
REPORT 2
(1215/52/IM)

HERITAGE GRANTS REVIEW: CRITERIA AND CONDITIONS

1. Purpose of Report

The purpose of this report is to seek the Committee's approval to revise the funding criteria, funding conditions and funding priorities for the Built Heritage Incentive Fund.

2. Executive Summary

The Built Heritage Incentive Fund (BHIF) has been operational for three years. In that time 65 projects have been funded. Overall 81% of applicants have received funding. This includes the recent allocation for the November 2009 funding round. (See **Appendix I** for a summary of allocations.)

A review was carried out to consider the effectiveness of the fund in contributing towards the conservation of the city's built heritage.

The review found that since the BHIF commenced in November 2006 a number of inconsistencies have arisen in the interpretation and application of the funding criteria and conditions. These include more than one grant being allocated to a single property; allocation of funding for work that does not contribute to the conservation of the original heritage fabric of the property; allocation of funding for work on items not listed in the District Plan.

This paper proposes to strengthen the funding criteria, funding conditions and funding priorities to ensure that the disbursement of grants supports the Council's priority heritage outcomes.

3. Recommendations

It is recommended that the Committee:

1. *Receives the information.*
2. *Notes that a review has found that inconsistencies have arisen in the application of funding criteria, conditions and priorities.*
3. *Agrees to the revised Built Heritage Incentive Fund funding criteria and conditions as set out in this report (refer to sections 6.1 and 6.2).*
4. *Agrees to the funding priorities for grant distribution as set out in this report (refer to section 6.3).*

4. Background

The BHIF is a key initiative of the Built Heritage Policy, which was adopted by Council in June 2005. The policy aims to demonstrate Council's "*renewed commitment to the city's built heritage to current owners, the community, visitors to the city and to future generations*" (Built Heritage Policy 2006).

The purpose of the fund is to help owners of heritage sites and properties listed in the District Plan Heritage List (or covered by a District Plan Heritage Area) "*to conserve and protect places for the enjoyment and benefit of current and future generations*" (SPC paper 12 October 2006). Grants from the fund help owners by meeting some of the additional costs associated with owning and caring for a heritage property. The fund replaced two previous funds; the *Building Strengthening Fund* and the *Heritage Fund*.

The BHIF was approved for set up at a meeting of the Strategy and Policy Committee on 12 October 2006. At the same meeting the Committee also approved the funding criteria and funding conditions and confirmed the funding priorities.

The fund has been operational since November 2006. Since that time a range of BHIF projects have been funded, including work on residential houses, churches, commercial buildings and places of cultural or heritage value. A list of the projects funded to date is attached as **Appendix II**.

A review was undertaken to assess whether the funding criteria and funding conditions in operation since November 2006 are fulfilling the objectives of the BHIF in the conservation of places listed in the District Plan Heritage List or included in District Plan Heritage Areas.

5. Discussion

The BHIF has been in operation for more than three (3) years. It is timely to review the effectiveness of the BHIF in contributing towards its stated objectives - the conservation of places listed in the District Plan Heritage List or included in District Plan Heritage Areas.

Appendix I provides an analysis of the grants disbursement from the inception of the BHIF until the present time.

5.1 Purpose of the review

The BHIF review was carried out to assess the rigour of the BHIF and to investigate whether the funding criteria, funding conditions and funding priorities adequately fulfil the objective of the fund.

5.2 Issues identified

The review found that the overall funding criteria, funding conditions and funding priorities needed some minor changes to address issues which have arisen. The review also suggested changes to the grant application evaluations which use the funding criteria and conditions, with the objective of strengthening the decision-making procedure and dealing with inconsistencies which have appeared over the time the fund has been in existence.

These inconsistencies relate to the allocation to particular properties and the quantum of funding for single projects. They include:

- The allocation of multiple grants to a single property.
- The allocation of grants for work that does not contribute to the conservation of the original heritage fabric of the heritage listed property as protected by the provisions of the District Plan (eg: in most cases internal conservation work is not protected by the District Plan provisions).
- The allocation of grants for funding for work on a heritage item not listed in the District Plan.
- The allocation of significant grant funding to places that do not meet the stated priorities of the BHIF (eg: "...high public access and/or visibility...).

