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## **ACTIVITY REVIEWS: OVERVIEW PAPER**

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### **1. Purpose of Report**

This report provides an overview of and recommendations on the key findings contained in the accompanying reviews of seven Council Activities, which are attached to this paper as appendices A to F.

### **2. Executive Summary**

Officers have initiated a comprehensive review of all 83 Council Activities, to be completed by February 2008. Fourteen activities are currently being reviewed in 2005/06, with seven of those presented in this package. The remaining seven activities are:

- Libraries, Public Spaces and Centre Development and Smart Growth, to be presented to SPC Committee in March 2006
- Recreation Centres, Swimming Pools, Community Centres and Community Halls (which are being considered together in one 'Community Facilities' review), to be presented to SPC Committee in May 2006.

The dual aims of the Activity Review process are to ensure that activities and services are aligned with the seven draft Strategies recently developed, and to seek savings opportunities to free up capacity for new activity. The activity review process should be seen in the context of a range of other planning reviews (such as the Asset Management Plan reviews) and savings efforts.

This overview paper contains all of the key recommendations for the seven activities under consideration, while a table containing a broader summary of 'key findings' is also provided following the Background section. Full reports on each activity are attached to this overview paper as Appendices A to F.

Any major changes to current services will be consulted on through the draft 2006/07 LTCCP. The key changes recommended on the seven activities and services presented in this report are:

- **Te Papa Funding:** Retaining the \$2 million funding allocation to Te Papa, but with an accompanied shift in focus away from short-term exhibits, towards attracting international tourists, who contribute a disproportionate amount to the local economy relative to domestic travellers
- **Wellington Museums Trust:** The establishment of an arts-focussed business unit in Council, to respond to the Councillor priorities of greater engagement with

grass roots arts and youth and to address concerns regarding Council capability in this sector. This would include bringing Capital E into Council (to sit alongside the Arts Centre and other existing arts-related programmes), and focussing the Wellington Museums Trust on gallery, museum and heritage visitor attractions

- **City Safety:** City safety funding (the major component) to be reduced by 10% percent from \$955,000 to \$860,000 and reprioritised to fund the Renewal of the City Safety Officer (Walkwise) contract, capped at \$600,000 (including the transfer of CCTV monitoring to this contract); City Safety Business Unit salary and overhead costs of \$160,000; and Safety Audits, Police Kiosk and other performance monitoring costs of \$100,000

Youth funding of \$295,000 per annum to be separated out from safety initiatives and moved to project C130G (Service Provider - Community Advice) for transparency and alignment purposes

- **Wellington Zoo Trust:** Investigate a possible joint venture arrangement between various 'conservation/environment-related visitor attractions' in Wellington, such as the Wellington Zoo, the Marine Education Centre, Karori Sanctuary and possibly some Department of Conservation managed services
- **The disestablishment and renaming of the following activities and services:** Maori Arts Grants (part of the general Arts Grants pool from July 2006); Film Archive - Mediaplex (seed funding due to cease in June 2007); and Service Provider – Suburban Safety (part of the general social grants pool from July 2006. In addition, City Safety is recommended to be renamed City and Suburban Safety).

The second round of activity reviews is about to commence, with 37 activities due to be reviewed by February 2007. (A list of the 37 activities will be handed out to Councillors at the SPC Committee meeting.) Review findings will be timed to enable decisions to be made through the 2007/08 draft Annual Plan process. Input from the Activity Review Working Party will be scheduled during the year.

### **3. Recommendations**

It is recommended that the Committee:

#### ***All Activities***

1. *Receive the information*
2. *Note that reviews of Libraries, Public Space and Centre Development and Smart Growth will be presented to SPC Committee in March 2006*
3. *Note that the reviews and Swimming Pools, Recreation Centres, Community Halls and Community Centres, being jointly reviewed as 'community facilities', will be presented to SPC Committee in May 2006*
4. *Note that a further 37 activities will be reviewed between now and February 2007*

#### ***Te Papa***

5. *Agree that Council continue to fund Te Papa \$2 million per annum*

6. *Agree that officers work with Te Papa to focus Council's funding role on attracting international tourists*

#### ***Events Development Fund***

7. *Agree that the Events Development Fund continue to be managed within the Council at the current level of funding*
8. *Note that officers are continuing to review the Events Development Fund in respect of the balance of events supported and ensuring the fund retains the capacity to attract events to Wellington*

