
REPORT 2
(1215/11/IM)**Report of the Strategy and Policy Committee**
Meeting of Thursday 10 February 2005

Members: Mayor Prendergast, Councillors Armstrong (Chair), Ahipene-Mercer, Cook, Foster, Gill, Goulden, McKinnon, Morrison, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain.

THE COMMITTEE RECOMMENDS:

1. **ITEM 007/05P INDOOR STADIUM DEVELOPMENT**
GOVERNANCE OPTIONS PAPER
(121552/IM) (REPORT 2)

THAT Council:

1. *Agree that officers are authorised to continue the preliminary work required in regard to the proposal to establish a new charitable Trust to manage the Indoor Stadium development.*
2. *Approve the statement of proposal to 'Establish the Wellington Indoor Stadium Development Trust', as attached in Appendix One.*
3. *Initiate a special consultative procedure to be conducted at the same time as or combined with the consultation on the 2005/06 Draft Annual Plan.*
4. *Delegate to the Chief Executive the authority to prepare the summary of information required for the proposal and to establish and determine the form and distribution of the summary of information.*

2. **ITEM 008/05P ARTS CENTRE GOVERNANCE OPTIONS PAPER**
(1215/52/IM) (REPORT 3)

THAT Council:

1. *Agree that officers are authorised to continue the preliminary work required in regard to the proposal to establish a new charitable Trust to manage the Arts Centre.*

2. *Approve the statement of proposal to 'Establish the Wellington Arts Centre Trust', as attached in Appendix Two.*
3. *Initiate a special consultative procedure to be combined with the consultation on the 2005/06 Draft Annual Plan.*
4. *Delegate to the Chief Executive the authority to prepare the summary of information required for the proposal and to determine the form and distribution of the summary of information.*

Robert Armstrong
Chair

STATEMENT OF PROPOSAL

Indoor Stadium Development Trust Statement of Proposal to establish a new Council Controlled Organisation

1 INTRODUCTION

This proposal seeks to establish a new council controlled organisation, in the form of a charitable trust to be known as the Indoor Stadium Development Trust. The purpose of the Trust will be to prepare a business case for the establishment of an Indoor Stadium and to undertake a fundraising programme.

Council officers have held discussions with representatives of various interest groups over the past five years about the proposal to establish a new indoor stadium. The Council has funded a feasibility study which identified a possible design and site that included up to 12 courts at a cost of \$35 million. The Council now proposes to establish a new trust to continue the project, with trustees appointed by Wellington City Council. The Trust will work closely with the principal users (netball, basketball and volleyball) and other key stakeholders.

Under the Local Government Act, before establishing a new council controlled organisation Wellington City Council is required to prepare a detailed statement of the proposal and consult on it in accordance with a special consultative procedure.

2. REASONS FOR THE PROPOSAL

In recent years it has become apparent that Wellington is lacking adequate facilities for a number of sports. In particular, netball, basketball and volleyball users have highlighted the need for a large-scale indoor sports facility. Over the past three years the Council has completed feasibility studies and preliminary design work for an Indoor Stadium. The total construction costs, including fit-out, were estimated at \$35 million. It was further estimated that the annual net operating cost (i.e. excluding depreciation and interest) would be around \$50,000.

The proposed Indoor Stadium would feature up to 12 courts used principally by netball, basketball and volleyball. The facility would be used by many other sports groups such as badminton and gymnastics, by schools and for regional and national tournaments. As part of the 2004/05 Draft Annual Plan the Council consulted on this proposal to gauge public support for the initiative. The indoor sports stadium proposal attracted a very high level of support with just under 80% of the submissions in favour of it progressing.

In September 2004 a proposal was received from representatives of basketball, netball and volleyball (the principal users). Following discussions with this group, Council officers have proposed that a separate entity be established to focus on developing a detailed business case for the Indoor Stadium. This development entity would work with key stakeholders, such as the principal users group, potential funding partners, and the Council, to establish a case that is robust and achievable, and to identify and obtain funding. This is similar to the process used for the establishment of the Westpac Stadium.

APPENDIX 1

The objectives of the entity would include:

1. To act as a vehicle for the interim development of a proposed Indoor Stadium for Wellington.
2. To prepare a detailed business case for presentation to the Council and other key stakeholders; including
 - a. Site selection – confirm the preferred site for the proposed Indoor Stadium;
 - b. Design – work with the principal users group and other key stakeholders to finalise the concept design and configuration of the Indoor Stadium;
 - c. Cost – establish the likely capital cost of the Indoor Stadium from the concept design and configuration;
 - d. Capital funding – identify realistic funding structure and sources for all capital cost;
 - e. Operations – ascertain the preferred governance, management and operational structure and costs from the final design and configuration;
3. To identify and secure external funding through a fundraising campaign.
4. At a time stipulated by the Council, and as recommended by the proposed business case, to hand over responsibility for the development of the Indoor Stadium and any assets to either an existing entity or a new entity.