Another issue identified as requiring further clarification included:

- The maximum amount able to be granted in any one allocation.

These issues have been raised in SPC discussions of grants in the recent past and by officers in assessing applications since the inception of the BHIF in 2006.

5.3 Addressing the issues

It is not considered necessary to make major changes to the funding processes which were approved by the SPC in October 2006. Instead, the proposal is to modify the funding priorities agreed in 2006 and to clarify and strengthen the funding criteria and funding conditions based on the knowledge gained through processing applications for BHIF funding over the past three years.

To address the identified issues, it is proposed that significant heritage places identified as being at risk are prioritised in determining the amount of funding allocated to projects. It is further proposed to prioritise projects requesting funding for the stabilisation, repair or restoration of original heritage fabric which is protected by the provisions of the District Plan.

Revised criteria, conditions and priorities will ensure that the public good benefits of distributions from the BHIF are clearly stated and adhere to the stated objectives. Depending on the quantity and quality of applications in each funding round, the total amount allocated in any one round may not be equal.

Therefore the changes being recommended are targeted around alignment of objectives and allocations, transparency and accountability to the Council.

6. Proposed revisions to funding criteria and conditions

It is recommended that minor revisions are made to both the funding criteria, used to evaluate applications for funding, and funding conditions applied to successful applications. It is also recommended that the priorities guiding funding disbursements are revised to keep these priorities in line with the Council's current priorities.

6.1 Criteria

The following are the proposed revisions to the funding criteria approved by SPC in October 2006 which are currently in place. Proposed deletions and additions are noted in ***bold italics***.

Criteria	
1.	The project makes a positive contribution to achieving the Council's Strategic Outcomes as listed in the Council's LTCCP.
2.	The project is within Wellington City.
3.	The project relates to buildings and objects listed in the District Plan or by the Historic Places Trust , or to buildings and objects identified as contributing to a heritage area <i>which is listed in the District Plan.</i>
4.	The project <i>protects conserves</i> and enhances the heritage significance of the item concerned <i>where elements of the item are protected by provisions of the District Plan (eg the exterior of a heritage place).</i>

5.	The applicant provides evidence of: appropriate project management, appropriate technical supervision, sufficient resources to complete the project on time, and demonstrated ability to report back on the project results as appropriate.
6.	The project must be for: A. Stabilisation, repair or restoration of original heritage fabric relating to historic buildings, structures, or objects or the remains thereof (e.g. repairs to masonry, joinery, plaster or glazing, earthquake strengthening, fire protection, protective works on archaeological sites); OR B. Professional services (e.g. structural strengthening reports, maintenance reports, conservation plans, archaeological sites assessments, conservation work specifications, or supervision of work, technical advice etc.); OR C. Reimbursement of Council resource consent fees for approved conservation work requiring a resource consent <i>as well as changes to a listed item which does not affect its heritage values where the proposed work will impact on heritage fabric.</i> (Note: A project which has received funding for either A or B above cannot also obtain reimbursement of Council resource consent fees.)
7.	The applicant is the owner or part owner of the heritage building or object (e.g. a private owner, charitable trust including church organisations). The Crown, Crown entities, District Health Boards, Community Boards, Council Controlled Organisations and Council Business Units are not eligible for funding.
8.	For any applications for funds over \$3000, applications will be considered only if a heritage report or advice from a suitably qualified conservation professional is provided or budgeted for in the proposal.
9.	<i>Only one grant can be given to any one heritage place, except in exceptional circumstances and if agreed by Committee.</i>
10.	<i>Grants will only be assessed as a percentage of the heritage conservation component of a project, not of the total project cost. The grant assessment is at the sole discretion of the Council.</i>
11.	<i>Only applications for work that has not yet commenced will be accepted for consideration.</i>

6.2 Conditions

The following are the grant conditions which were approved by the Strategy and Policy Committee of 12 October 2006 and which are currently in place. Proposed amendments are noted in bold italics. One additional condition is recommended to be included:

