

## Notes to the Prospective Financial Statements

### 1 Statement of Accounting Policies

#### REPORTING ENTITY

Te Manawa Museums Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint more than 50% of the Board of Trustees.

The Trust was incorporated on 20 August 1999, from that date, the Trust assumed responsibility for art works and heritage assets transferred to its care but held on behalf of others. From 1 July 2000 the Trust commenced leasing the premises and managing the institution under agreements entered into with the Palmerston North City Council. The principal place of business is 326-336 Main Street, Palmerston North.

The primary objective of the Trust is to provide interactive experience in art, science and heritage through acquiring, conserving, researching, developing, communicating and exhibiting material evidence of people and their environment, rather than making a commercial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purposes of Public Benefit Entity Accounting Standards (PBE Standards).

#### BASIS OF PREPARATION

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the periods.

#### Statement of Compliance

The prospective financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 public sector public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Trust qualifies as a Tier 2 Public Sector PBE reporting entity as it is not publicly accountable and as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

The reporting period for these prospective financial statements is the year ending 30 June 2021, 30 June 2022 and respectively 30 June 2023. The prospective financial statements are presented in New Zealand dollars, unless otherwise stated.

#### Measurement Base

The measurement basis applied is historical cost, modified by the revaluation of collection assets as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

#### Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

There are no standards, amendments, and interpretations, issued but not yet effective that have not been early adopted, and which are relevant to the Trust.

## SIGNIFICANT ACCOUNTING POLICIES

### Revenue

Revenue is measured at fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

### Revenue from Non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. In non-exchange transactions, the Trust either receives value from or gives value to another party without directly giving or receiving approximately equal value in exchange.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Trust provides for a fee are charged at below market value as they are subsidised by Palmerston North City Council operational grant, sponsorship, government/non-government grants. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Trust's revenue is therefore categorised as non-exchange.

This includes PNCC grants, transfers from government/non-government entities, donations, donated/vested and custodial collection items, sponsorship, in kind sponsorship, revenue from services supplied at subsidised price.

Specific accounting policies for major categories of revenue from non-exchange transactions are outlined below:

### Grants

Grants received from PNCC are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed.

Revenues from non-exchange transactions with Council/other government/non-government entities are measured at fair value and recognised when the event occurs and the asset recognition criteria are met, if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

### Rendering of services

Revenue from the rendering of services is recognised when the transaction occurs to the extent that a liability is not also recognised. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

All revenues from rendering of services are non-exchange, with the exception of revenue from Venue Hire which is classified as exchange transaction.

### Vested or donated physical assets

Where a physical asset is gifted to or vested in the Trust for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such income is recognised when control over the asset is obtained, unless there is a use or return condition attached to the asset.

The fair value of vested or donated physical assets is determined by reference to the market value of comparable assets available.

### 'In Kind' Sponsorship

The Trust receives sponsorship 'in kind' by way of goods and services provided at discounted or nil charge. Where the fair value of these goods and services can be reliably measured, the income (and expense) is recognised as 'sponsorship - in kind' in the period in which the goods or services are received or there is a binding arrangement to receive the goods.

**Volunteer Services**

Volunteer services received are not recognised as revenue or expenditure as the Trust is unable to reliably measure the fair value of the services received.

**Revenue from Exchange transactions*****Sales of goods***

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust.

***Interest Income***

Interest income is recognised using the effective interest method.

**Advertising Costs**

Advertising costs are expensed when the related service has been rendered.

**Borrowing Costs**

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

**Depreciation and amortisation**

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

**Leases*****Finance Leases***

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

***Operating Leases***

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented within borrowings as a current liability in the statement of financial position.

### Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of a receivable is established when there is objective evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of an impaired receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

### Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

#### *a) Financial Assets at Fair Value through Surplus or Deficit*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

#### *b) Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

#### *c) Held to Maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

#### *d) Financial Assets at Fair Value through Other Comprehensive Revenue and Expense*

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

#### **Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

##### *Loans and receivables, and held-to-maturity investments*

Impairment is established when there is evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits are recognised directly against the instrument's carrying amount.

##### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

#### **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

#### **Property, Plant and Equipment**

Items of property, plant and equipment are stated at historical or deemed cost, less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

##### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

#### *Work in Progress*

All assets constructed by Trust are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

#### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

#### (a) Furniture, Equipment and Exhibits

Furniture, equipment and exhibits (excluding art and heritage collections) are valued at cost less accumulated depreciation and impairment losses.

##### *Depreciation*

Assets are depreciated on a straight-line basis at rates that will write off their cost less any estimated residual value over the expected useful life of the asset. The useful lives of major classes of assets have been estimated as follows:

Computer Hardware	1 to 5 years
Exhibitions	2 to 10 years
Furniture & Fittings	4 to 10 years
Leasehold Improvements	4 to 10 years
Office Equipment	4 to 10 years
Plant	4 to 20 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

#### (b) Collection Assets

As the Heritage Collection and Art Collection assets are intended to have an indefinite life, they are held in trust in perpetuity for the benefit of the public.