#### ***Film Archive – MediaPlex***

9. *Agree to cease Council funding support for the Film Archive at the end of the agreed funding period in 2006/7 and that any future requests for support from the Film Archive will be considered on a case by case basis*

#### ***Wellington Museums Trust***

10. *Recommend to Council that it agrees in principle to the establishment of an arts-focussed business unit in Council, based around the following services and functions: Capital E, the Wellington Arts Centre, Community Arts, the Public Art Fund, and advice on arts grants, to be consulted on through the draft 2006/07 LTCCP*
11. *Note that this would involve removing around \$1.3 million in funding from the Wellington Museums Trust, which is the proportion of Council funding that the Wellington Museums Trust currently allocates towards Capital E*
12. *Note that this would also involve revoking an earlier decision to establish a new CCO to govern the Wellington Arts Centre*
13. *Note that this proposal would be consulted on through the draft 2006/07 LTCCP process, and will be subject to the development of a more detailed proposal for a final decision by Council in June 2006*
14. *Agree that the Wellington Museums Trust should continue to deliver the City Gallery, the Museum of City and Sea, the Cable Car Museum, and the Colonial Cottage Museum without a reduction in service levels*
15. *Note that the Wellington Museums Trust will provide advice on the future of the Plimmers Ark project, and will also investigate the feasibility of broadening its portfolio of heritage facilities*

### ***Safety (City and Suburban)***

16. *Note that funding within Activity 2.1.1 (Facilitator – City Safety) for the Night Shelter upgrade (project C604) and Support for the Homeless (project C637) does not extend beyond the current financial year*
17. *Note the transfer of \$285,000 of youth funding to project C130G (Service Provider – Community advice) under the management of the City Communities Business Unit*
18. *Note that Safer Community Grants funding of \$100,000 has been transferred for inclusion in the new grants pool and that the level of ongoing funding will be assessed in the context of the new framework*
19. *Recommend to Council that it agree to a ten percent reduction of the remaining direct cost funding for city safety initiatives from \$955,000 to \$860,000 for project P169 (Safe City Project Operations) under the management of the City Safety Business Unit, to be consulted on through the draft 2006/07 LTCCP*
20. *Note that the funding for City Safety Officers will be capped at the current level of \$600k and required levels of service will be reviewed prior to renewing the existing contract in July 2006*
21. *Recommend to Council that it agree to the merging of Activity 2.1.3 (Service provider – Suburban safety) into a renamed Activity 2.1.2 (Service provider – City and suburban safety), as part of the draft 2006/07 LTCCP*

### ***Wellington Zoo Trust***

22. *Note that Councillors have indicated through a series of decisions a desire to retain the Zoo*
23. *Agree to defer a decision on the Zoo's service levels until the Zoo Capital Programme business case has been received and reviewed*
24. *Agree to further investigate the possibility of other Wellington Region Territorial Local Authorities contributing to the Zoo as part of the Regional Investment Strategy*
25. *Direct officers to investigate the options for a combined approach across various conservation/environment-related visitor attractions in Wellington*

### ***Maori Arts Grants***

26. *Note that this activity was disestablished by a decision of Council in December 2005 on the Grants Effectiveness Review, in which the \$35,000 grant allocation for Maori arts was absorbed into the general arts grants pool, with some priority placed for supporting contemporary Maori arts*

## **4. Background**

As part of Council's preparations for the 2006/07 LTCCP, the Strategy and Policy Committee agreed to initiate a review of all 83 Council activities over three years. The aims of the review are to:

- ensure that all Council services and activities are aligned with the seven draft strategies
- seek opportunities to fund new activities by rationalising existing services.

All activities are being reviewed using the same broad methodology: strategic fit (should Council be involved in an activity at all); delivery options (who should deliver the activity); service levels (how much should be delivered); and efficiency and effectiveness.

The review process is due to be completed by February 2008 (Councillors will be provided with an updated schedule of reviews). All review recommendations will be presented to the Strategy and Policy Committee for deliberation, with consultation on any changes to be made on a case by case basis.

The Funding and Activity Working Party has the role of providing guidance and direction on reviews. All activities reviewed in this paper have been discussed with the Funding and Activity Working Party – however it is important to note that the recommendations contained in this paper reflect the advice of officers, and not necessarily the views of the Funding and Activity Working Party members.

