



**COMMUNITY
WAIKATO**

"Thriving Communities"

Hapori Mauriora

A Hamilton Community Hub: Feasibility Study

24 November 2017



Executive Summary

This feasibility study explores the potential for Community Waikato to establish a community hub in Hamilton. Information was gathered through focus groups with community organisations interested in co-locating in a community hub and through examining other community hubs around the country, in response to the following questions:

- Is there a need and an appetite for a community hub locally?
- What are possible models for community hubs?
- What are the potential benefits for community groups and the people they serve?
- What services might be offered as part of a community hub?
- What are the associated costs and is there potential for the hub to generate an alternative revenue stream for Community Waikato?
- What are the issues in establishing a community hub and how can they be managed well?

Although there are several community hubs already operating in Hamilton, none are the same as the Community Waikato vision for a community hub for small to medium sized social sector community groups. There is enough interest from community groups to warrant Community Waikato seriously considering establishing a community hub. Other community hubs clearly demonstrate the efficacy of community hubs which are led by organisations which focus on capacity building, as Community Waikato does.

Key decisions in establishing a community hub will include deciding whether or not the hub is structured as a collective in which Community Waikato is a member, or as a collaboration with Community Waikato as the lead agency. Core values of caring for people and communities, providing effective social services, and valuing community groups and the community sector could guide the development of a hub. Community Waikato will need to clarify the balance between developing an administration centre and a service delivery centre. The overall layout of a hub will influence how well a community hub can foster collaboration, connectivity and innovative service development through co-locating community groups. Open plan office space in pods, with a range of interview rooms, and small and large meeting rooms may be appropriate.

A community hub should provide benefits for members of the community using services and for community groups located there. Ideally, a hub will foster collaboration and improvements in service delivery, as well as reducing the operating costs for community groups. Factors to consider in establishing a community hub include accessibility, safety, security, privacy, confidentiality, affordability, compatibility, occupancy rates and potential for expansion.

There are a range of key services usually included in the tenancy costs of a community hub, with further additional services offered to tenants and other community groups at a reasonable cost. It appears unlikely that a community hub could deliver significant income to Community Waikato but it should be an effective social enterprise which is sustainable in its own right, and add value through enabling further capacity building for community groups.

In summary, this study recommends that Community Waikato continue to work towards establishing a community hub for small to medium community social sector groups, including commissioning a detailed business case for any specific properties which become available.

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1. Introduction and purpose

Community Waikato builds the strength of the community sector in the greater Waikato by supporting and informing social service organisations. A possible means for extending their services for greater impact, is to facilitate the development of a community hub in Hamilton which would house together small to medium social sector groups. The vision is for a

long-term sustainable space for the community sector to deliver well-resourced services, to share resources, share overheads, network and to collaborate in an innovative space and to co-create programmes and projects to address community need.¹

Community Waikato expects that providing a community hub would address the following issues:

- The disproportionate overhead costs for organisations because of the small scale of many not-for-profit operations still requiring the same (or similar) level of administrative support and increasing compliance obligations.
- The duplication of overhead and administration funding to multiple small groups.
- The lack of modern, high quality resources: projectors, vehicles, computers, software, and so on.
- The impact of working in isolation and often in silos.

This feasibility study explores the potential for Community Waikato to establish a community hub in Hamilton. Information was gathered in response to the following questions:

- Is there a need and an appetite for a community hub locally?
- What are possible models for community hubs?
- What are the potential benefits for community groups and the people they serve?
- What services might be offered as part of a community hub?
- What are the associated costs and is there potential for the hub to generate an alternative revenue stream for Community Waikato?
- What are the issues in establishing a community hub and how can they be managed well?

¹ Community Waikato grant application to WEL Energy Trust, 2017.

2. Information gathering

Information was gathered in the following ways:

- Two focus groups were facilitated with community agencies which expressed an interest in being part of or contributing to the development of a community hub. Wide-ranging discussions emerged in the focus groups about values, services, costs, management principles, co-location models, potential benefits, and so on.
- Holly Snape (Community Waikato Chief Executive) and/or I visited 5 existing hubs in Hamilton and met with key people managing or initiating those hubs.
- Holly Snape and/or I interviewed either in person or by phone, key people from a wide range of community hubs in other parts of New Zealand. Information was also gathered from the websites of other community hubs.
- Existing hubs were asked to share templates, policies and financial information about their operations.
- As news of the possibility of a community hub was shared in the community sector, a number of possible locations emerged. Some follow-up was undertaken on those possibilities, which informed thinking for this study.
- I talked with people who had been involved in potential hub developments which had not eventuated.