The Heritage Collection and Art Collection have not been depreciated, as it is the Trust's policy to maintain the collections in their current state, in accordance with the Trust's Collection Policies.

All additions to the Heritage and Art Collection are recorded at cost. These additions will be revalued in accordance with the Trust's Valuation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable.

Custodial Collection Assets are objects within the Heritage and Art Collections not formally owned by the Trust, where the Trust has assumed all the rights and obligations of ownership. Within the Heritage Collection this is limited to items on loan for an indefinite period, excluding works on loan from other Museums and Cultural organisations. In relation to the Art Collection, the nature of artworks and anecdotal evidence suggests that there is a high likelihood of request for return of loaned assets, irrespective of the loan period, therefore only items on loan from the Te Manawa Art Society Inc. are recognised as custodial assets. These assets are held and maintained by the Trust by agreement with the owners.

#### *Revaluation*

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland as at 30 January 2018. Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. Trust's policy is to revalue the Heritage Collection assets every four years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

#### *Accounting for Revaluations*

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is charged to the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in a previous year surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

### **Intangible Assets**

#### *Recognition and measurement*

Intangible assets are initially measured at cost, except for Intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment, except for the items which are not amortised and instead tested for impairment such as Intangible assets with indefinite useful lives, or not yet available for use. The Trust has no intangible assets with indefinite useful lives.

#### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Trust's website are recognised as an expense when incurred.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

#### *Amortisation*

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



### **Impairment of property, plant and equipment and intangible assets**

For the purpose of impairment of Property, plant and equipment and intangible assets, which are carried at cost less accumulated depreciation and impairment losses, the Trust classifies its items of property plant and equipment and intangibles as non-cash generating assets, as these are not held with the primary objective of generating a commercial return, but rather for service delivery purposes and to deliver to Trust's public benefit objectives. Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### *Value in use for non-cash-generating assets*

For Trust's non-cash generating assets, value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. The Trust does not currently hold property plant and equipment and intangible assets in this category.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### **Creditors and Other Payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Borrowings are initially recognised at their fair value plus transaction costs, if any. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are not expected to be settled within 12 months of balance date.

### **Employee Entitlements**

#### *Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

### Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in 'finance costs'.

### Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for trade receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income Tax

The Trust is exempt from Income Tax by virtue of its charitable status.

### Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Trust's contributed capital;
- Retained earnings;
- Restricted reserves;
- Collections revaluation reserve

#### *Restricted reserves*

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust.

Restricted reserves include those which have specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Trust's decision. The Trust may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Trust.

### Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Property, Plant and Equipment Useful Lives and Residual Values*

The Trust reviews the useful lives and residual values of its property, plant and equipment annually. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a

number of factors including the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

#### **PUBLIC BENEFIT ENTITY PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)**

The Trust has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

##### *(i) Description of the nature of the entity's current operation and its principal activities*

The Trust is a Council Controlled Organisation, as defined in the Local Government Act 2002. The Trust's principal activities are outlined within this Statement of Intent.

##### *(ii) Purpose for which the prospective financial statements are prepared*

It is a requirement of the Local Government Act 2002 to present prospective financial statements that cover 3 years and include them within the Statement of Intent. The purpose of the Statement of Intent is to state publicly the activities and intentions of Te Manawa for the year and the objectives to which these activities will contribute. Prospective financial statements are revised annually to reflect updated assumptions and costs.

##### *(iii) Bases for assumptions, risks and uncertainties*

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Trust expects to take place. The Trust has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Statement of Intent.

##### *(iv) Cautionary Note*

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

##### *(iv) Other Disclosures*

The prospective financial statements have been authorised by the Board for delivery to the Palmerston North City Council on 29 June 2020. The Trust is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Statement of Intent is prospective and as such contains no actual operating results.



## MEMORANDUM

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

**MEETING DATE:** 10 June 2020

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

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

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

---

### RECOMMENDATION(S) TO COUNCIL

1. That the memorandum titled 'Maintenance and Renewal Plans and Budgets for Cultural Facilities' presented to the Arts, Culture and Heritage Committee on 10 June 2020 be received for information.
  2. That Council approve the consistent capital renewal and maintenance approach whereby Council only maintains the fixed assets and those that are part of the building fabric, and the balance of works would be the tenant's responsibility and at their cost.
- 

### 1. ISSUE

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

*"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 In order to address this resolution, this report discusses the following:

*Section 3 – Asset and Facilities Management*

- Facilities Management;
- Asset Management Planning;
- Condition Grade Assessments;
- Asset Component Levels of Service;
- Asset Component Hierarchy;

*Section 4 – Portfolio Considerations*

- Need for a Consistent Approach to the Cultural Facilities Portfolio;
- Seismic Buildings and Compliance;

### *Section 5 – Capital Renewal and Maintenance Works Planned for 2020/21*

- Capital Renewal and Maintenance Works Planned for 2020/21; and
- Repairs and Maintenance Works Planned for 2020/21.

