PALMERSTON NORTH CITY COUNCIL

# MINUTES ATTACHMENTS

# ARTS, CULTURE & HERITAGE COMMITTEE

9AM, WEDNESDAY 11 NOVEMBER 2020

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

# ARTS, CULTURE & HERITAGE COMMITTEE MEETING

11 November 2020


**5 Presentation - Caccia Birch Trust Board**

1. Presentation - Caccia Birch 4
2. Caccia Birch response to the PNCC Section 17A Review 25

**6 Presentation - Creative Sounds (The Stomach)**

1. Presentation Creative Sounds (The Stomach) 35

# Caccia Birch Trust Board Response to the 2020 PNCC Section 17A Review

# Background

- Caccia Birch House was gifted by the owners, the Caccia Birch family, for charitable purposes.
- The Trust Board was established in 1991 to salvage the House and grounds from years of neglect and uncertainty.
- It was to manage and operate it as a facility for the benefit of the community.
- That the Trust Board members succeeded spectacularly over almost 30 years is evidenced by the House's current Category 1 status with Heritage NZ.

- The history of the process by which it was ultimately placed in the hands of the Trustees, and the wording of the Trust Deed itself, show that the goal of all parties was not profit making, but rather the use and enjoyment of the facility by and for the community.
- The trustees were chosen as members of the public and were expected to represent the interests of the community.
- Under the Trust, the City Council is the settlor, but the Community, not the Council, is the Beneficiary.
- The current Trustees have a legal and an ethical duty to ensure that in any review such as this, the interests of the beneficiary are protected.

# Our Response

- The Council, in undertaking a Section 17A review, has obligations under the Local Government Act 2002.
- By sections 10 and 14 of the Act, it is required to carry out the review in an open, transparent, and democratically accountable manner.
- Section 17A specifically calls for this review to be a review of the cost-effectiveness of the current model, and of other optional models.
- Like the review carried out just last year, this review completely fails to meet these requirements.

- The genesis of the review is recorded in a letter to the Board dated 20 August 2020 from the General Manager - Strategy and Planning, viz., the Board "indicated it needs additional funding to run Caccia Birch House to its full potential".

- The request for additional funding was made in the Board's 10 Year Plan which proposed that additional funding would lead, ultimately, to a secure financial result while achieving the additional benefits demanded by Council as part of its new Vision and Plan.

- In passing, it should be noted that it came as a stunning surprise to the Board, after labouring over the 10 Year Plan, to be told in these review papers that Council has not decided that "that it wishes to increase the current level of service". If that is the case, there would be no need for additional funding and the basis for this review would be rendered nugatory.

- The review explicitly ignores the 10 Year Plan and focusses on past performance.

- The review at no point identifies any deficiencies in the past performance of the Board, and indeed the Board has been uniformly praised by Councillors following its annual reports.

- The reviewers will no doubt claim that they have carried out an adequate review because they have calculated that their recommendation to take the operation in-house will save $7250.00 per annum (a curiously precise figure).

- Even if that figure is correct, which we can demonstrate is unlikely, the sum can only be described as de minimise, i.e., too small to take account of, in a Board turnover of over $300,000 and a Council budget of tens of millions.

- In fact, if you removed the Board's token meeting allowance of $6000.00 p.a., which was imposed by Council rather than requested by the Board, the savings would disappear.

- To completely rupture the present operation model for that sum is, on the face of it, an excessive response.

- In any event, there is no credible evidence in the review that all the true costs of Council's in-house management have been assessed. They certainly have not been shown.

- The review comprises sweeping generalities unsupported by data.

- We have highlighted these in an attached schedule, but they include claims of "operational efficiencies", "economies of scale", "greater community engagement", "greater control", but with a complete absence of information on:
  a) **what inefficiencies exist and how they will be remedied**
  b) **what aspects will be improved by economies of scale**

- The reference to "greater control" should be recognised as extremely worrying in that it raises the inference that there is an intent to remove the hands-on community representation provided by the Board.

- It is repeated later in the analysis where the in-house model is claimed to give Council "the greatest control over decision making".

- The review fails to consider, let alone discuss, whether the benefits Council claims for itself could be delivered by Council to the Board in a co-operative manner.

- There is evidence to suggest for example that all CCOs would benefit from a Council-run events calendar, but despite numerous requests from all CCOs this has failed to eventuate.

- Which leads to this consideration;

  What are the cost implications of setting up or allocating in-house resources for Caccia Birch while still having to retain capacities to provide for the other CCOs, e.g., the need to allocate resources, staffing and other, to prepare and process Statements of Intent, Statements of Expectation, fund Audit NZ, receive and consider six monthly and Annual Reports, quarterly meetings etc.

# As counterpoints to the reviewers' claims that Council can do it better, we offer the following:

a) Council staff will lack a single-minded focus on Caccia Birch. It will be lost in the bureaucracy.

b) There is a constant churn of Council staff, with responsibility spread thinly through several departments. Existing institutional knowledge will be lost and will be continuously lost as staff move on.

c) Oversight by elected representatives will be considerably less effective than monthly Board meetings.

d) The reviewers have not sat down with the Manager to discuss day to day, month to month, and year to year operational details - how can they reasonably make a comparison.

e) There will be a loss of the ability to establish long term business relationships for example where bookings are made through persons who have little knowledge of the house and the peculiar requirements of customers - this is not a one or two room facility, and the users are multifarious.

f) The assumption that a "friends" group without any powers or responsibilities will be an adequate alternative to the Board is, we believe, naive. No costings are offered in respect of the formation, management, and coordination of such a group.

# We consider that this review lacks integrity for the following reasons:

a) As stated, it is comprised of unsubstantiated assumptions

b) It is not based on comprehensive research

c) There has been no detailed cost- effectiveness analysis carried out or, at least, disclosed

d) The process that has been adopted is inequitable e.g. the Board was given 7 days to respond to the recommendation. This was reduced to three days due to failure of the review to be completed in time.

10

- Enlarging on the "process", we make reference to the extraordinary statement that "there should be no more likelihood of political influence than would exist under the CCO model".

- First, the Board takes umbrage that it could in any way be considered "Political". It is comprised of members whose sole purpose is to protect the House and benefit the community.

- This process however has been quite political to the extent that an approach has already been made to Rangitane o Manawatu whose response is offered in support of the recommendation.

- Only Council knows what information was provided to Rangitane and the Board was not offered the opportunity to make representations. If Rangitane only received this review they would have been misled.

- It may be thought that the very process of proceeding with this recommendation where there is a dubious saving of only $7,250.00 suggests there are other undisclosed reasons not relating to cost-effectiveness.

11

- The implementation process should also be viewed with concern.
- The issue of staff matters is relegated to the last step in the process.
- The decoupling of the Board is not by way of a formal winding up with devolution to Council, but by a simple termination of the lease. That would raise the question of whether the Council, as Settlor, is in breach of the Trust.
- Certainly, there would then be no stated governance principles for the House that the community could refer to and enforce. The community would be disenfranchised.

- The Board accepts that such reviews are necessary and desirable.
- The Board accepts that a rigorous review may fairly conclude that the CCO model is not the best.
- This review falls far short of a rigorous analysis - for the second time.
- The Board would be derelict in its duty to the community to fail to object to this review being presented unchallenged to the community.
- Council should be similarly concerned. It was criticised in the first review by the independent reviewer for having failed to decide on how it wishes Caccia Birch to be operated and we are now told that this is still the case.

13

# Conclusion

- In conclusion, this review does not meet the requirement of being a cost-effectiveness assessment.
- Nor does it provide Council with a proper basis for promoting the "social, economic, environmental, and cultural well-being of the community for the present and for the future (section10 Local Government Act 2002).
- The Board suggests that, if Council, after having regard to the above comments, decides that it still wishes to continue with the recommendation, then the process should be delayed so that Council staff can meet with board members and management to ensure that a full, mutually approved, analysis, that will openly and transparently inform the public, is carried out.

# Appendix 1: Caccia Birch Trust Board Response to the Analysis of PNCC options

1

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **1. Financial sustainability**<br><br>*How financially sustainable is the option into the future?*<br>*Will the option provide opportunities to gain funding from non-Council sources?*<br>*Are there opportunities for operational efficiencies or economies of scale?* | CBTB runs as efficiently as possible but is limited in its profit-making capability by factors including the noise restrictions on the property and the desire to preserve public access. Recent Statements of Intent have anticipated deficits without additional Council funding. | *Council must also comply with the District Plan restrictions.*<br><br>*Will council officers restrict the 24/7 public access to increase profit?*<br><br>*The Trust Board produce a close to break-even budget each year and meet most KPI's. Can council do better?* | Council delivery of Caccia Birch House provides opportunities to reduce duplication. Council already manages two venues, which means the infrastructure is in place to deliver the service efficiently. | *Examples of duplications not provided nor the associated cost comparisons.*<br><br>*Why should it be assumed that Councils management would be better?* |
| | As a charitable trust CBTB can access external funding opportunities such as grants. However, they have had limited success with grants applications. About 62% of CBTB's income is generated from the venue hire business. Council grants make up a further 36% of revenue with the 2% balance attributed to grants, interest, and donations. As at 30 June 2019 CBTB had $130,000 in equity. | *This is a misleading statement.*<br>*Outside funding can only be sought for projects which are limited each year.*<br>*Thousands of dollars have been donated for projects in previous years, part- funding items such as the heating systems, fire security system, insulation, lighting, the elevator and various building work and 'in kind' work undertaken at no cost by supporters.* | Council's size means it can manage activities like marketing, centralised bookings, community engagement and finance services within existing overheads. Costs involved in supporting the Council's governance structure are more proportionate than in a small CCO. | *What surety can council provide that centralised booking staff have CBH venue knowledge and be nimble in dealing with client requirements?*<br>*There is demonstrable value in providing onsite booking services which serve to build and maintain long-term client relationships (currently some with over 20 years history).*<br>*What is the true cost associated this off-site booking service?*<br>*Evidence shows council has been quite ready to compete with CBTB.* |
| | The compliance demands of a CCO, as set by the LGA, are disproportionate to the scale of CBTB. For example, it must pay upwards of $15,000 per year for financial services, as it requires a full audit due to its status as a CCO. There are also costs involved with reporting to Council and supporting the governance board. | *Accounting services. Audit accountability will simply be moved 'in-house' and within council cost centre. No assessment of in-house cost is given.*<br><br>*If the Council can achieve savings in this area why are these not passed on to CBTB*<br><br>*Quotes sought from PNCC financial services (and grounds maintenance) in the past, exceeded cost CBTB external providers by a significant margin.* | | *How does the council know if they can manage CBH within their spare capacity without fully understanding what is required?*<br>*Marketing and community engagement assistance has been sought by the Trust for years and not forthcoming.*<br><br>*What marketing is being referred to or will the council services adopt the CBTB 10-year marketing plan, and can that be carried out within existing resources?* |

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **Financial sustainability:**<br><br>Cont./ | | | Council can also access more favourable deals on services (such as catering contracts). Additional revenue generation opportunities would be immediately available to Council due to the existing stock of function equipment available for hire across its venues. | *Why are these resources not available to CBH at part of the CCO cooperative?*<br><br>*Why has council not discussed these catering contract options with CBTB?*<br><br>*Show comparative costs, provide detailed cost analysis.* |
| | CBTB sets the hire rates for the property and can cover its ongoing operational costs within current budgets.<br><br>Capacity of current staff is constrained and lack of certainty of venue hiring volume makes this hard to increase. The current 'break even' budget does not leave much opportunity for innovation and growth. | *Competitive hire rates are set after evaluating local facility prices. Rates are kept affordable for most of the community.*<br><br>*Council has not decided if it wants to increase the scope of service. Our 10-year plan proposes innovation and growth. If council can achieve that within its budget, why cannot it assist CBTB to do so? No evidence to support Councils ability is given.*<br><br>*Currently an open-door policy applies to catering services. This allows al groups to cater for themselves. Changing this model was identified to increase revenue and is noted in the 10-year plan and SOI.* | Council can adjust individual levels of service within wider budgets, for example by deploying additional resources to the property for a short period to take advantage of an opportunity. | *What is the additional cost of providing these resources should they be required?*<br><br>*If such spare capacity exists why is it not offered to CBTB to utilise?*<br><br>*Show examples.* |
| | A CCO model is differs from Options 3 and 4 in that the services certainty of funding via an operational grant from Council. However, CBTB has indicated that increases to funding will be required to ensure its financial stability into the future. Funding a CCO adequately to deliver this service is ultimately the responsibility of Council. | *It is not true that increases in funding are required for the status quo see the Statement of Intent.*<br>*The 'business' can operate and largely fund itself.* | The loss of grant funding opportunities is unlikely to have an effect, as this is a small proportion of CBTB's current budget. | *The grant funding opportunities are directly related to specific projects and it is short sighted to look at the current budget given the timing.*<br>*Perhaps council could better assist smaller CCO's to take advantage of outside funding opportunities by seed funding some projects. E.G. Summer concert series.*<br>*During the last 15 years.approx.$96,300, raised via charitable organisations or sponsorship* |

3

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **2. Community and civic engagement**<br><br>Does the option allow for volunteer input?<br>Does the option encourage the community to access and engage with the property?<br>Does it have a profile in the community? | A CCO model promotes community engagement, primarily by empowering a charitable trust board to manage the property. CBTB advocates for the property and develops resources like the Coach House Archives.<br><br>It uses its expertise to guide Council investment in the property.<br><br>CBTB has proposed the establishment of a "Friends of Caccia Birch" to provide trained volunteers able to support visitors to the property and increase its profile.<br>However, it does not have capacity within the current model to coordinate volunteers. | *The activities of the Board's business actively engage with the community, whether through hire, the visitor industry, or free events.*<br><br>*The pool of potential volunteers is very limited, this occurs across all interest groups.*<br>*In the 90's a number of volunteer groups were involved with CBH.*<br>*It became evident that continuity and consistency of good and efficient services, required paid staff.*<br><br>*No costings are shown for any "friends" group – staff costs, administration, and marketing.* | There is potential for greater community engagement with the property. Under this option the property would benefit from the communication channels already in place which can raise its profile as a public asset.<br><br>Council has staff that currently support voluntary groups that use Council venues and public space for events and activities. | *Provide details and explain why this benefit cannot be achieved in cooperation with CBTB.*<br><br>*What communications channels? Why are they not available to CBTB?*<br><br>*Does council currently have capacity to create greater community engagement for this venue? What will the cost be to council?*<br><br>*The content for CBH on the council's website has been out of date for years as pointed out several times. What confidence can the public have?*<br><br>*If council feel the facility needs to better reflect council's ownership or public asset profile, why does it not assist the Board to fulfil this aspect?*<br><br>*Has council forgotten the restrictions on increased events and activities?*<br><br>*Do the council officers fully understand the implications of the District Plan restrictions that hamper events?*<br><br>*Specify general details of such uses and show how the district plan limitations can be overcome.* |
| | | | Without a CCO the property may lose the passion and expertise exhibited by CBTB, and volunteers may be less comfortable engaging directly with Council. However, a "Friends of Caccia Birch" could be established to continue advising Council investment and ensure the property continues to receive focussed care and support. | *What will it cost council to co-ordinate and manage a "Friends of CBH" assuming council can find and retain volunteers who will have no power or responsibility?*<br>*How will the "Friends" hold council to account?* |

4

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **3. Commercial vs community outcomes**<br><br>*Will the option support a balance between commercial and community interests? Is it desirable to require payment to access the service? Does the option ensure the property is being used for a civic purpose, as required by the deed of gift?* | A condition of the Crown's gift of the property to Council was that it was used for a "civic purpose". This has been interpreted to require community utilisation of the property, as is enshrined in CBTB's trust deed. However, public access often comes at the expense of revenue generation.<br><br>CBTB encourages public access through its regular open days and Coach House Archives. Events, tours and open days make up an average of 5% of the property's formal hireage, and the public also accesses the grounds on a casual basis. | *There is currently optimal balance of use between income generating and free access.*<br><br>*The 5% is grossly understated, as public access to the CoachHouse and other areas is reported as available during office hours. (Monday to Friday 9am to 5pm) Gardens open 24/7 except during weddings.*<br><br>*Council and CBTB maybe able to co-operate to enhance usage.* | Under this option Council would have the ability to manage this tension as it sees fit, for example by setting the desired proportion of the funding of the property from fees and charges via its Revenue and Financing Policy.<br><br>Finding a balance between revenue-generating activities and provision of public access will be a challenge under each option.<br>This option provides the best opportunity for Council to direct that balance as appropriate. | *Is this a license to prefer profit over community benefit?*<br>*What deficiency has been identified on CBTB's practice and policy?*<br>*Perhaps the Revenue and Financing Policy could be disclosed here.*<br><br>*Are Councillors confident that council officers' will have the best interests of the Historic property at heart and be able to strike a better balance between the Deed of Gift and commercialisation?*<br><br>*The Board comprises of community representatives as a check and balance on Council.*<br><br>*What performance measures will be put in place once council take this in-house?*<br><br>*The public are not privy to the detailed performances of the other in-house facilities – only the funding pool. CBTB report twice a year and are on record as achieving most targets.*<br>*It is a mere opinion to say this option is the best without evidence, whose opinion is this, how do we asses the weight to be given to it?* |
| | In the past CBTB has not been given clear guidance from Council on the ideal amount of public access. The Board has a strong incentive to manage its costs in line with revenue, and so has necessarily focussed resource on activities with an immediate financial return. CBTB can increase public access with additional Council funding. | *The review records that council has still not given guidance as to its intensions.*<br>*Focus on long term financial return will require short term cost even for Council.* | | |

5

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **Commercial vs community outcomes**<br><br>Cont./ | Generally, a CCO model supports commercially driven arrangements due to the extra degree of separation from Council. Under this option Council is expected to empower the CCO to set the balance of activities as it sees fit. | *Council would not wish to be seen to be competing with its citizens.* | | |
| 4.<br>**Skills and expertise**<br><br>*Will the option enable the right skills to place to deliver the service, including specialist, commercial or technical expertise where required?* | Under this model service quality is overseen by the Board and reported to Council based on performance measures agreed through the Statement of Intent. It is difficult to quantify customer experience through existing measures.<br><br>There are limited levers available to Council to improve CCO performance if reporting identifies issues. Many of these are formal, blunt and time-consuming (e.g. Statements of Expectation, modification of the Statement of Intent, alternations to grant levels).<br><br>There is fragmentation for customers wishing to book Council-owned venues, as they need to contact Council and Caccia Birch separately.<br><br>A benefit of the status quo for customers is they get a service from experienced staff that know the history of the property. | *The 10-year plan shows a council approved model for KPI's.*<br><br>*Does council not have to strategize and plan?*<br><br>*For many years there was co-operation between council and CB staff and this has disappeared. CCO's have requested more council co-operation.*<br><br>*For many years, the Trust had a PNCC councillor on the Board and when that stopped, a council officer was appointed to be a regular liaison person.*<br>*Latterly these benefits have been removed and mutual cooperation has proved more difficult.*<br><br>*Where is the evidence that council is affected by the separate booking systems?*<br><br>*If the booking system is taken in-house, will council propose the same for all CCO's and other council owned venues?* | Quality of Council services is overseen by Elected Members and reported quarterly based on performance measures in the 10 Year Plan and performance expectations of the CE.<br><br>Integration of Caccia Birch into Council's venues division would allow customers to access three unique venues, and associated support services, from one place.<br><br>Council is better placed to manage short- and medium-term fluctuations in resource requirements (e.g. large events or staff leave) by reallocating staff internally. | *The Trust Board meet monthly, have sub committees and are often on site.*<br><br>*The Trusts clients already have access and knowledge of these venues.*<br><br>*How does this benefit Caccia Birch House? CBH regularly receive enquires and bookings because of no or slow response from the PNCC 'central' booking service.*<br>*We have a good reputation and often praised for being responsive and decisive.*<br><br>*Why can't council assist CBTB with resources?*<br><br>*CBH has performed well at dealing with fluctuations and resource requirements. It does not carry a high level of overheads. It does however provide excellent continuity of services to its clients.*<br><br>*The cost of securing more staff is not identified in council's costings.* |

6

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| 5. **Partnership with mana whenua**<br><br>*Does the option ensure the cultural significance of the site to Rangitāne o Manawatū is acknowledged and protected?* | Rangitāne o Manawatū currently has little direct input into the service. A CCO model can include a direct connection with mana whenua, for example by having an iwi representative on the Board, but this is not currently in place. CBTB has acknowledge the cultural history of the area in the Coach House Archives. | *The Council are responsible for Trustee appointees on the Board.*<br><br>*The Trust in inclusive in its operations and has met with and consulted with various members of Rangitane and actively sought input over the years.*<br><br>*A number of local Maori, Pasifika, Indian, Chinese and Muslim organisations utilize the house for training, hui and social functions, from time to time.* | Council has established communication channels with Rangitāne which help guide the delivery of many Council services. | *Why cannot CBTB be included in these communication channels?*<br><br>*In fact, CBTB has its own communication channels with Rangitane.* |

**CACCIA BIRCH HOUSE**
130 Te Awe Awe Street
Palmerston North 4410
**ph 06-3575363 fax 06-3548265**
e-mail : manager@caccia-birch.co.nz
www.caccia-birch.co.nz

**Caccia Birch Trust Board Response to the 2020 PNCC Section 17A Review**

Caccia Birch House was gifted by the owners, the Caccia Birch family, for charitable purposes.

The Trust Board was established in 1991 to salvage the House and grounds from years of neglect and uncertainty. It was to manage and operate it as a facility for the benefit of the community. That the Trust Board members succeeded spectacularly over almost 30 years is evidenced by the House's current Category 1 status with Heritage NZ.

The history of the process by which it was ultimately placed in the hands of the Trustees, and the wording of the Trust Deed itself, show that the goal of all parties was not profit making, but rather the use and enjoyment of the facility by and for the community.
The trustees were chosen as members of the public and were expected to represent the interests of the community.
Under the Trust the City Council is the settlor, but the Community, not the Council, is the Beneficiary.
The current Trustees have a legal and an ethical duty to ensure that in any review such as this the interests of the beneficiary are protected.

The Council, in undertaking a Section 17A review, has obligations under the Local Government Act 2002.
By sections 10 and 14 of the Act, it is required to carry out the review in an open ,transparent and democratically accountable manner.
Section 17A specifically calls for this review to be a review of the cost-effectiveness of the current model, and of other optional models.

Like the review carried out just last year, this review completely fails to meet these requirements.

The genesis of the review is recorded in a letter to the Board dated 20 August 2020 from the General manager -Strategy and Planning, viz., the Board "indicated it needs additional funding to run Caccia Birch House to its full potential". The request for additional funding was made in the Board's 10 Year Plan which proposed that additional funding would lead, ultimately, to a secure financial result while achieving the additional benefits demanded by Council as part of its new Vision and Plan.

In passing it should be noted that it came as a stunning surprise to the Board, after labouring over the 10 Year Plan, to be told in these review papers that Council has not decided that "that it wishes to increase the current level of service". If that is the case, there would be no need for additional funding and the basis for this review would be rendered nugatory.