3. Interest in a Hamilton community hub

Several community hubs are already operating in Hamilton, though none are the same as the hub envisaged by Community Waikato, which would bring together small to medium social sector agencies.

A brief overview of existing hubs in Hamilton is set out in the next section. A more detailed summary of hubs in Hamilton and beyond Hamilton is contained in Appendix 1. Appendix 2 provides sample documents from various hubs. **Appendices not available in public report.**

There is enough interest in a community hub for Community Waikato to seriously consider establishing a hub.

a. Hamilton community hubs already operating

- **Te Ara Hou**

Located on Morrinsville Rd, Te Ara Hou is described as a Christian Social Services Village. Originally Christopher Park, an IHC residential home, Te Ara Hou now houses the following agencies: Anglican Action Mahi Mihinare, Anglican Diocese of Waikato and Taranaki Administrative Centre, Family Works, Catholic Family Support Services, Enliven Waikato Day Programme, Youth Horizons Kia Puawai, Hamilton Combined Christian Foodbank, Hillcrest House (Ministry for Vulnerable Children Oranga Tamariki), Abbeyfield New Zealand.

A wide range of services are delivered from the site, including several different residential services for older people, young people, and women and children. There is also space for community gardens, a small conference centre, chapel and auditorium, and a café run as a social enterprise. In general, the social agencies are medium to large service providers with significant government contracts. The Village has a large number of separate buildings housing the different agencies, some of which have been purpose-built to provide specific services.

Hamilton City Council owns most of the land at Te Ara Hou, while the Waikato Christian Social Services Village Trust owns most of the buildings and operates the Centre. The original joint venture developed in the late 1990s by the Waikato Diocesan Trust Board, the Roman Catholic Bishop of the Diocese of Hamilton and Presbyterian Support (Northern) had the following objectives²:

- To purchase the Buildings (at 100 Morrinsville Road) and develop them to suit the individual and joint purposes of the parties.
- To operate the Centre for multi-purpose and interdenominational social services in the Hamilton City and Waikato Regional areas and to maximize the use of the Buildings to facilitate the above objects.
- To co-operate to obtain funding to develop and operate the Centre
- To co-operate with each other to share their individual and collective expertise and experience to further develop social services within their regions.

² <https://www.tearahou.org.nz/village-overview> retrieved 13 November 2017.

A strong relationship with Ngāti Haua as mana whenua for the site has developed as part of the ethos of the Village.

While there appears to be some collaboration and a shared ethos, the significant size of each agency and the separate buildings in which they are housed appear to have worked against significant collaboration in the provision of services. However, the large site has enabled the development of an extensive range of services, including much-needed residential services, the co-location of the foodbank which serves clients of all agencies and community gardens used by a variety of communities.

- **Creative Cluster at Meteor Theatre**

The Meteor Theatre is located at the South end of Victoria St. Previously owned by Hamilton City Council, it is now owned by One Victoria Trust. The upstairs part of the Theatre operates as a “Creative Cluster” space which houses a range of community arts groups (including Orchestras Central, Hamilton Gardens Arts Festival and One Victoria Trust) and small arts related businesses (e.g. bloggers, web designers, a costume business, writers). The focus is creativity and community. The location above a thriving community theatre brings people and atmosphere.

The architecturally designed attractive space provides open plan desks arranged in pods. A shared kitchen, rehearsal space and small meeting rooms are also available. A lack of free parking is a limitation at times. At the time of writing, there was space available for more tenants and the manager was contemplating marketing the space further.

