

# COMMUNITY HEALTH AND RECREATION COMMITTEE

24 JULY 2002

## Community Groups Access to Venues

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### 1. Purpose of Report

To clarify Council's position on community groups having access to central city venues it owns, funds or sponsors ('venues') at non-commercial rates. This report also provides direction to:

- venue providers - about a community access programme that allows them to maintain commercial objectives
- community groups - about their opportunities to access venues in the central city.

### 2. Executive Summary

Council clearly states in funding and trust deeds with venue providers that it expects them to operate with commercial objectives. However, Council also supports community groups holding some major events at a non-commercial rate at venues it owns, funds or sponsors.

This report proposes that Council clarify its expectation that venues provide some community access, but still allow the venue providers to determine the exact details of that access. This lets community groups know what is available at non-commercial rates, without crossing the line into hands-on management of these stand-alone entities.

### 3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Agree that venue providers should provide a minimum level of community group access to venues.*
3. *Agree that venue providers will decide which venues (or parts of venues) are available to community groups at non-commercial rates, when and how often.*
4. *Agree that venue providers will decide the type and level of discount from commercial rates that community groups can receive.*
5. *Agree that, in allowing community groups access, venue providers will work within their budgets.*

6. *Agree that the levels of access for community groups will be set as performance measures that will be incorporated into individual venue business plans within the context of their commercial objectives.*

## **4. Background**

Council has an expectation that venues will provide community groups access at non-commercial rates, but it does not provide guidelines in terms of the type or amount of access. Council also does not provide explicit funding for community access except to the Wellington Convention Centre ('WFCC'). All venues currently do provide community groups with some access to their facilities, but each has a different way of managing that access.

Venue providers have primary commercial objectives agreed with Council through trust and funding deeds and community access is managed within this context. Some venue providers have had difficulty justifying this to community groups, many of whom have an expectation that venues are community facilities that they are entitled to use relatively cheaply and at times that may conflict with bookings from full-fee paying customers.

Furthermore, the cost to venues of allowing community access and the extent to which groups receive discounts and/or Council grants is not clear.

## **5. Definitions** (for the purposes of this document only)

### *Venues*

Venues (or parts of venues) managed by members of the Wellington Events and Venues Forum<sup>1</sup>:

- St James Charitable Trust (St James Theatre, Opera House)
- Wellington Convention Centre (Town Hall, Michael Fowler Centre)
- Wellington Museums Trust (City Gallery, Capital E, Museum of Wellington City and Sea)
- Wellington Regional Stadium Trust (WestpacTrust Stadium, Basin Reserve)
- Lambton Harbour Management Limited (Events Centre, Frank Kitts Park etc.)

### *Access*

Community groups ability to pay to use venues for their own events; it does not refer to people's ability to attend events and activities at venues nor physical access.

### *Community group*

An organisation or association of persons with the primary aim of working to provide services and benefits to the community within Wellington City. A community group may take part in profit-making activities, but the surplus is reinvested to provide further benefits to the community,

*and*

Community groups may be special interest or advocacy groups for particular sections of the community. Membership is inclusive, accessible and affordable,

*and*

The community group will have a legal charter or other document stating that should the group dissolve, any assets held will be returned to the community.

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<sup>1</sup> Te Papa has been excluded because Council has limited influence over its operations and community access is already one of their primary drivers.

## **6. Options and Recommendation**

Table 1 outlines three options. The main advantages and disadvantages for each option are outlined below.