The review explicitly ignores the 10 Year Plan, and focusses on past performance.
The review at no point identifies any deficiencies in the past performance of the Board, and indeed the Board has been uniformly praised by Councillors following its annual reports.
The reviewers will no doubt claim that they have carried out an adequate review because they have calculated that their recommendation to take the operation in-house will save $7250.00 per annum ( a curiously precise figure).
Even if that figure is correct, which we can demonstrate is unlikely, the sum can only be described as de minimis, ie., too small to take account of, in a Board turnover of over $300,000 and a Council budget of tens of millions.
In fact, if you removed the Board's token meeting allowance of $6000.00 pa, which was imposed by Council rather than requested by the Board, the savings would disappear.
To completely rupture the present operation model for that sum is, on the face of it, an excessive response.

In any event, there is no credible evidence in the review that all the true costs of Council's in-house management have been assessed. They certainly have not been shown.
The review comprises sweeping generalities unsupported by data.
We have high-lighted these in an attached schedule, but they include claims of "operational efficiencies", "economies of scale", "greater community engagement", "greater control", but with a complete absence of information on
a) what inefficiencies exist and how they will be remedied
b) what aspects will be improved by economies of scale

The reference to "greater control" should be recognised as extremely worrying in that it raises the inference that there is an intent remove the hands-on community representation provided by the Board. It is repeated later in the analysis where the in-house model is claimed to give Council" the greatest control over decision making".

The review fails to consider, let alone discuss, whether the benefits Council claims for itself could be delivered by Council to the Board in a co-operative manner. There is evidence to suggest for example that all CCOs would benefit from a Council-run events calendar, but despite numerous requests from all CCOs this has failed to eventuate.

Which leads to this consideration; what are the cost implications of setting up or allocating in-house resources for Caccia Birch while still having to retain capacities to provide for the other CCOs, eg., the need to allocate resources, staffing and other, to prepare and process Statements of Intent, Statements of Expectation, fund Audit NZ, receive and consider 6 monthly and Annual Reports, quarterly meetings etc.

As counterpoints to the reviewers' claims that Council can do it better, we offer the following:

a) Council staff will lack a single-minded focus on Caccia Birch. It will be lost in the bureaucracy.
b) There is a constant churn of Council staff, with responsibility spread thinly through several departments. Existing institutional knowledge will be lost, and will be continuously lost as staff move on.
c) Oversight by elected representatives will be considerably less effective than monthly Board meetings
d) The reviewers have not sat down with the Manager to discuss day to day, month to month, and year to year operational details - how can they reasonably make a comparison.
e) There will be a loss of the ability to establish long term business relationships for example where bookings are made through persons who have little knowledge of the house and the peculiar requirements of customers - this is not a one or two room facility, and the users are multifarious.
f) The assumption that a "friends" group without any powers or responsibilities will be an adequate alternative to the Board is, we believe, naive. No costings are offered in respect of the formation, management and coordination of such a group.

We consider that this review lacks integrity for the following reasons:

a) As stated, it is comprised of unsubstantiated assumptions
b) It is not based on comprehensive research
c) There has been no detailed cost- effectiveness analysis carried out or, at least, disclosed
d) The process that has been adopted is inequitable eg., the Board was given 7 days to respond to the recommendation. This was reduced to three days due to failure of the review to be completed in time.

Enlarging on the "process", we make reference to the extraordinary statement that "there should be no more likelihood of political influence than would exist under the CCO model".
First, the Board takes umbrage that it could be in any way be considered "Political". It is comprised of members whose sole purpose is to protect the House and benefit the community.

The process however has been quite political to the extent that an approach has already been made to Rangitane o Manawatu whose response is offered in support of the recommendation. Only Council knows what information was provided to Rangitane and the Board was not offered the opportunity to make representations. If Rangitane only received this review they would have been misled.
It may be thought that the very process of proceeding with this recommendation where there is a dubious saving of only $7250 suggests there are other undisclosed reasons not relating to cost-effectiveness.

The implementation process should also be viewed with concern.
The issue of staff matters is relegated to the last step in the process.
The decoupling of the Board is not by way of a formal winding up with a devolution to Council, but by a simple termination of the lease. That would raise the question of whether the Council, as Settlor, is in breach of the Trust. Certainly, there would then be no stated governance principles for the House that the community could refer to and enforce. The community would be disenfranchised.

The Board accepts that such reviews are necessary and desirable. The Board accepts that a rigorous review may fairly conclude that the CCO model is not the best.
This review falls far short of a rigorous analysis - for the second time. The Board would be derelict in its duty to the community to fail to object to this review being presented unchallenged to the community.

Council should be similarly concerned. It was criticised in the first review by the independent reviewer for having failed to decide on how it wishes Caccia Birch to be operated and we are now told that this is still the case.

In conclusion, this review does not meet the requirement of being a cost-effectiveness assessment, nor does it provide Council with a proper basis for promoting the "social, economic, environmental, and cultural well-being of the community for the present and for the future (section10 Local Government Act 2002).

The Board suggests that, if Council, after having regard to the above comments, decides that it still wishes to continue with the recommendation, then the process should be delayed so that Council staff can meet with board members and management to ensure that a full, mutually approved, analysis, that will openly and transparently inform the public, is carried out.

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **1. Financial sustainability**<br><br>*How financially sustainable is the option into the future?*<br>*Will the option provide opportunities to gain funding from non-Council sources?*<br>*Are there opportunities for operational efficiencies or economies of scale?* | CBTB runs as efficiently as possible but is limited in its profit-making capability by factors including the noise restrictions on the property and the desire to preserve public access. Recent Statements of Intent have anticipated deficits without additional Council funding. | *Council must also comply with the District Plan restrictions.*<br><br>*Will council officers restrict the 24/7 public access to increase profit?*<br><br>*The Trust Board produce a close to break-even budget each year and meet most KPI's. Can council do better?* | Council delivery of Caccia Birch House provides opportunities to reduce duplication. Council already manages two venues, which means the infrastructure is in place to deliver the service efficiently. | *Examples of duplications not provided nor the associated cost comparisons.*<br><br>*Why should it be assumed that Councils management would be better?* |
| | As a charitable trust CBTB can access external funding opportunities such as grants. However, they have had limited success with grants applications. About 62% of CBTB's income is generated from the venue hire business. Council grants make up a further 36% of revenue with the 2% balance attributed to grants, interest, and donations. As at 30 June 2019 CBTB had $130,000 in equity. | *This is a misleading statement.*<br>*Outside funding can only be sought for projects which are limited each year.*<br>*Thousands of dollars have been donated for projects in previous years, part- funding items such as the heating systems, fire security system, insulation, lighting, the elevator and various building work and 'in kind' work undertaken at no cost by supporters.* | Council's size means it can manage activities like marketing, centralised bookings, community engagement and finance services within existing overheads. Costs involved in supporting the Council's governance structure are more proportionate than in a small CCO. | *What surety can council provide that centralised booking staff have CBH venue knowledge and be nimble in dealing with client requirements?*<br>*There is demonstrable value in providing onsite booking services which serve to build and maintain long-term client relationships (currently some with over 20 years history).*<br>*What is the true cost associated this off-site booking service?*<br>*Evidence shows council has been quite ready to compete with CBTB.* |
| | The compliance demands of a CCO, as set by the LGA, are disproportionate to the scale of CBTB. For example, it must pay upwards of $15,000 per year for financial services, as it requires a full audit due to its status as a CCO. There are also costs involved with reporting to Council and supporting the governance board. | *Accounting services. Audit accountability will simply be moved 'in-house' and within council cost centre. No assessment of in-house cost is given.*<br><br>*If the Council can achieve savings in this area why are these not passed on to CBTB*<br><br>*Quotes sought from PNCC financial services (and grounds maintenance) in the past, exceeded cost CBTB external providers by a significant margin.* | | *How does the council know if they can manage CBH within their spare capacity without fully understanding what is required?*<br>*Marketing and community engagement assistance has been sought by the Trust for years and not forthcoming.*<br><br>*What marketing is being referred to or will the council services adopt the CBTB 10-year marketing plan, and can that be carried out within existing resources?* |

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **Financial sustainability:**<br><br>Cont./ | | | Council can also access more favourable deals on services (such as catering contracts). Additional revenue generation opportunities would be immediately available to Council due to the existing stock of function equipment available for hire across its venues. | *Why are these resources not available to CBH at part of the CCO cooperative?*<br><br>*Why has council not discussed these catering contract options with CBTB?*<br><br>*Show comparative costs, provide detailed cost analysis.* |
| | CBTB sets the hire rates for the property and can cover its ongoing operational costs within current budgets.<br><br>Capacity of current staff is constrained and lack of certainty of venue hiring volume makes this hard to increase. The current 'break even' budget does not leave much opportunity for innovation and growth. | *Competitive hire rates are set after evaluating local facility prices. Rates are kept affordable for most of the community.*<br><br>*Council has not decided if it wants to increase the scope of service. Our 10-year plan proposes innovation and growth. If council can achieve that within its budget, why cannot it assist CBTB to do so? No evidence to support Councils ability is given.*<br><br>*Currently an open-door policy applies to catering services. This allows al groups to cater for themselves. Changing this model was identified to increase revenue and is noted in the 10-year plan and SOI.* | Council can adjust individual levels of service within wider budgets, for example by deploying additional resources to the property for a short period to take advantage of an opportunity. | *What is the additional cost of providing these resources should they be required?*<br><br>*If such spare capacity exists why is it not offered to CBTB to utilise?*<br><br>*Show examples.* |
| | A CCO model is differs from Options 3 and 4 in that the services certainty of funding via an operational grant from Council. However, CBTB has indicated that increases to funding will be required to ensure its financial stability into the future. Funding a CCO adequately to deliver this service is ultimately the responsibility of Council. | *It is not true that increases in funding are required for the status quo see the Statement of Intent.*<br>*The 'business' can operate and largely fund itself.* | The loss of grant funding opportunities is unlikely to have an effect, as this is a small proportion of CBTB's current budget. | *The grant funding opportunities are directly related to specific projects and it is short sighted to look at the current budget given the timing.*<br>*Perhaps council could better assist smaller CCO's to take advantage of outside funding opportunities by seed funding some projects. E.G. Summer concert series.*<br>*During the last 15 years.approx.$96,300, raised via charitable organisations or sponsorship* |

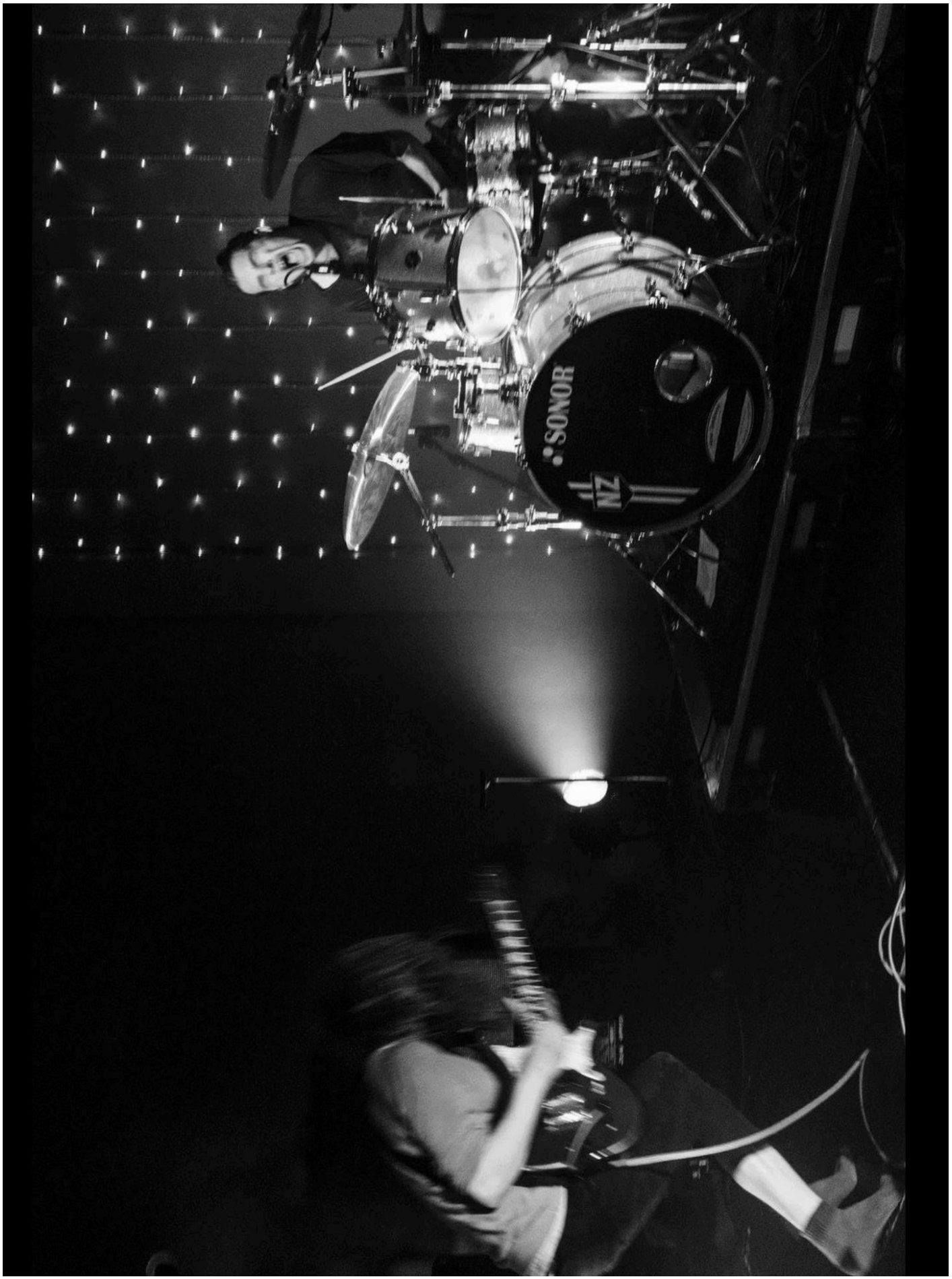
| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **2. Community and civic engagement**<br><br>Does the option allow for volunteer input?<br>Does the option encourage the community to access and engage with the property?<br>Does it have a profile in the community? | A CCO model promotes community engagement, primarily by empowering a charitable trust board to manage the property. CBTB advocates for the property and develops resources like the Coach House Archives.<br><br>It uses its expertise to guide Council investment in the property.<br><br>CBTB has proposed the establishment of a "Friends of Caccia Birch" to provide trained volunteers able to support visitors to the property and increase its profile.<br>However, it does not have capacity within the current model to coordinate volunteers. | *The activities of the Board's business actively engage with the community, whether through hire, the visitor industry, or free events.*<br><br>*The pool of potential volunteers is very limited, this occurs across all interest groups.*<br>*In the 90's a number of volunteer groups were involved with CBH.*<br>*It became evident that continuity and consistency of good and efficient services, required paid staff.*<br><br>*No costings are shown for any "friends" group – staff costs, administration, and marketing.* | There is potential for greater community engagement with the property. Under this option the property would benefit from the communication channels already in place which can raise its profile as a public asset.<br><br>Council has staff that currently support voluntary groups that use Council venues and public space for events and activities. | *Provide details and explain why this benefit cannot be achieved in cooperation with CBTB.*<br><br>*What communications channels? Why are they not available to CBTB?*<br><br>*Does council currently have capacity to create greater community engagement for this venue? What will the cost be to council?*<br><br>*The content for CBH on the council's website has been out of date for years as pointed out several times. What confidence can the public have?*<br><br>*If council feel the facility needs to better reflect council's ownership or public asset profile, why does it not assist the Board to fulfil this aspect?*<br><br>*Has council forgotten the restrictions on increased events and activities?*<br><br>*Do the council officers fully understand the implications of the District Plan restrictions that hamper events?*<br><br>*Specify general details of such uses and show how the district plan limitations can be overcome.* |
| | | | Without a CCO the property may lose the passion and expertise exhibited by CBTB, and volunteers may be less comfortable engaging directly with Council. However, a "Friends of Caccia Birch" could be established to continue advising Council investment and ensure the property continues to receive focussed care and support. | *What will it cost council to co-ordinate and manage a "Friends of CBH" assuming council can find and retain volunteers who will have no power or responsibility?*<br>*How will the "Friends" hold council to account?* |

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **3. Commercial vs community outcomes**<br><br>*Will the option support a balance between commercial and community interests? Is it desirable to require payment to access the service? Does the option ensure the property is being used for a civic purpose, as required by the deed of gift?* | A condition of the Crown's gift of the property to Council was that it was used for a "civic purpose". This has been interpreted to require community utilisation of the property, as is enshrined in CBTB's trust deed. However, public access often comes at the expense of revenue generation.<br><br>CBTB encourages public access through its regular open days and Coach House Archives. Events, tours and open days make up an average of 5% of the property's formal hireage, and the public also accesses the grounds on a casual basis. | *There is currently optimal balance of use between income generating and free access.*<br><br>*The 5% is grossly understated, as public access to the CoachHouse and other areas is reported as available during office hours. (Monday to Friday 9am to 5pm) Gardens open 24/7 except during weddings.*<br><br>*Council and CBTB maybe able to co-operate to enhance usage.* | Under this option Council would have the ability to manage this tension as it sees fit, for example by setting the desired proportion of the funding of the property from fees and charges via its Revenue and Financing Policy.<br><br>Finding a balance between revenue-generating activities and provision of public access will be a challenge under each option.<br>This option provides the best opportunity for Council to direct that balance as appropriate. | *Is this a license to prefer profit over community benefit?*<br>*What deficiency has been identified on CBTB's practice and policy?*<br>*Perhaps the Revenue and Financing Policy could be disclosed here.*<br><br>*Are Councillors confident that council officers' will have the best interests of the Historic property at heart and be able to strike a better balance between the Deed of Gift and commercialisation?*<br><br>*The Board comprises of community representatives as a check and balance on Council.*<br><br>*What performance measures will be put in place once council take this in-house?*<br><br>*The public are not privy to the detailed performances of the other in-house facilities – only the funding pool. CBTB report twice a year and are on record as achieving most targets.*<br>*It is a mere opinion to say this option is the best without evidence, whose opinion is this, how do we asses the weight to be given to it?* |
| | In the past CBTB has not been given clear guidance from Council on the ideal amount of public access. The Board has a strong incentive to manage its costs in line with revenue, and so has necessarily focussed resource on activities with an immediate financial return. CBTB can increase public access with additional Council funding. | *The review records that council has still not given guidance as to its intensions.*<br>*Focus on long term financial return will require short term cost even for Council.* | | |

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| **Commercial vs community outcomes**<br><br>Cont./ | Generally, a CCO model supports commercially driven arrangements due to the extra degree of separation from Council. Under this option Council is expected to empower the CCO to set the balance of activities as it sees fit. | *Council would not wish to be seen to be competing with its citizens.* | | |
| 4.<br>**Skills and expertise**<br><br>*Will the option enable the right skills to place to deliver the service, including specialist, commercial or technical expertise where required?* | Under this model service quality is overseen by the Board and reported to Council based on performance measures agreed through the Statement of Intent. It is difficult to quantify customer experience through existing measures.<br><br>There are limited levers available to Council to improve CCO performance if reporting identifies issues. Many of these are formal, blunt and time-consuming (e.g. Statements of Expectation, modification of the Statement of Intent, alternations to grant levels).<br><br>There is fragmentation for customers wishing to book Council-owned venues, as they need to contact Council and Caccia Birch separately.<br><br>A benefit of the status quo for customers is they get a service from experienced staff that know the history of the property. | *The 10-year plan shows a council approved model for KPI's.*<br><br>*Does council not have to strategize and plan?*<br><br>*For many years there was co-operation between council and CB staff and this has disappeared. CCO's have requested more council co-operation.*<br><br>*For many years, the Trust had a PNCC councillor on the Board and when that stopped, a council officer was appointed to be a regular liaison person.*<br>*Latterly these benefits have been removed and mutual cooperation has proved more difficult.*<br><br>*Where is the evidence that council is affected by the separate booking systems?*<br><br>*If the booking system is taken in-house, will council propose the same for all CCO's and other council owned venues?* | Quality of Council services is overseen by Elected Members and reported quarterly based on performance measures in the 10 Year Plan and performance expectations of the CE.<br><br>Integration of Caccia Birch into Council's venues division would allow customers to access three unique venues, and associated support services, from one place.<br><br>Council is better placed to manage short- and medium-term fluctuations in resource requirements (e.g. large events or staff leave) by reallocating staff internally. | *The Trust Board meet monthly, have sub committees and are often on site.*<br><br>*The Trusts clients already have access and knowledge of these venues.*<br><br>*How does this benefit Caccia Birch House? CBH regularly receive enquires and bookings because of no or slow response from the PNCC 'central' booking service.*<br>*We have a good reputation and often praised for being responsive and decisive.*<br><br>*Why can't council assist CBTB with resources?*<br><br>*CBH has performed well at dealing with fluctuations and resource requirements. It does not carry a high level of overheads. It does however provide excellent continuity of services to its clients.*<br><br>*The cost of securing more staff is not identified in council's costings.* |

| Criterion | 1. CCO | *Management Response* | 2. Council | *Management Response* |
|---|---|---|---|---|
| 5. **Partnership with mana whenua**<br><br>*Does the option ensure the cultural significance of the site to Rangitāne o Manawatū is acknowledged and protected?* | Rangitāne o Manawatū currently has little direct input into the service. A CCO model can include a direct connection with mana whenua, for example by having an iwi representative on the Board, but this is not currently in place. CBTB has acknowledge the cultural history of the area in the Coach House Archives. | *The Council are responsible for Trustee appointees on the Board.*<br><br>*The Trust in inclusive in its operations and has met with and consulted with various members of Rangitane and actively sought input over the years.*<br><br>*A number of local Maori, Pasifika, Indian, Chinese and Muslim organisations utilize the house for training, hui and social functions, from time to time.* | Council has established communication channels with Rangitāne which help guide the delivery of many Council services. | *Why cannot CBTB be included in these communication channels?*<br><br>*In fact, CBTB has its own communication channels with Rangitane.* |

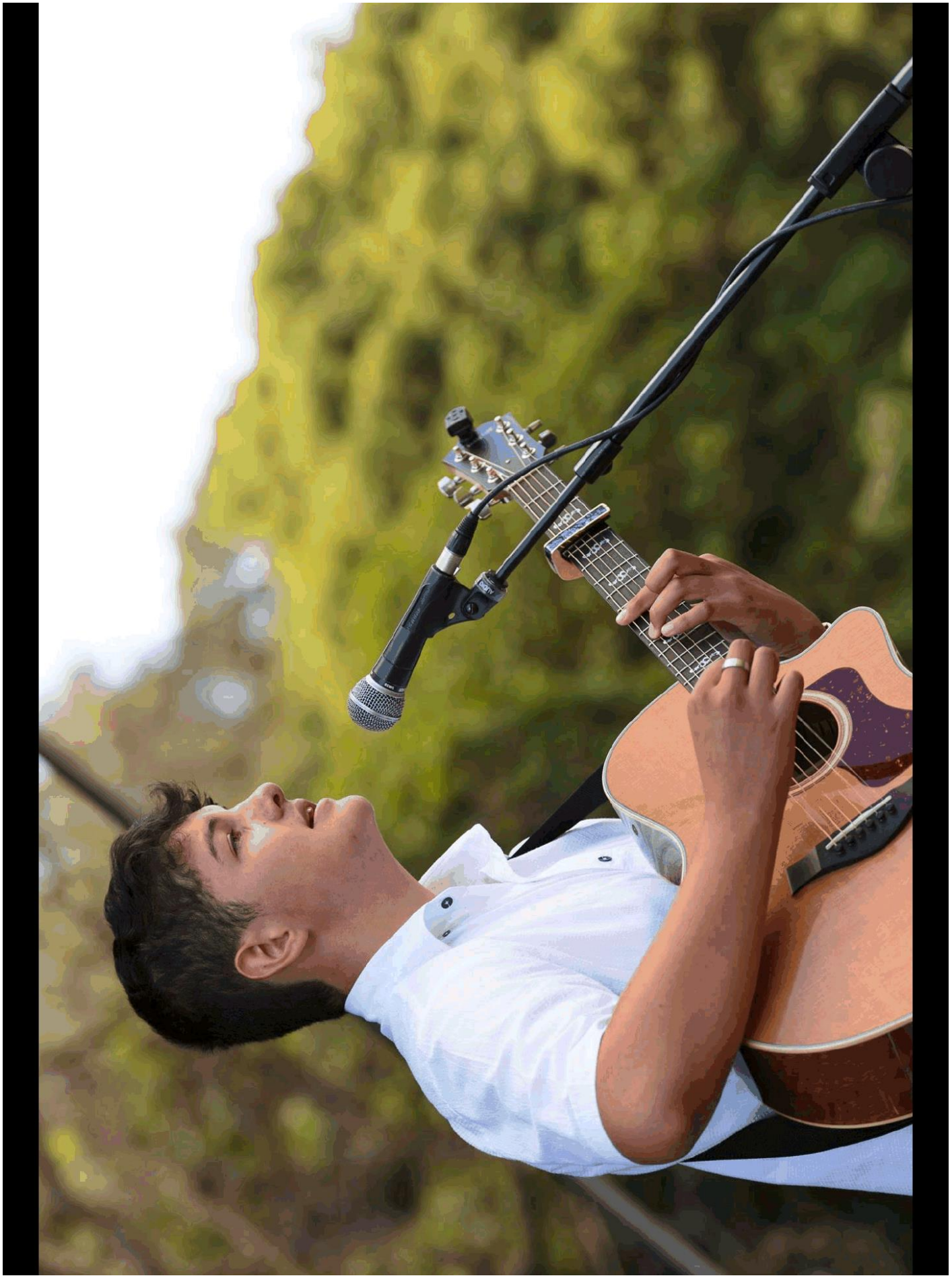
THE STOMACH
CREATIVE SOUNDS SOCIETY INC.


