

2. The Arts Centre

Reference Te Tohutoro: 24/463656

Presenter(s) Te Kaipāhō: John Filsell, Elizabeth Neazor, Kiri Jarden, Bruce Rendall, Rupert Bool, Peter Langbein, Matthew Pratt

1. Detail Te Whakamahuki

Purpose and Origin of the Workshop	To provide advice to the Council on a proposal received from the Arts Centre for ongoing Council operational funding of between \$1.83m and \$2.5m p.a. Identify any further analysis or information Council needs to inform its decision making.
Timing	This workshop is expected to last for 45 minutes.
Confidentiality	The workshop and any shared information are confidential in order to maintain professional legal privilege (s7(2)(g)), a to protect information that would prejudice the commercial position (s7(2)(b)(ii)).
Outcome Sought	Councillors will have appropriate advice and sufficient information to consider a submission by the Arts Centre in the LTP process and make an informed decision.
ELT Consideration	The content of this workshop has not been discussed with ELT other than generally through the ongoing 2024/34 LTP process.
Next Steps	Collect any information, analysis and external advice requested by Council and prepare staff advice to inform Council decision making, to be finalised prior to 28 April 2024.
Key points / Background	<ul style="list-style-type: none"> On 21 November 2023 staff briefed Council on a proposal received from the Arts Centre for operational funding at a level between \$1.83m and \$2.5m p.a. Council was briefed on a number of other similar proposals from external organisations. Council directed staff to not make provision in the draft LTP for the Proposal. A position consistent with their approach to a number of other similar requests. Council directed staff to meet with the Arts Centre to identify options and provide the Council advice to inform their LTP decision making. Staff from across the organisation have re-examined the Proposal and met with the CE of the Arts Centre twice. The Centre have advised that they will make a submission to the 2024/34 Long Term Plan and will wish to be heard. Based on initial findings staff have commissioned external legal and financial advice, the legal advice will be presented, the financial advice is expected in early April. Initial findings indicate that the Arts Centre has the opportunity to improve financial viability, and lower its potential reliance on Council funding, by initiatives such as: <ul style="list-style-type: none"> Excluding the OPEX-subsidy, funding of depreciation. Reviewing its creative programming and senior management functions. A greater emphasis on financial viability and heritage/property management. Boosting foot traffic and vibrancy through activities with a wider appeal.

	<ul style="list-style-type: none">• Re consider its approach to risk management including insurance.• <i>All of the above are permissible under the Trusts governing legislation.</i>• Staff have discussed these opportunities with the Arts Centre CE and suggested the Centre explore a lower Council subsidy or an underwrite (or similar) to allow more time to consider options and avoid impacting year 2024/25 rates.• The Arts Centre reiterated that it had previously explored all options and if a minimum \$1,83M subsidy was not forthcoming in June 2024 the Centre would begin insolvency proceedings.• Whilst it is not the preferred course of action, there is the capacity within the Council organisation and its partner organisations to operate the Arts Centre and preserve its heritage buildings without the need for a minimum \$1.83m subsidy.
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Attachments Ngā Tāpirihanga

There are no attachments to this coversheet.

Signatories Ngā Kaiwaitohu

Author	John Filsell - Head of Community Support and Partnerships
Approved By	Andrew Rutledge - Acting General Manager Citizens and Community Mary Richardson - Interim Chief Executive