The remaining reviews undertaken in 2005/06 will be provided to the Committee in March 2006 (Libraries, Public Space and Centre Development, and Smart Growth) and May 2006 (other Community Facilities - Recreation Centres, Swimming Pools, Community Halls and Community Centres).

The next stage of the review process - a further 37 activity reviews - will be scheduled for consideration and deliberation by the Funding and Activity Review Working Party and SPC Committee respectively.

## **5. Key Findings and Conclusion**

The table over the page sets out the key findings for the seven activities attached to this overview paper.

The Committee is asked to consider the key findings and recommendations for the reviews. Any relevant changes to current services will be consulted on through the draft LTCCP process.

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Activity	Projects	Key Findings
<b>Funder – Visitor Attractions</b>	Te Papa Funding	<ul style="list-style-type: none"> <li>• Wellington benefits considerably from the presence of Te Papa and its status as a national asset. Though central government is the prime funder of the Museum, it sees the engagement of Local Government as pivotal to its ongoing success.</li> <li>• Council’s investment in Te Papa, and other cultural assets in Wellington, is significantly less than other regions make or are required to make elsewhere, and moves to decrease or eliminate funding for Te Papa risk a strong response from Central Government.</li> <li>• There is scope to achieve a better alignment with the Council’s objectives through initiatives directed at enhancing the relationship between the Council and Te Papa.</li> <li>• Council has elected to focus on short term exhibitions as an extension of its events programme in funding Te Papa in order to increase domestic visitor attraction. However there are also opportunities for Council to play a part in leveraging Te Papa to attract international tourists who contribute a disproportionate amount to the local economy relative to domestic travellers.</li> <li>• In conclusion, the Council should continue its funding for Te Papa and may like to investigate options to enhance its relationship with the Museum and refocus its attention on International visitor attractions.</li> </ul>
	Events Development Fund	<ul style="list-style-type: none"> <li>• The Events Development Fund has proved successful in attracting and retaining high profile events. The integrated and quick-response design of the events team, fund and processes are critical to its success. Most events can demonstrate that they contribute towards Council’s aim of being events capital and maximise the economic value from promoting and hosting high-profile events.</li> <li>• The Events team will monitor the following issues as part of an ongoing review:               <ul style="list-style-type: none"> <li>○ Keeping ahead of the game, particularly given the highly competitive nature of the market and recent moves by other local authorities (notably Auckland) in establishing events strategies and funds</li> <li>○ The ability to keep the fund within budget – commitments to existing events will continue to act</li> </ul> </li> </ul>

Activity	Projects	Key Findings
		<p>as constraints on the flexibility to attract new events; planning processes; and the very nature of the events strategy.</p> <ul style="list-style-type: none"> <li>○ The relative priority of the various levels of events being attracted (given the different aims and objectives of various events).</li> <li>○ Whether certain ‘cornerstone’ events should be removed from the Events Development Fund as funded separately, leaving the Fund to concentrate on providing supporting new and future events. This would follow a similar model to Council grants, adopted following the grants effectiveness review.</li> </ul>
	Film Archive - Mediaplex	<ul style="list-style-type: none"> <li>● This activity, consisting of 3 years of seeding operational funding of \$50,000 per year and a one-off \$100,000 capital grant, is due to cease at the end of 2006/07.</li> <li>● The Mediaplex appears to be on a reasonably sound financial footing, with strong support from central government and the lottery grants board. It attracted 60,000 visitors in 2004/05.</li> <li>● We would not expect to be approached for continuing sponsorship of the Mediaplex, given its success in attracting visitors and revenue.</li> </ul>
<b>Funder – Galleries and Museums</b>	Wellington Museums Trust Funding	<ul style="list-style-type: none"> <li>● The existence of Te Papa has enabled the Council, through the Wellington Museums Trust, to focus its museum and gallery services on both the ‘Wellington’ story and unique national facilities such as the City Art Gallery. It has also enabled the Council to broaden its arts investments beyond museums and galleries towards more diverse and unique services, such as Capital E, the Wellington Arts Centre, the International Festival of the Arts and so on.</li> <li>● Generally speaking, the services provided by the Wellington Museums Trust have a good strategic fit with Council’s draft strategic direction, particularly the cultural strategy. Museums and galleries are an important part of being a world class city (not to mention the arts and culture Capital)</li> <li>● It is recommended that: <ul style="list-style-type: none"> <li>○ <i>general service levels for the Wellington Museums Trust be retained.</i> Wellington’s investment in museum and gallery services as a proportion of its revenue is modest in comparison with other New Zealand cities, and as such it does not appear that Council over-invests in this area. Performance levels also appear relatively solid, with visitor numbers continuing to increase.</li> </ul> </li> </ul>