SONOR

SONOR

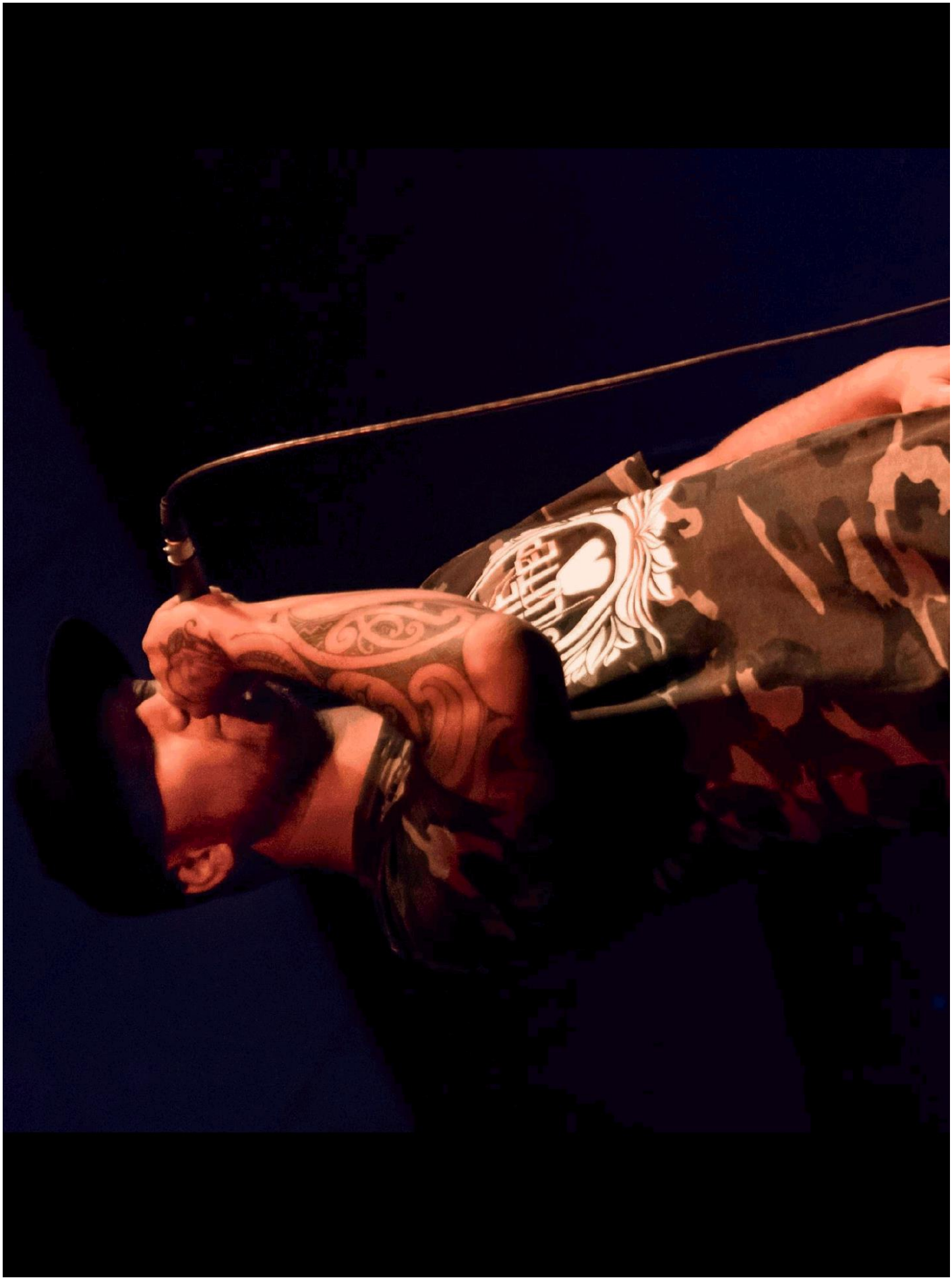
SONOR
JANSEN

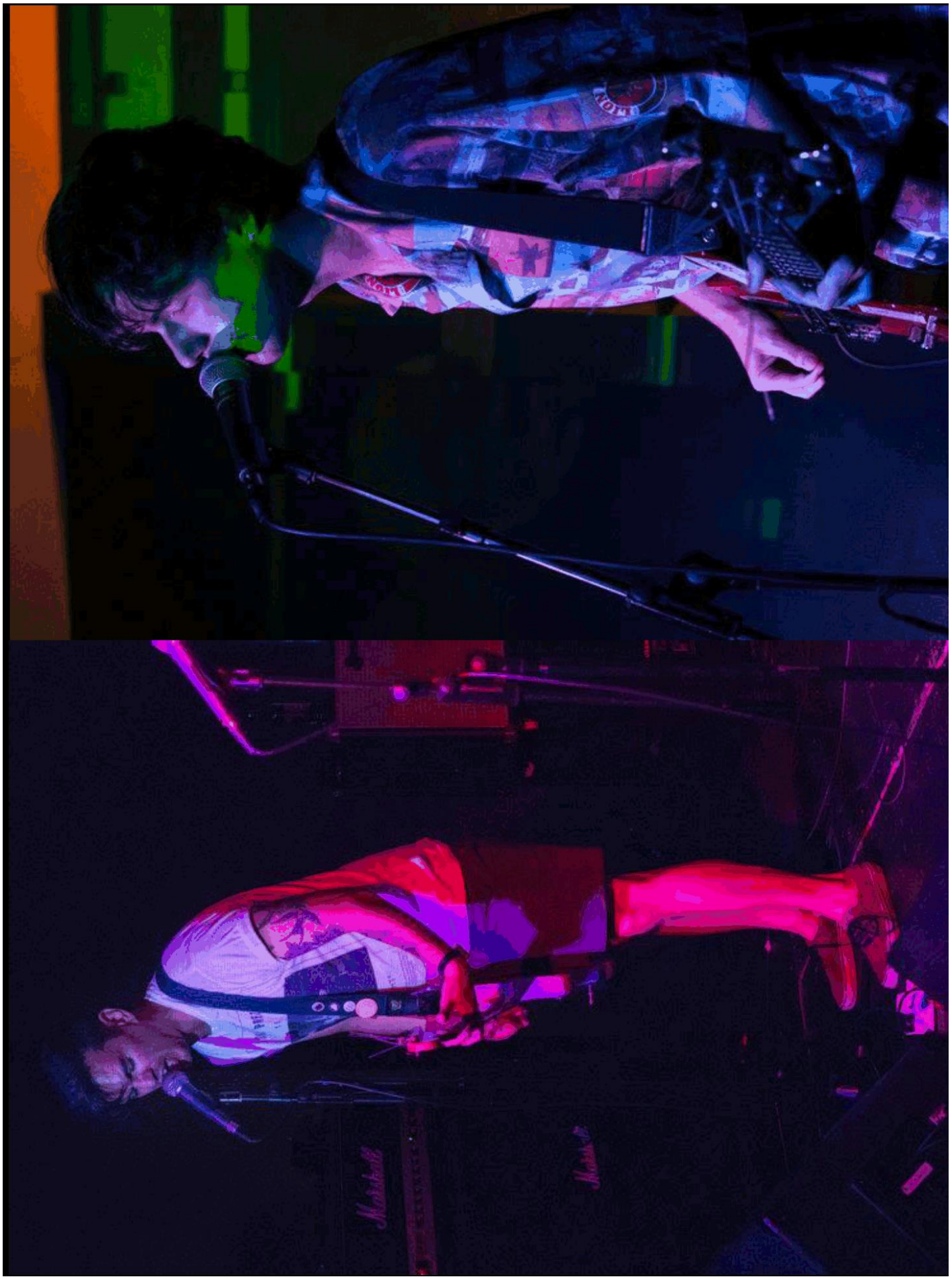
Ltd

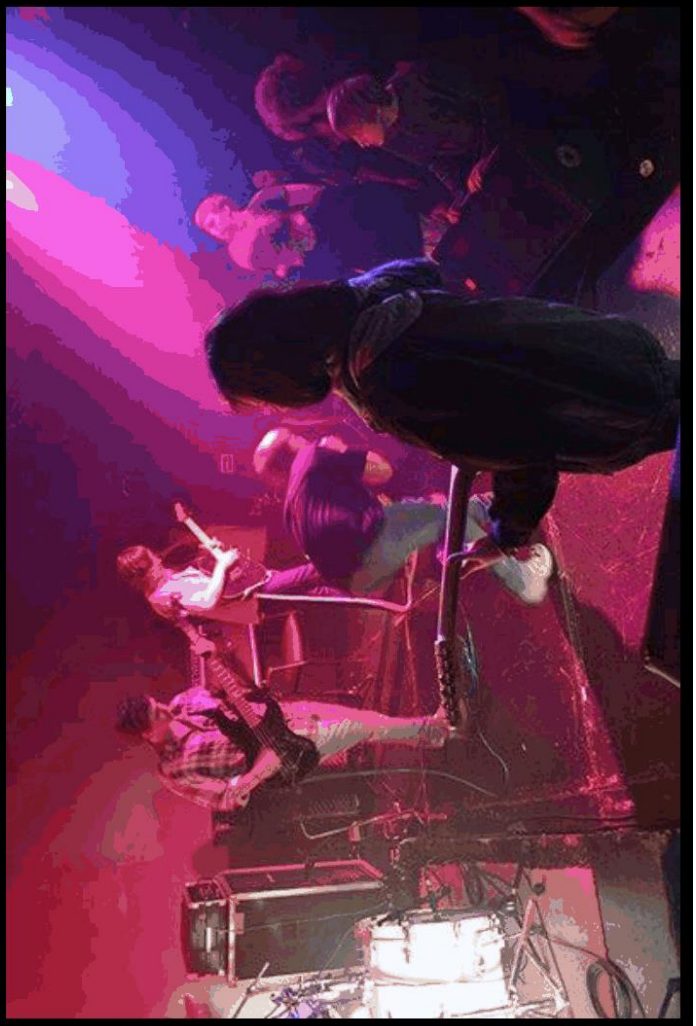


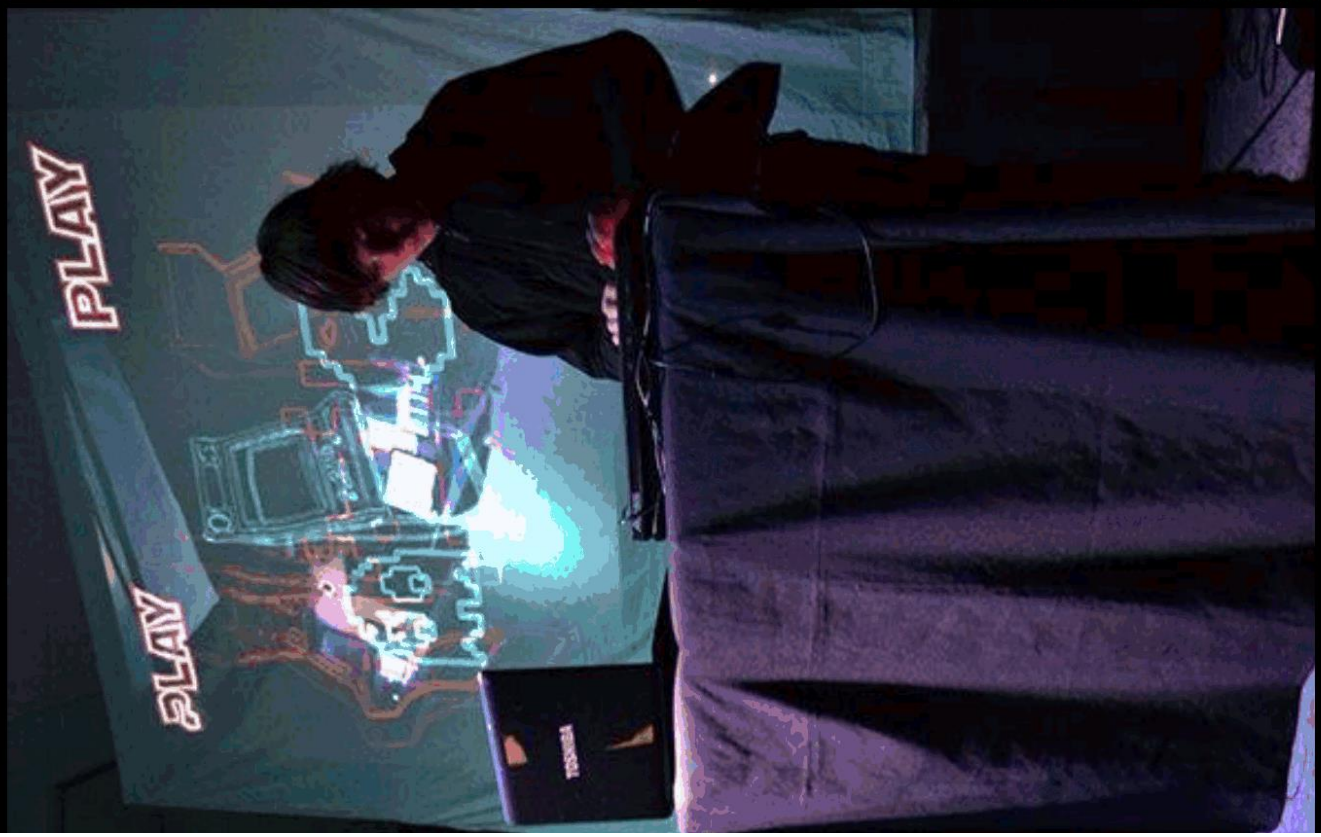
CREATIVE SOUNDS
SOCIETY INC

SONOR



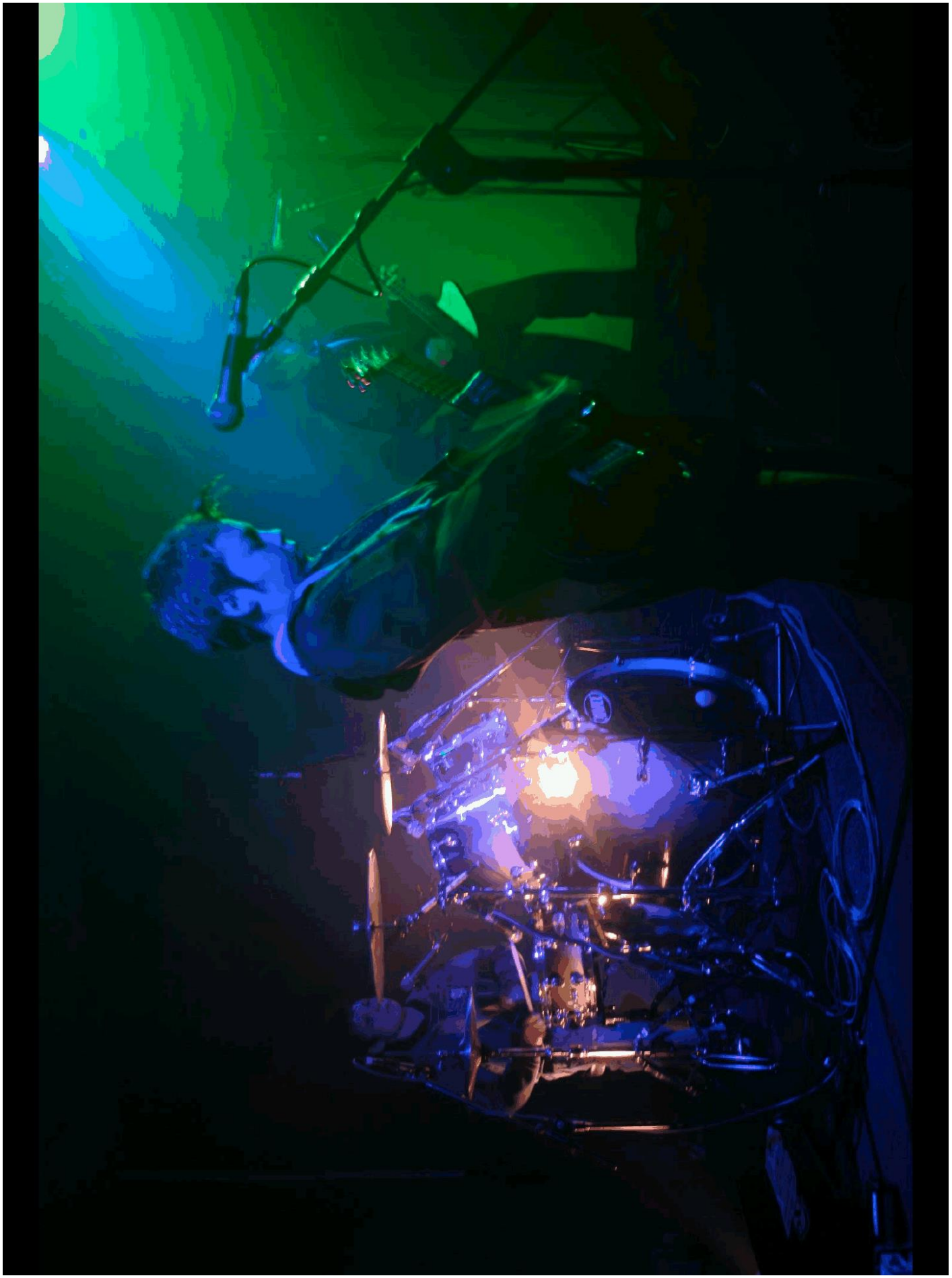


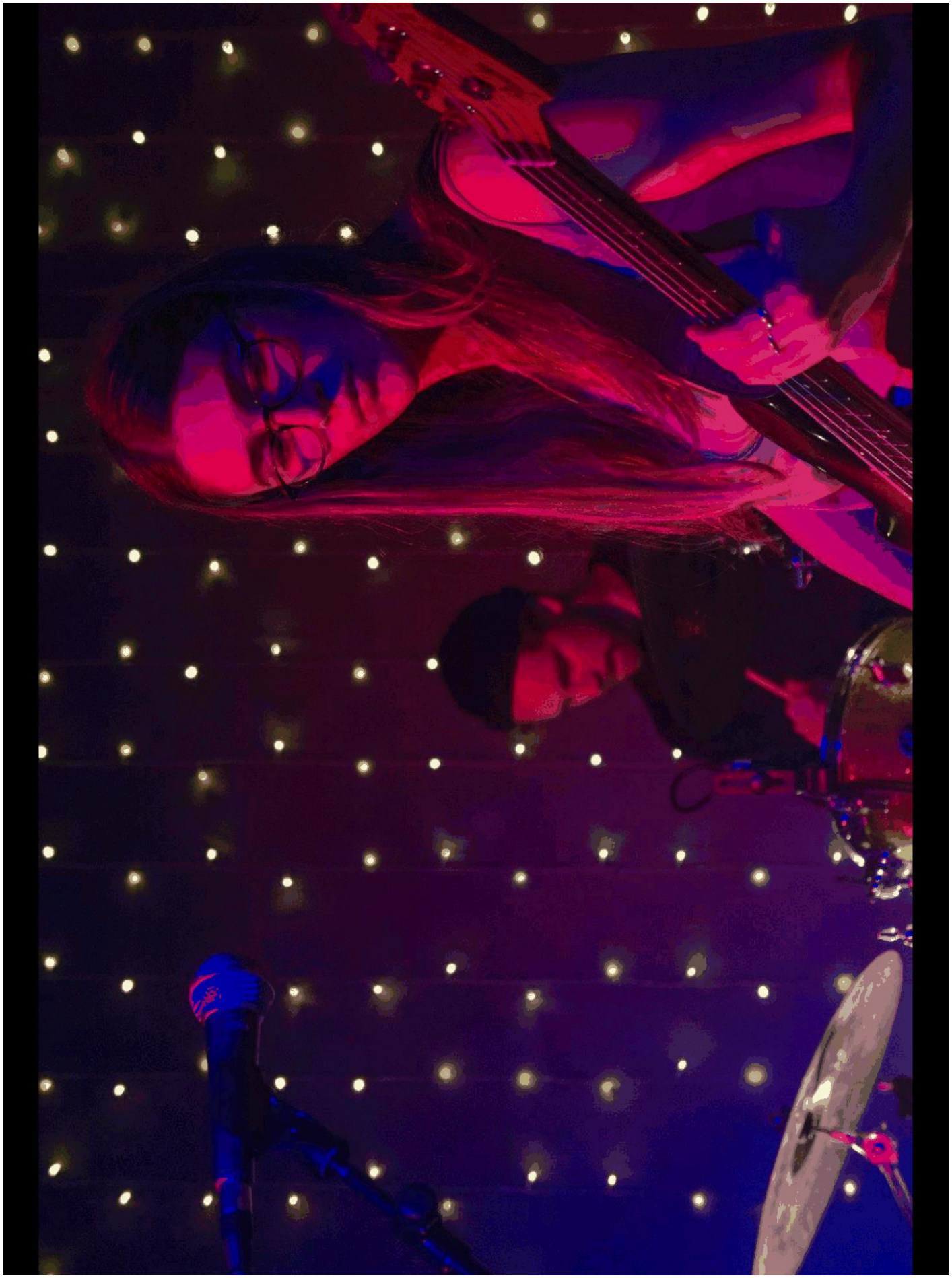


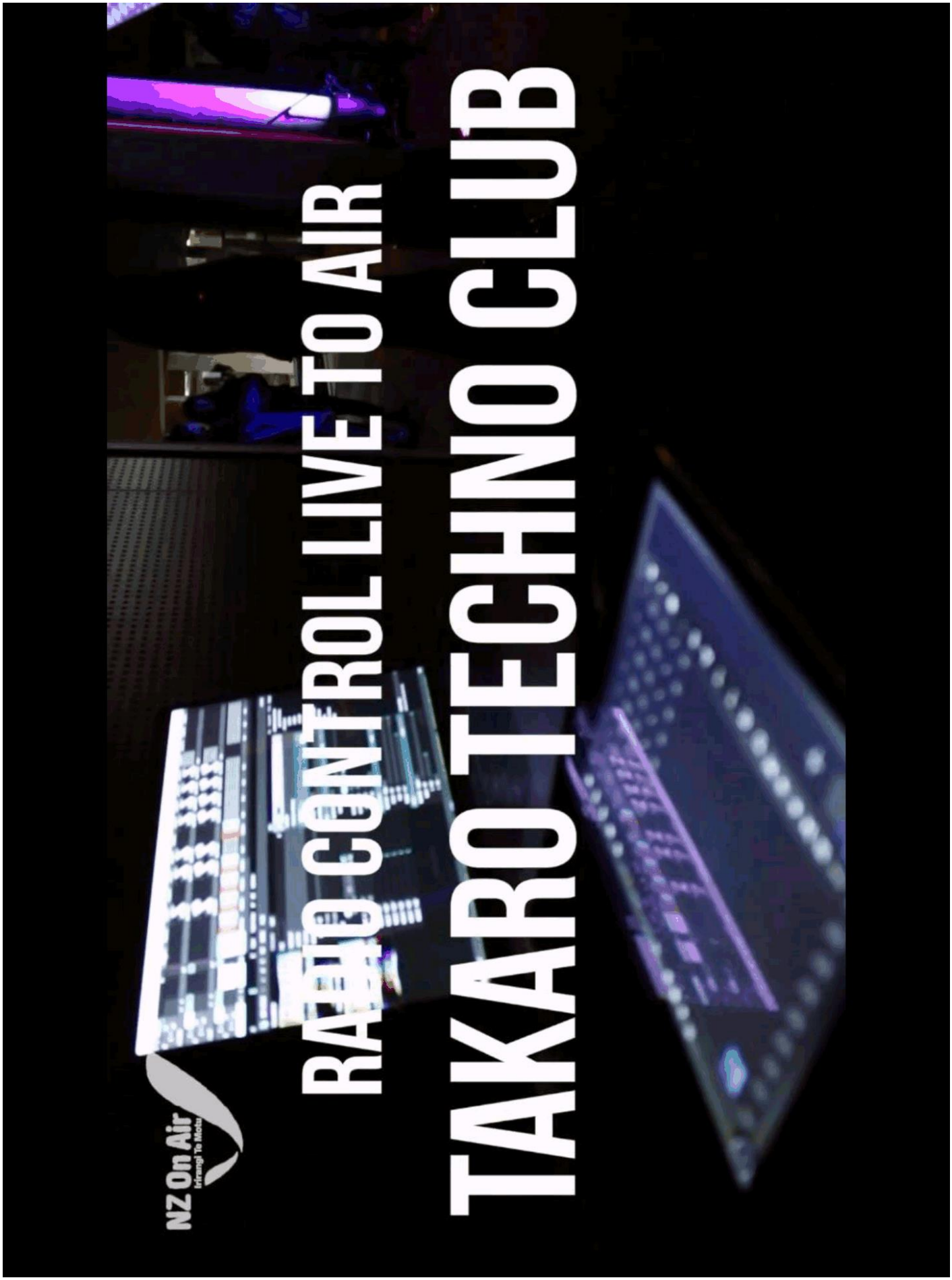

PLAY