No	Condition of acceptance of funding.
1.	Grants will be subject to the availability of funds in any particular financial year.
2.	<i>Moved to criteria - see criteria 9 above</i>
3.	Staged availability of funding may be considered for approved projects.
4.	Where a grant has been approved for a conservation report or other professional report, payment will be made following a peer review of the report by Council <i>officers</i> or a designated consultant.
5.	The amount of funding available for projects involving only construction costs, such as earthquake strengthening will be based on

	a percentage of the value of the conservation improvements. This will be up to 50% 25% of the cost of the work to a maximum of \$80,000.
6.	Funding for conservation reports, technical advice and for domestic fire protection systems will be generally up to a maximum of \$10,000.
7.	<i>Moved to criteria - see criteria 10 above</i>
8.	Grants will only be available for uplifting for a period limited to 18 months from the date of written approval. unless the Council expressly extends this period for special circumstances. <i>Extension of this timeframe will only be in exceptional circumstances, agreed to in consultation with Council officers.</i>
9.	Grants of over \$50,000 may require a memorandum of encumbrance to be registered on the relevant title(s) to ensure retention of the <i>heritage place.</i>
10.	<i>Where an encumbrance is required under condition 9 (above), grants are only payable on completion and certification of the works and the final registration of an encumbrance.</i>

It is proposed that the following condition is added to the grant conditions:

11.	<i>Work which is supported by a grant must comply with all other statutory requirements including provisions of the District Plan, the Building Act and Resource Management Act.</i>
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6.3 Priorities

The priorities as approved by SPC in October 2006 are as follows:

- Projects involving at risk significant heritage buildings and objects
- Projects involving fire protection systems for residential owners
- Projects involving funding for professional services (e.g. structural strengthening reports, maintenance reports, conservation plans, archaeological sites assessments, conservation work specifications, or supervision of work, technical advice etc.
- Projects that have high public access and/or visibility from public areas.

These are listed in order of priority to achieving the intent of the BHIF. It is recommended that the following revisions are made:

- Projects involving at risk significant heritage buildings and objects ***which are listed on the District Plan Heritage List or are included in a Heritage Area listed in the District Plan;***
- Projects involving funding for professional services (e.g. structural strengthening reports, maintenance reports, conservation plans, archaeological sites assessments, conservation work specifications, or supervision of work, technical advice etc;
- Projects that have high public access and/or visibility from public areas;

- Fire protection systems for ***places which allow for high public access.***

6.4 *Climate Change Impacts and Considerations*

The BHIF is a means of ensuring that heritage buildings continue to be reused. It is not considered to raise any significant climate change issues.

6.5 *Long-Term Council Community Plan Considerations*

The LTCCP is supportive of the continuation of the BHIF.

7. Conclusion

The BHIF is a key initiative of the Built Heritage Policy and demonstrates the Council's ongoing commitment to protect and conserve Wellington city's heritage.

The recommended revisions to the funding criteria, funding conditions and priorities will ensure that disbursements from the fund will continue to fulfil the objectives of the heritage grants programme.

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Supporting Information

1) Strategic Fit / Strategic Outcome

The proposed amendments align the process with the priorities for heritage in the Built Heritage Policy and the LTCCP.

2) LTCCP/Annual Plan reference and long term financial impact

The paper is consistent with the objectives of the Built Heritage Policy.

3) Treaty of Waitangi considerations

The proposal has the potential to conserve sites of significance to Maori.

4) Decision-Making

This is not a significant decision. The report sets out options to streamline the BHIF process.

5) Consultation

a) General Consultation

All affected parties have been identified.

b) Consultation with Maori

n/a

6) Legal Implications

Revised criteria and conditions will help to ensure that the process is robust.

7) Consistency with existing policy

The paper is consistent with the objectives of the Built Heritage Policy.

APPENDIX I

Summary of grants allocated

The Fund has been operational since November 2006. Since then there have been 80 applications for funding and of these 65 have received grants. The total amount of funding available for distribution through the Annual Plan to date is \$1,029,000 while the total amount that has been allocated is \$876,123.