Activity	Projects	Key Findings
		<ul style="list-style-type: none"> <li>○ <i>Council establishes an arts-focussed business unit</i>, which would involve bringing Capital E and the Wellington Arts Centre into Council, and integrating those services with some other existing arts programmes in Council (such as the Public Art Fund and community arts programmes). The drivers for this are primarily the strategic priorities of engagement with grass roots arts and youth culture, coupled with existing concerns over internal capability and engagement with the sector</li> </ul>
<b>Facilitator – City Safety</b>	Night Shelter	<ul style="list-style-type: none"> <li>• The provision of the city safety activities is intended to supplement the role of police and provide some balance between the impact of Council’s activities on increasing the risk of public safety and its responsibility towards helping to mitigate such risk</li> <li>• It is difficult to assess optimal levels of service with any certainty, because of the subjective nature of both the perceptions of safety and the degree of responsibility that the council should accept to address these perceptions. The resident satisfaction surveys measure the perceptions of safety and, despite some earlier gains, have reported a decrease in the perceptions of safety over the past three years. These perceptions are however contradictory to the crime statistics reported by the Police, and are influenced by a number of other factors such as media coverage of isolated incidents</li> <li>• Youth funding of \$285,000 per annum should be separated out from safety initiatives and moved to project C130G (Service Provider - Community Advice) for transparency and alignment purposes</li> <li>• City safety funding (the major component) should be reduced by ten percent from \$955,000 to \$860,000 and reprioritised to fund the following: <ul style="list-style-type: none"> <li>○ Renewal of the City Safety Officer contract, (including the transfer of CCTV monitoring to this contract) - capped at the current level of \$600,000.</li> <li>○ City Safety Business Unit salary and overhead costs of \$160,000</li> <li>○ Safety Audits, Police Kiosk and other performance monitoring costs of \$100,000.</li> </ul> </li> <li>• Activity 2.1.3 (Service Provider – Suburban Safety) should be disestablished as the funding is absorbed within the new social grants pool.</li> <li>• Activity 2.1.2 City Safety should be renamed Service provider – City and Suburban Safety, to allow for</li> </ul>
	Support for Wellington Homeless	
<b>Service Provider – City Safety</b>	Safe city project operations	
<b>Service Provider – Suburban Safety</b>	Safer community grants	



Activity	Projects	Key Findings
		<p>any new safety projects in the suburban area to come within this activity</p>
<p><b>Funder – Maori Arts Grants</b></p>	<p>Maori Arts Grants</p>	<ul style="list-style-type: none"> <li>• No separate review is provided</li> <li>• This activity was disestablished by a decision of SPC Committee in December on the Grants Effectiveness Review. The \$35,000 funding for Maori arts grants will be absorbed into the general pool for arts grants from July 2006 – with some priority to be placed on supporting contemporary Maori arts</li> </ul>
<p><b>Funder – Wellington Zoo Trust</b></p>	<p>Wellington Zoo Trust funding</p>	<ul style="list-style-type: none"> <li>• The strategic alignment of the Zoo is not particularly strong, but Councillors have recently indicated through a series of decisions a desire to retain the service, including a recent request that the Zoo develop a \$20 million business case to guide future investment decisions.</li> <li>• The levels of service for the Zoo are inextricably linked to the forthcoming business case to SPC in early 2006. Aside from decisions arising from the business case, the other main area to be considered for change lies in delivery options/governance. In this respect, there are two alternative options canvassed in the report: <ul style="list-style-type: none"> <li>○ Bring the Zoo back into Council. This would represent a strong change of thinking about the direction the Zoo needed to take, and a key question is whether it is too soon to make such a judgement</li> <li>○ <i>(Recommended)</i> Investigating a possible joint venture arrangement between various ‘conservation/environment related visitor attractions’ in Wellington, such as the Marine Education Centre, Karori Sanctuary and possibly some Department of Conservation managed services. While this option would need to be investigated more thoroughly it does provide potential benefits of savings in ongoing overhead costs and a more combined and focused approach to conservation, education, marketing and visitor attractions for the city. A key downside is the possible reluctance of existing organisations (some of which Council does not own) to change the status quo.</li> </ul> </li> </ul>