



NOTICE OF MEETING

**Notice is hereby given of a Meeting of the
Invercargill Community and
Recreation Sports Trust to be held
in the Committee Room,
First Floor, Civic Administration Building,
101 Esk Street, Invercargill on
Tuesday 10 August 2021 at 2.00 pm**

Cr G D Lewis
Cr L F Soper
Cr A H Crackett
Cr P W Kett

CLARE HADLEY
CHIEF EXECUTIVE

Invercargill Community Recreation and Sports Trust Charity Agenda

10 August 2021 02:00 PM

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1. Appointment of Chairperson	
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6. Report - Trust and Fund Administration (A3502197)	6
7. General Business	

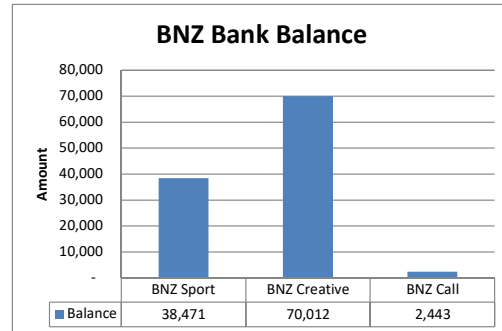
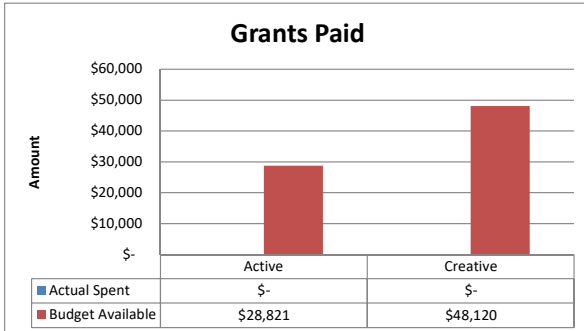
**INVERCARGILL COMMUNITY RECREATION AND SPORTS TRUST MEMBERS
INTEREST REGISTER**

NAME	ENTITY	INTERESTS	PROPERTY
ALEX HOLLY CRACKETT	Invercargill City Council Sport Southland McIntyre Dick Zone 6 - National LGNZ Young Elected Members Committee	Councillor Trustee Marketing Manager Representative	High Street Invercargill
PETER WARREN KETT	Invercargill City Council Age Concern Southland Kite Investments Limited Invercargill Harness Racing Club Board Member Ascot Consortium	Councillor Board Member Director Vice President and Life Member Member	
LESLEY FRANCES SOPER	Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Citizens Advice Bureau Piermont Holdings Ltd Southland ACC Advocacy Trust Southern District Health Board Southland Warm Homes Trust Southland Food Rescue Trust	Councillor Chair Member Member Member 1% Shareholder Employee Elected Board Member Member Member	Strathern, Invercargill, Glengarry Invercargill

**INVERCARGILL COMMUNITY RECREATION AND SPORTS TRUST MEMBERS
INTEREST REGISTER**

GRAHAM DAVID LEWIS	Invercargill City Council	Councillor	Ramrig Street, Invercargill
	Bluff 2024 Rejuvenation	Officer	
	Hospice Southland	Trustee	
	City Centre Heritage Steering Group	Member	
	Southland Regional Heritage Trust	Member	
	Maharg Wines Limited	Sole Company Director	
	Halliday Road Limited	Sole Company Director	
	New Zealand Pharmacy Society	Member	
	Casual Pharmacist	Locum	
	Invercargill Club	Member	
	Invercargill Public Art Gallery	Member	
Regional Skills Leadership Group	Panel Member		

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST
BOARD REPORT
YEAR TO DATE
31 JULY 2021



Grants Paid To:	Date	Active	Creative
Grants approved, not yet paid:	Date	Active	Creative
Total Grants Paid		\$ -	\$ -
Less Grants Returned in the Current Year:			
Total Grants Returned		\$ -	\$ -
Total Grants Expense in the Current Year		\$ -	\$ -
Funds remaining for Grant Allocation		\$ 28,820.85	\$ 48,120.00

Profit & Loss Statement Year to Date 31 July 2021

Revenue	Active	Creative	Combined
Grants Received	-	-	-
Interest Income	9	20	28
Grants Recovered	-	-	-
Recoveries (from ICC)	-	-	-
Total Revenue	9	20	28
Expenditure			
Audit Fees	-	-	-
Grants	-	-	-
Other Expenses	0	-	0
	0	-	0
Total Surplus/Deficit	9	20	28