3. OPTIONS CONSIDERED

In the preparation of this proposal Council officers have considered a number of options for management of the development project, and these can be distilled down to three reasonably practicable options. The following is a summary of these options including an assessment of the relevant benefits and costs of each option and other matters that are considered to be relevant.

3.1 Establish a new Council Controlled Organisation in the form of a charitable trust

This is the preferred option. The benefits include:

Benefits

- Provides the best prospects for fundraising
- Ensures that focus is retained on project outcomes
- Is tax efficient, provided charitable status is approved
- Allows a broad range of interests and skills to be represented
- Does not unduly restrict future options

Disadvantages

- One-off establishment costs required (legal, tax and other consulting)
- On-going governance or compliance costs (e.g. for monitoring and reporting)
- Administratively more complex to set up and operate (public consultation is required; legal and IRD/Charities Commission¹ processes and approvals required)

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council's Annual Plan. The ultimate goal for the project is the establishment of an Indoor Stadium. This will contribute to increasing the level and quality of participation of Wellington residents in a number of sports. Through this, it will contribute to the following outcomes:

- Recreation opportunities (provision of quality infrastructure)
- Events and identity (contributing to economic prosperity)

This proposal is not about the operation of the Indoor Stadium, but is considering the most appropriate governance structure for fundraising and planning for the Indoor Stadium. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Indoor Stadium.

Each option is considered to offer broadly the same contribution to achieving these outcomes.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

It is important to obtain buy-in from all key stakeholders. This is best achieved by having commitment and participation in the project. A CCO established in the form of a charitable trust will allow all users and stakeholders have an opportunity to participate and be heard.

¹ The Charities Bill establishing the Charities Commission is expected to be passed in early 2005. Preliminary provisions in relation to the Charities Commission will come into force the day after the Act receives Royal assent. The remainder of the Act, including provisions relating to registration, will come into force on a date to be appointed by the Governor-General by order in Council. The Select Committee has recommended that the Inland Revenue retain responsibility for the administration of the approved donee regime with the Commission being responsible for determining whether an entity qualifies for registration as a charitable entity.

The additional funds required for establishment and governance are not significant, and will be offset by funds raised from other sources by the new entity.

The proposal is subject to the proposed trust obtaining tax and donee exempt status from the IRD (or Charities Commission).

3.2 Wellington City Council to manage the project internally

This option has been considered but is not favoured. It would involve the Council establishing an internal project team to complete the work. There are variations on this theme, including the establishment of a working group or employing external consultants to assist with the research and fundraising.

Benefits

- Administratively the simplest to set up and operate (consultation not required; no establishment costs)
- Tax efficient (although no tax issues have been identified)
- Lowest cost: able to utilise existing Council resources; no additional governance or compliance costs (e.g. for monitoring and reporting)
- Does not restrict future options

Disadvantages

- Fundraising efforts will be hampered
 - External agencies reluctant to give funding to the Council
 - Creates an expectation that the Council will “foot the bill”
- Some difficulties in retaining focus due to diverse range of activities undertaken

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council’s Annual Plan. The ultimate goal for the project is the establishment of an Indoor Stadium. This will contribute to increasing the level and quality of participation of Wellington residents in a number of sports. Through this, it will contribute to the following outcomes:

- Recreation opportunities (provision of quality infrastructure)
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This proposal is not about the operation of the Indoor Stadium, but is considering the most appropriate governance structure for fundraising and planning for the Indoor Stadium. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Indoor Stadium.

Each option is considered to offer broadly the same contribution to achieving these outcomes.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

The Council will expect to have a similar involvement in the project, regardless of its form.

3.3 Wellington Regional Stadium Trust (or another existing CCO) manage the project

This option has been considered but is not favoured. It would involve the Council negotiating a suitable arrangement with the Wellington Regional Stadium Trust (WRST) to undertake the project. Current court proceedings involving IRD and WRST, in regard to WRST's tax exempt status may have a significant impact on their fundraising ability for the Indoor Stadium. This creates uncertainty in the short term that is not desirable.