Year	No. of Applications	No. Approved	\$ Amount available	\$ Amount Allocated
2006/07*	20	15	250,000	224,153.69
2007/08*	16	11	250,000	208,000.00
2008/09	31	28	329,000	312,645.09
2009/10**	13	11	200,000	131,325.00
	80	65***	1,029,000	876,123.78

* There are three funding rounds per year. In the 2006/2007 and the 2007/2008 year there were only two funding rounds.

** To date there have been two funding rounds including the November 2009 round, with \$68,675 available for allocation in the last funding round for the year in March 2010.

*** Some places have received more than one grant.

Of the 61 properties (more than one property has received more than one grant) that have been funded: there were 19 residential properties; 6 apartment blocks; 16 commercial buildings; 9 churches, 6 cultural places and 5 other projects.

There has been an average of 20 applications a year. Of these, 81% have received a grant. The majority of applicants receive some level of funding. The size of grant approved has varied from \$1,000 to \$50,000. The maximum grant that can be awarded is \$80,000; however this amount has not so far been allocated to a project.

APPENDIX II

Past grant allocations

Built Heritage Incentive Fund Grants (November 2006)

Project	Description of Grant Component of Project	Amount Granted
Rita Angus Cottage: Thorndon Trust	Painting kitchen interior	\$1,113.75
'Boxhill,' 38 Box Hill, Khandallah: Michael M Timmer	Brick and associated wall repair, consultant fees	\$5,000
'Fernhill,' 15 Fernhill Tce, Wadestown: Jacqueline Matthews	Conservation of windows, fence, weatherboards, gate; painting	\$10,000
St Christopher's Seatoun Strathmore Presbyterian Church	Stained glass restoration and protection	\$10,000
Tower Building, 50-64 Customhouse Quay: Maurice Clark	Façade restoration: crack sealing, window & joint resealing	\$20,000
St Barnabas Church, Roseneath: The Friends of St Barnabas Roseneath Charitable Trust	Sprinklers; conservation of front entry, spire, interior porch, foyer	\$30,000
Futuna Chapel: Friends of Futuna Charitable Trust	Purchase and refurbishment	\$50,000
Victoria House Student Hostel, 276 The Terrace: Victoria House Inc.	Piling, over-cladding, timber replacement, exterior repairs, structural engineering	\$25,000
Total		\$151,113.75

Built Heritage Incentive Fund Grants (March 2007)

Project	Description of Grant Component of Project	Amount Granted
Erskine College, 25-31 Avon St, Island Bay: Save Erskine College Trust Inc.	Conservation report to guide garden restoration	\$3,426
41 Palmer Street, Aro Valley Wellington: Hamish Dahya	Painting exterior of cottage	\$2,450
Mount Street Cemetery Wellington: Roman Catholic Archbishop of the Archdiocese of Wellington	Consultant fees to review existing Conservation Plan and write new Conservation Plan	\$8,248.75
19 Simla Crescent: Amanda Rider	Conservation report to establish heritage significance	\$1,000
288 Cuba Street: Keith Powell	Restoration. Includes RC fees, conservation plan, architects fees, re-piling.	\$27,915.19
26 Stoke St, Newtown: Simon Bachler	Replacement of roof	\$20,000
Sai Centre, 8 Daniell St, Newtown: Sathya Sai Service Organisation of Wellington	Conservation plan to guide restoration and refurbishment	\$10,000

Total		\$73,039.94
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Built Heritage Incentive Fund Allocations (July and November 2007)

