

8. OPERATION OF SOUTHERN CENTRE MULTI-SENSORY FACILITY

General Manager responsible:	Community Services General Manager, DDI 941-8534
Officer responsible:	Recreation and Sports Unit Manager
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PURPOSE OF REPORT

1. The purpose of this report is to seek Council approval of proposed contractual arrangements to be entered into by the Council and the Southern Centre Charitable Trust ("the Trust") which seeks to alter the existing relationship between the Council and the Trust concerning the operation of the Southern Centre Multi Sensory Facility at Queen Elizabeth II Park with a view to facilitating a greater quantum of charitable donations to the Trust for the benefit of the facility.

EXECUTIVE SUMMARY

2. As part of Turning Point 2000 (a trust initiated by the Council in 1996 to support and assist with raising funds for projects and events in the year 2000) the Council received charitable funding assistance from the Kiwanis, the Canterbury Community Trust, the Southern Trust, the Lotteries Commission and the Gama Foundation to purchase the necessary equipment and establish the Southern Centre Multi Sensory Facility. The purchase of the equipment was entirely funded from these charitable donations which were arranged under the auspices of the trust. Notwithstanding that these charitable donations were procured by the trust, they were in fact received by the Council.
3. The Centre is based at Queen Elizabeth II Park. It is the only multi sensory facility based within a recreational facility in New Zealand and aims to integrate with the other services provided so that customers and their families have many recreation choices when they visit the facility. It opened in September 2003.
4. The trust operates independently of the Council but supports the Centre by raising funds to assist with the operation of the Centre and the maintenance and replacement of the equipment. The trust was established in February 2003. The purpose of the trust is to raise funds and apply for grants and donations of at least \$20,000 each financial year. Such funds are directed towards the repair, maintenance and replacement of equipment as necessary. The trust has five trustees and is chaired by Lesley Keast. One of the trustees (Brian Reddington) is a chartered accountant and monitors the trust's finances. Brian is also the parent of a person with a disability. Other members of the Board represent district specific Kiwanis clubs. Lindsey Keith, Southern Centre Coordinator, Trisha Ventom, Kiwi Able Network Coordinator, and Natalie Hazelwood, Manager of the Sport, Recreation and Arts Team represent the Christchurch City Council at trust board meetings.
5. Trust board members were carefully selected and nominated collectively.
6. Trust meetings are held quarterly and the trust and the Council work in partnership to provide the following:
 - (i) A safe and barrier free environment that enables people with disability to be stimulated physically and mentally in an inclusive environment.
 - (ii) A client orientated facility that offers choice via control of the environment.
 - (iii) A positive recreation experience that promotes fun, enjoyment and relaxation.
 - (iv) Promotion of therapeutic and educational experiences.
 - (v) Programmes and activities that are accessible and affordable to those on limited incomes/socially disadvantaged.
7. Since the Centre opened, the trust has encountered difficulties in the raising of the necessary funds to support the operation of the Centre. These difficulties specifically relate to the way the Centre has been structured. As the Centre is presently owned and operated by the Council the trust is frequently denied funding support on the basis that the Centre is Council owned and operated, not trust owned and operated.

8. The trust has therefore proposed that the ownership structure of the Centre be altered by the Council agreeing to transfer the equipment to the trust at book value of \$84,075.77 excluding GST and the trust agreeing to lease the equipment back to the Council at a peppercorn rental of \$1 per annum. Under the proposal, the sale price of \$84,075.77 would contemporaneously be gifted by the Council to the trust.
9. As a result of this restructuring, and the trust becoming the owner of the equipment, it is anticipated that the trust will find it easier to elicit charitable donations to the Centre.

FINANCIAL AND LEGAL CONSIDERATIONS

Financial Considerations

10. The proposed arrangements will result in assets currently owned by the Council and valued in the Council's accounts at \$84,075.77 excluding GST being sold to the trust.
11. The Council will gift to the trust the full purchase price of \$84,075.77 for the equipment.
12. The trust will lease the equipment to the Council for \$1 plus GST per annum for a term of three years, with two rights of renewal of three years each.
13. The proposed contractual arrangements will require the trust to raise funds in support of the operation of the Centre, the maintenance of the existing equipment, and the purchase of new equipment as both parties agree is necessary and desirable.

Legal Considerations

14. The proposal contemplates the Council entering into the proposed 'Lease Agreement' and 'Deed relating to the operation of the Southern Centre Multi Sensory Facility'. These documents have been prepared by the Legal Services Unit on the instruction of the Recreation and Sports Unit following negotiations with the Southern Centre Charitable Trust.
15. Under the lease agreement, the equipment will be sold to the trust for \$84,075.77, which sum is immediately forgiven. The equipment is then leased by the trust to the Council for a term of three years at an annual rental of \$1. The Council is granted two rights of renewal of the term for three years each. The Council is required to insure the equipment and to maintain it. However, the trust is required to reimburse the Council for the costs of such maintenance.
16. The Deed records the parties' general obligations in respect of the Centre. The Council is required to continue to undertake the day to day operation of the Centre, including the provision of such staffing as the Council shall consider appropriate, and the payment of all running costs. The trust is required to apply for grants and donations in support of the Centre, and to apply funds raised to repair, maintain and replace the equipment. Essentially the Deed records the arrangements concerning the operation of the Centre that currently exist.
17. Provision has been made in both the Lease Agreement and the Deed that the Council may at any time by six months notice in writing, cancel the Lease Agreement and the Deed. In such circumstances, neither party will have any claim against the other.