PLAY

KORG

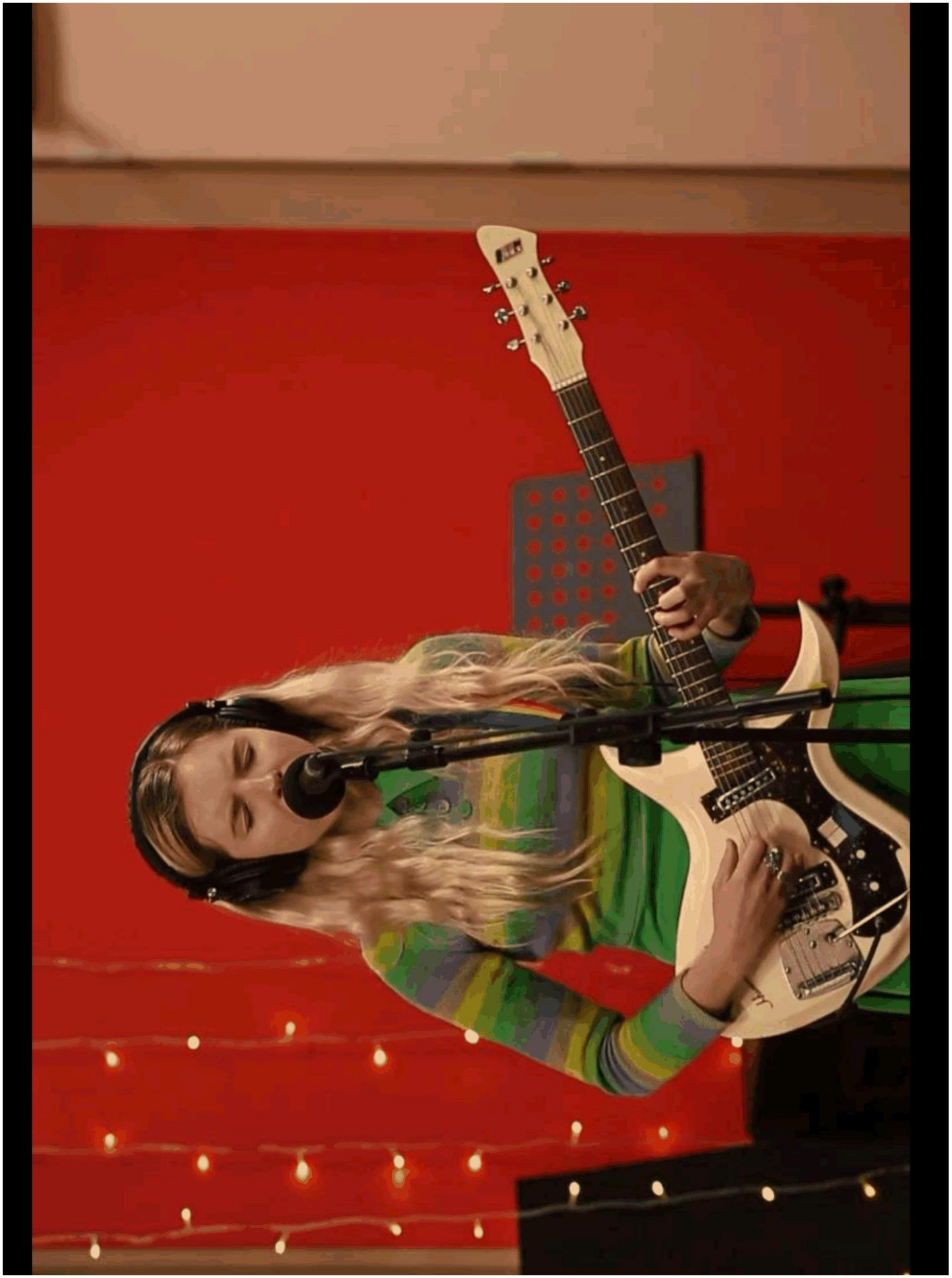
CHAPS

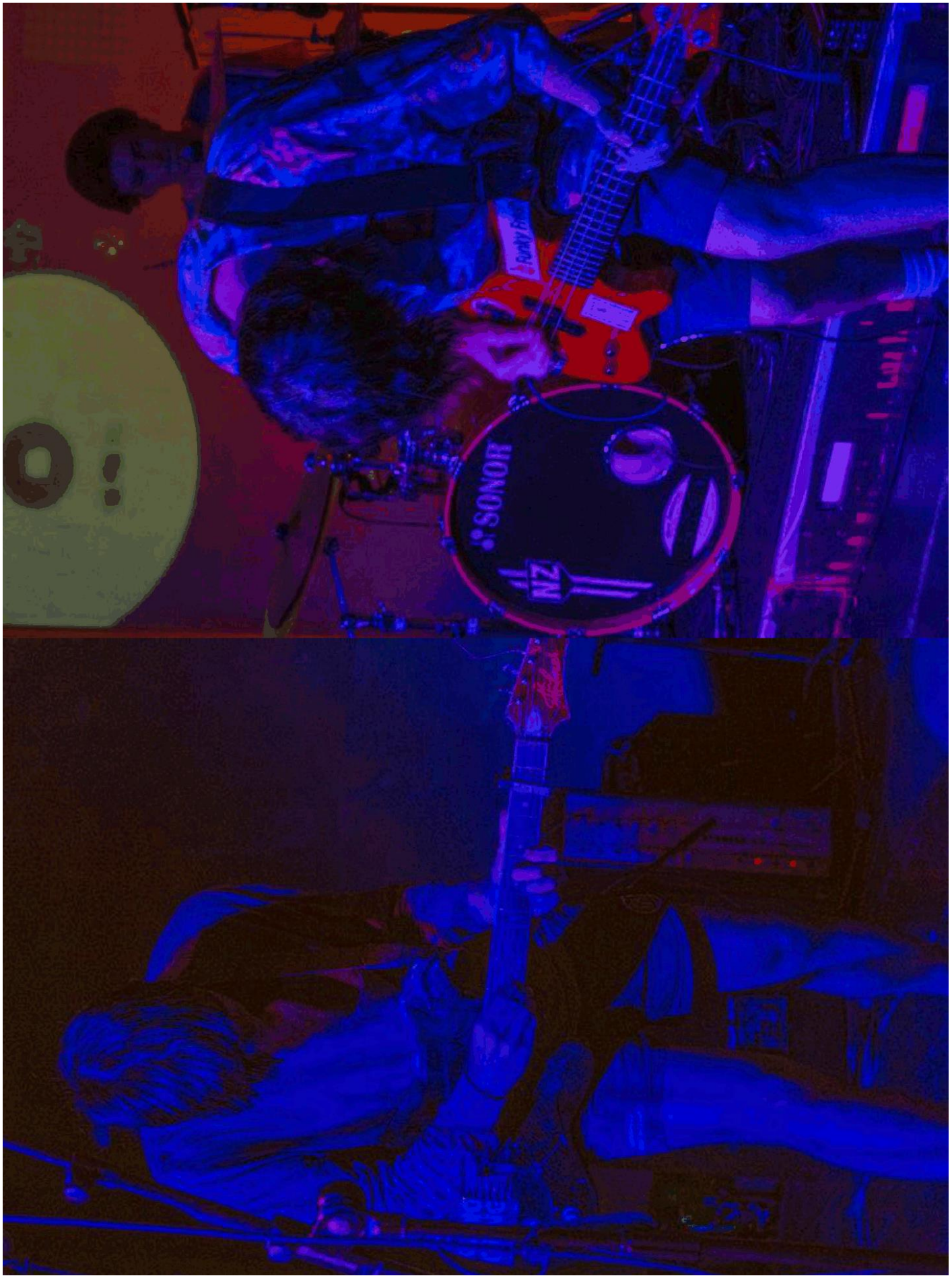


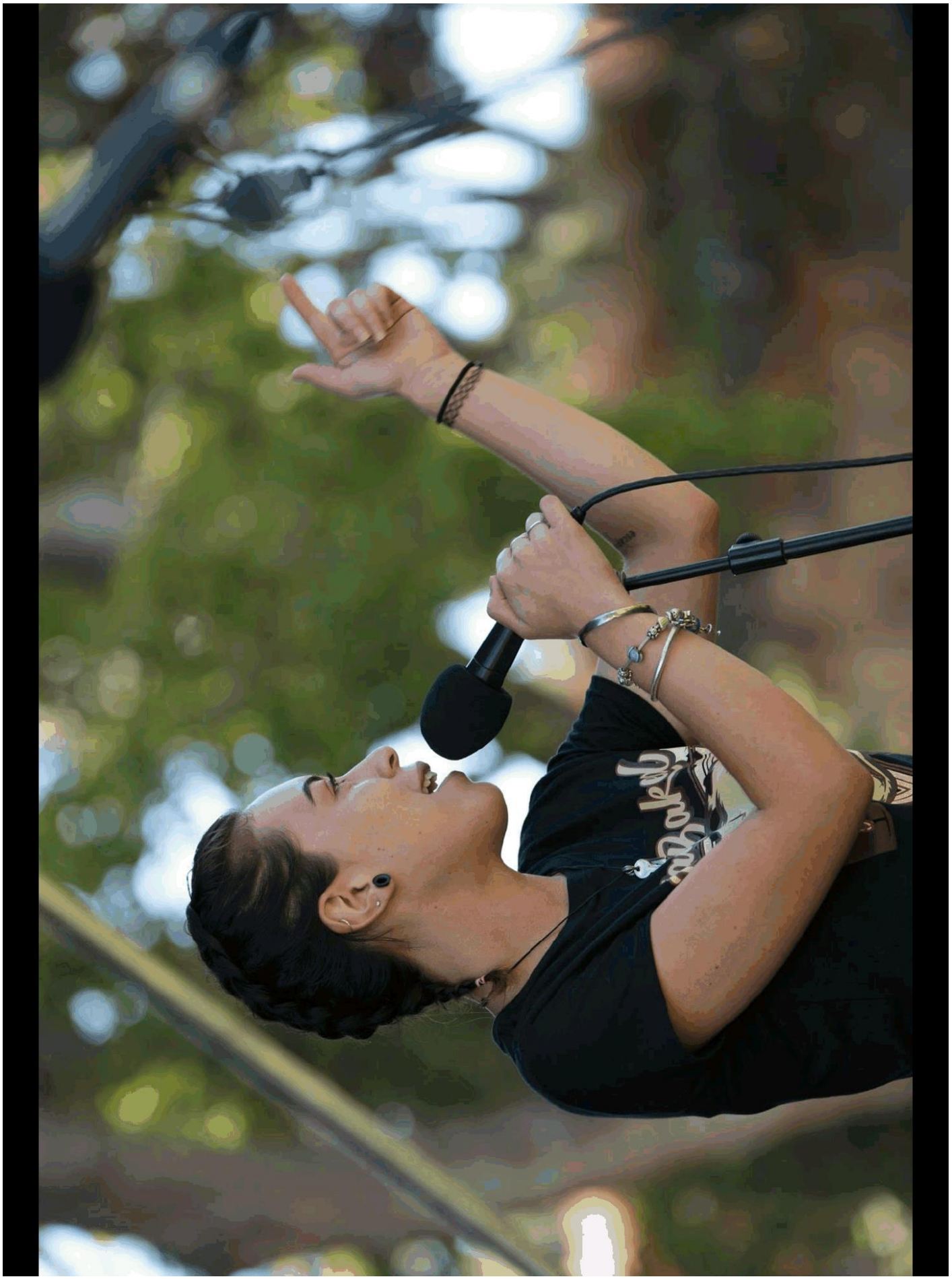


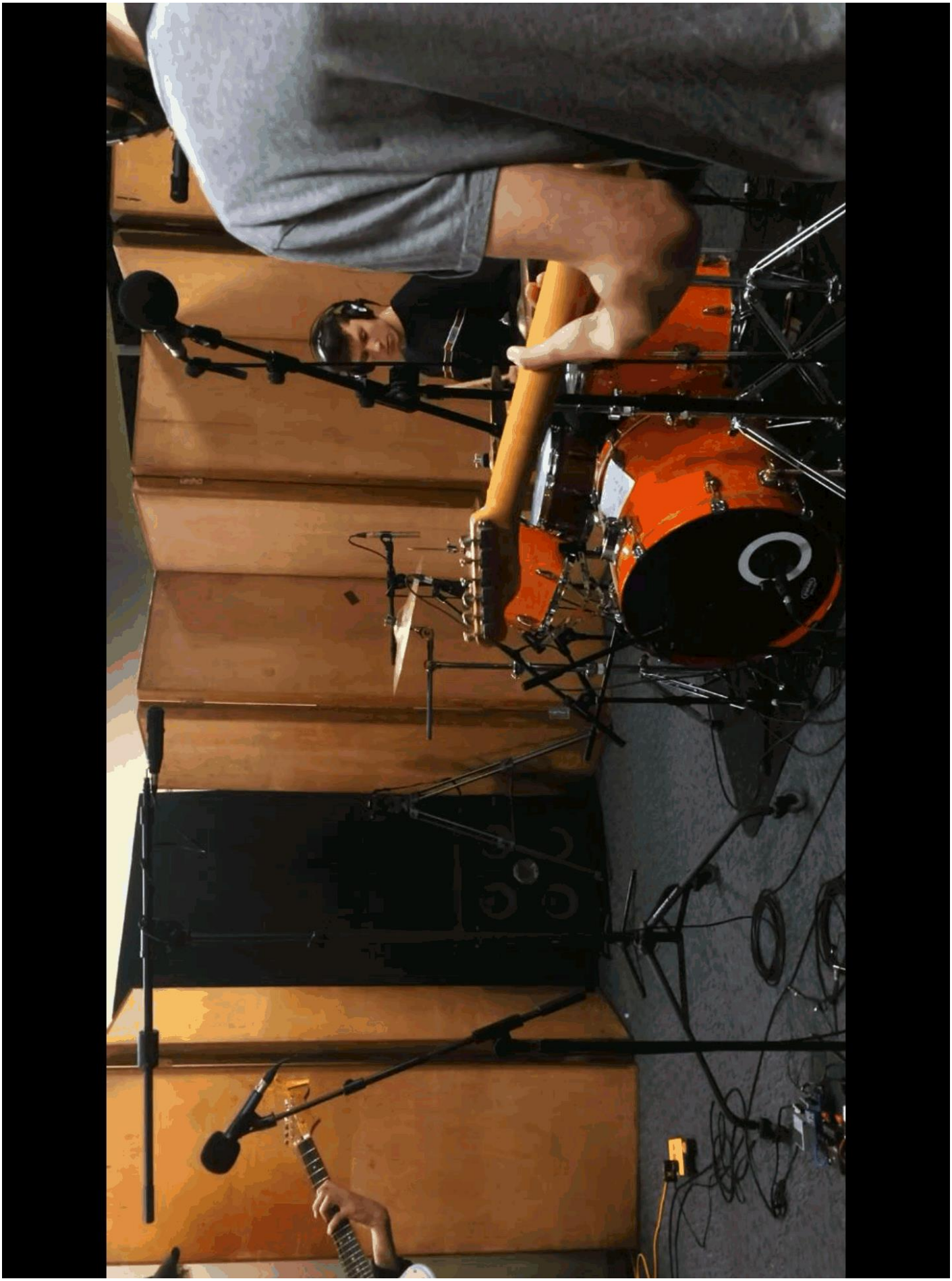

NZ On Air
Irirangi Te Motu
RADIO CONTROL LIVE TO AIR
TAKAROTECHNO CLUB

Roland

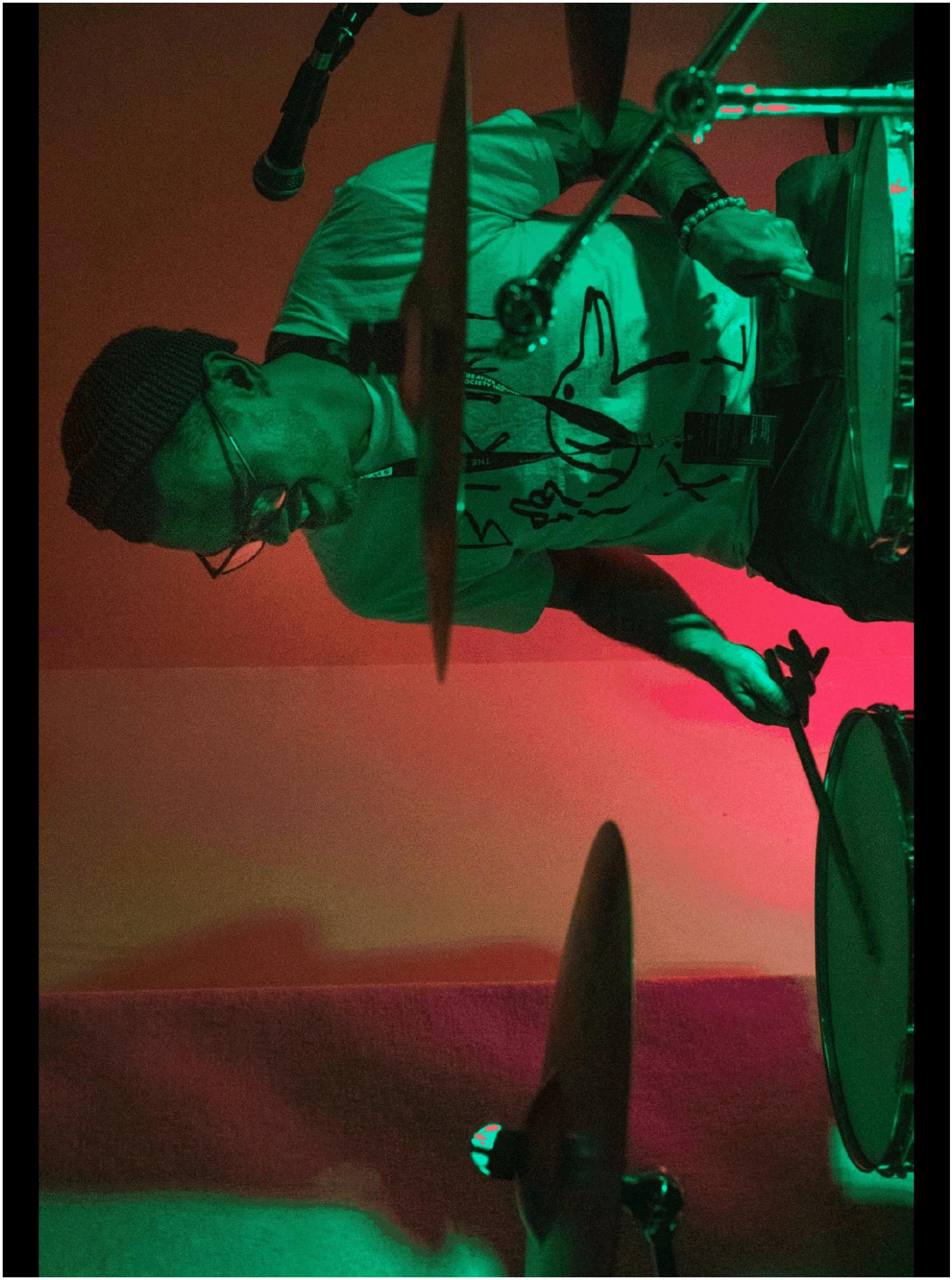


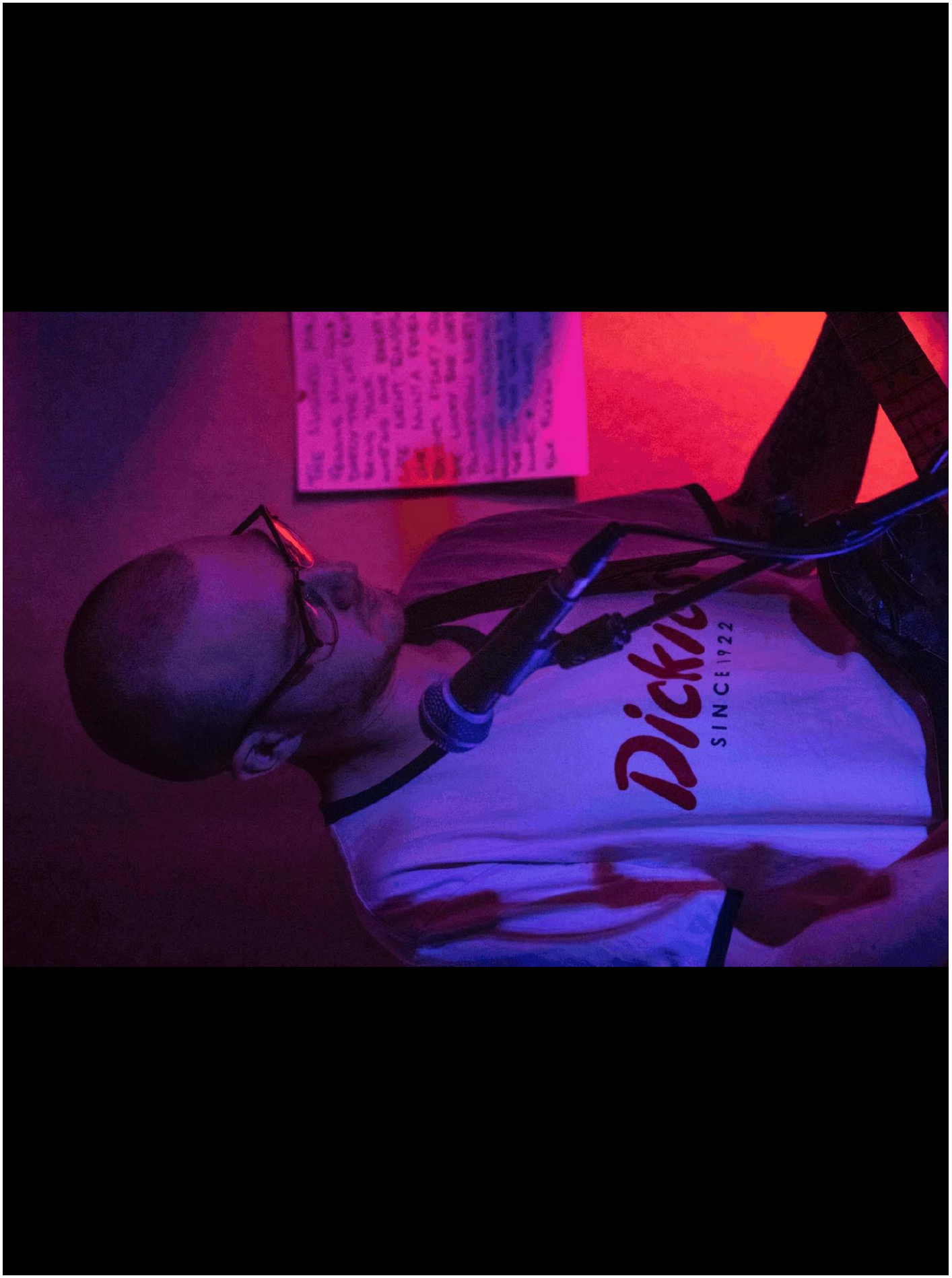

SONOR
AC/DC