- **Brian Perry Sports House**

Brian Perry Sports House is located at the Wintec Rotokauri Campus and provides an open plan office environment for “sporting and community based organisations to work alongside one another to enhance each of our roles”.³ The building is owned by Sport Waikato and Sport Waikato staff take up most of the office space available. Other organisations located at Brian Perry Sports House include Waibop Football, Waikato Basketball, Special Olympics, Athletics Waikato, Squash Waikato, Waikato Volleyball, Parafed Waikato and New Zealand Sports Turf Institute. The shared values around sports encourage a sense of belonging, and productive conversations and collaboration arise out of being co-located. As the lead agency and the regional trust providing capacity building in the sports sector, Sport Waikato is able to enhance its services and outcomes through Brian Perry Sports House.

The office space was originally very open plan which resulted in a quiet working atmosphere in which any sound could be distracting. More recently flexible furniture units and more colour have been added to partition the space informally, which has led to a more relaxed working environment encouraging more conversations. Some tenants have moved out over the years, sometimes when the cost is greater than it would be for a home-based office for very small groups, or where more privacy was required, or when there was an opportunity to be closer to the group’s sporting activities (e.g. in sports clubrooms). There is no spare space currently available. Some hot-desking space is available and well-used.

³ Brian Perry Sports House information sheet, Sport Waikato, October 2017.

Small and larger meeting rooms are available to tenants and are widely used by other community groups. A procurement service (e.g. for mobile telephone plans, office equipment and computer hardware) is valued by tenants.

- **Kakariki House and WISE Management Services**

Kakariki House is located in Hamilton East, is owned by Wise Group and houses the range of mental health services which are part of the Group. Originally other community groups were also housed in Kakariki House, but now all seven tenants are part of the Group. (However Wise Group still supports growing community organisations using a community development approach.) Wise Management Services, one of the member organisations in the Group, provides a range of infrastructure services to other members of the Group, including HR management, health and safety management, organisational development, financial management, business analysis, client management services, procurement, quality assurance, communications, IT systems and support, contracts management and board support. Members of Wise Group pay 10% of their turnover for the infrastructure services.

The award-winning building uses innovative environmental design (and the Group undergoes an environmental audit each year) and is part of the Group's aim to create a community village. The building features shared meeting spaces, an electronic room booking system, excellent audio-visual gear, open plan pods which groups furnish with their own design, a large attractive reception area, art works, a small gym, and bookable bikes and scooters for staff. All staff have been involved in design thinking for the building. Commercial rates are charged but not at the top end of rates. Effective noise control, colour and appropriate (but not intrusive) security have been found to be important.

The focus is on creating a shared culture and value set across the Wise Group, and significant attention is paid to creating a beautiful environment. Co-Chief Executive Jacqui Graham notes that if they were designing the building now, she would have more communal areas shared by both staff and clients as part of the ethos of creating community. These areas could include cafes and shared tea/coffee/lunch spaces.

- **Settlement Centre Waikato**

Settlement Centre Waikato (formerly the Waikato Migrant Resource Centre) is located on Boundary Rd, at what used to be the Marist Rugby Club facilities. The Centre is owned by Hamilton City Council. Hamilton Migrant Services Trust manages the Centre, which also houses English Language Partners, Decypher, Youth Migrant Training Services, and Waikato Refugee Forum. Another 46 different community groups use the Centre for meetings, prayer, cultural engagements, orientation programmes, learning workshops (e.g. computer and language classes), after-school programmes, powhiri, counselling services, driver education programmes, community policing, and so on.

The Centre has a very clear focus, as noted on the website⁴:

The Settlement Centre Waikato ... helps newcomers to find their way **to a successful settlement in Hamilton and the Waikato area.**

⁴ <http://www.scw.org.nz/> Retrieved 13 November 2017.

The Centre is clearly a much-loved resource for migrants and refugees moving in to the area, as individuals, families, ethnic groups and ethnic communities. It is always busy with people accessing the very wide range of services. While it is the administration centre for the agencies located there, it is clearly a community centre in the richest sense of the term.

As a result of the focus of the Centre, there is also a strong sense of shared purpose and values for all the agencies and services located there. Many examples of collaboration and collective problem-solving to meet community needs were provided. This collectivity is strengthened by regular conversations about 'how we work together here'. The Centre is now too small for the many activities which happen there, so Hamilton Multicultural Services Trust is exploring other options.

