
ESTABLISHMENT OF THE WELLINGTON REGIONAL AMENITIES FUND

1. Purpose of report

This report outlines the implementation plan for the establishment of the Wellington Regional Amenities Fund (the Fund).

The report seeks the Strategy and Policy Committee's agreement to recommend to Council that it resolve to establish a Joint Committee to oversee the Fund and agree its Terms of Reference.

2. Executive summary

In October 2011, the Strategy and Policy Committee agreed to include the Fund as a new initiative in the 2012 - 22 draft Long Term Plan. We received 14 submissions on the Fund, with the majority supporting its establishment. Subsequently the Fund has been included in the 2012 – 22 Long Term Plan.

The Fund is being established to support eligible entities of regional significance with day to day operational expenses and new innovative projects that will achieve identified regional priorities. The Fund is focused on arts, cultural and environmental attractions and events.

Along with Wellington City Council, Hutt and Upper Hutt City and Kapiti Coast and Masterton District Councils have included funding for the Fund in their 2012 – 22 Long Term Plans. Hutt City and Masterton District Councils have approved funding for the set up year of the Fund and will consider further funding for subsequent years.

South Wairarapa and Carterton District Councils and Porirua City Council have decided against including the Fund in their Long Term Plans. This has the effect of reducing the overall fund in the set up year by \$70,000, which is the combined funding of these three councils, to \$910,000.

The focus now moves to the implementation phase of the Fund so that we can “go live” on 1 January 2013. It is recommended that a Joint Committee comprising a representative, potentially the Mayor, from each of the participating councils be established by resolution of each council. The Joint Committee will have responsibility to govern the Fund, consider recommendations and approve successful applications to the Fund.

3. Recommendations

Officers recommend that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note that the Wellington Regional Amenities Fund (the Fund) will be overseen by the Wellington Regional Amenities Fund Joint Committee (Joint Committee), a joint committee established under section 30 (1)(b) of Part 1, Schedule 7 of the Local Government Act 2002.*
3. *Agree to recommend to Council that it agree to the Terms of Reference for the Fund as set out in Appendix 1 to this Report.*
4. *Agree to recommend to Council that it endorse the Resolution for Endorsement by participating councils that the Fund be overseen by the Joint Committee as set out in Appendix 2 to this Report.*
5. *Agree to recommend to Council that it elect one member and an alternate to represent the Wellington City Council on the Joint Committee.*
6. *Note that reports on funding decisions will be made available to the Strategy and Policy Committee.*

4. Discussion

Gaining agreement by Upper Hutt and Hutt City and Kapiti Coast District and Masterton District Councils to join with Wellington City Council in the establishment of the Fund is a positive result for the region.

The Fund will:

- (a) complement existing funding
- (b) support eligible entities of regional significance with day to day operational expenses and new innovative projects (excluding capital projects) that will achieve identified regional outcomes
- (c) focus on the key areas of arts and culture and environmental attractions and events
- (d) be governed by a Joint committee made up of one member of each participating council that will approve successful applications to the Fund
- (e) be managed by a Fund Manager to be based at Wellington City Council
- (f) establish a cross-council Officers Group to liaise with and support the Fund Manager
- (g) be set up in 2012/13 with funds of \$910,000
- (h) grow incrementally and be capped at \$3 million

The Fund will be reviewed by all participating councils ahead of the 2013/14 annual plan as a consequence of Masterton District and Hutt City Councils agreeing to apportion funds for the set up year only.

Table One sets out the size of the Fund and the forecast contribution of each council over the five years of the Fund.

Table One: Total forecast Fund size with all participating councils contributing over a five year period.

