



NOTICE OF MEETING

**Notice is hereby given of the Extraordinary Meeting
of the City Centre Heritage Subcommittee to be
held in the Council Chambers, First Floor, Civic
Administration Building, 101 Esk Street, Invercargill
on Tuesday 28 February 2023 at 1.30 pm**

Cr L F Soper (Chair)
Cr T Campbell
Cr A J Arnold
Cr P W Kett

CLARE HADLEY
CHIEF EXECUTIVE

Extraordinary City Centre Heritage Subcommittee - Public

28 February 2023 01:30 PM

Agenda Topic	Page
1. Apologies	
2. Declaration of Interests	
a. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
3. Report - Revisions to the Terms of Reference of the Built Heritage Fund (A4382008)	3

REVISIONS TO THE TERMS OF REFERENCE OF THE BUILT HERITAGE FUND

To:	City Centre Heritage Subcommittee
Meeting Date:	Tuesday 28 February 2023
From:	Shannon Baxter, Planner – Heritage and Urban Design
Approved:	Trudie Hurst - Customer and Environment
Approved Date:	Tuesday 21 February 2023
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

In an effort to reflect rising construction costs and the uncertainty of working on heritage buildings, revisions to the terms of reference of the Built Heritage Fund are proposed to better support eligible heritage building owners in carrying out improvements to their buildings:

Recommendations

That the City Centre Heritage Sub-Committee:

1. Receive the report "Revisions to the Terms of Reference of the Built Heritage Fund".
2. Note the options with the funding thresholds and contingencies.
3. Resolve to approve option as the preferred option.

Background

Over the past three funding rounds Council staff have noticed a decrease in scope for minor works, as well as increased emergency funding requests and retrospective applications to cover overage costs. This can be attributed to rising labour and material costs, labour shortages, difficulty in sourcing materials, and unforeseen costs resulting from the uncertainty of working on heritage buildings.

Funding threshold

Depending on total estimated project cost, applications to the Built Heritage Fund currently fall into two categories. The magnitude of costing dictates what percentage of funding applicants are eligible to receive:

- Projects with a total cost less than \$15,000 (GST excluded) are eligible to receive up to 80% of total cost.
- Projects with a total cost more than \$15,000 (GST excluded) are eligible to receive up to 50% of total cost.

The cost of undertaking work to heritage buildings has increased more than expected since the establishment of the Built Heritage Fund in 2019. At that time the threshold was set at a realistic budget for completing minor works to heritage buildings, such as façade repainting or weatherproofing. Through recent conversations with several heritage building owners and builders it is evident the current threshold is no longer as applicable.

Contingency budget

Council staff have already received notice from six owners who will be submitting applications this round for overage fees to last year's projects.

The Sub-Committee has previously approved emergency funding requests for unforeseen work discovered while undertaking funded work.

Incorporating a contingency budget moving forward will limit the need for overage applications and emergency funding requests.

Issues and Options

Analysis

\$250,000 is available through the Built Heritage Fund in the 2022/2023 fiscal year. It is estimated that, due to several factors, the fund will be under subscribed for the first time. Therefore, there is capacity to both increase the threshold and add a contingency budget without adversely affecting the overall fund budget.

Significance

The significance to Council is low, but the significance to eligible heritage owners is medium to high. Increasing the threshold would allow owners to expand their scope in a time where construction costs are prohibiting many owners from undertaking work. The addition of a contingency budget would give assurance to owners that unforeseen costs will likely not halt their project.

Options

Option 1 – Increase the funding threshold from \$15,000 to \$20,000 and incorporate a contingency budget of up to 30% in the award amount; or

Option 2 – Increase the funding threshold from \$15,000 to \$20,000, but do not incorporate a contingency budget of up to 30% in the award amount; or

Option 3 – Incorporate a contingency budget of up to 30% in the award amount, but do not increase the funding threshold from \$15,000 to \$20,000; or

Option 4 – Do not increase the funding threshold from \$15,000 to \$20,000 and do not incorporate a contingency budget of up to 30% in the award amount.

Community Views

Increasing the funding threshold aligns with the community's views that Invercargill's city centre heritage is valued and worth preserving.

Implications and Risks

Strategic Consistency

Both revisions align with the goals and actions of the City Centre Heritage Strategy to oversee implementation of the City Centre Heritage Strategy and consider Strategy-related funding allocations.

In 2019 Council delegated the authority to determine and decide allocation of City Centre Heritage Strategy-related funding to the City Centre Heritage Sub-Committee.

Financial Implications

Both revisions will likely contribute to a higher total award amount. Considering the fund is likely to be undersubscribed this year, this will not adversely affect the Strategy's budget.

Next Steps

Staff to contact eligible owners to inform them of changes, if any, to the Built Heritage Fund resulting from this meeting.

Annual funding decision meeting to be held on 23 March 2023.

The City Centre Heritage Strategy, including the Built Heritage Fund, will be reviewed later this year to monitor its effectiveness, per 'Section 2.3 Monitoring and Review' of the 2019 *Invercargill City Centre Heritage Strategy*.