- **Possible hubs over the years**

Over recent years, other hubs have operated or been considered from time to time. The Hamilton City Council building at Caro St used to house a range of community groups at affordable rentals. However, much of the space has now been taken for Council staff, and there are only 3 community groups left as tenants. A lack of parking in the central city was always an issue for this shared space.

In 2007, Waikato Institute for Sport and Leisure Studies (WILSS) surveyed community groups and began exploring the possibility of establishing a collective of community groups who wished to co-locate. At the time, the Lion Foundation and other funders were willing to provide financial support. Although some groups indicated interest, few were willing to commit at the time. Their requirements for parking, separate offices and a CBD location made likely costs higher than groups were willing to pay. The impact of the Global Financial Crisis in 2008 also made financing a community hub more difficult. There was significant interest from Waikato Environment Centre; however the needs of the Centre and WILSS were quite different. At the time, WILSS were offered accommodation at the University of Waikato, which they accepted. They have been located there since about 2008.

Over several years, there was also some discussion about co-locating agencies with a community sector capacity building focus, specifically Creative Waikato, Community Waikato, WILSS, Volunteering Waikato and Waikato Environment Centre. However, the different needs of the agencies were a barrier to progress and the possibility never really gained momentum.

b. Other agencies currently expressing an interest in collaborating to provide a hub

During the process, the following agencies emerged as having an interest in the hub concept, perhaps as potential partners, or with a vision for a specific hub:

- Hamilton YWCA
- Settlement Centre Waikato
- Habitat for Humanity
- K'aute Pasifika
- Trust Waikato and Wintec

At the time of writing, Hamilton YWCA has indicated that it may establish a women’s centre at its premises. Settlement Centre Waikato is pursuing the possibility of using the old Enderley Park Community Centre (land and buildings owned by Hamilton City Council). K’aute Pasifika is developing a hub/centre for Pasifika communities. Trust Waikato and Wintec are exploring the possibility of an impact hub.⁵

Habitat for Humanity is interested in purchasing new premises for its second-hand goods store and administration centre, and would be interested in collaborating with Community Waikato to also offer space to Hamilton social service groups. Habitat for Humanity would bring significant property management experience to any collaboration. One possibility would be to re-purpose a significant commercial building.

I recommend that Community Waikato continue to engage in conversations about all of these possibilities to understand both differences and potential alignment and connections.

c. Organisations interested in co-locating in a hub in Hamilton

The following agencies have expressed an interest in being part of a community hub in Hamilton:

Rostrevor House	Insight Endometriosis
Diversity Counselling New Zealand	Methodist City Action
Waikato Queer Youth	Male Survivors of Abuse Trust
Hamilton Budget Advisory Service	Epilepsy Waikato
Volunteering Waikato	Community Law Waikato
Diabetes Waikato	Prison Ministries
Asthma Waikato	IHC Volunteer Coordinator
Asthma Waikato	Stroke Foundation
StarJam	Waikato Housing Hub

Several factors will impact on the final decision of each to move in to a community hub; the three most significant factors are timing, cost and location. These factors are explored further below.

⁵ See <http://www.impacthub.net/> Retrieved 23 November 2017.

“Impact Hubs are curators of physical and virtual work and social spaces designed to help materialize your vision for a better world—offering a unique mix of infrastructure, connections, inspiration, and learning for people who want to move their ideas from intention to impact.

Each Impact Hub provides three distinct elements:

A vibrant community of passionate and entrepreneurial people sharing an underlying intention to bring about positive change and act as peers, cross-fertilizing and developing their ventures.

A source of inspiration providing meaningful content through thought-provoking events, innovation labs, learning spaces, incubation programs, and facilitated conversations.

A physical space that offers a flexible and highly functional infrastructure to work, meet, learn, and connect.”

4. Possible models

There are a several ways of thinking about possible models for a community hub. Form and function of a community hub may be guided by structures of authority, alignment of purpose, focus on administration and/or service delivery, and physical design/layout.

a. Lead agency or collective

A key decision to make is the structure and authority which will underpin the relationship between Community Waikato and other agencies co-located in a hub. Key questions are:

- Does Community Waikato wish to be the lead agency, which manages (and may own) the community hub?