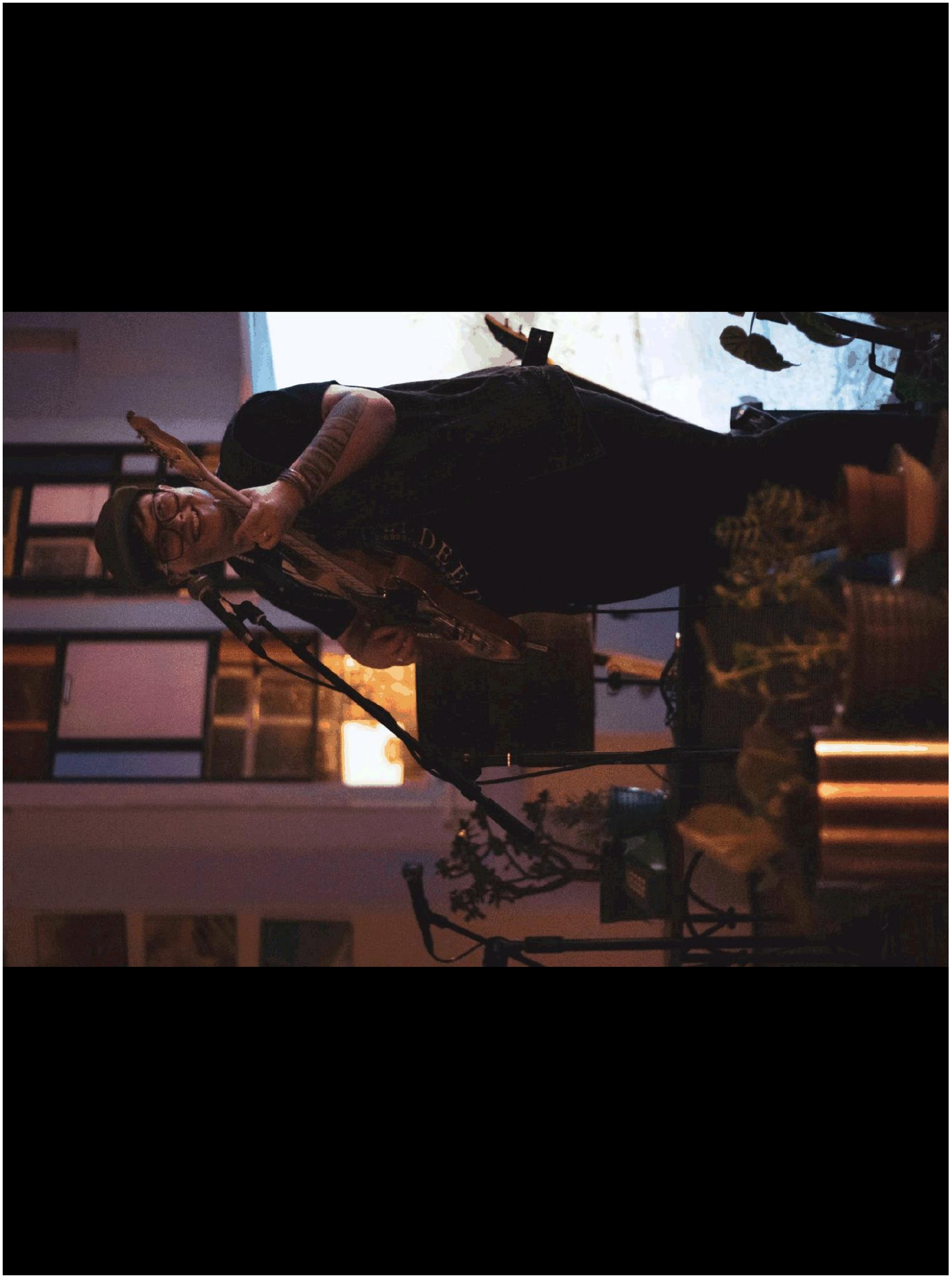




SWAMPER
LONE STAR

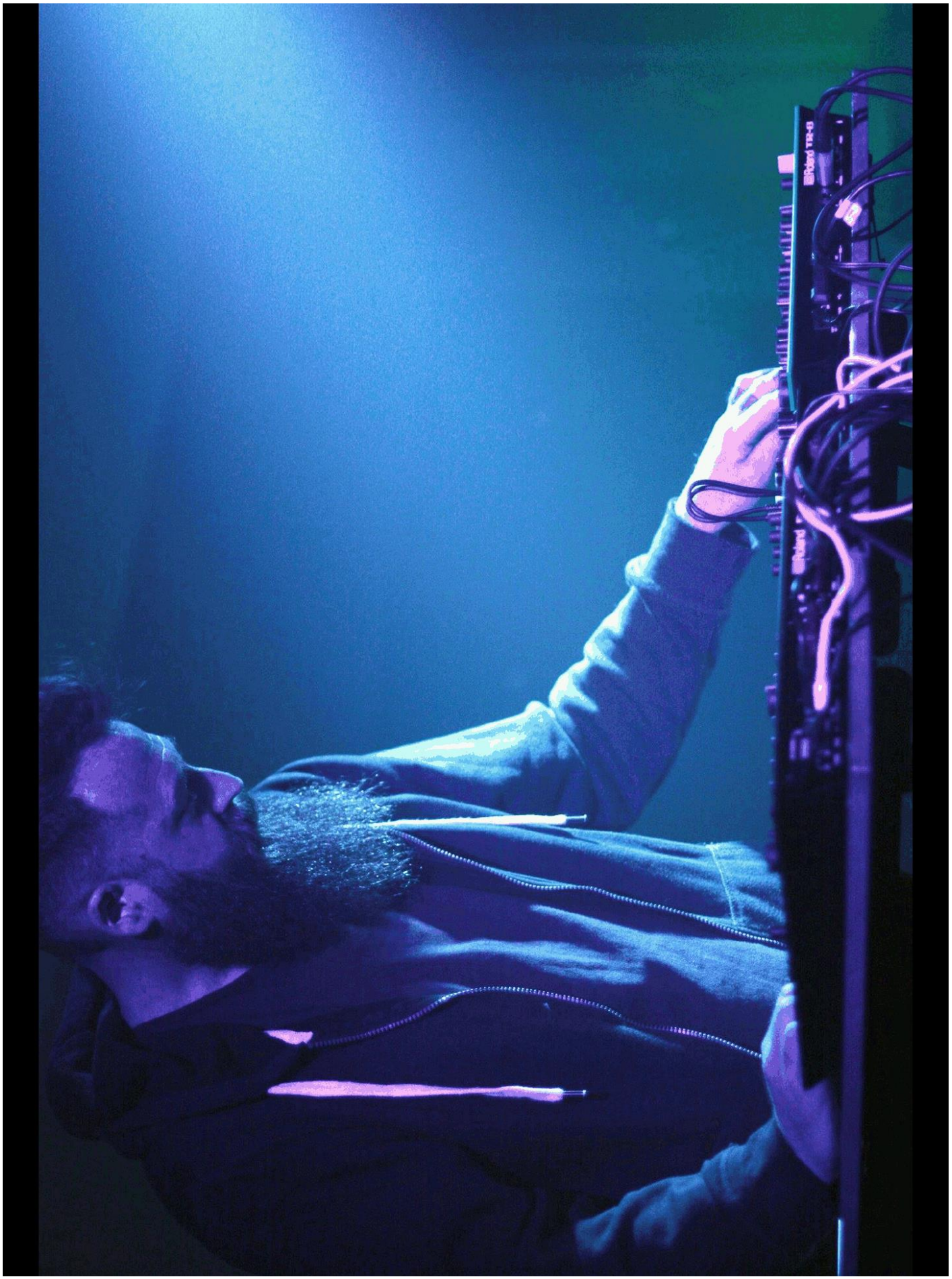



SINCE 1922



[redacted]

[redacted]


Roland
Roland TR-8

SWAMPFEST

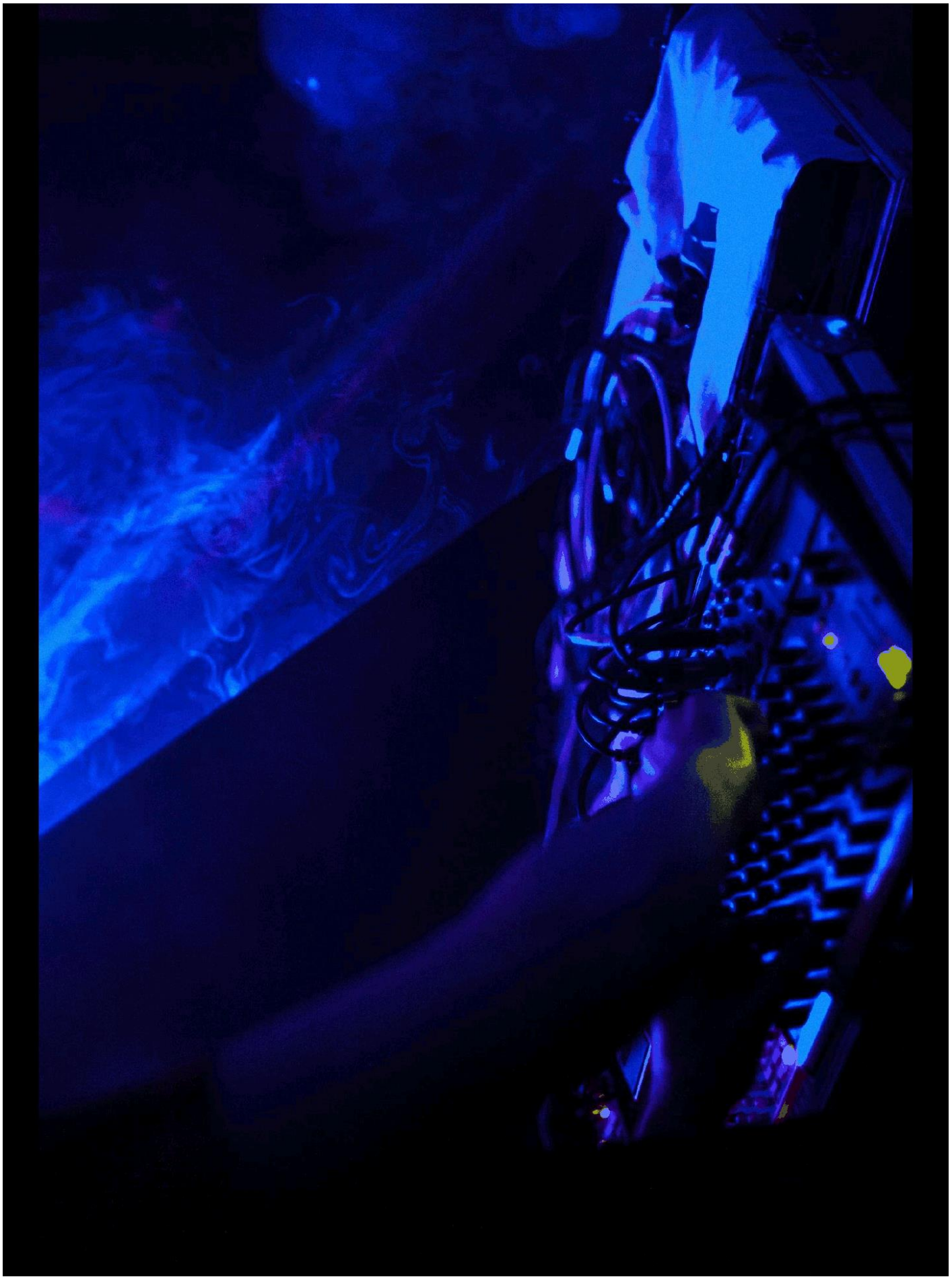
SONOR

SONOR
Ltd

NO PRISONS
NO SLAVES

SWAMPER
SONOR
NZ

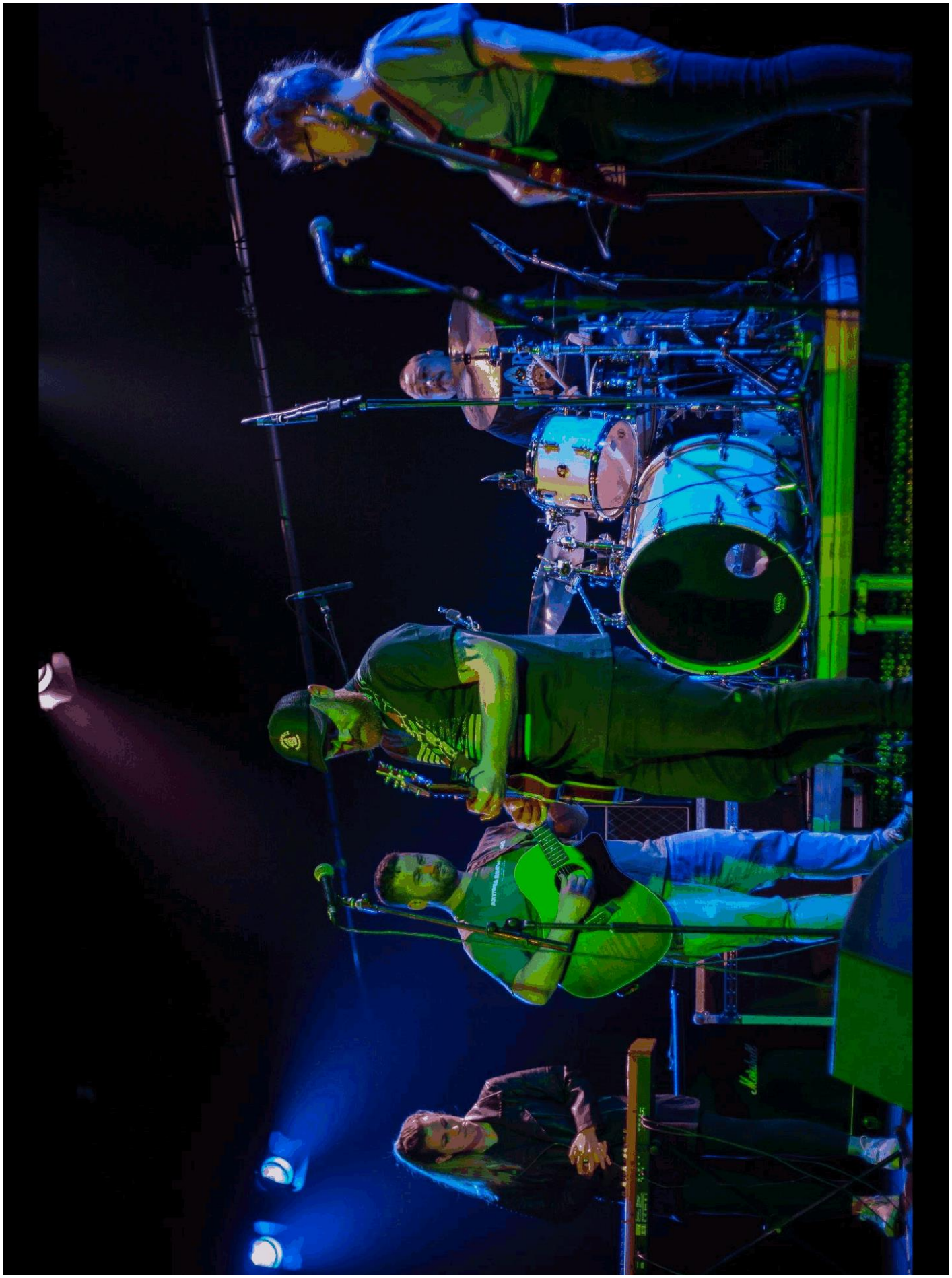
ARTIST
PASS
18-21 OCT
THE STOMACH
Roland
TR-8



