

WORKSHOP ITEMS

1. The Arts Centre

Please note this is a Public Excluded session

Presenters:

- John Filsell – Head of Community Support & Partnerships
- Elizabeth Neazor – Manager Legal Service Delivery, Commercial & Property
- Kiri Jarden – Principal Advisor Community Arts
- Bruce Rendall – Head of City Growth & Property
- Peter Langbein – Finance Business Partner
- Matthew Pratt – Community Facilities & Activation Manager

John Filsell - Background

- John Filsell briefly discussed the background regarding the Arts Centre. Discussed that Council first received a proposal from the Arts Centre in September 2023 along with various other organisations requesting financial support. Staff reviewed the Arts Centres proposal and have since commissioned external legal and financial advice.
- Discussed the history of funding Council has provided the Arts Centre in the past as well as options for further funding from Council that the Arts Centre does have available to apply for.
- Brief discussion on the opportunity for the Art Centre to improve financial viability and lower dependence on council. Note that this discussion has been had with the Arts Centre who believe all options have been fully explored.
- Acknowledged that there is no legal basis for the statement that council will be forced to take ownership should they fail.

Elizabeth Neazor - Legal

- Noted that external legal advice came to the same conclusion as internal staff.
- Engaged Bundle Finley to peer review who saw no reason/basis to why Council would take ownership without consent.
- Discussed the Arts Centre's conservative approach to legislative restrictions.
- Confirmed that there is nothing in the legislation that suggests Council would be forced to take the asset without consent.

Peter Langbein – Finance

- Discussed the low level financial projections provided by the Arts Centre.
- Discussed rates, note that council does not rate for depreciation, it rates for renewals.
- Notes that the Arts Centre is working with Deloitte directly.
- Discussed salary costs, high insurance premium, and creative programming.
- Discussed depreciation.

Bruce Rendall – Property

- Acknowledged that the Arts Centre is an important part of the city.
- Discussed Rents and Leases, acknowledge that they are appropriate.

- Brief discussion on further opportunities for the Arts Centre including Dux-de-Lux. Acknowledged that while proposal heard wouldn't increase revenue, it would increase foot traffic.

Kiri Jarden – Arts

- Brief discussion on markets, promotion of Māori art, management of entry points, event spaces, live music, and annual sculpture competition.
- Discussed opportunities not explored and potential collaborations with Council and other organisations.
- Acknowledge loss of key institutions such as court theatre and ballet school. Believe still opportunities relating to child and youth programmes.
- Raised that further collaboration with the university could create opportunities, especially with the fine arts school.

John Filsell – Community Support

- Confirmed that the Council and Community value the Arts Centre, Heritage, and activation. Acknowledged that there is community support and want for the Arts Centre.
- Discussed available community funding, noting that the number of funds available are oversubscribed. Acknowledged that Council has funded them extensively in the past.
- Discussed opportunities available to meet the Arts Centre in the middle, including smaller subsidies which will give the Arts Centre time to find other sources of funding.

Matthew Pratt – Future impacts

- Confirmed that managing the Arts Centre is not the Council's preferred option, but acknowledged that it would be possible using existing systems and corporate services.
- Discussed operational requirements, the necessity for greater functional understanding, and the need to emphasise activation.
- Confirmed council is not defunding, but does not recommend funding to the level requested.
- Confirmed that managing the site is not the preferred outcome.
- **Action:** Will provide more advice before the end of LTP submissions.

Questions

- Councillor Templeton requested a history of funding with commentary on the funding of reinstatement works.
- Discussion around activities outside of narrow scope regarding legislation already being done by the Arts Centre, including the hotel. Staff confirmed that the Arts Centre is well tenanted, the broadening of opportunities is aimed at events and activities.
- Councillor Templeton raised concerns regarding the public narrative.
- Councillor Keown noted that if it's not Council's preference to take on the Arts Centre, who would?
- Staff discussed the alternative options, expectations related to the narrative being spread, and the reality of the situation if the Arts Centre trust was to dissolve.
- Discussion around conversations that have been had with the Arts Centre.
- Councillor McLellan asked if the Arts Centre had received similar legal advice. Staff stated that they have not seen it if they have. Discussion regarding the potential of conflicting legal advice.
- Councillor Scandrett asked if staff would be requesting all lease details. **ACTION:** Bruce Rendall stated that these can be requested.
- Councillor Henstock sought confirmation of what level staff had been engaging with the art centre. Staff confirmed that they'd primarily engaged with the Chief Executive. Councillor Henderson requested engagement with the board.

- Discussion regarding the risk of public reputation and strategic comms approach. Raised that due to LTP submission process being underway, staff believe it's best to remain silent.
- Councillor MacDonald raised questions relating to depreciation costs, management costs, and minimum financial contribution needed. Discussed issues around providing funding if only a band aid.
- Councillor Johanson requested confirmation of the last time they notified a Board of Trustees vacancy. **Action:** Mary Richardson confirmed that staff would check with Linda Gibb.
- Discussed meeting with the board, governance to governance. Noted that this will occur as part of the LTP already.
- Discussion around cost cutting, and what work has been done by the Arts Centre in this area already. Staff confirmed that the Arts Centre have stated that they believe they've already cut costs as much as they can. Discussion regarding aspirational aspects of budget requested.
- Discussion regarding the performing arts precinct and the big picture for Christchurch as a whole, recent news articles regarding the dux-de-lux, and restrictions regarding hospitality use and licences.
- Councillor Cotter requested the internal cost of taking it over.
- Discussion regarding using capital and the request for an annual opex grant.
- Mayor Phil Mauger asked if the Arts Centre board are aware that they can't force us to take the asset. Staff confirmed that external advice was only received on Friday and hadn't been passed on yet.
- Discussion on internal charging, appetite for change, and whether the Arts Centre are overinsuring themselves.
- Discussion regarding legislative limitations for use and differing opinions on rates. Staff confirmed that Council staff have worked with the Arts Centre and other sites of historical significance regarding rates for years.
- Councillor Gough queried whether they're charging commercial rent, and whether they were commercial leases. **Action:** Bruce Rendall will request the leases.
- Discussion regarding insurance.
- Discussion regarding Councillor preference for a comms strategy to show that Council is trying to help the Arts Centre rather than current narrative. Staff suggestion for FAQs.
- Discussion regarding process were the Trust to reach insolvency. Staff offered to provide more information on the process if the councillors request it.