## **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. As a result, this report will not specifically discuss the renewals to be undertaken within the Central Library Building.
- 2.4 The renewal works undertaken within the cultural facilities portfolio is delivered through *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 to ensure the facilities are maintained.

## **3. ASSET AND FACILITIES MANAGEMENT**

### Facilities Management

- 3.1 The Facilities Management team within the Property Division has been undertaking a significant review of how this service has been delivered in the past and is in the process to moving to a more commercially approved facilities management service delivery model.

3.2 The enhanced service delivery model will allow for prudent asset management to be integrated into the FM service provision.

3.3 The changes in this area are focusing on:

- Cost efficiencies;
- System and technology improvements;
- Movement to preferred contractors in each service industry;
- Visible KPIs and expectations including response times to maintenance, customer satisfaction etc. with these industry contractors;
- Clearly documented scheduled maintenance approach to maximise asset life cycle; and
- Integrated asset management.

3.4 Please note, a report will be brought to the Infrastructure Committee in August 2020 to provide a more thorough update on the improvements in the Facilities Management function.

3.5 Furthermore, these improvements will have a direct improvement on the content of our AMPs and will help to ensure the programme of works planned is well scoped and deliverable.

#### Asset Management Planning

3.6 To ensure Council's cultural facilities portfolio is managed effectively it is important its asset and facilities management delivers accountability, sustainability, risk management, financial efficiency and optimised asset investment.

3.7 The Property Division is working closely with the Asset Planning Division to:

- Develop a budgeted programme of works informed by Asset Management Plans and the Infrastructure Strategy; and
- Provide asset information intelligence that better informs asset management planning and developing priorities for the programme of works.

3.8 The improved asset management planning will become evident through the updating of the AMPs in the 2020/21 Year, resulting in a well scoped, deliverable, end of life replacement and renewal programme.

3.9 Three key pieces of work that are being undertaken to support the asset management planning discussed in Clause 3.2 is:

- Condition Grade Assessments;
- Determining Asset Component Levels of Service; and

- Determining an Asset Component Hierarchy.

#### Condition Grade Assessments

- 3.10 These three elements are interlinked and form the starting point for the compilation of the renewal and maintenance programmes.
- 3.11 It is essential the Property Division understands the current condition of our facilities and importantly the individual components within them. Asset components are graded on a 1-5 scale whereby:
- Grade 1 – Very good/ new condition
  - Grade 2 – Good condition
  - Grade 3 – Fair condition
  - Grade 4 – Poor condition
  - Grade 5 – Very Poor condition/ failure
- 3.12 The previous strategy to condition grade assessments relied on 3-yearly portfolio-wide assessments and focused on replacement upon failure. If this assessment process was delayed the condition data would become more and more out of date.
- 3.13 The revised strategy is for condition assessments to be integrated into the FM service provision. For example, when a contractor is conducting service work in our facilities they are also reporting on the condition of the asset at the same time.
- 3.14 In addition to this the Property Division is currently undertaking an initial portfolio-wide assessment to bring all the condition data up to date. Not only will this help to inform the next LTP but will also form a strong basis to begin working from under the superior approach of continued assessments.

#### Asset Component Levels of Service

- 3.15 Coupled with understanding the condition of our assets, there is also a need to determine at what point during the individual asset's life within the facility need to be replaced or renewed.
- 3.16 This is informed by a balance of Council's overall level of service expectations for cultural facilities and the expectations of the CCOs.
- 3.17 For clarity, some assets within a facility may be renewed or replaced at a higher level than others depending on their criticality and performance. For example, it may be appropriate to let carpet get to a poor condition (grade 4), but windows and sills may be renewed at a fair condition (grade 3) so to ensure water-tightness.



### Asset Component Hierarchy

- 3.18 Determining at what level assets are to be replaced or renewed, and what assets should be prioritised over others is determined by the asset component hierarchy.
- 3.19 The hierarchy of assets within the cultural facilities is:
1. Works that affect water-tightness or cause damage if not resolved
    - Roof work, windows, cladding, toilets etc.
  2. Essential works to meet tenancy standards
    - Bathrooms, kitchens, lighting etc.
  3. Compliance related matters
    - Fire detection and protection, asbestos, electrical and wiring etc.
  4. Cosmetic and other works
    - Painting, carpet etc.
- 3.20 Please note: this is not an exhaustive list of assets. It is simply intended to provide an overview of this workstream.
- 3.21 The benefit of determining the hierarchy is it allows for works to be prioritised should there be budget constraints. For example – in a situation where Council had limited funds and had to choose between replacing a roof or carpet in a facility, the roof would take priority as that falls into the “Works that affect water-tightness or cause damage” category, whereas the carpet falls into category 4 – “other works”.