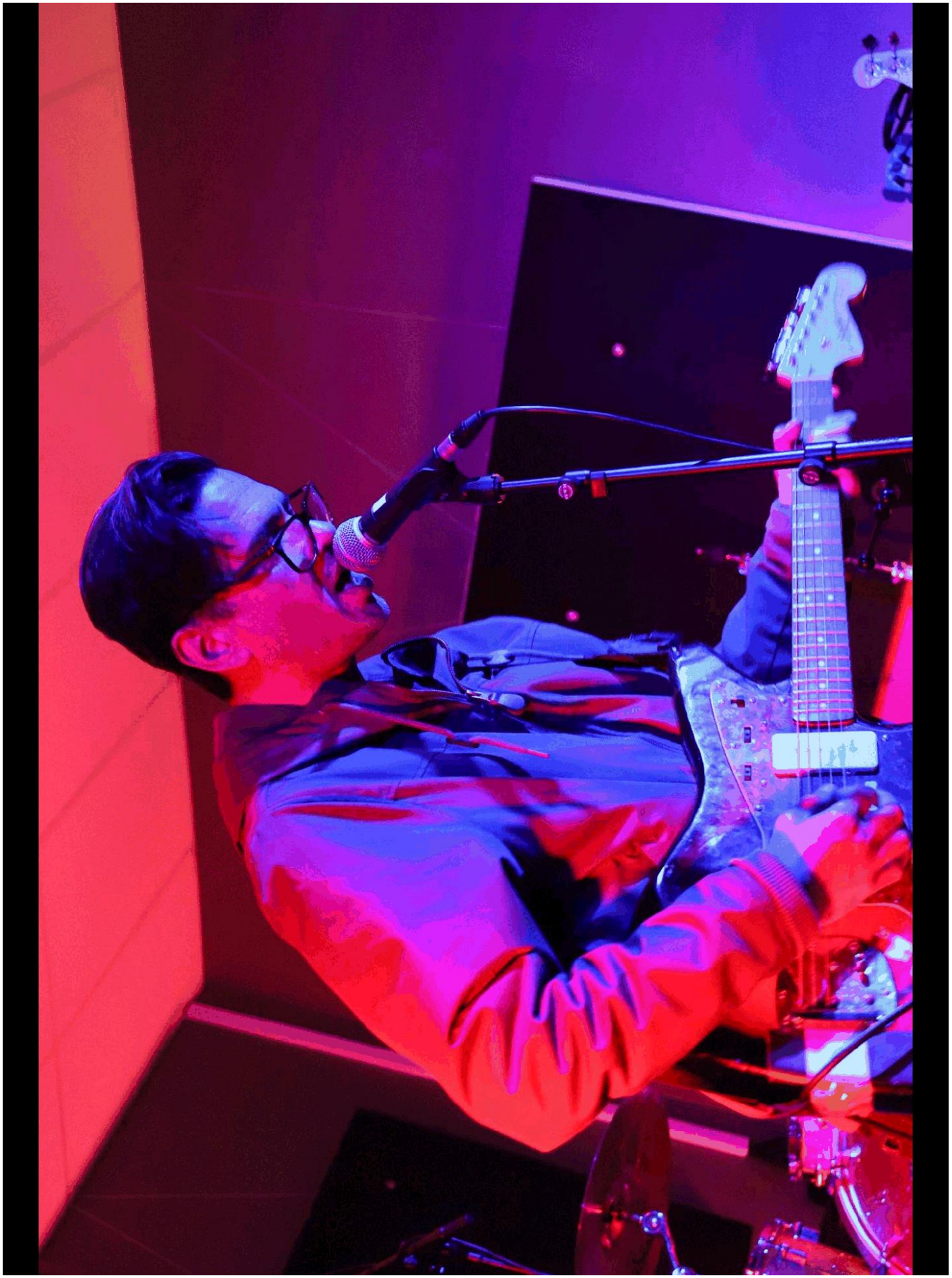
Marshall

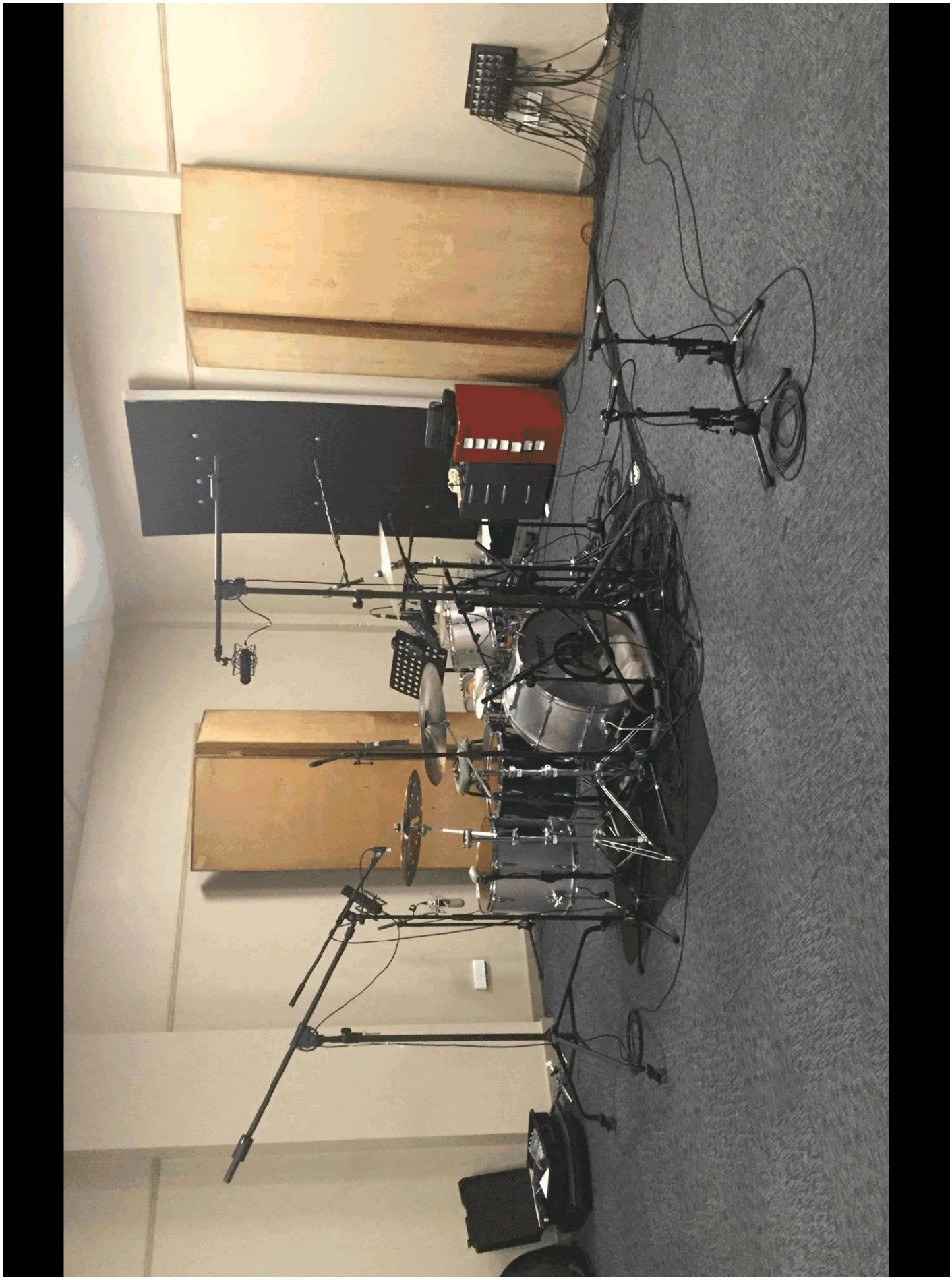
Marshall

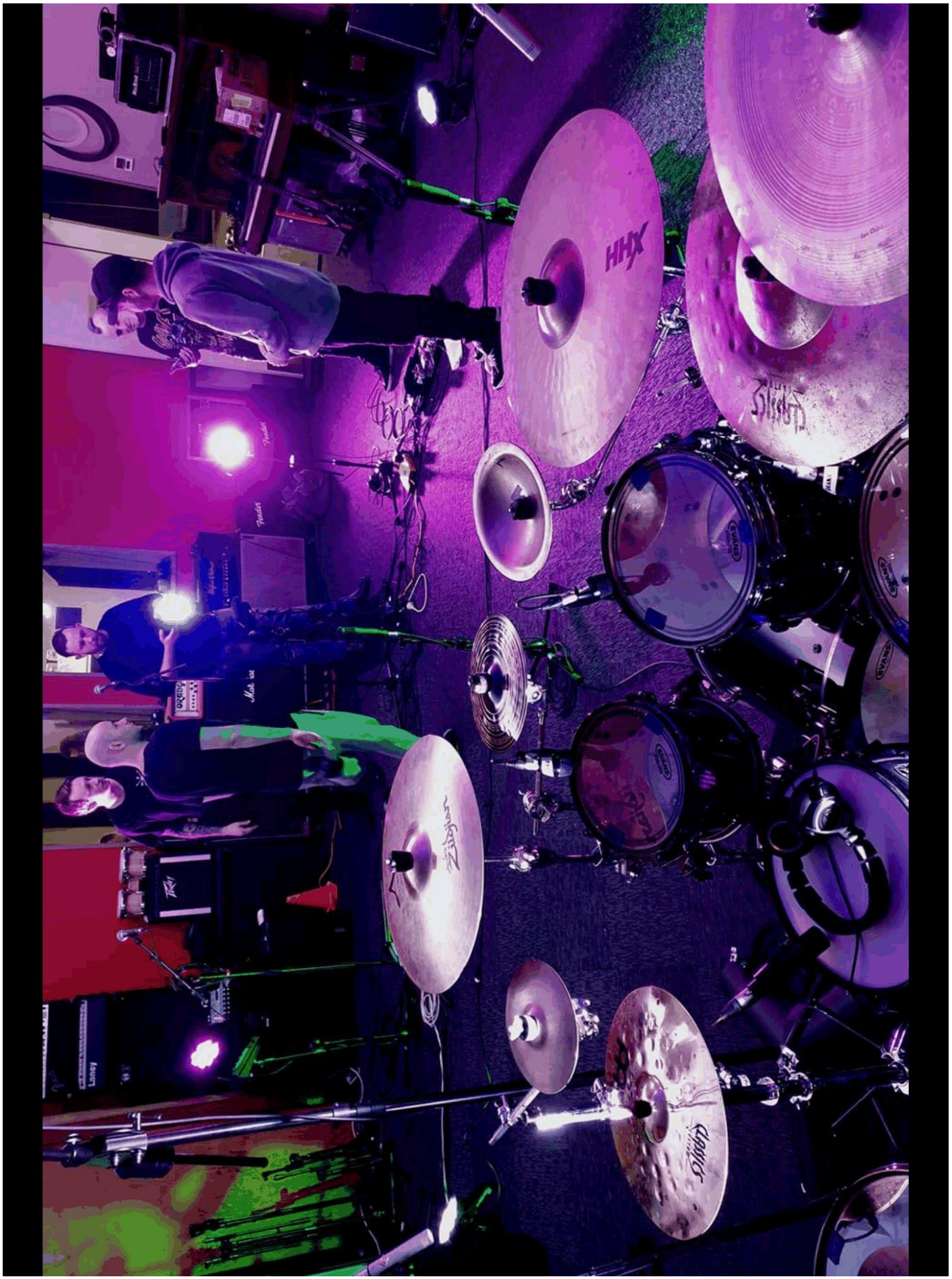
Marshall

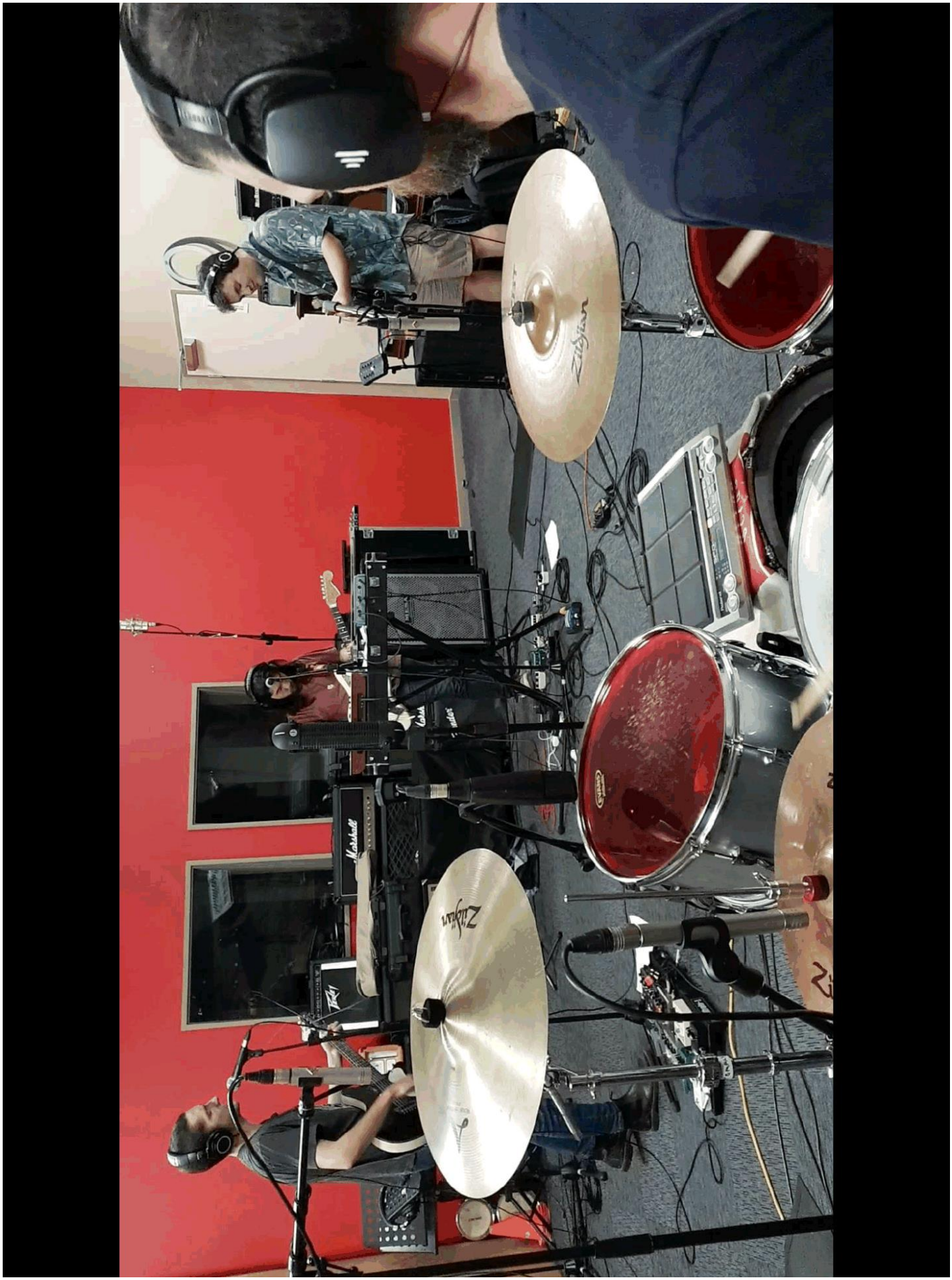


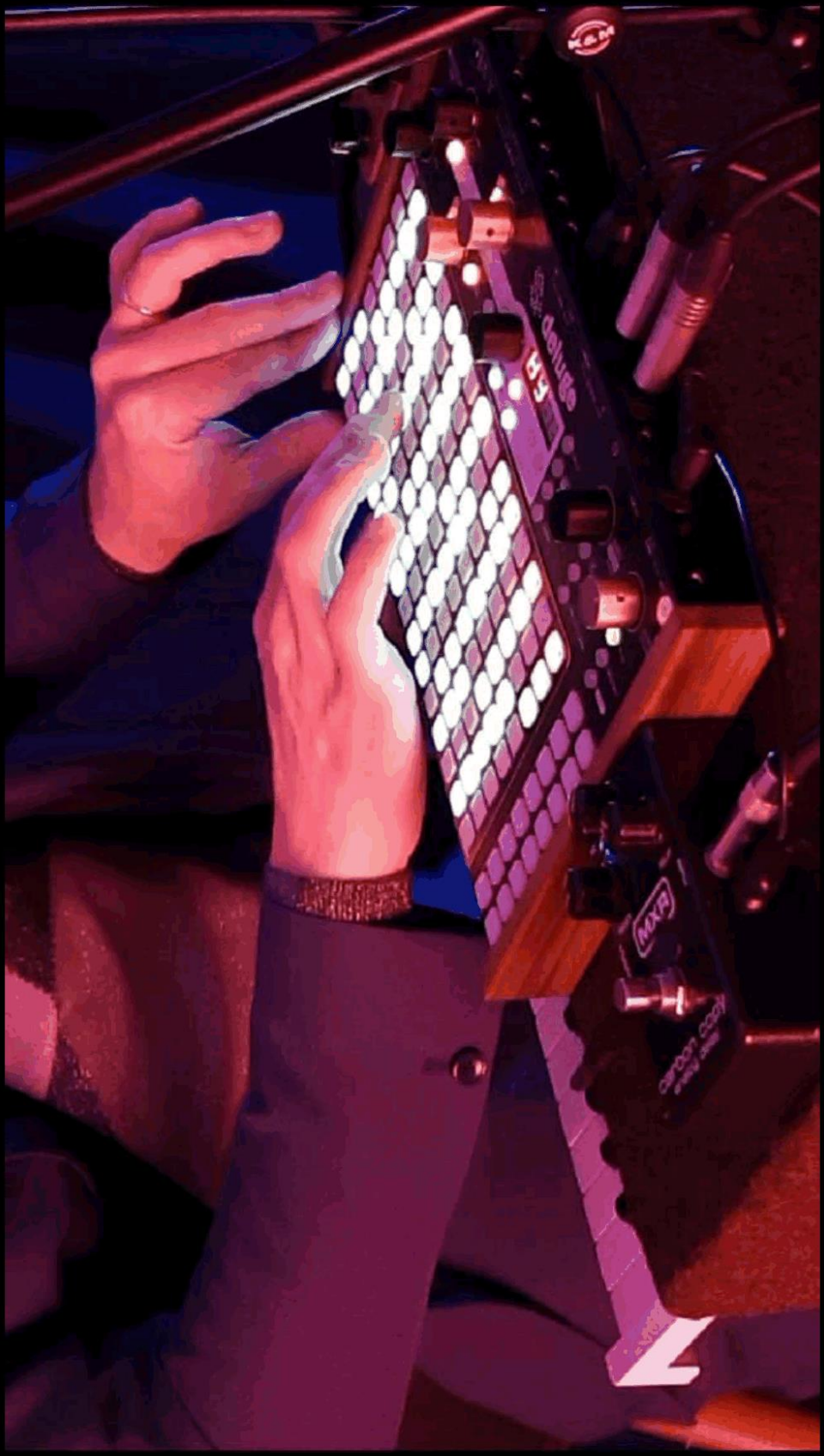
KORG

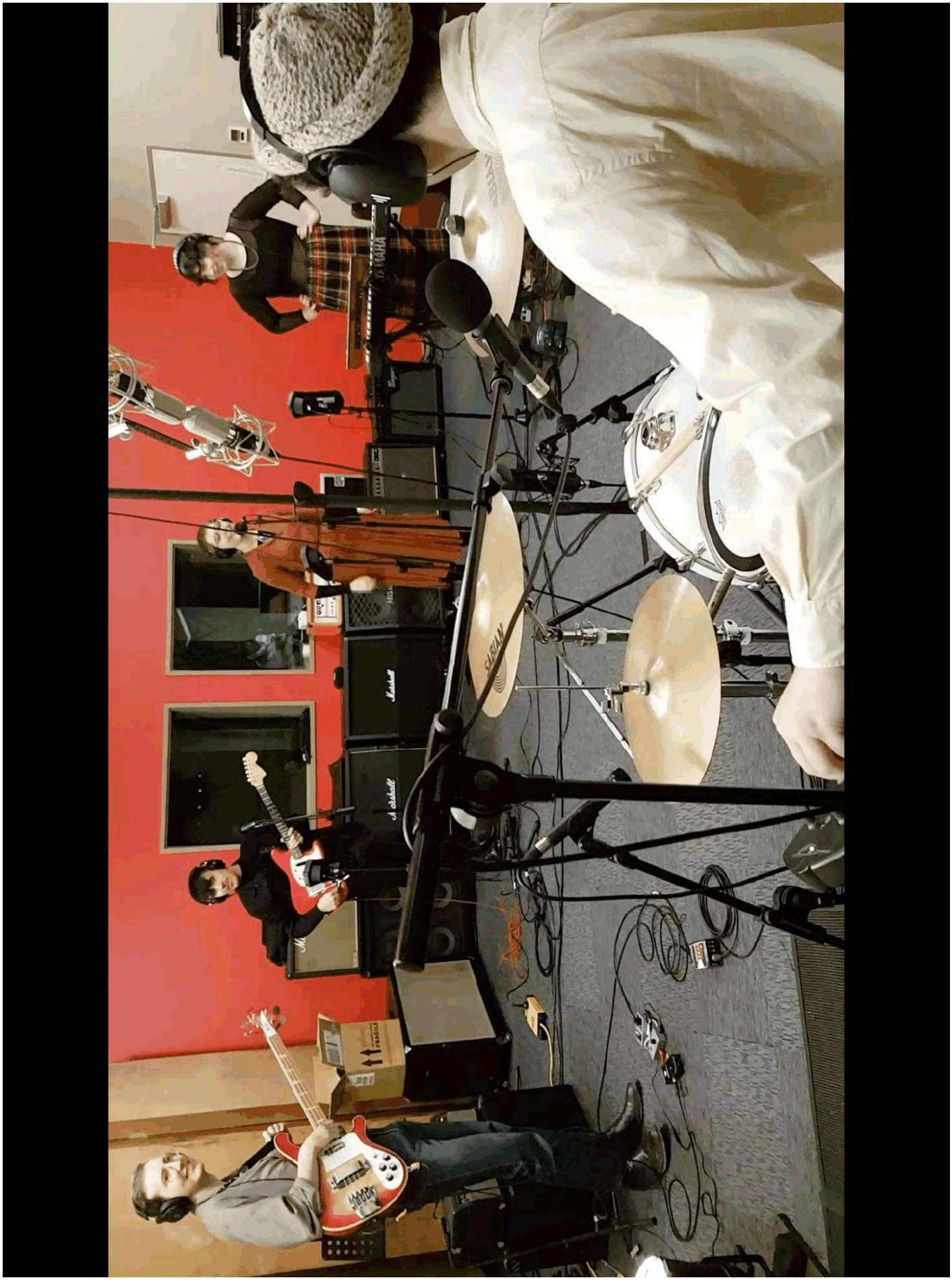


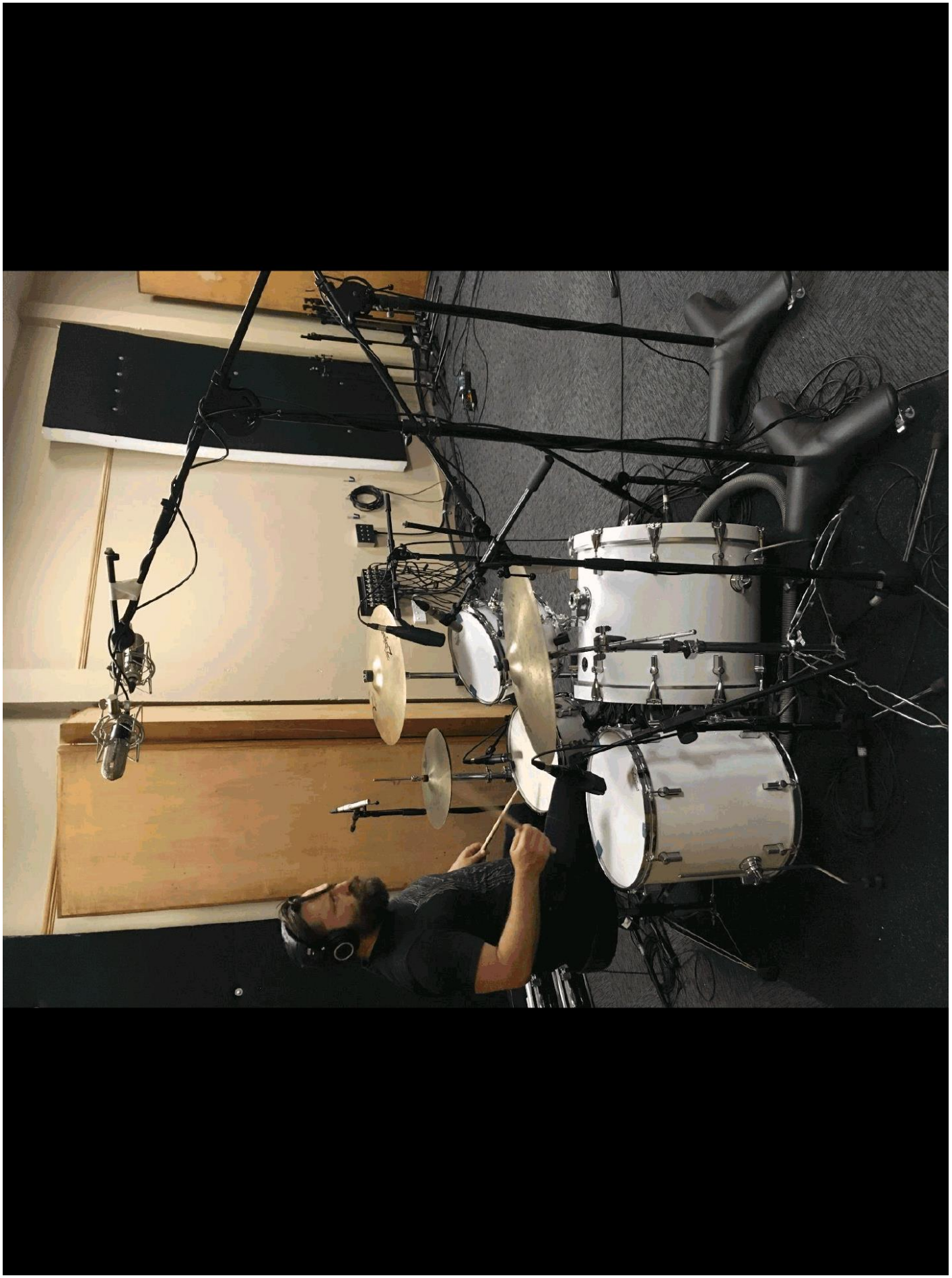


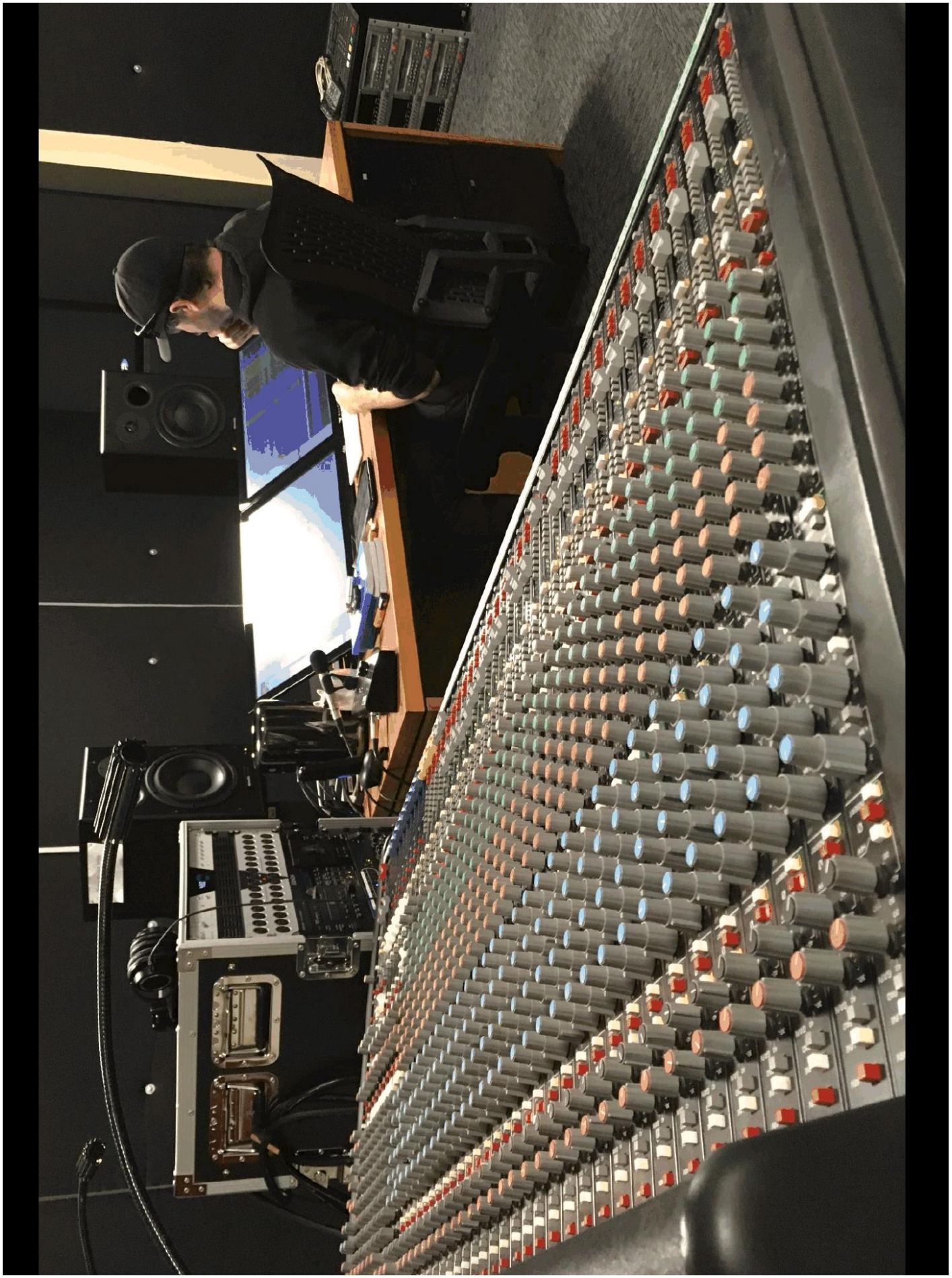

HHX

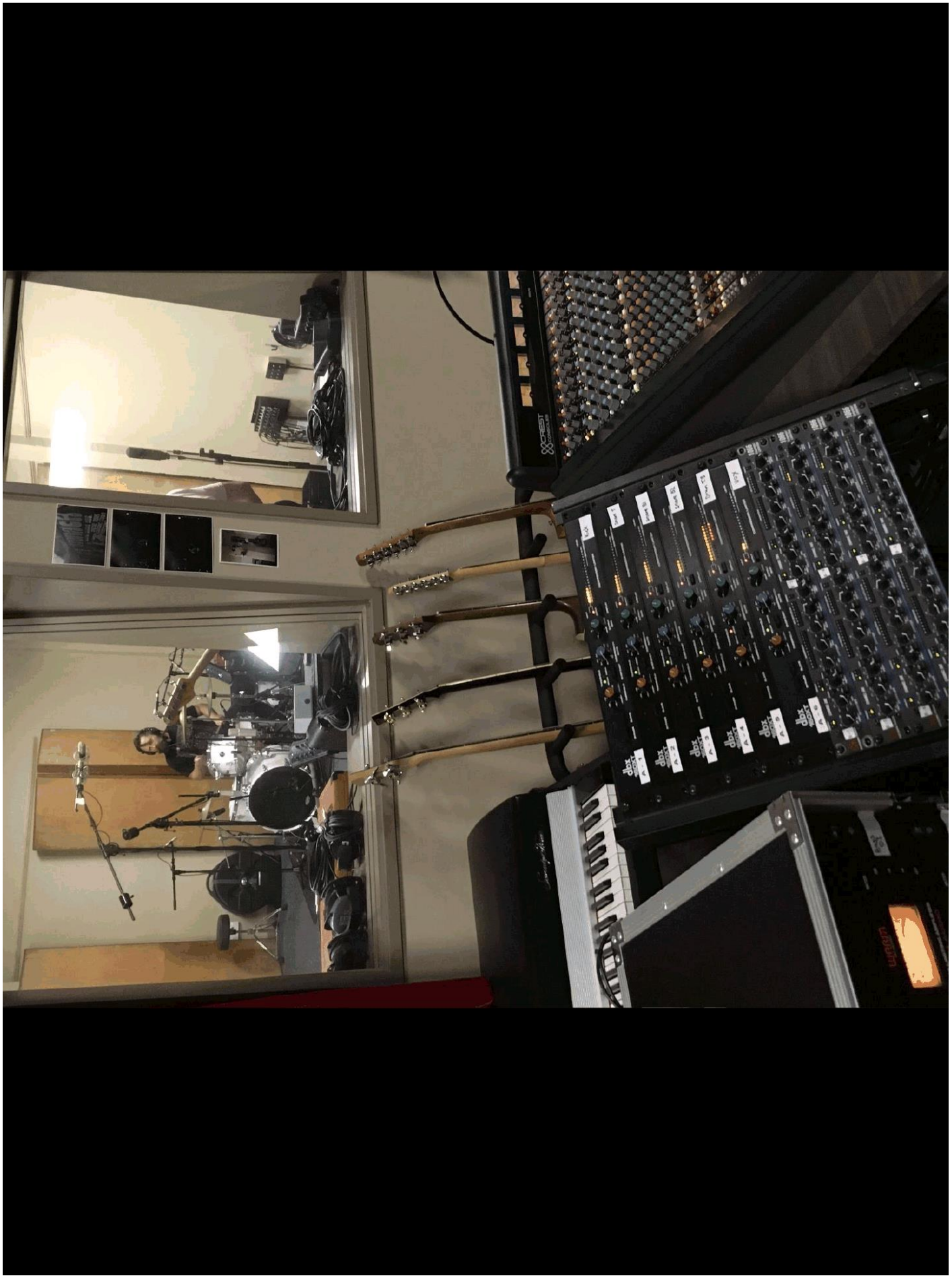

Marshall
Zildjian
Zildjian




YAMAHA