**Table 1: Options for Council and Venues** (*recommendations in italic*)

<b>Option</b>	<b>1. Council facilitates decision-making</b> <b>Venues make decisions</b> <b>Venues administer the process</b> <b>Venues accountable to Council</b>	<b>2. Venues make decisions</b> <b>Venues administer the process</b> <b>Venues not accountable to Council</b>	<b>3. Council makes decisions</b> <b>Council administers the process</b> <b>Venues accountable to Council</b>
<b>Issue</b>			
<b>a. What is available to community groups?</b>	<i>Council decides a minimum level of community group access to venues must be available.</i>	Venues decide which venues (or parts of venues) are available, if any.	Council decides which venues (or parts of venues) are available.
<b>b. When are they available?</b>	<i>Venues decide when venues (or parts of venues) are available and how often.</i>	Venues decide when venues (or parts of venues) are available and how often, if at all.	Council decides when venues (or parts of venues) are available and how often e.g. sets a minimum and/or maximum availability.
<b>c. Who is eligible?</b>	<i>Council provides definition of community group (see Section 5). Venues interpret and decide.</i>	Venues decide with or without a definition of community group.	Council decides with a definition of community group.
<b>d. How much should community groups pay?</b>	<i>Venues set rates and charges and decide what discounts are available.</i>	Venues set rates and charges and decide what discounts are available.	Council sets rates and charges and decide what discounts are available (minimum amount can be specified) in detail for each venue.
<b>e. How should community groups be subsidised?</b>	<i>Venues administer funding. Venues provide funding or work within their budget.  Council grants still available to groups. Council can provide funding for venues.</i>	Venues administer funding. Venues provide funding or work within their budget.  Council grants still available to groups. Council can provide funding for venues.	Council administers funding made up of Council funds (grants, subsidies), venue provides funds or a combination of both (central fund).
<b>f. How accountable are venues to Council?</b>	<i>Venues report back on community usage – expectations from Council are made explicit as performance measures in business plans.</i>	Report back is not required – Council expectations do not exist or are not specific.	Venues report back on community usage – expectations from Council are made explicit as performance measures in business plans.

**Option 1:** Council facilitates community access to venues and makes its expectations clear. Venues make decisions about that access, administer the process and are accountable to Council.

*Advantages*

- Ensures that at least a minimum level of community access is provided
- Preserves the independence of the venues as stand-alone entities with commercial boards
- Ensures that venue providers continue to decide which groups ultimately receive access at a non-commercial rate, in alignment with other programmes, activities and the broader strategic direction of the venue
- Minimal cost to adopt
- Minimal disruption to current activity

*Disadvantages*

- Does not guarantee that non-commercial rates are low enough to meet the needs of all community groups

**Option 2:** Venues make decisions about community access, administer the process and are not accountable to Council.

*Advantages*

- Allows venue providers to continue managing their business independently from Council
- Venue providers have the most flexibility to maximise commercial return
- Little or no cost to adopt

*Disadvantages*

- Does not ensure that community groups have any access to venues at non-commercial rates
- Does not ensure that any non-commercial rates are low enough to meet the needs of most community groups
- Council has no clear way to assist or direct venue providers about community access issues
- Potentially substantial negative impacts on community groups

**Option 3:** Council makes decisions about community access, administers the process and venues are accountable to Council about community access.

*Advantages*

- Ensures that community groups have access to venues
- May ensure that non-commercial rates are low enough to meet the needs of most community groups

*Disadvantages*

- If adequate provision of community access is to be made available, Council will need to provide additional funding either directly to groups/venues or via another funding mechanism e.g. a centrally administered fund (estimated minimum cost of \$300,000)
- Requires Council to provide more administrative support to co-ordinate funding
- Will require revisiting already agreed commercial objectives in the agreements between the Council and venue providers

Option 1 is recommended because it makes transparent Council's position on access to venues, in particular:

- what opportunities are available to community groups and at what cost; and
- Council's expectations of venues regarding access by community groups while allowing venues to maintain their commercial objectives.

## **7. Monitoring and Evaluation**

Clearly stated performance measures relating to community access will ensure that the minimum requirements of Council are met.

These performance measures should be built into venue business plans (approved by the Economy and Arts Committee) and reported back on through the standard monitoring cycle.

## **8. Access to Information**

Many community groups are unaware of the non-commercial rates currently available to them at venues. Venue providers generally do not promote the discount rates because they only have a limited resource and because it keeps the number of applications to a manageable level.

Venue business plans and reporting requirements are available to the public (except for Lambton Harbour Management Limited). This goes some way towards informing community groups about access. However, many community groups remain unaware that these venues are available to them at a discount. This information should be collated and held centrally by Council to assist the eligible community groups.

## **9. Consultation**

The issue of community access was discussed at the Wellington Events and Venues Forum chaired by the Mayor on 2 February and 17 May 2002. Council officers also met with each Forum member individually during that period. In May the Forum approved the recommended option (above) as the best solution to the issue. A selection of community groups that had booked or used venues were also surveyed in April and May for their views.

