

## Activity Planning -2012-2022 Ten Year Plan Strong Communities - Halls

### **The main matters that the Council is being asked to consider are....**

- To confirm a three tiered approach to the provision of Halls;
- To confirm Council's preferred position is to withdraw financially from the third tier of Halls;
- To confirm Council's intention to exit from involvement in the second tier of Hall, noting a planned exit programme is yet to be developed; and
- To consider Council's position on refurbishing/upgrading the Coromandel Citizen's Hall.

### **1. Council direction**

The direction provided to staff by the Council in December 2010 was to:

- Retain forecasted level of service (withdrawal from provision of halls outside of the main centres and rationalisation)
- Continued centralisation of halls (existing policy)
- Strategy for rationalising the Council's involvement in community halls
- Explore the revenue opportunities for this activity.

### **2. What the activity does**

The Council's has responsibility for 12 halls throughout the District.

The Council owns halls in Thames, Whangamata and Whitianga. Each of these facilities are managed by the Council and have been upgraded or identified for a planned upgrade. Due to the strategic location of these facilities they each provide a focal place for district and community activities and events.

There are another nine community halls that are on Council land and managed by the community, along with a further 7 community owned halls (land and building) that receive some Council assistance.

### **3. What the legislations says**

Despite the benefits of the provision of halls, they are not required to be provided. There is no legislative requirement for the Council to be involved in the Halls Activity.

### **4. Proposed activity objective**

The proposed activity objective for the Halls activity is:

*Provide indoor facilities for social, cultural, recreational and educational activities.*

NB: this is very similar to objective stated in the 2009-2019 Ten Year Plan, but now includes the word indoor.

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### 5. How this activity currently would contribute to the Council Outcomes

The activity will contribute to the achievement of the Council Outcomes as follows:

Council Outcome	The Halls activity...
A prosperous district	<ul style="list-style-type: none"> <li>The Halls activity does not directly contribute to this outcome.</li> </ul>
A liveable district	<ul style="list-style-type: none"> <li>Supports a range of recreation and leisure opportunities.</li> <li>Supports a choice of lifestyle opportunities.</li> <li>Helps support a range of community and cultural amenities and opportunities.</li> </ul>
A clean and green district	<ul style="list-style-type: none"> <li>Helps provide for recreation and enjoyment of the Peninsula.</li> </ul>

### 6. Things to be aware of

- Staff have drafted a Community Spaces Integration Strategy which suggests the possible co-location of community facilities (for example libraries, Information Centres, Council offices, Government Agency offices etc) where appropriate. This is for a variety of reasons including cost efficiencies and greater customer service (possible longer opening hours). It is likely that any future hall (re)developments, such as that proposed for the Whitianga town hall and old Fire Station site will be scoped to provide for a variety of community uses in addition to a traditional hall such as Council/Government agency office, library and Information Centre. This strategy should also provided guidance for the Council's involvement in the Coromandel Citizens Hall.

#### ***Coromandel***

- The Coromandel Community have a Citizens Hall which is managed by the Council. This community has been seeking acknowledgement and a commitment from the Council that this facility will continue to be supported and enhanced to a similar level as with the facilities in the three main urban hubs outlined in the Coromandel Peninsula Blueprint. This is an old facility which requires either significant maintenance or upgrading and is not well utilised due its current state. It includes an annex specifically occupied by the RSA.

The community have completed preliminary drawings and options for a staged redevelopment of the hall including the RSA . The building is a heritage building and Historic Places Trust has registered their interest. The community is investigating the establishment of a community incorporated society to manage the refurbishment and future of the facility. This would be a similar structure to Hauraki House.

In parallel the community is also fund raising for a large hall/conference centre to be built by a local church. This facility is consented, but not yet built, and will arguably provide similar facilities to what is being planned for the citizen hall.

Direction is required on the Councils commitment to refurbishing/upgrading the building. Estimated cost of the total project is between \$800,000 to \$1M. This would be currently funded from the Coromandel Ward.

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NB: the cost to the ratepayer of this hall currently is \$42,000 funded by local rates and charges per annum.

### ***Pauanui***

- A new community facility is being planned at a future date for a Pauanui. The previous Council chose not to include the funding for this activity (approximately \$700,000) in the 2009-2019 Ten Year Plan. The funding was identified for a future community facility incorporating other services e.g. information centre, meeting room, library and other community partnerships. The Council purchased the land for this facility in 2009/2010. The Pauanui Community would like to bring this project into the next 10 years 2012/2022.

### ***Other***

- The Council should be aware that the Hall in Tapu is a community owned and operated hall (on Crown land). The Council recently resolved to give them \$10,000pa and Thames Community Board is Budgeting to continue this.

## **7. A word from our community....**

- The 2010 community prioritisation survey shows that "providing and supporting community halls" sits at 3.44 out of 5, and is ranked 23<sup>rd</sup> out of the 27 activities surveyed. This activity remains a low priority activity, as determined by the community, when compared to other Council activities.
- In the 2010 communitrack survey, overall 59% of residents and non-resident ratepayers were satisfied with the District's public halls. 33% of respondents were unable to comment.

## **8. Strengths, weakness, opportunities and threats**

- A weakness is that currently there is no standard approach taken to the management of community halls. Each community hall is managed separately and there is a different standard of facility for each hall.
- There is an opportunity therefore to have a standard approach to management of community halls.
- There is an opportunity increase revenue through sponsorship.
- There is an opportunity to cease depreciating Halls where Council does not envisage ongoing ownership.
- The issue is there is declining community use, as community halls no longer meet the needs of the community.
- There is a risk that future residents will not want responsibility for their community hall.