In this structure, Community Waikato would be the key decision-maker (albeit with more or less input from tenants) regarding all matters related to the hub. Community Waikato would also take the financial and management risk.

This was the model for most of the community hubs we observed around the country. In some of these cases, the lead agency went to lengths to ensure that the venture was highly collaborative and that tenants were able to influence the decisions, policies and processes for the hub. In other community hubs, the lead agency took a more top-down approach to managing the community hub.

If Community Waikato were to own the land and/or building(s), legal advice should be sought about the possibility of establishing a separate legal entity (owned by The Social Services Waikato Trust) for property ownership purposes.

A variation of this model would be a Community Waikato partnership with another organisation (such as Habitat for Humanity) in which case the lead agency role would be shared by the two groups and a legal structure encapsulating that would be needed.

- Would a collective structure be appropriate?

There were also examples of community hubs around the country where all tenants were members, usually of an incorporated society, which owned and/or managed the community hub. This fits with the value of egalitarian collectivism sometimes expressed in the community sector.

In this structure, Community Waikato would simply be one of the members and tenants, and like other members and tenants, would have the right to be represented on the collective structure which makes decisions, usually the board of an incorporated society.

In some cases, the community hub was tied in with a membership organisation which also provided capacity building services for community agencies. (Councils of social services have tended to use this kind of structure.) Community Waikato is a charitable trust and does not have a membership structure for its work, which means it provides capacity building for all

social sector community agencies who choose to take up the opportunities. Community Waikato is funded to provide this widely accessible service.

I recommend that Community Waikato consider taking a lead agency approach to establishing a community hub in Hamilton. I make this recommendation because Community Waikato has the capacity to take a leadership role while many of the small social sector agencies struggle with capacity just to provide their services. The strength of Community Waikato's proposal to establish a community hub is the way in which Community Waikato's key purpose of building the strength of the community social sector both enhances and is enhanced by the potential benefits of a community hub. (See further discussion of benefits below.)

However, the lead agency (or lead partner agency) role should be enhanced by a genuinely collaborative, consultative and shared decision-making approach in establishing and managing the hub. This can be achieved by intentionally creating a culture of shared values and passion for communities through both informal and formal activities, events and structures around the hub, including a co-design approach with potential tenants, and collaborative decision-making.

b. Alignment of communities, purpose and values

Some community hubs have a much stronger alignment of purpose and values of the community agencies who are co-located than others do. In general, those with a close alignment appeared to report greater collaboration, connectivity and innovation in their service delivery because of their co-location. Settlement Centre Waikato and Brian Perry Sports House were good examples of a shared sense of purpose and values leading to the potential benefits of co-location.

- How much alignment of purpose and values is possible for the proposed community hub?

Because the community social sector is very broad, it could be easy for the hub to struggle to create a shared sense of purpose and values. However, three key values (which would be amended and elaborated on when developing shared values) could underpin the proposed community hub:

- We care for people and communities.
- We value community groups and the community sector.
- We want to serve our communities well.

I recommend using these values as a beginning point to guide the development of the proposed community hub. Further engagement and conversation will amend, enhance and articulate these values further.

Community Waikato may also wish to consider how its commitments to honouring the principles of Te Tiriti o Waitangi are enacted through the development of a community hub.

c. Balance between administration centre and service delivery centre

We observed community hubs that were focussed primarily on delivering services, particularly those in the health sector, which, for example, can include medical and pharmacy practices. Others were primarily a hub for the administration centres of a range of community organisations, with their services primarily offered elsewhere. We also noted that sometimes service delivery of different community groups did not mix well and this created issues between groups, perhaps leading to one or more groups leaving a community hub for more appropriate premises.

- Will the proposed community hub be primarily an administration centre or a service centre or a mix of both?

The Community Waikato vision is for a community hub which mixes both administration space and some service delivery. This is appropriate both for the capacity building purpose of Community Waikato, Volunteering Waikato and, to some extent, Community Law Waikato, all of whom provide services which involve meeting with small groups of people regularly and offer training and workshops. Offering these services at the hub makes sense and will require attention in the physical design of a community hub. A significant aspect of the capacity building is also the provision of space which is dedicated to effective administration and designed specifically for that purpose.