SABIAN

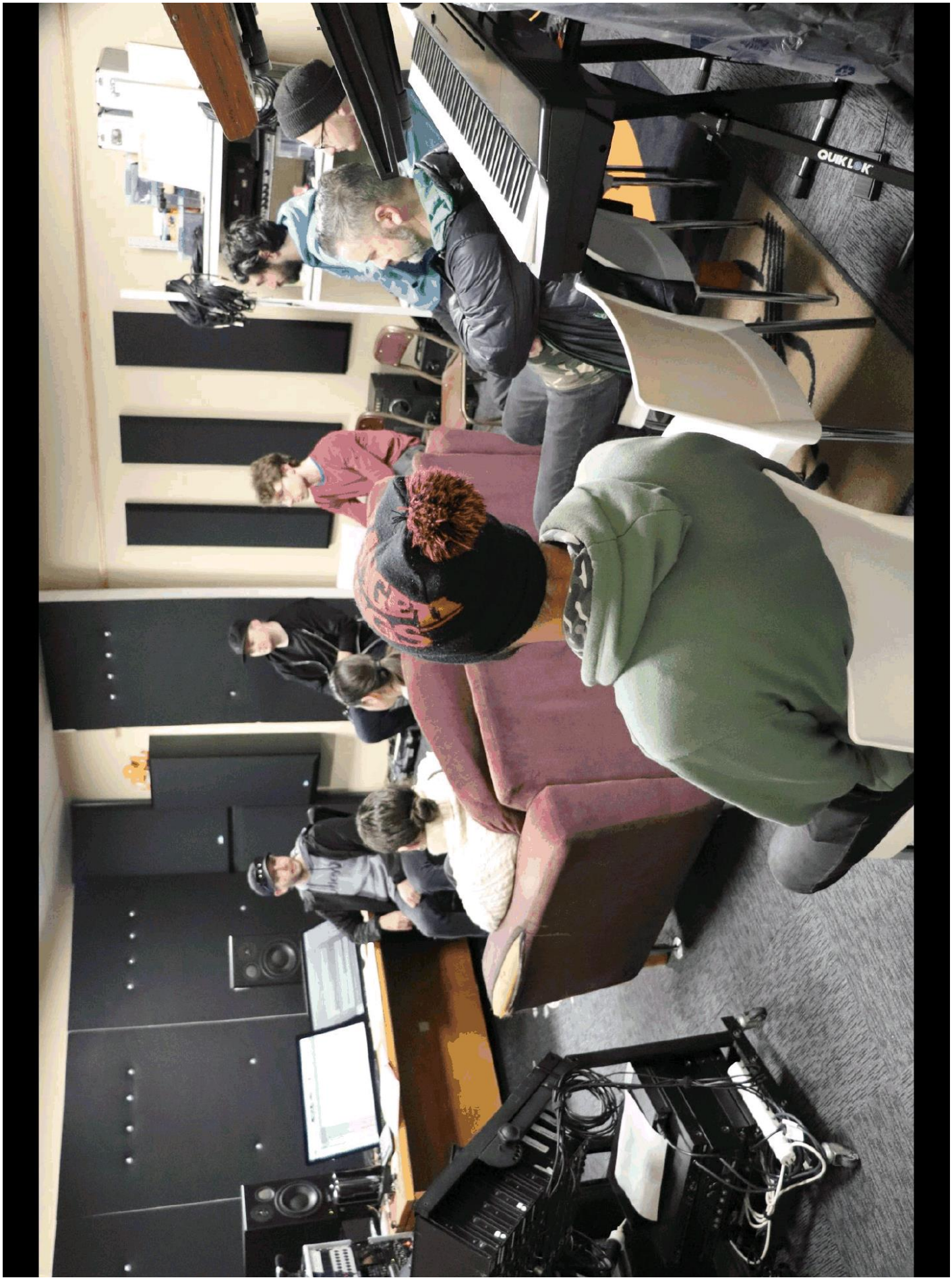


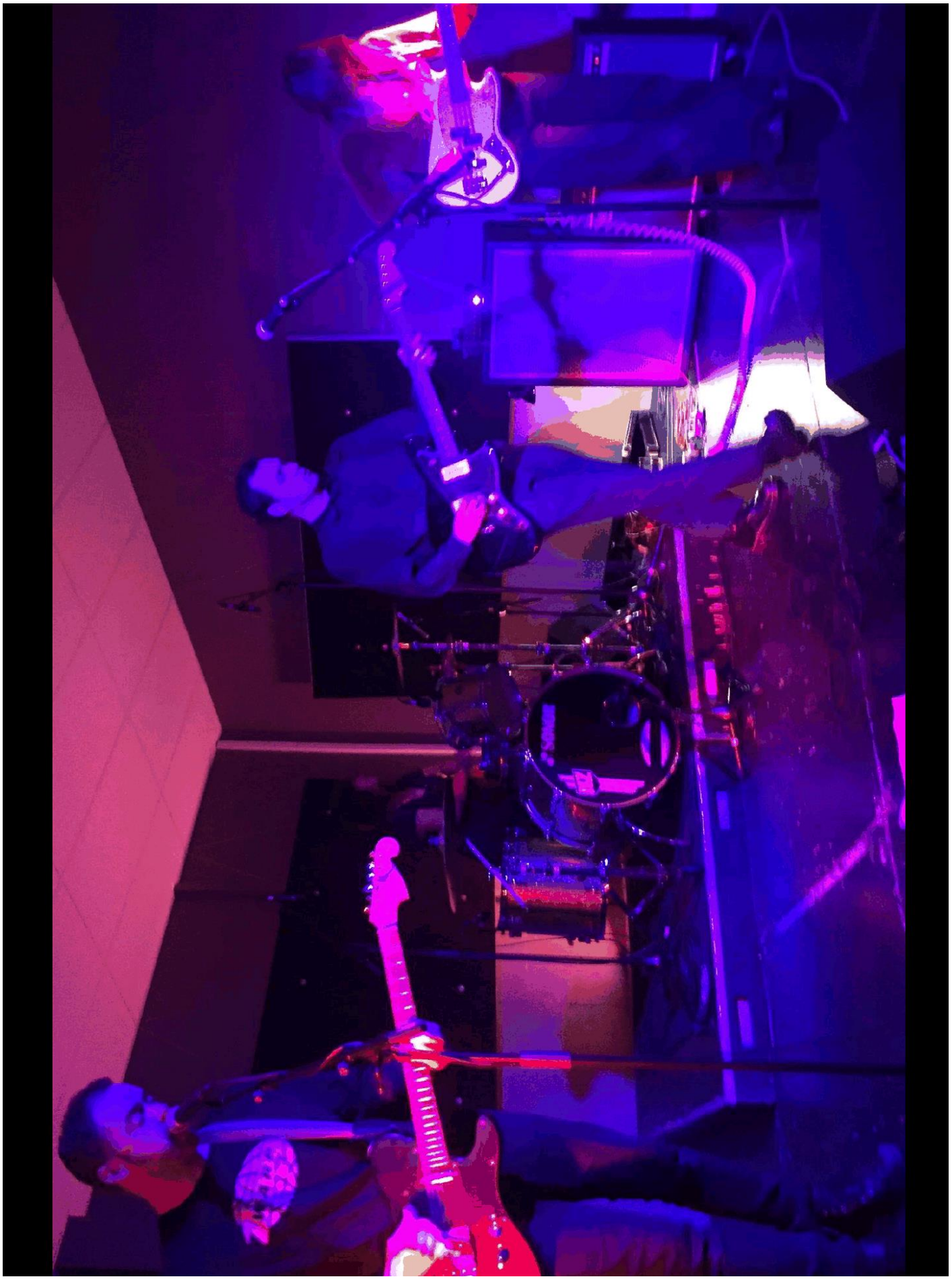




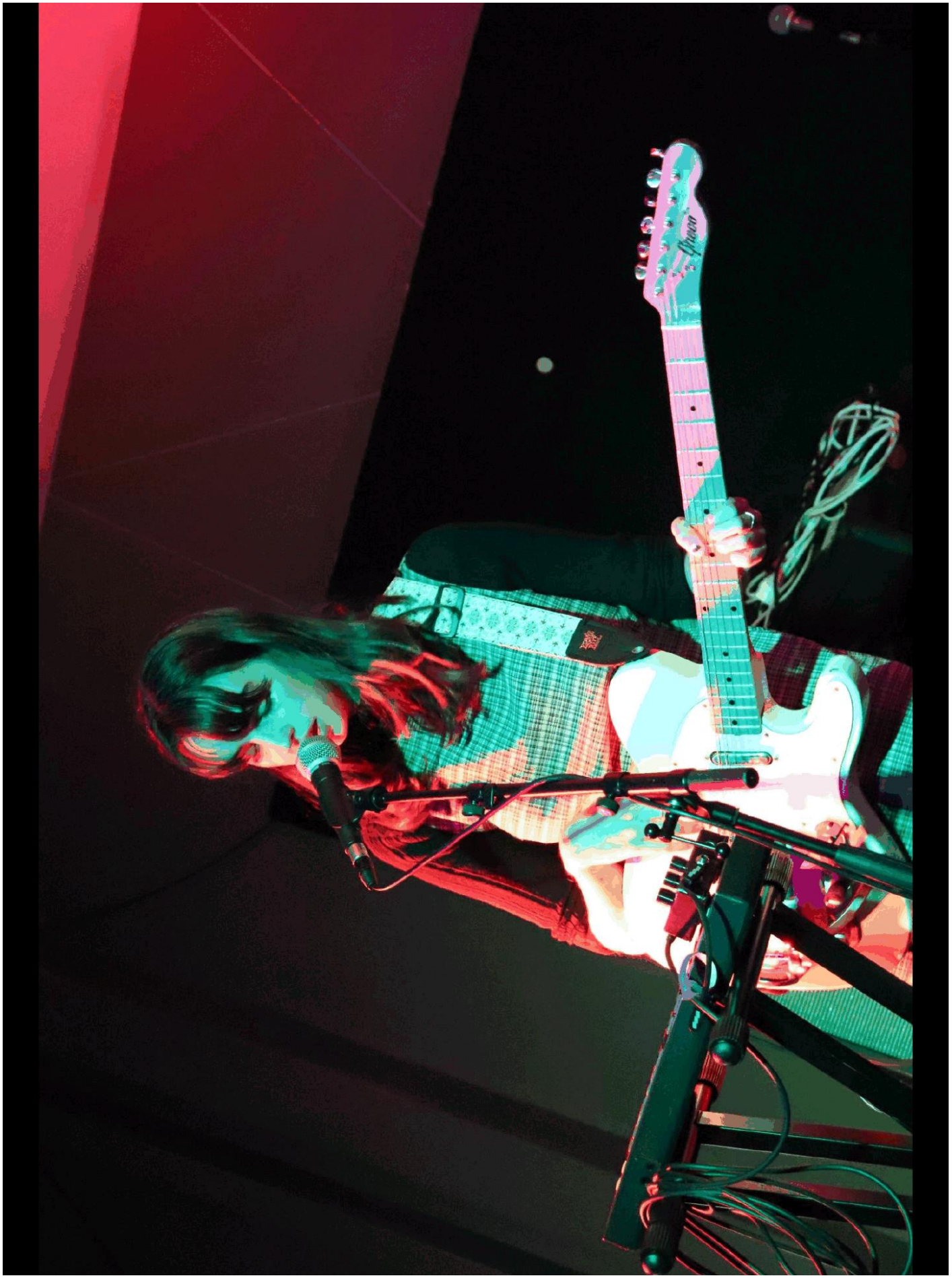
SONOS

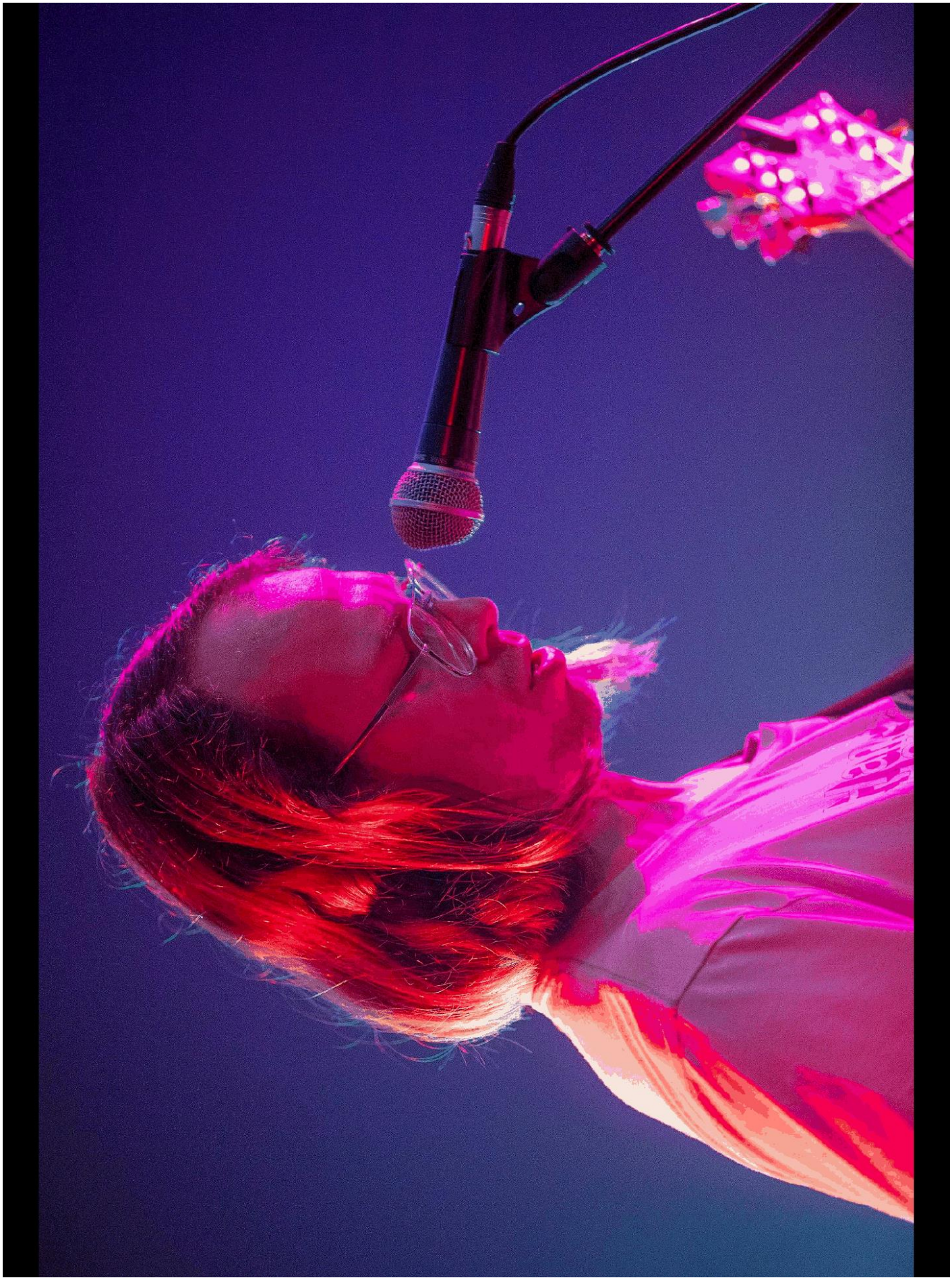
The Stomach Presents...
THE CLEARING

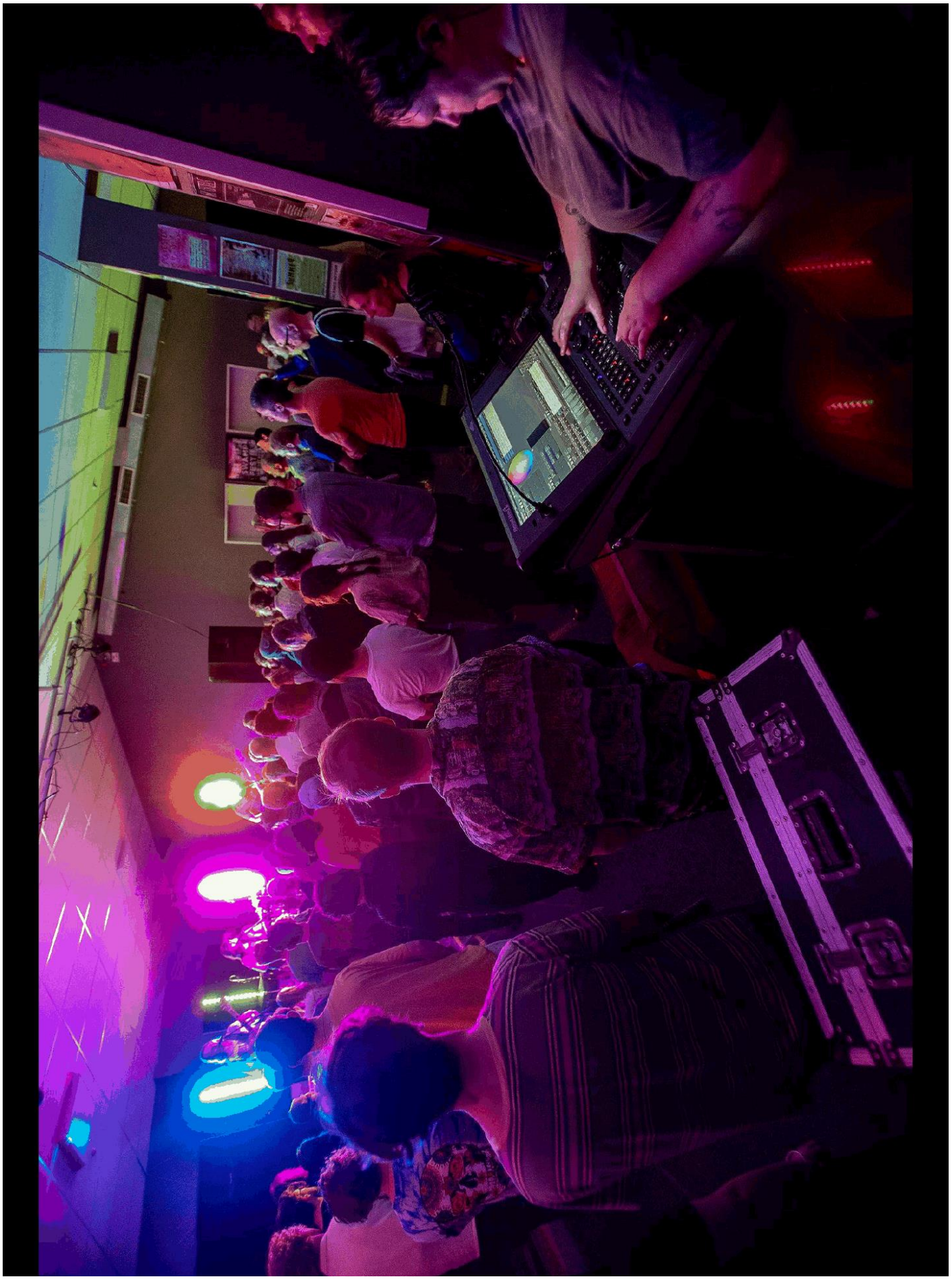

QUIKLOK



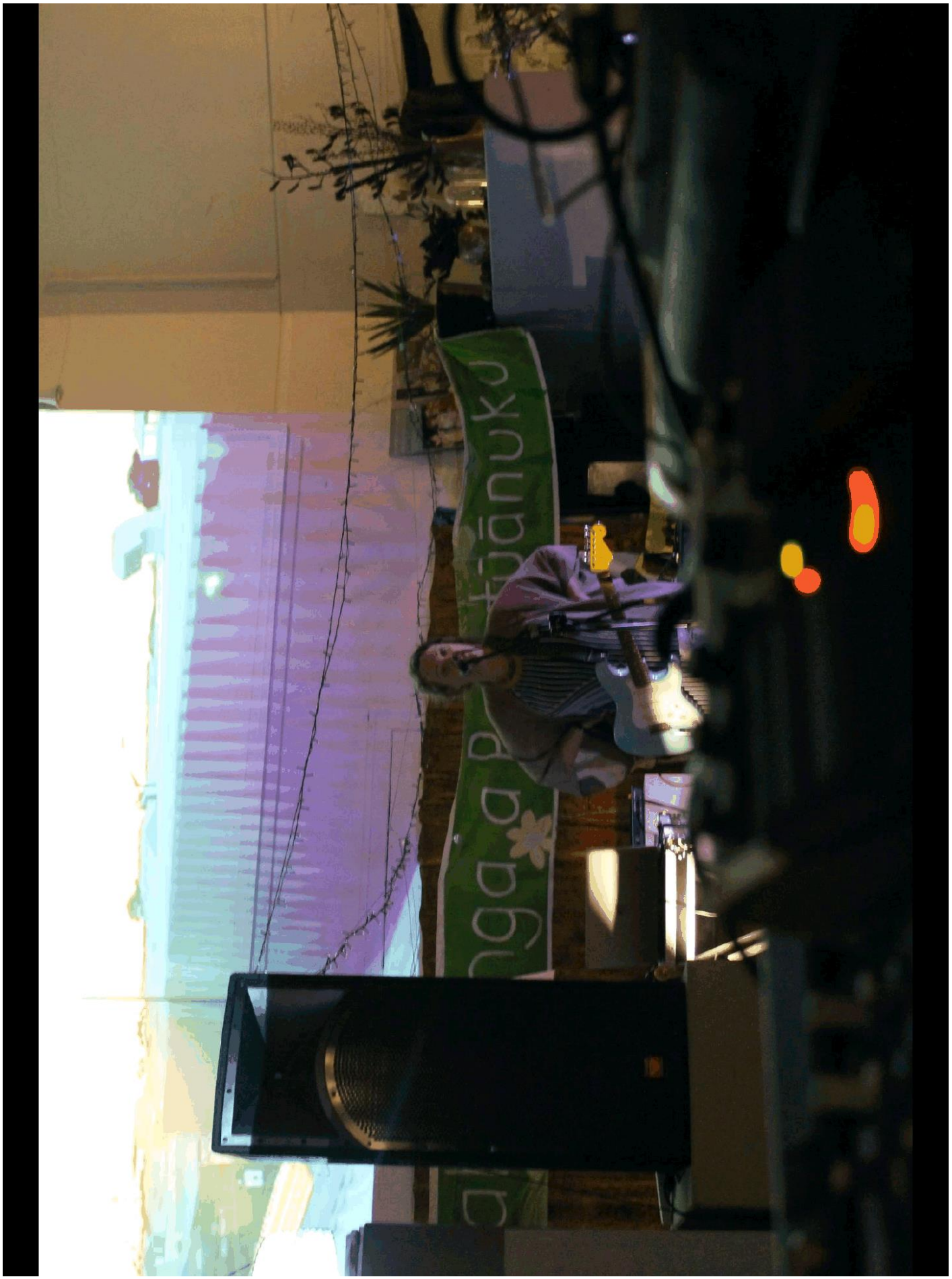
ORANGE
SONOR



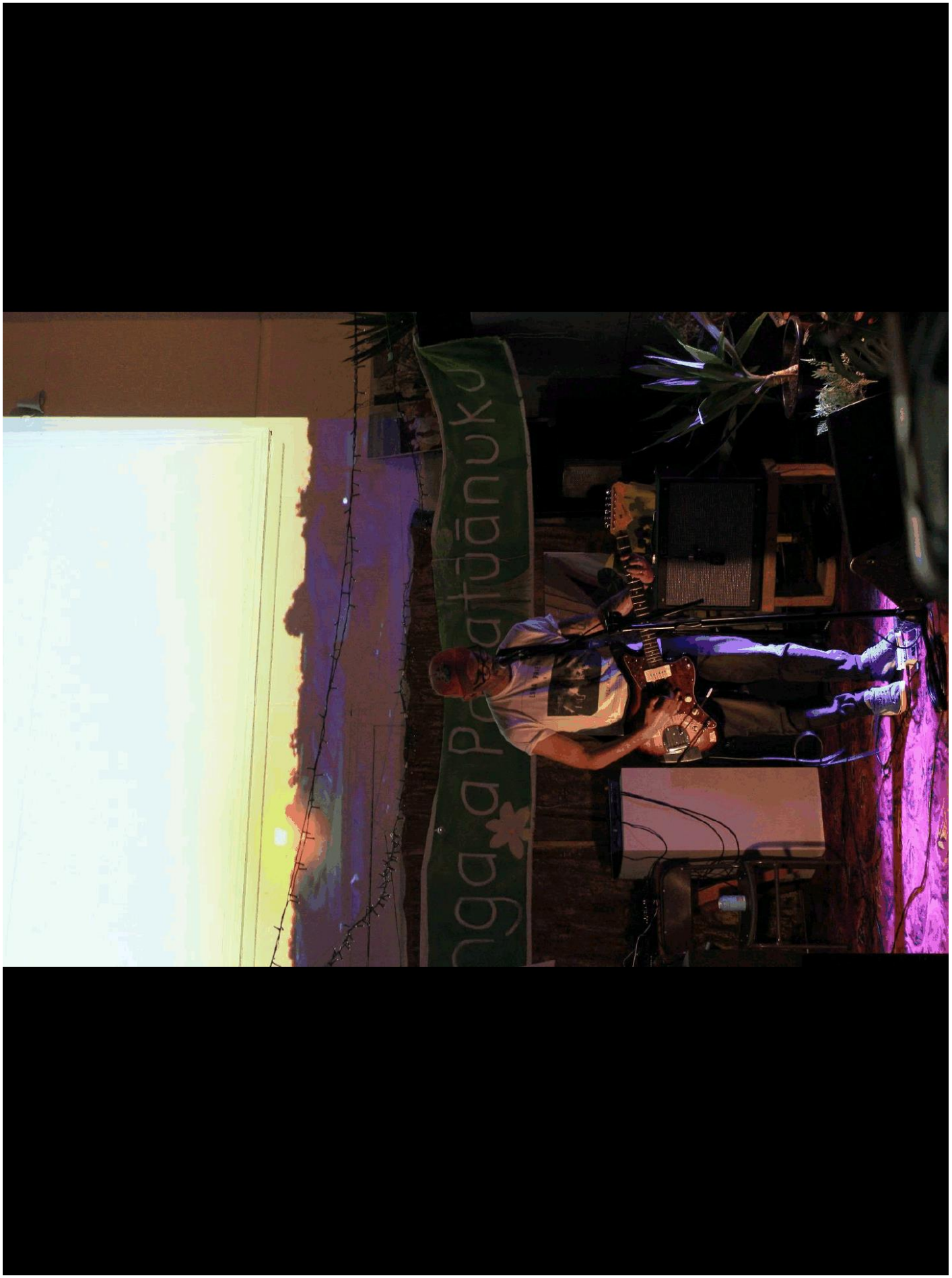




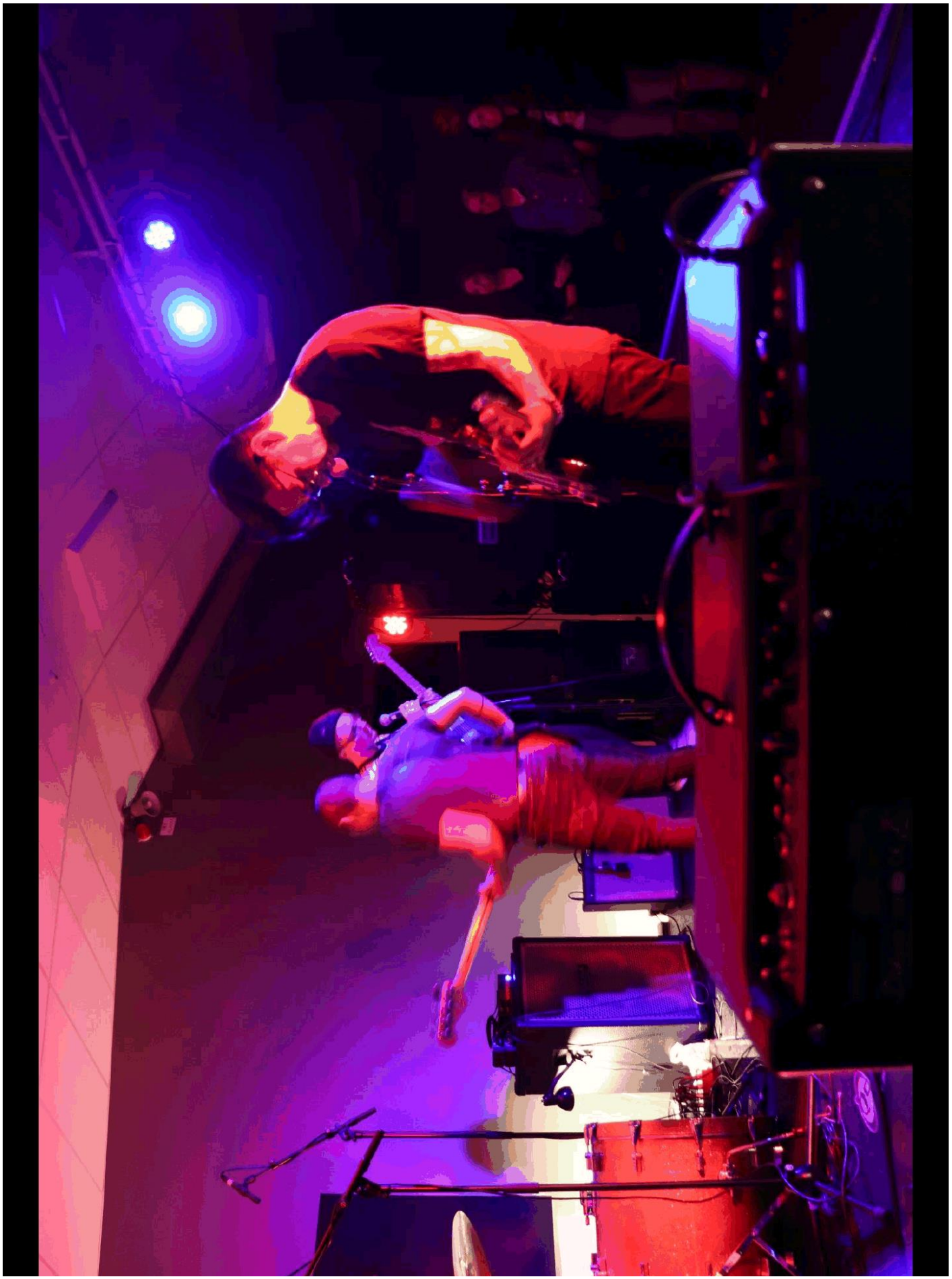
Electronic
Music
Guild
TAONUI · STREET · CHAPTER