## **4. PORTFOLIO CONSIDERATIONS**

### Need for a Consistent Approach to the Cultural Facilities Portfolio

- 4.1 As part of determining the works programme in the culture facilities portfolio for next financial year, and by extension the LTP, several issues have become apparent:
- An imbalance in which facilities are receiving capital renewals – some facilities have received a much higher apportionment of works, whereas other facilities have had minimal capital renewal works completed over the last 3 years;
  - A poor prioritisation of works and a lack of clear data supporting what works are set to be completed and timings of these; and
  - No agreed clear responsibility line/ stance for works to be completed has been determined – Essentially what is a CCO’s responsibility, what is Council’s?

- 4.2 The first two points in Clause 4.1 will be resolved by the superior asset and facilities management practices in Section 3 of this report.
- 4.3 The third point – determining a responsibility line – requires Council direction.
- 4.4 Without a clear works responsibility line in place it is very difficult for both the CCO trust and the Property Division to know exactly what each other's responsibility is when it comes to works needing to be completed and who needs to fund these.
- 4.5 In the past there has been situations where Council replaces the curtains in one facility, but not the others; in some facilities Council undertakes external painting only, but not internal, but then does all painting in others etc. This needs to be clear and consistent over the entire cultural facilities portfolio.
- 4.6 For clarity, this is not necessarily about handing works off to the trusts and Council doing less, there have been several examples in the past where works have been undertaken and paid for from the trusts which should have been done by the property team. It is a focus on consistency, so all parties have a clear understanding.
- 4.7 To resolve this, Council Officers recommend Council only maintains the fixed assets and those that are part of the building fabric. The balance of works would be the tenant's responsibility.
- 4.8 Council's responsibility would include:
- External cladding and roof work;
  - Structural issues;
  - Toilets and bathrooms;
  - Carpet replacement;
  - All painting – internally and externally;
  - Air-conditioning replacement, servicing and maintenance;
  - Major reconfigurations of layout;
  - Compliance matters – detailed in Clause 4.13 below;
  - Lighting and electrical wiring; and
  - Footpaths, carparks and driveways.
- 4.9 The tenants' responsibility would include:
- Curtains and blinds;
  - Furniture;
  - Security systems;

- Sound and audio-visual systems;
- Cosmetic non-fixed items;
- Signage;
- Exterior sculptures and feature items;
- Gardens and grounds maintenance; and
- Operational items.

4.10 This is consistent with the approach to renewals, repairs and maintenance within our commercial and community facilities such as community centres.

4.11 The alternative approach could be to tailor a specific approach to each of the facilities individually, but this is time consuming and difficult to manage.

4.12 If the proposed approach to works in Clauses 4.7, 4.8 and 4.9 was approved, it is important to note the following considerations:

- There will need to be clear expectations on the CCOs perhaps through their individual management agreements around the upkeep and repairs and maintenance of the items in their responsibility;
- In some cases, there may be a funding shortfall for the CCOs if some of these works had previously been undertaken by Council;
- An audit of the chattels and assets within the cultural facilities portfolio will be required to determine what items are in Council's ownership and which are owned by the CCOs. These items will then need to be aligned with the appropriate party's asset balance sheets.

#### Seismic Buildings and Compliance

4.13 As mentioned in Clause 4.8 building compliance matters are Council's responsibility.

4.14 There are several compliance matters that are considered when undertaking works within the portfolio:

- Asbestos Management;
- Seismic Strengthening Requirements;
- Fire Compliance;
- Building Compliance (BWOFF); and
- Electrical Testing and Tagging (Council owned assets, Tenant chattels are their responsibility).

- 4.15 Most of these compliance matters are managed either proactively or as works are undertaken. The seismic strengthening requirements of a building are an additional consideration that can influence whether it is prudent to undertake some significant works or not.
- 4.16 The following cultural facilities are deemed earthquake prone buildings (EPB):
- The Regent Theatre;
  - Square Edge Building;
  - Te Manawa – 8 of the 9 buildings are EPBs; and
  - Central Library Building.
- 4.17 A plan to address the seismic strengthening requirements over the entire building portfolio is being undertaken as separate programme of work and will be primarily funded through Programme 902.
- 4.18 The elements being considered as part of this seismic strengthening plan include:
- The order of strengthening our facilities;
  - The strengthening “sweet-spot” for each building;
  - The individual strengthening requirements of each facility;
  - The timing and frequency of strengthening projects to be put forward in the next LTP; and
  - The cost of strengthening Council’s EPBs.
- 4.19 If looking to undertake significant works to these buildings the following considerations are needed:
- Is the work required to be building essential?
  - The scope of the work required.
  - Cost of work.
  - When is the building scheduled to be strengthened?
  - Will the strengthening design conflict with the work required resulting in works being undertaken having to be redone or removed?
- 4.20 For clarity, in some cases it may be prudent to not undertake significant works depending on the strengthening requirements and timings.
- 4.21 A separate future report will be brought to Council to discuss the seismic portfolio and proposed plan in more detail.