In addition, Community Waikato envisages the community hub working well for small to medium social services, such as Epilepsy Waikato, Male Survivors of Abuse Trust and Diversity Counselling. Some of their services may be offered in people's homes or in other locations, but some may also be offered at the community hub. Offering these services at the community hub will require that shared values of caring for people and communities and offering outstanding services guide both the physical and cultural development of the community hub. It will be important to take care of privacy, accessibility, reception, confidentiality and security – as is discussed further below.

A further step would be to envisage the community hub as a place for 'creating community' so that the distinctions between service providers and clients are set alongside a sense of all people in the hub being part of a community created in that place.

d. Overall design

Physically, community hubs ranged between large centres with multiple separate buildings, to single buildings with many separate offices, to single buildings with open plan designs. The layout will almost certainly impact on the collaboration and connectivity possible in the community hub.

Feedback from other community hubs is that complete open plan can make any noise seem more significant than it is and therefore hinder ready conversation. However separate offices also do not encourage connection. It was also clear that individual organisations do need to be able to feel like they are a group, in their own right, usually by sharing a clearly defined area.

For all these reasons, a mix of open plan office space in pods with each pod large enough to accommodate a medium size organisation or several small organisations, together with private (soundproof) interview rooms, community spaces, small meeting rooms, a board room and larger meeting rooms may be ideal. Expert design advice at the outset would be useful. This recommendation assumes that Community Waikato and tenants will be able to determine the overall layout of the hub which will depend on what facility is available and affordable.

5. Potential benefits

During the focus group discussions, we talked specifically about the potential benefits of a community hub. Interviews with people in existing hubs also included asking about the key benefits which had emerged in their hubs. Benefits fell in to two related areas, which are described below.

a. Benefits for community group clients

A community hub can be easier for clients to access a range of services at one place. This idea of a 'one stop shop' at which members of the community can see a range of people from different services works well in some community hubs. The visibility of a community hub may also attract more community involvement and more use of services. Further, a sense of community may be created at the hub which builds inclusivity and connection.

Community groups also believe that their services would be improved through their collaboration with each other at the hub. Therefore they are able to serve their clients more effectively. Co-location could encourage conversations and problem-solving, which would enable groups to make a more significant difference for their communities.

b. Benefits for community groups

The prevailing theme in benefits for community groups was the potential for collaboration and networking, thereby overcoming isolation and working in silos (in addition to improving service efficacy). This was highlighted particularly for those groups with only a few staff members and for new agencies, who would be able to learn from other agencies and benefit quickly from easily accessed networks.

Visibility of services and community groups could also be improved by a well-located and well-known community hub. Some focus group members believed that heightened visibility of social services in a community hub would assist with their relationships with government agencies and other stakeholders.

A community hub may reduce accommodation costs for community groups. It could also reduce administration costs because it makes possible shared administrative services. Reducing operational overheads for groups was seen as a major potential benefit because it could mean more money was available for the provision of services. I note that existing hubs did not tend to have specific data on cost savings. However, many existing hubs did comment that they were keenly aware of costing the accommodation and associated services for affordability for community groups. In a few cases, groups had moved out of hubs when they found they could reduce their costs by being located elsewhere.

The certainty of accommodation over the long term was also seen as a significant benefit, particularly by those groups which had experienced having to move because of decisions by commercial property owners.

This feasibility study looks specifically at the possibility of Community Waikato leading the development of a community hub. In this situation, I would expect that all community groups co-located with Community Waikato would benefit even more than is usually the case, from the capacity-building services offered by Community Waikato to all social sector groups. An example would be in Community Waikato providing training and support for governance and management of community agencies.

Similarly, the potential co-location of Volunteering Waikato could strengthen the operations of all groups at the hub because of Volunteering Waikato's excellent services strengthening volunteering. Community Law Waikato is also a potential tenant, which would mean on-site legal expertise and relevant courses would be available both for clients and for community groups. If all three organisations were to co-locate, this would make a significant capacity building collective which would assist both other organisations in the hub and the wider community sector.

6. Potential services

Existing hubs tended to include the following shared services as part of their tenancy agreements. All of these services were considered to be highly desirable by potential tenants for a Hamilton community hub.