Round	Applicant Name	Project Venue	Project Description	Amount Granted
Jul-07	Sathya Sai Service Organisation of Wellington Inc	Sai Centre, 8 Daniell St	Strengthen & upgrade facilities at Sai Centre for safe multipurpose community use	\$40,000.00
Jul-07	St Mary of the Angels Parish Church	St Mary of the Angels Church, 17 Boulcott St	Investigative phase of earthquake strengthening	\$10,000.00
Nov-07	Debra & Tony DeLorenzo	1 Ranfurly Tce, Mt Cook	Work including re-piling, plaster repair, electrical work, chimney reinstatement, tile work, and painting.	\$15,000.00
Nov-07	Japirish Limited	Bristol Hotel, 127 Cuba Street, Wgtn	Structural strengthening and fire alarm and hydrant installation.	\$17,500.00
Nov-07	Juerg Daellenbach	61 Holloway Rd, Aro Valley	Work including roof flashing and weatherboard replacement, reinstatement of baseboards, and painting.	\$3,000.00
Nov-07	Leuthart Family Trust	Cadbury Building, 60 Ghuznee St, Wgtn	Repair and maintenance work to exterior including plaster repair, re-pointing brickwork, timber repair, waterproofing, sill flashings, sign repair and painting	\$12,500.00
Nov-07	Milton Investments No 2 Limited	Clarke's Buildings, 121-123 The Parade, Island Bay	Revised project: window joinery repair, recladding roof, painting in historic colours	\$12,000.00
Nov-07	St Andrew's On The Terrace	St Andrews on the Terrace, 28 The Terrace	Work including roof replacement, structural strengthening, concrete repair, and interior conservation	\$40,000.00
			Total:	\$150,000.00

Built Heritage Incentive Fund Grants (March 2008)

Project	Project Description	Amount Granted
Plimmers Emporium, 3 Plimmers Steps	Exterior repaint and concrete repairs	\$12,000.00
Cadbury Building, 60 Ghuznee Street	Structural assessment of building structure to determine seismic capacity, concept designs for earthquake strengthening, and pounding analysis phase 2	\$8,000.00
Hikitia Refurbishment Project, Hikitia Floating Heavy Lift Crane Ship	Water-blast and paint decks and lower platform	\$38,000.00

Totals		\$58,000.00
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Built Heritage Incentive Fund Grants (July 2008)

Project	Project Description	Grant Proposed
(1) Green-house, Karitane Products Society, 21A Manchester Terrace, Melrose	Professional conservation advice and stabilisation and repair of an historic green-house	\$8,177.50
(2) House, 25 Ascot Street, Thorndon	Repainting the exterior of the walls and roof	\$3,500.00
(3) Building, 288 Cuba Street, Te Aro	Restoration of a nineteenth century two-storey shop and residential building including archaeological assessment, earthquake strengthening, shop front restoration, reconstruction of balcony, and installation of fire alarm system	\$17,000.00
(4) Hummingbird, 20 Courtenay Place	Conservation of building exterior including professional conservation advice, repair and maintenance, and structural engineering services for potential earthquake strengthening requirements	\$14,000.00
Totals		\$42,677.50

Built Heritage Incentive Fund Grants (November 2008)

Project	Project Description	Amount Granted
St Annes Church Hall, 69 Northland Rd, Northland	Renovation and extension of hall, and entranceway connection to church	\$40,000.00
Gear Meat Co. Building, 130 Cuba St	Structural engineering assessment to determine earthquake strengthening requirements	\$2,500.00
Massey House, 126 Lambton Quay	Conservation plan preparation	\$16,250.00
Hannah Warehouse, 13 Leeds St, Te Aro	Strengthening report	\$1,679.06
Hazel Court, 4 Claremont Grove, Mt Victoria	Structural engineering assessment to determine earthquake strengthening requirements and assessment of cracking to columns	\$9,337.50
House, 99 Cockayne Rd, Khandallah	Repair of main entry porch glazed infill walls	\$5,612.25
Former Masonic Hall, 221 Clyde St, Island Bay	Conservation plan preparation and repairs to roof	\$20,000.00
Lawson Scout Hall, 32 Salamanca, Kelburn	Conservation plan preparation	\$8,718.75

