

1. WINDSOR SCHOOL/COMMUNITY HALL

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The purpose of this report is to make recommendations to the Council on the future use and/or disposal of the school/community hall located on the Windsor School property in Burwood Road.

BACKGROUND

The hall was constructed in 1983 as a school and community facility. It was jointly funded by the former Waimairi District Council (\$92,000), Windsor School by Internal Affairs grant through the Community Facilities at School Scheme (\$45,000), the Canterbury Education Board (\$13,000), for a total cost of \$150,000. In addition, the local community raised \$10,000 for equipment and furniture.

By an agreement with the Ministry of Education, the Council has a licence to occupy the school land for a 20 year term commencing 1 January 1983 with one right of renewal for a further 20 years. The Council, in turn, has entered into an agreement for the same term with the Windsor Community Hall Committee to "control and manage the land and hall building exclusively as a community centre for social, recreational, cultural and educational purposes or for the physical or intellectual wellbeing and enjoyment of the residents of the district" but subject also to the Windsor School having use of the hall during school hours. The Hall Committee is responsible for all operating costs and internal maintenance and the Education Board for exterior building maintenance and some operating/maintenance costs proportionate to the school use of the hall.

The agreement requires the Hall Committee to be made up of representatives of the Council, School Committee, Marshlands Co-ordinating Committee and the School Principal.

The property immediately adjoining the hall is owned by the Council and contains a pumping station, wells and an Orion substation. However, the greater part of the property is used as car parking for the hall users.

CURRENT SITUATION

The agreement with the Hall Committee contemplated that the operating and maintenance costs would be met from the income derived from fee-paying activities and hall hire. Since the early 1990's the hall income has been supplemented by an annual maintenance grant of \$1,000 from the Burwood/Pegasus Community Board.

The management of the hall is also now solely undertaken by the Property Committee of the Windsor School Board of Trustees.

PROPOSED HALL EXTENSIONS

In 1999 the Windsor Primary Board of Trustees sought Council assistance for proposed extensions and renovations to the School/Community Hall. The Trustees advised that the necessity for the redevelopment was driven by the following:

- Some sporting and recreation groups in the area do not use the hall because of its small size.
- There is no stage facility which limits use by arts and theatre groups.
- Ventilation is so poor that large group or public meetings are held out of this local area.
- Major housing development in the area since 1995 and this is expected to continue.
- Since 1989 the school roll has increased from 290 to 610 in 2002 and is increasing.
- The proposed extension will take the hall to its original 1983 design which was not completed due to lack of funds at the time.

The cost of the proposed extensions was estimated in 2000 at \$295,000.

OWNERSHIP AND HALL USAGE ISSUES

Whilst the Waimairi District Council designed and managed the construction contract for the hall, the building is located totally on the Windsor School site owned by the Ministry of Education. "Ownership" of the hall itself would therefore appear to be jointly between the Council and the Windsor Primary School/Ministry of Education. On the basis of the original contributions, Council funding was approximately 61% and School/Ministry approximately 39%. The bulk of the School funding was however from the Department of Internal Affairs for "community facilities" on school properties so the

extent of Council and central government funding towards community use is significant. The hall is not however listed either on the Council's or Ministry's asset registers.

The Windsor School Board of Trustees sought the Council's assistance for the proposed extensions on the basis that the hall is a jointly-owned School and Council facility. However, with changing use of the hall and management responsibilities, the Council's future involvement in the hall requires consideration. The School representatives were asked to provide information on hall use by the wider community and the level of new community use that would support the proposed extensions.

The School uses the hall during the day with some weekly uses occurring out of school hours. Individual function hire is low probably due to the fact that there is an early cessation limit on hall hire. This is limited by the proximity of neighbours and the noise factor, with a noise limit at 11.30 p.m. There is undoubtedly a need to upgrade and expand the hall for the School's activities which are currently compromised by the lack of space. By comparison however community use and private hire is not large and while enhanced facilities may attract some additional use, there are alternative and more suitable community facilities in this area.

There is no current or planned budget provision by the Council for the proposed extensions and because it is not a totally owned Council facility the school has been advised that consideration would not be given to funding such a proposal. In any event, a funding request would not be considered until the review of community facilities throughout the City had been completed. The Windsor School has therefore advised that it wishes to proceed with the redevelopment itself and take full ownership and responsibility for the Hall.

DISCUSSION

While the hall asset is probably jointly owned by the Council and the School/Ministry of Education, neither body has the asset listed. Therefore no formal accounting or depreciation schedules have been kept. The hall is some 342m², of modest construction with a fibreboard type cladding, metal roof and RSJ frame. It is partitioned into gymnasium, kitchen and toilet facilities. Due to neglect of maintenance issues, the building has become somewhat run down. The Council engaged the services of Simes Valuation to provide an estimate of market value of the building structure. They have calculated a value of \$100,000 (GST inclusive) by estimating the replacement cost and making an allowance for physical depreciation and obsolescence. However, in this case there can only be one buyer in the market, the School/Ministry of Education.