Benefits

- WRST is in a related business – understands the requirements and has some established relationships
- It is the preferred site for the proposed Indoor Stadium (although this could also be perceived as a potential conflict of interest)

Disadvantages

- Current court proceedings
- Some difficulties in retaining focus due to need to run the Stadium
- Insufficient resources (financial and personnel) and would need to incur additional cost if taking on the project
- Greater Wellington Regional Council would have to agree to this undertaking (in accordance with the Trust and funding deeds)
- ANZ Bank would have to agree to this undertaking (due to covenants)

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council's Annual Plan. The ultimate goal for the project is the establishment of an Indoor Stadium. This will contribute to increasing the level and quality of participation of Wellington residents in a number of sports. Through this, it will contribute to the following outcomes:

- Recreation opportunities (provision of quality infrastructure)

- Events and identity (contributing to economic prosperity)

This proposal is not about the operation of the Indoor Stadium, but is considering the most appropriate governance structure for fundraising and planning for the Indoor Stadium. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Indoor Stadium.

Each option is considered to offer broadly the same contribution to achieving these outcomes.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

The establishment process is very similar to that which was used for the WRST, which means the WRST board and management would have some prior expertise.

The current IRD proceedings create uncertainty over WRST's ability to achieve the desired outcome, when compared to other options.

4. FUNDING OF THE PROPOSED DEVELOPMENT TRUST

The operating cost is estimated to be \$166,000 in 2005/06, with this funding to be revisited in the following years. The Trust would be expected to source external funding for the operating expenses, through a mixture of grants, sponsorship and donations². Funding would be provided for project management, marketing, communications and fundraising, governance and meeting expenses, support services, and specialist advice (architects, quantity surveyors).

5. HOW WOULD THE DEVELOPMENT TRUST OPERATE?

- It is proposed that the new trust is established as a charitable trust. The Trust would work with key stakeholders, such as the Council and the principal users. Its objects are as noted in section 2 and include:
 - Prepare a detailed business case for presentation to the Council and other key stakeholders;
 - Identify and secure external funding through a fundraising campaign;
 - At a time stipulated by the Council, and as recommended in the business case prepared by the Trust, to hand over responsibility for the project and any assets to an existing entity or to a new entity.

² A Council contribution will be considered as part of the Draft Annual Plan deliberations. A grant of \$96,000 has been recommended, but is subject to approval by that process.

APPENDIX 1

- It is proposed to have up to eight trustees on the new Trust – all appointed by WCC. Candidates will be selected that offer appropriate skills and that broadly represent the key stakeholders.
- It is proposed that the appointed Trustees would not receive any remuneration.
- The proposed new Trust will be a Council-Controlled Organisation and subject to the establishment, governance and accountability provisions set out at Part 5 of the Local Government Act 2002. The trust would be required to report to the CCO Performance Subcommittee.
- Assuming the proposal is adopted and the documentation finalised in time the new Trust will become effective from 1 July 2005.

6. PROCESS REQUIRED TO ESTABLISH THE DEVELOPMENT TRUST

The steps required to establish the new Trust are:

- A special consultative process must be completed and the Council must consider any submissions made on this proposal before making a decision to adopt this proposal.
- The Inland Revenue Department and the Charities Commission (in due course) will be required to approve the draft Trust deed to confirm the Trust's charitable status before the trust is established.
- Development of terms of engagement between the new trust and the Council.
- Recruitment and appointment of Trustees.

7. CONCLUSION

The proposed Indoor Stadium would be a major asset for Wellington, and would help to address a shortage of quality indoor facilities. However it will require a significant commitment of time and money from all the key stakeholders. The Council is proposing the establishment of the Wellington Indoor Stadium Development Trust (a charitable trust) to take the lead role in achieving this goal.

STATEMENT OF PROPOSAL

Arts Centre Trust

Statement of Proposal to establish a new Council Controlled Organisation

1. INTRODUCTION

This proposal seeks to establish a new council controlled organisation, in the form of a charitable trust to be known as the Arts Centre Trust. The purpose of the Trust will be managing the Wellington Arts Centre.

Council officers have held discussions with representatives of various interest groups over the past three years about the proposal to establish a new Arts Centre. The Council has funded a feasibility study which identified sufficient demand for this facility to justify its establishment. The Council now proposes to establish a new trust to manage the facility, with trustees appointed by Wellington City Council. The Trust will work closely with the key stakeholders.

Under the Local Government Act (LGA), before establishing a new council controlled organisation Wellington City Council is required to prepare a detailed statement of the proposal and consult on it in accordance with a special consultative procedure.