Roundhouse, Khandallah Bowling Club, 26 Woodmancote Rd	Conservation including roof and exterior painting	\$8,672.22
House, 8 Ascot St, Thorndon	Reconstruction of stairs to front of house and interior painting	\$2,500.00
Rita Angus Cottage, 194A Sydney Street West, Thorndon	Replacement of existing boundary fence and construction of new boundary fence	\$1,777.50
Rita Angus Cottage, 194A Sydney Street West, Thorndon	Purchase of ferns to establish garden	\$1,185.00
Granny Cooper's Cottage, 30 Ascot St, Thorndon	Re-roofing of flat roof area of cottage	\$5,179.81
Inverlochy House, 3 Inverlochy Place, Te Aro	Re-roofing and painting of the house	\$30,000.00
Total		\$153,412.09

Built Heritage Incentive Fund Grants (March 2009)

Project	Project Description	Amount Granted
(1) Formerly Liks Niteclub, 143-147 Vivian Street	Conservation work to the exterior and renovation of the interior	\$20,000.00
(2) Reid House, 191-195 Cuba Street	Structural strengthening, fire protection, and restoration of the building exterior	\$20,000.00
(3) House, 50 Tarikaka Street, Ngaio	Conservation of windows and baseboards and renovation of interior walls	\$15,000.00
(4) House, 52 Tarikaka Street, Ngaio	Resource consent fee reimbursement for alterations and additions to house	\$1,783.00
(5) House, 24 Ascot Street, Thorndon	Painting of exterior of house (excluding roof)	\$3,722.50
(6) House, 11 Salisbury Garden Court, Wadestown	Preparation and painting the exterior of the house	\$5,000.00
(7) Path, Salisbury Garden Court, Wadestown	Engineers report to identify priorities for staging work and to establish cost	\$1,050.00
(8) House, 100 Hobson Street, Thorndon	Installation of sound-proof glass to existing windows	\$20,000.00
(9) Trades Hall, 124-128 Vivian Street	Weatherproofing and installation of fire alarm system	\$30,000.00
(10) House, 24 Ascot Street, Thorndon	Replacement of foul water pipe and retaining wall on path to Tinakori Rd	\$0
Total		\$116,555.50

Built Heritage Incentive Fund Grants (July 2009)

Project	Project Description	Amount Granted
(1) House, 16 St Mary Street, Thorndon	To restore, stabilise and support restorative work currently being carried out	\$20,000.00
(2) Greer House, 420 Middleton Rd, Glenside	To replace old rubber coated wiring and complete upgrade of electrics	\$3,456.00
(3) Hannah's Factory Apartments, 14 Leeds St, Te Aro	Maintenance and preservation plan for management of exterior over medium to long-term	\$10,000.00
(4) House, 10B Tinakori Rd, Thorndon	Preparation of prioritised work plan. Execution of identified remedial building works to eliminate causes of current problems with drains, piles, windows etc.	\$14,839.00
(5) St Michael's Anglican Church, Upland Rd, Kelburn	Repair and cleaning roof and sealing of roof tiles to church.	\$14,630.00
Total		\$62,925.00

Built Heritage Incentive Fund Grants (November 2009)

Project	Project Description	Amount Granted
(1) Augusta Apartments, 254 Willis Street, Te Aro	Manufacture and testing of a prototype steel window required for the remediation of the building.	\$15,000
(2) Shed 22, Macs Bar, cnr Cable Street and Taranaki Street	Critical waterproofing repairs to arrest damage to the building, and to make good the effects of the damage.	\$12,000
(3) St Johns Bar, 5 Cable Street, Te Aro	Critical waterproofing repairs to arrest water damage to the building, and to make good the effects of previous water damage.	\$15,000
(4) Jaycee Building, 99-101 Willis Street, Te Aro.	Determine if this building is earthquake prone (engineers report).	\$6,400
(5) St Gerard's Monastery, 75 Hawker Street, Mt Victoria	Te restore, strengthen (including seismic strengthening) & undertake remedial maintenance on St Gerard's church and monastery.	\$10,000
(6) Erskine College, 25-31 Avon Street, Island Bay.	Seismic strengthening report	\$0 Deferred pending further information
(7) House, 100 Hobson Street, Thorndon	To re-roof the house.	\$0
Total		\$58,400