## 5. CAPITAL RENEWAL AND MAINTENANCE WORKS PLANNED FOR 2020/21

5.1 Below is an overview of the capital renewal works planned for 2020/21:

Location	Planned Capital Renewal Projects	Approx. Budget (\$)
The Globe	<ul style="list-style-type: none"> <li>Bathroom and Changing Rooms</li> </ul>	\$140,000
Te Manawa and Art Gallery	<ul style="list-style-type: none"> <li>Te Manawa – 3 Air-Con Unit Replacements</li> <li>LED Lighting Upgrade</li> </ul>	\$100,000 \$50,000
The Regent	<ul style="list-style-type: none"> <li>Carpet Renewal in Main Foyer</li> </ul>	\$110,000
Caccia Birch	<ul style="list-style-type: none"> <li>New Carport</li> <li>Security Camera Upgrade</li> <li>Conversion of old Custodian Kitchen to Storage Room</li> </ul>	\$80,000 (C/-Fwd)* \$15,000 \$35,000
Square Edge	<ul style="list-style-type: none"> <li>Fire Safety Upgrades Continuation</li> </ul>	\$143,000 (C/-Fwd)*
Creative Sounds	<ul style="list-style-type: none"> <li>Nothing planned</li> </ul>	\$-
<b>Total Budget for 2020/21</b>		<b>\$450,000 plus carry-forwards</b>

5.2 Please Note: Carry forward is subject to Council Approval.

5.3 Below is an overview of the repairs and maintenance works planned for 2020/21:

Location	Planned Maintenance Projects
The Globe	<ul style="list-style-type: none"> <li>Exterior biannual building wash</li> </ul>
Te Manawa and Art Gallery	<ul style="list-style-type: none"> <li>Te Manawa Exterior building wash</li> <li>Art Museum Exterior building wash</li> <li>Te Manawa – Fix sprinkler over storage cupboard</li> <li>Te Manawa – Fix Roof due to leak remerging</li> <li>Te Manawa – Replace glass in kids play area with safety glass</li> <li>Te Awahou school exterior wash</li> </ul>

## PALMERSTON NORTH CITY COUNCIL

	<ul style="list-style-type: none"> <li>Exterior building wash Totaranui House</li> <li>Fix up Totaranui House – rotting timbers &amp; posts, needs fumigating &amp; back door fixing etc.</li> </ul>
The Regent	<ul style="list-style-type: none"> <li>Exterior biannual building wash</li> </ul>
Caccia Birch	<ul style="list-style-type: none"> <li>Exterior building washes quarterly</li> <li>Replace external Strang room door</li> <li>Coach-House Archive replace old panels</li> <li>Disabled bathroom – Add Baby changing table</li> </ul>
Square Edge	<ul style="list-style-type: none"> <li>Full exterior clean</li> <li>2 x rear lightwell Exterior Paint Renewal</li> <li>Putty top windows front facade</li> </ul>
Creative Sounds	<ul style="list-style-type: none"> <li>External building clean</li> </ul>

## 5.4 Please note:

- This is only the planned maintenance identified by the Property Division in conjunction with the various CCOs. Any unscheduled repairs will be undertaken over and above this as required.
- Works that are being undertaken by the Tenant/ CCO is not included and over and above the above works.

**6. NEXT STEPS**

- 6.1 Council Officers to undertake an audit of the chattels and assets within the cultural facilities portfolio to determine what items are in Council's ownership and which are owned by the CCOs.
- 6.2 Council to determine a clear stance on what assets the Property Division is to maintain and what assets are the CCOs responsibility.
- 6.3 Implement a Council-endorsed consistent facilities management approach to future capital renewals and maintenance.

**7. 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>Yes</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 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 and to social, economic, environmental and cultural well-being	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





## REPORT

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

**MEETING DATE:** 10 June 2020

**TITLE:** Options for formalising the relationship between Palmerston North City Council and the NZ Rugby Museum

**PRESENTED BY:** Joann Ransom, Community Development Manager

**APPROVED BY:** Chris Dyhrberg, Chief Customer Officer

---

### RECOMMENDATION(S) TO COUNCIL

1. That the Chief Executive develop a proposal for an annual grant to the NZ Rugby Museum for Councillors to consider in the Long Term Plan process.