The question for the Council to consider is how much of an interest the Council wishes to retain in the hall given its limited community use and the high needs of the School. Day to day management of the hall has of recent times been undertaken by the School Board of Trustees and the Council's financial input has been limited to an annual contribution by the Community Board of up to \$1,000 for operating expenses.

The School is keen to undertake the hall extension and upgrading project itself but it requires certainty of ownership.

OPTIONS

Two options have been considered:

1. Retain the status quo, with the Council retaining part ownership of the building and with representation on the Hall Management Committee. The School would be responsible for the total cost of any upgrading or extensions to the Hall.
2. Dispose of the Council's interest in the hall to the School Board of Trustees/Ministry of Education on agreed terms and conditions, but retaining the right for community and public use of the hall in the spirit of the original agreement and government funding of a community facility.

	Advantages	Disadvantages
Option 1: Status Quo	<ul style="list-style-type: none"> • Hall retained for substantial community use as originally intended. • Community representation on the Hall management committee. • Certainty of tenure by virtue of right of renewal of licence to occupy for further 20 years after 2004. 	<ul style="list-style-type: none"> • Ongoing requests for Council support on maintenance issues and capital improvements. • Council capital funding unlikely to be granted in the medium term. • Consequent deterioration of the building, resulting in less use by community. • Council interest in a building asset which has limited community use. • Provision of Council staff and/or elected member resources on Hall management committee. • Need to again assess the requirement to retain the licence to occupy in 2004.
Option 2: Dispose of the Hall asset to the School/ Ministry of Education but retain right of community use	<ul style="list-style-type: none"> • No further maintenance or other operating obligations in terms of the licence to occupy or Hall Management Agreement. • Less likelihood of requests for capital input. • Protection of community use and public hire assured. • Probability that Hall will be upgraded and extended thus enhancing the facilities, encouraging expanded use by the School and community, and ensuring future maintenance. • Probably no need for staff or elected member resources on Hall Management Committee. • Subject to Council approval, revenue from sale of the Hall asset could be applied to another community project in that area in accordance with Council policy. 	<ul style="list-style-type: none"> • Perception that Council has "sold out" on a publicly funded facility.

CONCLUSION

If the status quo is to remain (Option 1) there are obviously significant matters of hall maintenance, useability, and management that require to be considered with the School/Ministry of Education. The first term of the current licence to occupy also expires in two years so the whole issue of Council continuance and involvement would require consideration at that stage.

If Option 2 is adopted the full responsibility for the above matters will pass to the School/Ministry of Education and the only matters for the Council to consider are the extent to which it wishes to retain the right of community use and public hire and possibly representation on the School's Hall Committee. However, it is suggested that continued community and public use would be seen as a desirable/essential revenue stream for the school, and would not be difficult to incorporate as a condition of transfer of the asset. If transfer does occur, it will be necessary to amend the current licence to occupy to reflect the changed status and to protect the future community use of the hall. This could be achieved by a formal memorandum of understanding incorporating the agreed conditions of transfer.

Having considered the options, it is suggested that the Council dispose of the hall asset to the Windsor School/Ministry of Education on terms and conditions that will satisfactorily protect future community use and public hire. Bearing in mind the proposed redevelopment of the hall and the fact that there is only possible buyer, it is likely that the terms of the disposal may not necessarily reflect market value of the building. As the hall is a community asset, it is considered that public consultation should be undertaken on this proposal.

Triple Bottom Line Audit

#	CONDITION:	Meets condition ✓✓-x	HOW IT HELPS MEET CONDITION:
The People Step			
P1	Basic needs met	✓✓	Hall redevelopment will meet school's basic needs for assembly and indoor group activities.

P2	Full potential developed	✓	Expanded/upgraded facilities will provide enhanced opportunities for community use for recreation, craft, performing arts, etc.
P3	Social capital enhanced	✓	Opportunity to continue and expand good relationships between school and community.
P5	Governance and participatory democracy strengthened	✓	Co-operative undertaking between the Government (Ministry of Education) and the local community
The Economic Step			
E1	Effective and efficient use of all resources	✓✓	Immediate and long term cost effectiveness for the Council, while maintaining community involvement for the future.

- Recommendation:**
1. That, subject to a public consultation process:
 - (a) The Council approve the disposal of its ownership interest in the Windsor School and Community Hall to the Windsor School Board of Trustees/Ministry of Education.
 - (b) The Property Manager and the Chairperson of the Burwood/Pegasus Community Board be authorised to negotiate and conclude the disposal on appropriate terms and conditions.
 - (c) The disposal be conditional upon the hall being available for community use and public hire after school hours as contemplated by the terms of the original agreement and government funding.
 2. That, subject to the satisfactory conclusion of the matters in recommendation 1 above, the Council relinquish the licence to occupy currently held with the Ministry of Education.