



*Western Bay of Plenty
District Council*

Community Halls Operational Policy 2020

Relevant Legislation

Local Government Act 2002

Local Government (Rating) Act 2002

Cooper Memorial
&
Community Centre

Community Halls Operational Policy

Relevant Legislation

Local Government Act 2002

Local Government (Rating) Act 2002

1. Definitions

Renewal, maintenance and compliance work means work identified through a hall's condition assessment. It is work that is required:

- a) To keep the hall at the same standard it is currently at, and
- b) To ensure it complies with legislative requirements.

Condition Assessment means an independent assessment of a hall undertaken as a partnership between Council and the hall committee, and used to identify a programme of maintenance, renewals and compliance work.

10-year Programme means the projected 10-year maintenance, renewals and compliance works to be undertaken, based on a hall's condition assessment. The 10-year programme may include proposed minor capital work identified by the hall committee.

Minor capital work means work with a total capital value of less than \$50,000, which is an upgrade on the existing hall standard (and does not come under renewals, maintenance or compliance work).

Major capital redevelopment means a project with a total capital value greater than \$50,000, which is being undertaken to upgrade the existing hall.

Area of Benefit is defined as the geographic area within which all ratepayers are considered to gain benefit from the hall. If the hall has a targeted rate, it is charged across the hall's area of benefit.

Hall Committee is the entity that owns the community hall. Hall committees are incorporated societies established under the Incorporated Societies Act 1908.

2. General Approach

Halls are an activity of Council.

Most (but not all) of the community halls in the District are on Council land. Hall buildings are owned by **hall committees**. The activity sits within the Community Facilities activity in Council's Long Term Plan.

Council supports hall committees by:

- Helping fund some of the hall committees' costs (as described in this policy).
- Leasing to hall committees the land occupied by each hall, for a peppercorn rental.
- Remitting 100% of rates that hall committees would otherwise be charged.

Council's funding assistance to hall committees is collected from the ratepayers that benefit from the hall.

This means Council works with hall committees to:

- Establish areas of benefit for halls,
- Set a targeted rate for the hall's area of benefit, and
- Ensure funding is used for the purpose it is collected.

3. Policy

3.1. Halls can have an area of benefit

Halls may have a defined **area of benefit**. An area of benefit is set in accordance with relevant revenue and financing and rating legislation in the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The area of benefit is a geographic area, within which all ratepayers are considered to benefit from the hall.

A hall that is not on Council-owned land can still have an area of benefit.

3.2. A targeted rate can be charged over a hall's area of benefit

If the hall has an area of benefit, a targeted rate can be charged over that area.

The targeted rate can be used to:

- Fund delivery of projects identified in a hall's **10-year programme**, including **minor capital work**, subject to policy 3.3 and 3.4.
- Partly contribute to a **major capital redevelopment** project, subject to policy 3.5.

A targeted rate can be set at \$0 if appropriate, for example where there is no need to collect funds from ratepayers.

3.3. Hall Committees must have a 10-year programme of renewals, maintenance and compliance works (the 10-year programme)

Council will work in partnership with hall committees to undertake **condition assessments**. The condition assessments will be carried out on a 6-yearly cycle, timed to inform Council's Long Term Plan. The appointment of an assessor and the cost of the condition assessments will be covered by Council as part of general operating budgets.

The assessments will inform the **10-year programme**, which is the programme of **renewals, maintenance and compliance works** for the hall.

The 10-year programme will be used to set the targeted rate for the hall, if that hall's committee has requested a targeted rate. This is subject to the conditions set out below.

Council will also use the 10-year programme for financial projections for the halls activity to be included in Council's Long Term Plan.

A hall committee can request to spread the costs of the 10-year programme equally over a defined period of up to 10 years, by setting the targeted rate at a fixed amount. The fixed targeted rate to be collected over the defined period must not exceed the total value of works in the 10-year programme.

Conditions

If delivery of the 10-year programme means the targeted rate for the hall would exceed \$50 per ratepayer in any one year, Council will work with the hall committee to consult the local community on the programme of works, the costs, and funding options.

3.4. Hall Committees can undertake minor capital works

Hall committees can identify **minor capital work** they wish to undertake, and include it in the hall's 10-year programme.

The targeted rate over the hall area of benefit can be used to fund minor capital work, subject to the following criteria:

1. Minor capital work should be identified and included in the hall's 10-year programme.
2. If a minor capital work means the targeted rate in any one year would exceed \$50 per ratepayer, Council will work with the hall committee to consult the local community on the programme of works, the costs, and funding options.

3.5. Hall Committees can undertake major capital redevelopments

Council will work with hall committees on **major capital redevelopment** projects, following the process set out below. All major capital redevelopment projects must have Council approval prior to any rates-funded component of the works being considered.

Council will not provide funding retrospectively. If a project is already being undertaken (contracts let, fundraising started and/or physical works completed) without Council approval in principle, Council will not contribute funding to that project.

The targeted rate over the hall area of benefit may be used to fund part of a major capital redevelopment project.

Process for hall major redevelopment:

1. Develop an initial project concept in partnership with Council

Initial Project Concept: A short outline (under 4 pages) which summarises the proposed project and key facts. This should include a brief facility description, an indicative cost, potential funders, an outline of the perceived need for the facility, and how it aligns with strategic documents. It can also include analysis of immediate challenges and opportunities.

2. Progress to a detailed feasibility study that includes both capital and ongoing operational costs of the redevelopment.

Detailed Feasibility Study: A detailed study which examines holistically all areas of the potential facility development. This will require professional input from a range of consultants and involve such things as sports planning, demographics, business planning, preliminary concept design (including addressing accessibility issues), and assessment of operational costs.

3. If the plan is approved by Council and the hall committee, carry out community consultation on the proposed redevelopment, including potential capital funding requirements, ongoing operational funding requirements, and funding options, taking into account this policy.

Community Consultation: Engaging with the community primarily in the hall area of benefit, to understand their level of support for the proposal and willingness to contribute via their targeted rate (if that is required). The consultation should also consider the future ongoing operational costs and how those are proposed to be funded, and the costs to use the facility.

4. Prepare a detailed business case and funding agreement: If the project has received sufficient support, the business case should be developed including the funding mix to deliver the project. A funding agreement can be developed at the same time, to confirm any rates contribution.

Detailed Business Case and Funding Agreement: The detailed business case will build on the detailed feasibility study and provide greater detail around the operational and capital costs, the funding of these costs, and the contribution from rates (if any).

3.6. Hall Committees can fund insurance costs through the targeted rate

All hall committees are required to carry insurance for the halls they own. This is required by the lease agreements for hall committees.

Hall Committees can choose to be insured through Council's insurance scheme. The cost of insurance may be recovered through the targeted rate over the hall's area of benefit at the request of the hall committee.

3.7. Council process if a hall committee ceases operation

Where a hall committee ceases to operate, Council has no obligation to maintain the hall, or to keep it operating.

Council will consult with the local community in the area of benefit to consider options. These options will include:

- Partnering with schools or other organisations to ensure community space is provided for the local community.
- Including the community within another hall's area of benefit, if that hall can take over the role of the previous hall.
- Divesting the hall and land to a third party.