### SUMMARY OF OPTIONS ANALYSIS FOR

Problem or Opportunity	Options for formalising the relationship between Palmerston North City Council and the NZ Rugby Museum (NZRM).
<b>OPTION 1:</b>	<b>Relationship based on a funding agreement.</b>
NZRM View provided by Stephen Berg, Director of the Rugby Museum.	<p><i>"This is the preferred option for the museum. An agreement in writing means there is an expression of intent and an exchange of value between the Council and NZRM. It would allow NZRM to plan for a longer term and give NZRM surety of tenure and inclusion in Council planning.</i></p> <p><i>At the present time the NZRM lease is expired at Te Manawa, and the buildings housing both the gallery and the stores have been deemed earthquake prone.</i></p> <p><i>Most recently Covid-19 has affected the NZRM revenue earning ability due to a severe down-turn in tourism. Due to the fluid nature of the times the NZRM has been unable to see a clear forecast for when revenues will approach pre-Covid levels. The threat of a drawn out recovery time cannot be ignored."</i></p>
Benefits	Long Term Plan would give certainty of fixed funding for at least 3 years and indicative for 10 years.
Risks	Fixed funding under an MOU or contract provides little room to manoeuvre should the NZRM need additional support due to a worsening economy.
Financial	Rent-free tenancy within Te Manawa – est. value \$130,000 pa. plus an annual grant of \$x
<b>OPTION 2:</b>	<b>Informal relationship between Rugby Museum and Council</b>
NZRM View provided by Stephen Berg, Director of the Rugby Museum.	<p><i>"While this is not our preferred option it may be suitable in the immediate future due to Covid-19 and the need to be flexible "just-in-case". Without the Covid situation the museum does not favour this option due to the uncertainty around the museum rent, building site and long-term tenure."</i></p>
Benefits	<p>The present informal relationship does not preclude an annual grant being made to NZRM through either the Long Term Plan or the Annual Budget Round.</p> <p>An application through the annual budget round would give the NZRM the ability to present its case for a grant which may vary from year to year.</p>

Risks	There is no certainty the NZRM would receive any funding in any given year.
Financial	Rent-free tenancy within Te Manawa – est. value \$130,000 pa. plus an annual grant of \$x

## **RATIONALE FOR THE RECOMMENDATIONS**

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

- 1.1 Council has had a long relationship with the Rugby Museum Society of New Zealand and wishes to continue to support the NZ Rugby Museum (NZRM) because it adds value to the City and Council wants to ensure it is successful and supported into the future.
- 1.2 The museum adds significantly to the economic well-being of the city bringing tourists in off the highway and encouraging them to spend time and money here. It also contributes to social well-being by providing a destination for families or opportunities for volunteering.

### **2. BACKGROUND**

- 2.1 The Rugby Museum Society of New Zealand Incorporated was formed in 1969, registered as an Incorporated Society in 1970 and as a charitable entity in 2008(1).
- 2.2 The museum's mission is to be the official rugby museum in New Zealand that safeguards the preservation, protection and display of the history and heritage of New Zealand rugby.
- 2.3 The NZRM opened in 1977, at the corner of Grey and Carroll Streets, before relocating rent-free to a building owned by Palmerston North City Council on Cuba St in 1991. This building was modified to give the museum three gallery areas and space to continue to build the collection.
- 2.4 The NZRM became the only tourist attraction from Palmerston North recognised in the AA's 101 things to do in New Zealand and was rated as an attraction for Palmerston North in the Lonely Planet.
- 2.5 In 2011 the NZRM relocated to its current premises in the Te Manawa complex. The "fit-out" of Te Manawa and the NZRM was a joint project with Council and \$2M was raised. While the NZRM is co-located with Te Manawa it continues to operate as a separate entity with its own governance and decision-making process.

<sup>1</sup> The background of the Rugby Museum was extracted from a webpage retrieved on 14/05/2020 from:  
<http://rugbymuseum.co.nz/>

- 2.6 The NZRM is viewed as the leading sports museum in New Zealand, with a collection in excess of 40,000 items, world class displays and activities and strong visitor numbers. The NZRM is networked with other rugby museums internationally, including The World Rugby Museum (Twickenham, London), and the rugby museums of Italy, Argentina, Australia and the new South African rugby museum.