## **9. Proposed levels of service options**

Staff propose to focus its resources on providing three main facilities in Thames, Whangamata and Whitianga.

It is proposed that Councils commitment to providing indoor space through the halls activity will be on a three tiered approach:

- Tier One: Council owned and managed
- Tier Two: Council owned and community managed
- Tier Three: Community owned and managed

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### **Tier One: Council owned and managed**

- Halls are available in Thames, Whangamata and Whitianga that are suitable for purpose.
- These are owned and managed by the Council.
- The community are able to make bookings online.

### **Tier Two: Council owned and community managed**

- There is a community hall in Hahei, Cooks Beach, Coroglen, Kuaotunu, Hikuai, Tairua, Oputere, Te Puru and Coromandel, and the facilities are suitable for purpose.
- The continuation of Council involvement with these facilities is because they are located on Council land.
- These halls are managed by the community.
- A standard service agreement for all facilities will provide consistency and clarity. This will place more responsibility at the local level.
- Tier two service would entail the Council holding details of contact personnel and this could be available through Councils website.
- Approximate operating costs of Council's involvement in tier two halls, is \$141,000 per annum. NB: operations costs include SLA funds, insurance, depreciation, renewals and maintenance, and rates. It does not include a portion of activity overheads.

### **Tier Three: Community owned and managed**

- There are community halls in Te Reranga, Hikutaia, Tapu Kauaeranga Valley, Puriri, Matatoki and Wharepoa.
- These halls are generally in rural communities and are often isolated. They are generally in a poor state of repair and are not well used.
- These halls are community owned and managed.
- Tier three service would entail the Council holding details of contact personnel and this could be available through Councils website.
- Should the Council wish to maintain current funding to their halls, the development of a clear agreement with each hall in return for funding.
- Should the Council cease supporting this tier, the organisation would save \$20,700, with Tapu being the most adversely affected. In addition there will be an administration saving for staff. This is an approximate saving of 1.5% of the activity

The Council does not plan to support the development of traditional community hall facilities, however would consider an integrated approach which could include partnerships for a combined community facility to reflect the changing needs of communities.

### **10. How is this activity managed?**

As noted above, Council's involvement in the Halls activity is varied.

### **11. What do we currently spend on this activity?**

As a proportion of the Council's annual budget for the 2011/2012 year, the Halls activity represents approximately 0.79% of total spend.

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2011/2012 Draft Annual Plan	
Operating Expenditure (excluding internal interest cost)	\$0.75m
Capital Expenditure	\$0.05m
<b>Total budgeted spend for Halls for 2011/2012</b>	<b>\$0.80m</b>
Total Budgeted spend for Council for 2011/2012	\$100.97m
Total percentage of budget spent on Halls	0.79%
2009-2019 Ten Year Plan	
Operating Expenditure (excluding internal interest cost)	\$7.87m
Capital Expenditure	\$7.43m
<b>Total budgeted spend for Halls for 10 years</b>	<b>\$15.30m</b>
Total Budgeted spend for Council for 10 years	\$1,295.64m
Total percentage of budget spent on Halls	1.18%

### 12. How this activity is funded, and why

The Halls activity is currently funded as follows:

*Funding rationale summary as outlined in the 2009-2019 Ten Year Plan*

Halls specifically benefit the communities in which they are located. There is very rarely a District-wide benefit from the provision of any particular hall and, as such, a board targeted fixed charge is considered appropriate to fund 60-79% of this activity. 20-39% of is funded by a board targeted land value charge because the Council acknowledges that there are affordability issues. User fees and charges are not higher because operating halls is very expensive and would mean very high fees.

*The funding mechanisms used to fund operating expenditure are:*

General Rates	UAGC	Targeted Rates	Fees & Charges	Grants & Subsidies
		Land value by Board - 20-39% Fixed charge by Board 60-79%	✓	

*The funding mechanisms used to fund capital expenditure are:*

Develop. &/or Financial Contribution	Borrowing	Asset Sales	UAGC	Depreciation	General Rates	Targeted Rates	Fees & Charges	Grants & Subsidies	Lump Sum Contribution
✓	✓	✓		✓		✓			

Staff recommend no changes to the funding policy used for this activity. Although, looking to the future, staff would flag that ultimately, if the Council's involvement is limited to the three main Halls then there would be a District-wide benefit associated with the provision of the activity, however, for the time being, staff recommend no changes to the current funding policy.

Historically minimal revenue has been collected from fees and charges for tier 2 and 3 halls. Revenue from tier 1 halls is more significant and is used to off-set expenses but is only ever likely to be a small proportion of operating expenses.

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In 2009/10 the budgeted fees and charges to fund the halls across the District was set at 10% of the total funding required. Thames (43%) and Mercury Bay (9%), and Whangamata (8%) were above or just below this target while the halls in Coromandel (2%); Tairua/Pauanui(2%) significantly below. These results are representative of the previous two years results.

### **13. Staff recommendation**

- The Council confirm a three tiered approach to the provision of Halls.
- In light of the Council's direction to align the annual rates increase to CPI, staff recommend:
  - The Council withdraw financial involvement from the third tier of Halls, noting this would be a matter for consultation with the community.
  - The Council consider withdrawing financial involvement from the second tier of Halls, in the 2015-2025 Ten Year Plan period, and cease depreciating the second tier Halls as at the 2012-2022 Ten Year Plan period.
  - The Council do not fund the refurbishment/upgrade the Coromandel Citizen's Hall.
  - The Council does not get involved in the funding of or building of the Pauanui community centre, and instruct staff to prepare options for the Council to reconsider its ongoing position with regards to the land previously acquired.
- Staff recommend no changes to the current funding policy for the Halls activity.