Closing Bank/Investment Balance	Active	Creative	Combined
BNZ Sport '00 A/C	38,471		
BNZ Creative '02 A/C		70,012	
BNZ Call '023 A/C	2,443		
	40,914	70,012	110,926
SBS Term Investment 1	824,231		
SBS Term Investment 2	118,929		
	943,160	-	943,160
Total Bank & Investments	984,074	70,012	1,054,085

TO: INVERCARGILL COMMUNITY SPORTS AND RECREATION TRUST

FROM: RHIANNON SUTER, MANAGER – STRATEGY AND POLICY, INVERCARGILL CITY COUNCIL

AUTHORISED BY: MICHAEL DAY, GROUP MANAGER – FINANCE AND ASSURANCE, INVERCARGILL CITY COUNCIL

MEETING DATE: 10 AUGUST 2021

TRUST AND FUND ADMINISTRATION

SUMMARY

A review of the administration of the Invercargill Active Communities funding has been completed and it has been recommended by the Performance, Policy and Partnerships Committee of Council to pass the administration to Active Southland. This report presents the administration requirements to enable this to occur and recommends that the Trust resolve to commence the process to pass administration of the fund to Active Southland and dissolve the Trust.

RECOMMENDATIONS

That the Invercargill Community Sports and Recreation Trust (The Trust)

- 1. Receive the report “Trust and Fund Administration”.**
- 2. Note the 13 July report to the Performance, Policy and Partnerships Committee on this matter (A3455447).**
- 3. Note the resolutions of the Performance, Policy and Partnerships Committee on 13 July:**

Moved Cr Soper, seconded Cr Pottinger that the Performance, Policy and Partnerships Committee:

- 1. Receive the report “Active Communities Funding”.***
- 2. Note the correspondence from Sport Southland (A3456455) and Sport New Zealand (A3456457) in relation to this matter.***
- 3. Confirm the withdrawal of Creative Communities funding from the Invercargill Community and Recreation Sports Trust; pass the funding related to Active Communities to Active Southland (previously Sport Southland) and wrap up the Trust (Option 1).***
- 4. Provide the Trustees with feedback on any conditions which should be attached to the passing of funding to Active Southland.***

The motion, now put, was RESOLVED in the affirmative.

4. **Note the legal and financial processes required to dissolve the Trust.**
5. **Resolve to give three months notice of the intention to dissolve the Trust.**
6. **Pass administration of the Active Communities Fund to Active Southland effective from the 13 October Committee meeting, with the following conditions:**
 - a. **That the funding is to be used for supporting active community outcomes within the Invercargill District, with activities to be run either by organisations based within the Invercargill District or for the benefit primarily of residents of the Invercargill District.**
 - b. **That the administration of the funding continue with the current Committee, criteria and application process until the dissolution of the Trust is complete and funding management has been passed to Active Southland. Active Southland may choose to conduct a review of criteria and other aspects of the fund administration in the meantime if it so chooses.**
7. **Determine to maintain the bank account which is managed by Council for the purposes of administration of the Creative Communities Funding and to retain funds tagged for that purpose.**
8. **Delegate responsibility to manage the withdrawal of long-term investments and transfer of funds to Active Southland to the GM for Finance and Assurance at Invercargill City Council, noting that this will be completed following dissolution of the Trust and no later than 30 June 2022.**

IMPLICATIONS

The resolutions recommended in this report will commence the legal process of dissolving the Trust and will pass administration of the Active Communities Fund to Active Southland. With the dissolving of the Trust, the financial responsibility of holding and managing the funds related to the Active Communities Fund will also pass to Active Southland.

FINANCIAL IMPLICATIONS

The Trust currently holds \$110,926 in current accounts and \$943,160 in term investments. Of this \$70,012 relates to the Creative Communities Fund and will be retained and managed to Council. The remainder which relates to the Active Communities Fund will be utilised in paying out existing commitments and commitments from immediate future funding rounds and any costs involved in winding up the Trust. Remaining funds including those in the term investments will then be passed to Active Southland for ongoing management.

BACKGROUND

The funds of both the Active Communities Fund and the Creative Communities Fund are held by the Invercargill Community Recreation and Sports Trust and administered by Council.