- 2.7 Stephen Berg, Director of the Rugby Museum offers the following additional information:

*“Historically the NZRM has run with a small surplus annually and successfully for 50 years.*

*Upon moving to TM, NZRM accepted the move based on the existing free rent deal that was in place at Cuba St. Additionally TM were unable to successfully attract visitors to the upstairs gallery that NZRM took over. NZRM as a destination attraction was able to operate on the upper floor and attract visitors.*

*The redevelopment in 2011 was significantly more expensive than forecast and NZRM required \$200,000 loan from PNCC. That amount was repaid with interest by end of 2015.*

*Since that time NZRM have managed to rebuild reserves and were planning a significant (\$240,000) upgrade with new cabinets in 2020-2021.*

*NZRM has a proven record of working in collaboration with Council to produce national and international exhibitions.*

*TM2025 discussions were only briefly held with NZRM and NZRM remain unsure of our place within the TM2025 redevelopment.”*

### 3. PREVIOUS COUNCIL DECISIONS

- 3.1 At a Council Meeting on 20 May 2019 to consider the outcome of the consultation process on the Annual Budget for 2019/2020, Council resolved:

*“That the Chief Executive provide a report to the Arts Culture & Heritage Committee on the status of the relationship between PN City Council and NZ Rugby Museum with recommendations for any necessary action to demonstrate the City's ongoing support and commitment.”*

- 3.2 A report was thus presented to the Arts, Culture and Heritage Committee on the 4th March 2020. The key points were:

- that the NZ Rugby Museum is an independent charitable organisation,

- current Council support is provided in three ways: rent-free tenancy<sup>2</sup> within Te Manawa, grant funding and marketing support for the Rugby World Cup in Japan;
- that the Rugby Museum should be considered in current work around the Civic and Cultural Precinct Master Plan.

3.3 Elected Members felt that the report did not adequately address the way in which PNCC could support the NZRM and asked that this be explored more fully. Council resolved:

*“That a further report on the status of the relationship between Palmerston North City Council and the NZ Rugby Museum be provided to Arts, Culture & Heritage Committee; and that the report seeks to identify options for formalising the relationship between Palmerston North City Council and the NZ Rugby Museum.”*

#### 4. DESCRIPTION OF OPTIONS

4.1 National Services Te Paerangi is a division of Te Papa established to provide practical and strategic help to the museum sector. They produce a series of publications including Issue No. 33: Working effectively with local government<sup>3</sup>.

4.2 This guide discusses options for the relationship between museums and council. These include:

- A relationship based on the museum being a unit of council.
- A relationship based on the museum being a Council-Controlled Organisation.
- A relationship based on a funding agreement.
- An informal relationship.

To these can be added a 5th option:

- NZRM becoming part of the Te Manawa Museums Trust.

#### 5. ANALYSIS OF OPTIONS

5.1 The Rugby Museum Society of New Zealand is a successful, independent charitable trust and Council has no authority to change the way the Society operates. Accordingly, all options dependent on the Society ceasing to operate in its current form have been discarded leaving only 2 viable options to consider:

---

<sup>2</sup> Officers estimate the space (over 500m<sup>2</sup> including some storage) has a market value to a commercial tenant of around \$130,000 per annum plus GST and on-goings.

<sup>3</sup> Retrieved 14/05/2020 from [https://www.tepapa.govt.nz/sites/default/files/33-working-effectively-with-local-government\\_0.pdf](https://www.tepapa.govt.nz/sites/default/files/33-working-effectively-with-local-government_0.pdf)

- A relationship based on a funding agreement.
- An informal relationship.

## 5.2 Relationship based on a funding agreement

Description	<p>Many private museums operating as charitable trusts receive council funding for operating expenses and/or capital costs. This support is often essential to day-to-day operations and varies from small annual contributions to local heritage bodies run by volunteers, to major commitments to larger regional and district museums managed by paid professionals.</p> <p>Councils need to ensure this public money is well-spent and increasingly councils negotiate a structured accountability relationship with museums they support with funding. Council could enter into a funding agreement seeking assurances about museum performance and management. It would include a reporting process to ensure oversight in the spending of public money and would ensure the council is aware of the museum's concerns and possible implications.</p>
Pros	<p>This would provide certainty of funding for the NZRM and remove the need to prepare annual submissions to Council. Council could implement a longer term funding commitment to the NZRM through the 10 year LTP, including capital and operational components.</p>
Cons	<p>An MOU or funding contract usually 'buys' something so there would be an expectation for the NZRM to do something it is not currently doing, or at least agree to certain deliverables and enter into an accountability regime.</p> <p>Officers are not aware of any concerns Council may have about NZRM operations and are unsure for what purpose to base an MOU.</p>

## 5.3 An informal relationship

Description	<p>This is the existing relationship model.</p> <p>Te Paerangi acknowledge that an informal relationship can be just as beneficial to a museum as a formal one with museums benefiting in both financial and nonfinancial ways. For example, Council owns the Te Manawa building which houses the NZ Rugby Museum and this relieves the museum of responsibility for maintenance costs.</p> <p>Other council support has included marketing expertise to attend the Rugby World Cup in Japan but looking forward support could include</p>
-------------	--

	<p>information technology services, human resources, marketing and communications services, participation in council-run training workshops etc.</p> <p>Council could also make an annual grant effectively 'on a handshake' as it does with the PN Sculpture Trust which is another long standing and highly trusted relationship. There is no contract and the Sculpture Trust is required to make an annual presentation to Council.</p>
Pros	<p>As a trusted partner of Council the NZRM can approach Council to discuss areas of interest, opportunity and concern for mutual benefit – exactly as it did with the Rugby World Cup partnership in Tokyo. It also allows Council to respond to opportunities and challenges as they arise and tailor responses on a case by case basis.</p>