- Shared reception
- Shared meeting spaces and interview rooms, including large and small rooms able to be used by tenants and hired to others
- Appropriate space for meeting with clients (with privacy considerations taken care of effectively)
- Room bookings system, ideally electronic
- Office space – in pods, perhaps a few separate offices, and open-plan arrangements
- High quality audio-visual equipment available in meeting rooms
- Parking for staff and clients
- A separate staff space (kitchen/lunch room)
- Shared printing and copying facilities
- Security for the building, including 24hour swipe card access for staff members
- Maintenance and insurance of the building
- Community hub website

In the focus groups, several people noted that a child-friendly space would be very welcome in a community hub, for both staff and clients of the services provided.

The following services were provided by some hubs:

- Shared phone system
- IT system – shared server and/or Wifi
- Space for members of the community to connect
- Hot desking space, available for short term regular and casual hire

The following services were suggested as possibilities. They are usually charged separately as optional additions to the tenancy arrangements:

- Financial administration, including payroll services
- Pool vehicles, including cars and a van
- Board secretarial services, including distributing agenda papers and minute-taking
- Procurement services for a range of resources, including vehicles, stationery and office supplies, IT equipment, office furniture
- IT support
- HR management services
- Shared research and resource library

Some focus group members suggested that a “virtual hub” could provide some services alongside a physical community hub. The virtual hub could draw in other community groups and extend the possible collaboration, while also strengthening the broader social sector. For example, a community house manager noted that community houses need to stay in their neighbourhoods, but may be interested in services offered other than physical space.

I recommend that Community Waikato focus initially on providing the preferred services for tenants in the community hub, then develop other services which would benefit both tenants and other community social sector agencies.

7. Social enterprise, costs and revenue

Some of the community hubs were described by their managers or lead agencies as social enterprises. All were focussed on earning income and making a social impact.

The Kollektive, a hub currently being developed in Tauranga, is clearly described as a social enterprise. The intention is to provide both financial and social returns, though the level of financial return sought was not explicit. At the time of writing, tenants were still being sought and the financial model is not yet proven. Although difficult to compare directly, the advertised tenancy costs were higher than those of other community hubs for which we collected information.

This points to a fine balance required in community hubs where a lead agency collects rental costs from other agencies co-located there. The lead agency wishes to reduce tenancy and administration costs for other community groups as part of its capacity building while at the same time operating a financially sustainable hub, perhaps even creating some revenue to enable growth in its own service.

Almost all of the community hubs observed for this report said that they ran on a cost recovery basis and that making a financial profit was unlikely. Most charged the rental cost at low or below market rates. However, what was apparent was that a community hub can provide accommodation for a lead agency, in this case Community Waikato, a cost it would have to cover whether or not it was in a hub. The added co-location benefits and the opportunity to offer significant capacity building through the provision of a hub could add value to (or make a return from) that accommodation cost.

There was anecdotal evidence that community hubs can reduce costs for community groups. A few hubs had experienced groups leaving because of the cost, but the majority were full to capacity with long term tenants, a sign that groups perceived the cost to be appropriate for the benefits of being in the community hub.

It was difficult to get much financial detail about existing hubs. Of those that did share their tenancy charges, the charges ranged as follows (bearing in mind these were from different parts of the country and therefore different property markets):

- Square metre costs per year: \$221 - \$400
- Desk space costs per year: \$2,160 - \$6,000 (mechanism used in more open plan designs; one hub counted a desk space as 6-7m², though that is not borne out in these figures)

A 2017 Marketing Indices Report summarises current market rates for office space in Hamilton⁶:

New build office space: Net face rent \$275-\$360/m² per year

Prime office space: Net face rent \$200 - \$240/m² per year

Secondary office space: Net face rent \$60 - \$185/m² per year

(Net rent is the rent calculated excluding building costs and face rent is the quoted rental rate before taking in to account incentives or increases.)

The point was also made that not all space in a community hub is chargeable space (e.g. toilets, kitchen, and hallways are not chargeable). Other costs are often added to the rental costs: printing

⁶ *Ready Steady Build: NZ Market Indices Report 2017*, Colliers International, 16pp.

and photocopying, IT access, energy costs. Key decisions will need to be made about what is included in the rental cost and what are additional costs once a specific property is being considered.