Council	Average %	SET UP		YEAR ONE = \$1.82million		YEAR TWO = \$2.47million		YEAR THREE = \$2.275 million		YEAR FOUR = \$2.502 million		YEAR FIVE = \$2.730million	
		\$1million		Dollar Share	Average inc per rate-able property	Dollar Share	Average inc per rate-able property	Dollar Share	Average inc per rate-able property	Dollar Share	Average inc per rate-able property	Dollar Share	Average inc per rate-able property
		Dollar Share	Average increase per rateable property										
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Wellington City	66%	594,000	8.01	1188,000	16	1336,500	18.02	1485,000	20.02	1633,500	22.03	1782,000	24
Hutt City	21%	195,000	5.08	390,000	10.15	438,750	11.42	487,500	12.69	536,250	13.96	585,000	15.2
Upper Hutt City	6%	53,000	3.3	106,000	6.6	119,250	7.43	132,500	8.25	145,750	9.08	157,500	9.8
Kapiti District	5%	48,000	1.98	96,000	3.96	108,000	4.46	120,000	4.95	132,000	5.45	145,500	6
Masterton District	2%	20,000	1.64	40,000	3.28	45,000	3.69	50,000	4.1	55,000	4.51	60,000	4.9
TOTALS		910,000		1820,000		2047,500		2275,000		2502,500		2730,000	

4.1 Implementation of the Fund

A cross-council officer working group, with representatives from participating councils, is now working to finalise arrangements for implementing the Fund. A key step is recruitment of the Fund Manager who will be charged with developing criteria for assessing applications and financial systems for the collection and holding of funds and Fund distribution; processing of applications for recommendation to the Joint Committee; and communication processes.

The position will initially be for a fixed term focussed on the set up phase. It is anticipated that the Fund will take advantage of the efficiencies offered by Wellington City Council's recently developed on-line Funding and Relationship Management System (FARMS). The Fund Manager position will be re-evaluated once the Fund is up and running and systems for operating the Fund are in place.

Consideration of an independent selection panel was included in the report to SPC on 20 October 2011. This has been reconsidered following the decision by Porirua City and Carterton and South Wairarapa District Councils not to join the Fund. Removing the panel will reduce operation costs and put more funding directly to applicants; remove a layer of administration and simplify the application process.

A cross-council Officers Group will be established with a representative from each of the participating councils to liaise with and support the Fund Manager. In conjunction with the Fund Manager the Officers Group will make recommendations to the Joint Committee and will act as their council's point of contact for the Fund.

4.2 Distribution of Funds

An early appointment to the position of Fund Manager will ensure the smooth implementation of the Fund and the distribution of funds to successful applicants early in 2013.

This is important for participating Councils who have committed funds to see the Fund in operation. It means the Fund can begin supporting regionally significant entities to contribute to the region's vibrancy, attractiveness and the economy.

5. Other considerations

5.1 Consultation and Engagement

The Fund was included as a new initiative in the 2012-22 draft Long Term Plan. We received 14 submissions on the Fund, with the majority supporting its establishment. The Fund, once established, will be widely promoted and advertised across the region to ensure full participation by interested groups.

5.2 Financial considerations

Wellington City Council's contribution to the Fund for the set up year (2012/13) is \$594,000. In the first full year of the Fund (2013/14) Wellington City Council's dollar share will be \$1,188,000.

5.3 Climate change impacts and considerations

There are no direct climate change considerations in relation to the Fund.

5.4 Long-term plan considerations

Officers have recommended that the Fund be reviewed by participating councils ahead of the 2013/14 annual plan. This is a consequence of Masterton District and Hutt City Councils agreeing to apportion funds for the set up year only.

6. Conclusion

A Fund supporting arts, culture and environmental attractions and events can now proceed following agreement by Wellington, Upper Hutt and Hutt City, and Kapiti Coast District and Masterton District Councils to allocate funding in their 2012 – 22 Long Term Plans.

Wellington City Council's contribution for the 2012/13 set up year will be \$594,000 (66% of the Fund). The Fund will grow incrementally with Wellington City Council's share for year one (2013/14) being \$1,188,000, and will be reviewed ahead of the 2013/14 Annual Plan.

The Fund will be governed by a Joint Committee, with representatives of each participating council, and administered by a Fund Manager to be based at Wellington City Council. A cross-council Officers Group will liaise with and support the Fund Manager.

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