Several clear issues emerged from those discussions and informed this report:

### **1. A one size-fits-all Council "policy" is not the most appropriate mechanism to solve the community access issue because each venue is distinct**

Each venue is unique and this needs to be taken into account when looking to develop any policy. Venue provision is not core business for some (eg Wellington Museums Trust) and each venue varies by the size and facilities available. Community group demand for each venue also differs; for some it is high (Wellington Convention Centre), for others it is minimal (Wellington Regional Stadium Trust).

### **2. Community access is currently provided**

All venues provide community groups with discounted access that usually takes the form of reduced (or free) rental. Community access takes place within the context of venue' obligations to meet other Council performance indicators including revenue targets for venue hire. Some venues experience difficulties when community groups

want to use venues at times that conflict with core business or commercial bookings (both actual and potential).

Demand from community groups is manageable at current levels except for the WFCC where demand already exceeds funding available.

### **3. No definition of community group**

There has been no definition of a 'community group' available and each venue provider makes their own decision as to whether a community group qualifies for a discount.

### **4. Funding of access**

At current levels of demand, funding of community group access is managed by either building it into the venues' budget, by charging groups at cost-recovery, or by a combination of both. At WFCC, demand for subsidies exceeds the available funding specifically allocated to community access.

Venues have an expectation that Council would have to provide more funding if Council required venues to offer an increased level of community access to groups.

### **5. Transparency issues**

Some venues have published the discount rates available to community groups but these are negotiable (except St James Charitable Trust where the rates are set). A central fund could be a solution. It would be transparent but it would require Council funding to make it work (more than the \$145,000 that Council currently funds to subsidise use at the WFCC) as well as Council administrative support. Venues are not resourced to increase their administrative workload.

### **6. Community access and venue availability**

Venues believe they are meeting Council's implicit expectations of community access through the current informal approach. However there are still some instances where groups miss out and have considered moving their activity out of Wellington. A low number of community groups are turned away from using the venues but some groups may not know about those venues available in the first instance. This, coupled with a perception that the venues are expensive (with or without discount rates) means some groups don't apply to use the venues. As above, more resources could be made available to address this issue.

### **7. Clarification would be welcomed**

Clarification of Council expectations - even if it were just to endorse the current approach of individual venues - would be welcomed by the providers and community groups consulted by Council officers.

## **10. Conclusion**

Venues currently provide community access but without any formal directive from Council. The recommended option provides for access but allows flexibility in decision-making by the independent venues. This clarifies the position for Council, venue providers and community groups.

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<b>Supporting information</b>
<p><b>a) Strategic fit</b></p> <p><i>3.1 Arts &amp; Cultural Capital</i>  <i>Wellington is New Zealand's arts and cultural capital where the arts infrastructure is strong and supportive of the performance, exhibition and development of the arts.</i></p> <p><i>6.3 Diversity of Arts</i>  <i>The city values and celebrates the arts of a wide diversity of cultures.</i></p> <p><i>7.3 Events and identity</i>  <i>Year-round recreation activities and events contribute to the economic prosperity and identity of Wellington.</i></p> <p><i>2.3 Cultural Diversity</i>  <i>Wellington welcomes, values and celebrates a diversity of cultures.</i></p>
<p><b>b) Annual Plan reference</b></p> <p><i>Project C101A \$100,000 Wellington Convention Centre community subsidy</i>  <i>Project C130A \$45,000 Community Grants - Venue Hire</i></p>
<p><b>c) Annual Plan and Long Term Financial Strategy implications</b></p> <p>N/A</p>
<p><b>d) Treaty of Waitangi implications</b></p> <p>N/A</p>
<p><b>e) Consultation</b></p> <p>Wellington Events and Venues Forum</p> <ul style="list-style-type: none"> <li>▪ Discussed community access issue at Forum meetings on 2 February and 17 May 2002</li> <li>▪ Council officers met with each Forum member individually</li> <li>▪ The Forum approved the recommended option as the best solution to the issue</li> </ul> <p>Community groups</p> <ul style="list-style-type: none"> <li>▪ A selection of community groups that had booked or used venues were surveyed</li> </ul>
<p><b>f) Legal implications</b></p> <p>N/A</p>