

## 8. CHRISTCHURCH SYMPHONY TRUST APPLICATION TO THE METROPOLITAN DISCRETIONARY RESPONSE FUND - 2009/10 FUNDING PERIOD



<b>General Manager responsible:</b>	General Manager Community Services, DDI 941-8607
<b>Officer responsible:</b>	Community Support Manager
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### PURPOSE OF REPORT

1. The purpose of this report is for the Metropolitan Funding Committee to consider an application from the Christchurch Symphony Trust for \$61,000 to the 2009/10 Metropolitan Discretionary Response Fund.

### EXECUTIVE SUMMARY

2. In 2009/10, the total pool available for allocation for the Metropolitan Discretionary Response Fund is \$160,072. At the time of writing, there is \$130,820 remaining in the Metropolitan Discretionary Response Fund for 2009/10.
3. The purpose of the Fund is to assist community groups where the project and funding request falls outside other council funding criteria and/or closing dates. This fund is also for emergency funding for unforeseen situations.
4. Applications requesting over \$15,000 require consideration by the Metropolitan Funding Committee. Staff have the delegated authority to consider and approve applications up to and including \$15,000.
5. The application from the Christchurch Symphony Trust seeks \$61,000 and therefore requires consideration and decision from the Metropolitan Funding Committee. **Attachment A** provides the Decision Matrix giving details of the applicant's funding request.
6. Staff recommend that the Metropolitan Funding Committee funds the application from the Christchurch Symphony Trust, subject to the Trust being able to confirm that it has raised the additional amount of \$250,000 that it requires, along with the Council grant of \$61,000, to complete its recapitalisation.
7. Accepting staff recommendations would leave the amount of \$69,820 available in the Discretionary Response Fund for the remainder of the 2009/10 funding year.

### FINANCIAL IMPLICATIONS

8. None.

### Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

9. Yes.

### LEGAL CONSIDERATIONS

10. None.

### Have you considered the legal implications of the issue under consideration?

11. Not applicable.

### ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. Yes, Community Support.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

13. Yes, Community Grants.

**ALIGNMENT WITH STRATEGIES**

14. Strengthening Communities Strategy.

**Do the recommendations align with the Council's strategies?**

15. Yes, Strengthening Communities Strategy.

**CONSULTATION FULFILMENT**

16. Not applicable.

**STAFF RECOMMENDATION**

Staff recommend that the Metropolitan Funding Committee approve the Discretionary Response Fund application of \$61,000 from the Christchurch Symphony Trust subject to the Trust confirming, to the Council, that it has raised the total of the remaining balance of \$250,000 that it requires to complete its recapitalisation programme as submitted in their application to the Council.

It is further recommended that the Christchurch Symphony Trust provides quarterly financial reports and its audited financial statements for the 2010 year to the Council's Corporate Finance Manager for review.

## BACKGROUND

### Discretionary Response Fund

17. The Council adopted the Strengthening Communities Strategy on 12 July 2007. The Strengthening Communities Grants Funding Programme comprises four funding schemes:
  - (a) Strengthening Communities Fund.
  - (b) Small Projects Fund (now Small Grants Fund).
  - (c) Discretionary Response Fund.
  - (d) Community Organisations Loan Scheme.
18. The purpose of the Discretionary Response Fund is to assist community groups where the project and funding request falls outside other council funding criteria and/or closing dates. This fund is also for emergency funding for unforeseen situations.
19. The Discretionary Response Fund opens each year on 1 July and closes on 30 June the following year, or when all funds are expended. There is currently \$130,820 in the Metropolitan Discretionary Response Fund available to allocate.

### Application from Christchurch Symphony Trust

20. Please see **Attachment A** for detailed information on this application.
21. The Christchurch Symphony Trust (the Trust) has applied to the Council for funding to assist its recapitalisation programme for 2010. The recapitalisation is sought to enable it to undertake its 2010 programme and to implement some strategic development opportunities to ensure that it has the operational capability to initially provide a breakeven position in 2010 and setting the base for it to generate and sustain incremental operating surpluses.
22. In reaching this decision, the Trust has noted that its traditional revenue streams from gaming and charitable trusts have been impacted by the economic downturn and that investment derived donor income is also under pressure and is likely to remain so for some time.
23. The Trust has undergone an internal review and it has concluded that with the current funding pressures and the pressing need to implement strategic measures to ensure the long-term viability of the orchestra, that it must recapitalise the Trust in order to undertake these opportunities within the 2010 year.
24. The Trust states that it requires \$311,000 to recapitalise. The Trust is confident that if it is able to recapitalise now, that it will be able to implement measures within the 2010 year to breakeven for the 2010 period.
25. The Trust seeks a \$61,000 funding contribution from the Council towards its \$311,000 recapitalisation funding requirement. The Trust is also seeking funding for the remaining balance of \$250,000 from other sources, including Creative New Zealand, the Friends of the Christchurch Symphony Trust and other community benefactors.
26. The Trust has stated that they expect to be in a position to raise the required balance of \$250,000 from other sources, including the friends of the orchestra and Creative New Zealand.
27. It is noted that the Discretionary Response Fund does not cover debt servicing costs. In this application, the Trust is seeking funding from the Council to provide additional revenue to give the Trust greater liquidity to finance their 2010 programme activities rather than monies to pay interest or principal repayments on term loans that they may owe to lenders of debt finance.