The Trust was established to hold funding provided from the Hillary Commission. In 2002 Sport New Zealand (then SPARC) withdrew from involvement in administration of the funds and advised councils that they could retain the funding remaining to be used for the purposes then outlined. (Note that Sport New Zealand advise that at that time the funds were not called the Active Communities Funding).

Since that time the primary use of the fund was to distribute the interest each year for applications made primarily for sports clubs for equipment and coach training etc.

The principal of the fund stands at \$943,160 as at 1 July 2021 and approximately \$34,000 has been available each year for distribution, although in many years less than this was allocated. The table below provides a summary of the interest and grants distributed over the last four years.

Financial year	Interest earned on principal	Grants allocated
2020/2021	\$18,747	\$44,934
2019/2020	\$32,470	\$15,145
2018/2019	\$36,562	\$17,003
2017/2018	\$30,811	\$23,425

Table of spending – Active Communities – 2017-2021

It is the understanding of the staff and councillors involved that other councils have over the years spent the principal, and although Sport New Zealand do not have the information to be able to confirm this, they expressed surprise that the fund was still operating and at the quantum of the principal.

Cr Lesley Soper is the current Chair of the Active Communities Committee which has Councillors, Youth Council members, community representatives and Active Southland staff as members.

In 2020 Council reviewed all the funding it administered to enable a more strategic approach to community funding. At that time the decision was made to retain Creative Communities but explore with Sport Southland/Active Southland whether they were able and interested to administer the fund. They confirmed that they were interested upon approval from their board and sent a proposal for how this could work which is attached. (It should be noted that Sport Southland have just changed their name to Active Southland).

Cr Soper wrote to Sport New Zealand to receive their advice which is attached.

They advise the potential benefits of a review of how the fund is administered with the goal of achieving greater strategic impact, which is line with the views of Active Southland, and is also the advice of officers. Over time the fund is no longer as well aligned with the needs of the community or the strategic goals of Active Southland and other stakeholders which now focus on active recreation and play alongside traditional sports. There is the opportunity for the fund to be reviewed to align better with the Spaces and Places Strategy.

At a meeting of the Performance, Policy and Partnerships Committee of Council it was agreed to recommend the closure of the Trust and the passing of management of the funds and administering of the grants process to Active Southland. Discussion was had about the importance of the funding being used to the benefit of active communities outcomes in the Invercargill District and wording is included for consideration of the Trust within the resolutions.

THE ADMINISTRATIVE PROCESS TO PROCEED

Legal Requirements

The following actions are required to implement the decision to pass the funds and administration of the funds to Active Southland.

The Trust must meet to resolve to proceed in line with the direction set by the Performance, Policy and Partnerships Committee. Following resolutions based on the recommendations included in this report, the process of dissolving the Trust will commence.

The first step requires three months notice of the intention to dissolve the Trust. Two further meetings are required. One will be held 3 months, following the notice and two thirds of trustees must be present to resolve to dissolve the Trust. The second meeting will take place 28 – 42 days to confirm dissolution which will require a majority vote.

The relevant resolutions will then be lodged with the Charities Commission and the Trust wound up.

Financial Requirements

The Trust manages funds for both Active Communities and Creative Communities. The Creative Communities funding management will be returned to Council and the funds retained by Council.

The majority of the funds are tied up in term deposits held at SBS. The first of these for the smaller amount comes to term in September and it is proposed to retain this funding within the current account to enable paying out of Active Community grants over the immediate months.

The terms of breaking the second term deposit are being investigated. It is proposed to delegate responsibility for managing this process to the GM of Finance and Assurance who will consider the issues of administration costs, financial penalties and abilities of the grants administration process to continue.

The funds will be passed to Active Southland to manage only on completion of the process of dissolution of the Trust.

Administrative Requirements

It is proposed to delegate administration of the grants process to Active Southland immediately. This will enable them to become familiar with the process of administration and for the intention of the Performance, Policy and Partnerships Committee to promote improved outcomes for the community be given immediate effect.

It is proposed that this be on the basis of the existing process including the current Committee and criteria but with Active Southland taking on promotional, administrative and other associated tasks on behalf of the Trust. Council would continue to provide accounting support and retain responsibility for financial management until the dissolution of the Trust is complete.

CONCLUSION

Recommendations are provided to enable the Trust to pass administrative responsibilities for the grants process to Active Southland and commence the process to dissolve the Trust.