2. REASONS FOR THE PROPOSAL

As part of the 2004/05 Draft Annual Plan the Council consulted on the proposal to establish an Arts Centre, to gauge public support for the initiative. With the physical Arts Centre presence now being established, this proposal relates to governance options. Council officers have proposed that a separate entity be established to focus on managing the Arts Centre. This entity would work with key stakeholders, such as the tenants, arts organisations and practitioners, potential funding partners, and the Council. The objectives of the entity would include:

5. To manage, administer and operate the Wellington Arts Centre for the benefit of the people of Wellington and the public generally, with the aim of achieving key benefits:
 - f. To build on the strengths of Wellington's cultural infrastructure;
 - g. To materially assist arts organisations and individuals to develop their skills
 - h. To attract arts organisations and individuals
6. To promote and co-ordinate fundraising to assist the operation and further development of the Wellington Arts Centre.

3. OPTIONS CONSIDERED

In the preparation of this proposal Council officers have considered a number of different management options and these can be distilled down to four reasonably practicable options. The following is a summary of these options including an assessment of the relevant benefits and costs of each option and other matters that are considered to be relevant.

3.1 Establish a new Council Controlled Organisation in the form of a charitable trust

This is the preferred long term option. The benefits include:

Benefits

- Provides the best prospects for fundraising from other sources
- Ensures that focus is retained on meeting objectives and achieving outcomes
- Is tax efficient, provided charitable status is approved by IRD/Charities Commission³
- Allows a broad range of interests and skills to be represented
- Does not unduly restrict future options

Disadvantages

- One-off establishment costs required (legal, tax and other consulting)
- On-going governance or compliance costs (e.g. for monitoring and reporting)
- Administratively more complex to set up and operate (public consultation is required; legal and IRD/Charities Commission processes and approvals required)

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council's Annual Plan. The ultimate goal for the Arts Centre is to contribute to increasing the level and quality of participation of Wellington residents in the arts, and to attract artists to the city. Through this, it will contribute to the following outcomes:

- Arts and cultural capital (provision of strong and supportive infrastructure)
- Quality of life (access to the arts)

This proposal is not about the operation of the Arts Centre, but is considering the most appropriate governance structure for managing and operating the Arts Centre. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Arts Centre. This option is considered to offer broadly the same contribution to achieving these outcomes as each of the other options.

³ The Charities Bill establishing the Charities Commission is expected to be passed in early 2005. Preliminary provisions in relation to the Charities Commission will come into force the day after the Act receives Royal assent. The remainder of the Act, including provisions relating to registration, will come into force on a date to be appointed by the Governor-General by order in Council. The Select Committee has recommended that the Inland Revenue retain responsibility for the administration of the approved donee regime with the Commission being responsible for determining whether an entity qualifies for registration as a charitable entity.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

It is important to obtain buy-in from all key stakeholders. This is best achieved by having commitment to the concept which translates to high levels of use. An independent entity will ensure that all users and stakeholders have an opportunity to participate and be heard, and will help overcome any resistance to Council involvement. The proposal is subject to the proposed trust obtaining tax and donee exempt status from the IRD (or Charities Commission).

3.2 Wellington City Council to manage the entity internally

This option has been considered but is not the preferred long-term solution. It would involve the Council's Recreation business unit taking over responsibility for the daily operations.

Benefits

- Administratively the simplest to set up and operate (consultation not required; no establishment costs)
- Tax efficient (although no tax issues have been identified)
- Lowest cost: able to utilise existing Council resources; no additional governance or compliance costs (e.g. for monitoring and reporting)
- Does not restrict future options

Disadvantages

- Artists may be reluctant to engage with the Council directly
- Fundraising efforts will be hampered
 - External agencies reluctant to give funding to the Council
 - Creates an expectation that the Council will "foot the bill"
- Some difficulties in retaining focus due to diverse range of activities undertaken (the arts sector is not core business for the Council)

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council's Annual Plan. The ultimate goal for the Arts Centre is to contribute to increasing the level and quality of participation of Wellington residents in the arts, and to attract artists to the city. Through this, it will contribute to the following outcomes:

APPENDIX 2

- Arts and cultural capital (provision of strong and supportive infrastructure)
- Quality of life (access to the arts)

This proposal is not about the operation of the Arts Centre, but is considering the most appropriate governance structure for managing and operating the Arts Centre. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Arts Centre. This option is considered to offer broadly the same contribution to achieving these outcomes as each of the other options.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

The Council's Recreation business unit will manage the entity as an interim measure, while this consultation process is being undertaken.

3.3 Wellington Museums Trust (an existing CCO) manages the entity

This option has been considered but is not favoured. It would involve the Council negotiating a suitable arrangement with the Wellington Museums Trust (WMT) to manage the facility.