## 6. DISCUSSION

- 6.1 The NZRM are likely to be find it increasingly difficult financially in the next year or two. The Museum has already been advised that it will not receive its annual grant from the NZRFU. Declining interest rates and less disposable income spent on lottery tickets and gaming machines will translate to less grant funding available. International tourism is going to be near zero for many months and that will have a significant impact on door takings.
- 6.2 If Council wishes to strengthen the relationship with the NZRM then making provision for ongoing funding would provide confidence and support to the Board. Options for funding the NZRM include:

Annual Budget	The NZRM made a submission to the Annual Budget for grants in 2020/2021 and 2021/2022.
Long term plan	Officers submit a programme bid for Councillors to consider in their process for the next LTP. This could result in an annual grant for 3 – 10 years. (LTP reviewed 3 yrly)
Strategic Priority Grant	NZRM could apply to this contestable fund for groups whose organisational goals contribute to Council's strategic outcomes. The next funding round opens in late 2021 with the first payment in July 2022. Decisions are made by officers. Could result in a 3 years funding commitment with agreed KPIs and 6 monthly reporting.

## 7. CONCLUSION

- 7.1 The present informal relationship does not preclude an annual grant being made to NZRM through either the Long Term Plan or the Annual Budget Round. Council are currently considering a submission for an annual grant to the NZRM for 2020/2021 and 2021/2022.
- 7.2 The NZRM are looking for certainty of funding for a longer term and on that basis it is recommended that Council consider making provision for an annual grant to the NZRM in the LTP which will commence from 2022/2023.

## 8. NEXT ACTIONS

- 8.1 If Council accepts the recommendation, Officers will meet with the NZ Rugby Museum and develop a proposal for Council to consider in the LTP.

## 9. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 9.1 This report was written following several conversations with and direct input from Stephen Berg, the Director of the Rugby Museum Society of New Zealand. This was to preserve the high-trust relationship between the museum and council and ensure that the Rugby Museum Trust's views were accurately represented.

## 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 Arts Plan contained the following action: "Provide a capital grant to the NZ Rugby Museum to support their cataloguing/ conservation work' (2018/2019)".	
Contribution to strategic direction	The Rugby Museum currently sits somewhat awkwardly in the Arts Plan due to its proximity with Te Manawa. To contribute as an arts



and to social, economic, environmental and cultural well-being	<p>organisation and be eligible for contestable funding from council the NZRM organisational goals would need to align with those expressed in the Arts Plan. On that basis, an application by NZRM for a Strategic Priority Grant is unlikely to be successful.</p> <p>Councillors may believe that the NZRM is of a primarily economic benefit to the city due to its function as a national / international tourist attraction. In this case the NZRM could be moved from the Arts Plan, where it receives only passing attention, and establish it as part of the economic picture of the city within the Economic Development Plan. Any funding would need to be through the 10 Year LTP or Annual Budget.</p>
--	---

#### **ATTACHMENTS**

Nil



## COMMITTEE WORK SCHEDULE

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

**MEETING DATE:** 10 June 2020

**TITLE:** Committee Work Schedule

---

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

1. That the Arts, Culture & Heritage Committee receive its Work Schedule dated June 2020.

### ATTACHMENTS

1. Work Schedule [↓](#) 

## ARTS, CULTURE & HERITAGE COMMITTEE

### COMMITTEE WORK SCHEDULE – JUNE 2020

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	June 2020	Six monthly reports for CCOs	Chief Customer Officer	Report considered at Council meeting on 29 April 2020	
2.	June 2020	Status of the relationship between PNCC and NZ Rugby Museum	Chief Customer Officer		4 March 2020 - clause 5.2
3.	June 2020	Draft Statements of Intent for CCOs	General Manager – Strategy & Planning		
4.	June 2020	Annual report on maintenance and renewal plans and budgets for cultural facilities	Chief Infrastructure Officer		25 June 2018 - clause 19.2
5.	August 2020	Annual report from Palmerston North Public Sculpture Trust	Chief Customer Officer		Council 29 April 2019 clause 36.4
6.	August 2020	Status and activities of the Arts Powerhouse Group	Chief Customer Officer		11 December 2019 clause 38.2
7.	August 2020	Annual progress report on the development of a Military Heritage Theme across Council programmes	General Manager – Strategy & Planning		25 June 2018 clause 20.2
8.	August 2020	Cultural CCOs Final Statements of Intent 2020 – 2023	General Manager – Strategy & Planning		
9.	November 2020	Cultural CCOs Annual Reports to 30 June 2020	General Manager – Strategy & Planning		