STAFF RECOMMENDATIONS

It is recommended that the Council authorise the execution of the attached Lease Agreement and Deed.

BACKGROUND

18. The fully accessible Southern Centre is the first of its kind in the Southern Hemisphere and is controlled by a unique computerised system that allows the whole environment to change in a variety of ways. Among the experiences are brightly lit bubble columns and a shadow wall which projects a stunning array of colours, fantastic for shape making and indulging in creative movement. A resonance floor vibrates to music and sends an exciting shudder through the body. Visitors can experience bright starry nights, an underwater world, or pure relaxation. Colourful, easy to use switch systems enable high quality sensory interaction and control. Mixed ability adventure drama and dance programmes are also offered.
19. The Christchurch City Council supports the Southern Centre with an operational budget of \$152,944 per annum. This includes the salary of one full time coordinator, one full time assistant, and six casual staff. Salary for the assistant role has previously been provided by the Ministry of Health and the Canterbury Community Trust. The Recreation and Sports Unit of the Council employs and supervises the Centre staff.

ASSESSMENT OF OPTIONS

The Preferred Option

20. Proceed with the recommendation outlined in the above report.

	Benefits (current and future)	Costs (current and future)
Social	With the preferred option, the Centre will move forward to suit client need. Centre users will be able to experience increased access and enhanced wellbeing.	As per report
Cultural	Culturally appropriate programmes can be expanded upon.	As per report
Environmental	The World leading equipment in the Southern Centre environment will be maintained/updated more effectively and efficiently.	As per report
Economic	Securing funds is a necessity and will allow for continued benefits for users of the Centre.	As per report
<p>Extent to which community outcomes are achieved: This option has primary alignment with the community outcome of a City of inclusive and diverse communities. The Southern Centre provides inclusive recreation opportunities for people of all abilities.</p> <p>Acceptance of the preferred option also contributes towards a city for recreation, fun and creativity, a healthy city and a city of lifelong learning.</p> <p>Impact on Council's capacity and responsibilities: With the preferred option, the responsibilities have been clarified. Council will continue to be responsible for strategic decisions and budget activities in the future.</p> <p>Effects on Maori: Nil</p> <p>Consistency with existing Council policies: This option is consistent with the LTCCP, Equity and Access Policy, and the NZ Disability Strategy.</p> <p>Views and preferences of persons affected or likely to have an interest: Following the recent Southern Centre community consultation project people who utilise the Southern Centre would like to see more programmes introduced. To continue to be stimulated by new and improved equipment and to experience increased accessibility with longer opening hours.</p> <p>Under the preferred option, the Southern Centre Charitable Trust will apply for funds and seek donations in order to develop items listed above, and also to maintain the high standard of the Southern Centre multi sensory experience.</p>		

Maintain current situation (If Not Preferred Option)

21. Maintain the current situation. Make no changes to the role of the trust and the role of council in the operation of the Southern Centre Multi Sensory Facility.

	Benefits (current and future)	Costs (current and future)
Social	There are minimal/no social benefits to the situation remaining unchanged.	The health, wellbeing and recreational options of the community will remain static and the opportunity to grow will be limited.
Cultural	There are minimal/no cultural benefits to the situation remaining unchanged.	
Environmental	There are minimal/no environmental benefits to the situation remaining unchanged.	The Southern Centre equipment will continue to be owned by Council. Development of the Southern Centre environment will be limited.
Economic	There are minimal/no economic benefits to the situation remaining unchanged.	The Southern Centre Charitable Trust will continue to experience difficulty when applying for funding.
<p>Extent to which community outcomes are achieved: There is primary alignment with the community outcome of a city of inclusive and diverse communities as the Southern Centre provides inclusive recreation opportunities for people of all abilities. However, if the situation remains unchanged, it will be increasingly difficult for the Southern Centre to fulfil their contribution in delivering this and other relevant LTCCP outcomes as per agreed service delivery plans of the Recreation and Sports Unit .</p> <p>Impact on Council's capacity and responsibilities: Blurred lines of responsibility will be detrimental to the development of the Southern Centre multi sensory facility.</p> <p>Effects on Maori: Nil</p> <p>Consistency with existing Council policies: LTCCP, Equity and Access policy, NZ Disability Strategy</p> <p>Views and preferences of persons affected or likely to have an interest: There are a number of issues that have arisen in the recent Community Consultation project relating to access, equipment and new programmes. It will be difficult to address these issues in a strategic manner if the situation remains unchanged.</p>		