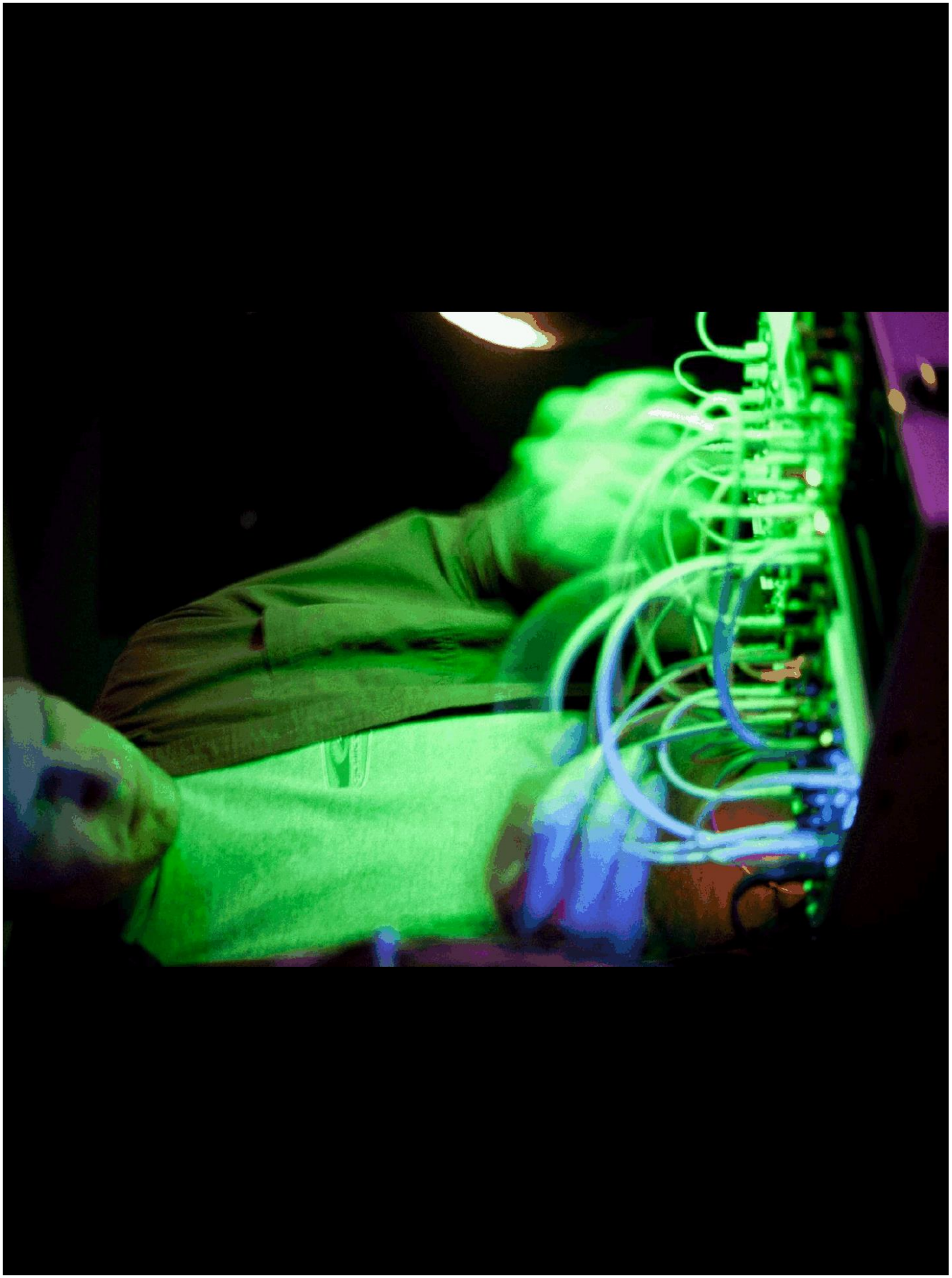


ngā papatūānuku



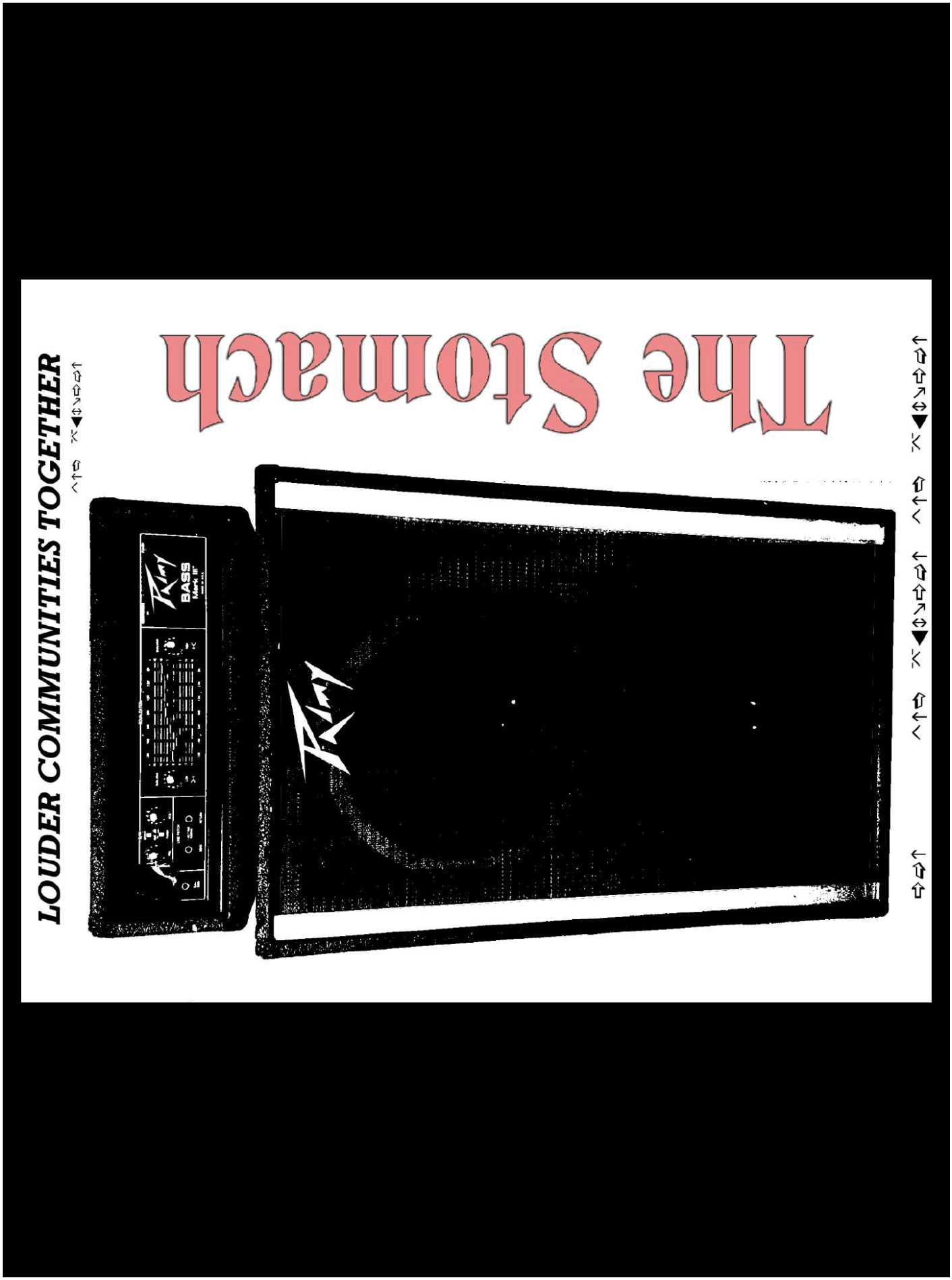
SCRIBS





SONOR

Lanny


LOUDER COMMUNITIES TOGETHER
The Stomach
PEAVEY
BASS

MUSIC
WEEKEND
SAT NOV 12TH UNDER AGE DANCE
STARTS 8 PM, COVER $5
INCLUDES:
SUN NOV 13TH MULTI-BAND CONCERT
STARTS 8 PM, COVER $5
INCLUDES:
76 LOMBARD
ST (OPPOSITE UNIVERSITIES)
76 Lombard St
LOUDER COMMUNITIES
The Stomach

The Stomach
LEADERS COMMUNITIES TOGETHER