Benefits

- WMT is in a similar business and has a sound administrative and management structure
- Better fundraising prospects (as a charitable entity)

Disadvantages

- Some difficulties in retaining focus due to need to manage six existing facilities
- Insufficient resources (financial and personnel) and could need to incur additional cost if taking on the facility
- May not support the current objects of the Trust – more complex to amend the Trust deed

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council's Annual Plan. The ultimate goal for the Arts Centre is to contribute to increasing the level and quality of participation of Wellington residents in the arts, and to attract artists to the city. Through this, it will contribute to the following outcomes:

- Arts and cultural capital (provision of strong and supportive infrastructure)
- Quality of life (access to the arts)

This proposal is not about the operation of the Arts Centre, but is considering the most appropriate governance structure for managing and operating the Arts Centre. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Arts Centre. This option is considered to offer broadly the same contribution to achieving these outcomes as each of the other options.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

There are no other relevant matters.

3.4 Premises Management Trust (an existing CO) manages the entity

This option has been considered but is not favoured. It would involve the Council negotiating a suitable arrangement with the Premises Management Trust (PMT) to undertake the management of the facility.

Benefits

- PMT is in a related business – understands the requirements and has some established relationships
- Better fundraising prospects (as a charitable entity)

Disadvantages

- Some difficulties in retaining focus due to need to manage Te Whaea
- Insufficient resources (financial and personnel) and could need to incur additional cost if taking on the facility
- More complex to set up – requires changes to the Trust

Contribution to community outcomes

The Council has not yet established its community outcomes (as defined under section 91 of the LGA). Until these are established, it is considered appropriate to refer to the outcomes listed under relevant key achievement areas in the Council's Annual Plan. The ultimate goal for the Arts Centre is to contribute to increasing the level and quality of participation of Wellington residents in the arts, and to attract artists to the city. Through this, it will contribute to the following outcomes:

- Arts and cultural capital (provision of strong and supportive infrastructure)
- Quality of life (access to the arts)

This proposal is not about the operation of the Arts Centre, but is considering the most appropriate governance structure for managing and operating the Arts Centre. It is assumed that the better the governance that can be applied, the greater will be the prospects of successfully achieving the goals and outcomes for the Arts Centre. This option is considered to offer broadly the same contribution to achieving these outcomes as each of the other options.

The impact on the Council

The impact on the Council is neutral, when compared to the other options. Support from the Council will be provided under each of the options up to an equivalent level. This level of funding and support will not have a material effect on Council's ability to meet its present and future needs.

Any other relevant matters

There are no other relevant matters.

4. FUNDING OF THE TRUST

The operating cost of the Arts Centre is estimated to be \$1.2 million in 2005/06, with this funding to be revisited in the following years. This includes a small allowance for governance costs such as trustee fees and expenses. The Council has previously resolved to provide funds of \$606,000 with most of the remainder to be generated from tenants and other facilities users.

The Trust would be expected to source further external funding, whether to assist with operating expenses, or for expansion. This might be achieved through a mixture of grants, sponsorship and donations.

5. HOW WOULD THE NEW TRUST OPERATE?

- It is proposed that the new trust is established as a charitable trust. Its objects are as noted in the background section:
 - To manage, administer and operate the Wellington Arts Centre
 - To promote and co-ordinate fundraising to assist the operation and further development of the Wellington Arts Centre.
- It is proposed to have up to eight trustees on the new Trust – all appointed by WCC. Candidates will be selected that offer appropriate skills and that broadly represent the key stakeholders.
- The proposed new Trust will be a Council-Controlled Organisation and subject to the establishment, governance and accountability provisions set out at Part 5 of the Local Government Act 2002. The trust would be required to report to the CCO Performance Subcommittee.
- Assuming the proposal is adopted and the documentation finalised in time the new Trust will become effective from 1 January 2006.

6. PROCESS REQUIRED TO ESTABLISH THE TRUST

The steps required to establish the new Trust are:

- A special consultative process must be completed and the Council must consider any submissions made on this proposal before making a decision to adopt this proposal.
- The Inland Revenue Department and the Charities Commission (in due course) will be required to approve the draft Trust deed to confirm the Trust's charitable status before the trust is established.
- Development of terms of engagement between the new trust and the Council.
- Recruitment and appointment of Trustees.

7. CONCLUSION

The Council is proposing the establishment of the Wellington Arts Centre Trust (a Council Controlled Organisation in the form of a charitable trust) to manage, administer and operate the Wellington Arts Centre. This is considered to be the best option for ensuring the success of the new facility, which is envisaged as an important contributor to Wellington's continued identity as the arts capital.