Some hubs have significant income from the rental of their meeting rooms, particularly to groups which are not tenants. This service would need to be balanced with the right of tenants to use the rooms and whether this is an additional cost to their rental or part of the rental itself.

Some community hubs needed regular additional grants to subsidise the hub or for any significant capital expenditure. Several commented that the hub must be without debt to be able to cover its costs. This would imply significant support from philanthropic and/or local authorities in establishing a community hub. I imagine that philanthropic trusts would prefer to support a community hub which is at least self-sustaining (aside from major capital works).

Several people commented that there is significant administration in managing the hub and this should not be underestimated. Managing the hub will need to be part of a staff member's role and there will be additional reception costs.

I recommend that Community Waikato take account of the comments above and aim to establish a hub which is at least financially self-sustaining over the long term. Once a specific facility is being considered, then a detailed business plan should be developed to assess the capital costs and potential fundraising, and to analyse operating costs and income.

8. Factors to manage in establishing a community hub

Experiences in existing community hubs provide some guidance about success factors. The following is a checklist for Community Waikato to use as it goes through the development phases for a community hub:

- Make sure the hub is accessible to staff and clients.
 - An appropriate security system (probably swipe card access) will be needed to ensure staff have 24/7 access to the right spaces.
 - The hub should have great disability access.
 - The hub should be located on a major bus route, ideally not too far from the centre city.
- Develop a sense of community in the hub which ensures that members of the community are not stigmatised by being there.
- Ensure appropriate health and safety measures are in place. Health and safety will require skilled management. Safety includes the right security measures, without moving away from being welcoming and inclusive.
- Manage confidentiality and privacy well. For example, sound-proofing may be critical. Confidentiality of client data will need to be considered.
- Develop shared values and a shared sense of purpose. Build a culture of flexibility and support for each other's work.
- Ensure community groups are able to retain their identity and be members of the hub.
- Remember that co-location does not work for all groups nor for some combinations of groups. Look for natural relationships with values alignment and compatible services.
- Make sure the costs are affordable for small to medium sized community groups.
- Allow time for groups to plan to be there and work out existing accommodation commitments. Budget for a gradual increase in occupancy.
- If possible, develop a hub that has capacity for expansion, including for individual tenants to be able to grow.
- Make the hub family friendly.
- Develop structures, policies and habits which help resolve conflict effectively.
- Evaluate the outcomes of the community hub regularly and use the evaluation to keep improving those outcomes.

9. Summary and recommendations

There is enough strong interest from local community groups and significant potential benefits for Community Waikato to move to the next stage of developing a community hub. As part of that next stage, Community Waikato needs to keep in touch with other potential hub developments in Hamilton.

Evidence from other well-established community hubs around the country shows that they can be financially sustainable, if not significant sources of additional income.

As an organisation focussed on capacity building, Community Waikato is placed well to lead the development of a community hub which will itself contribute to building capacity in the community sector in Hamilton. Other community hubs demonstrate effective models of capacity building when they are led by an organisation providing a range of capacity building services.

The next stage is to consider specific properties. For those properties which have a strong likelihood of becoming a community hub, I recommend commissioning a detailed business case to ensure the hub is affordable and financially sustainable.

I also recommend that Community Waikato consider the following:

- Become the lead agency (or partner lead agency) for a community hub and foster a culture of shared values and purpose, collaboration and connectivity and service innovation.
- Develop shared values based on caring for communities and people, valuing community groups and the community sector, and offering effective social services.
- Develop a hub with a balanced provision of appropriate space for administration and service delivery.
- Seek expert design advice. Involve likely tenants in design discussions. Consider a design which is open plan, in pods, with community space, interview rooms, and small and large meeting rooms.
- Develop first the core services which go with tenancy in a community hub, and then develop additional services which may become available to both tenants and other community groups.
- Identify the staffing needed to resource the management of a hub effectively.
- Consider accessibility, security, health and safety, privacy and confidentiality, affordability, timing of occupancy, and potential for expansion.

Once leading a community hub, I recommend that Community Waikato develop a framework for evaluating the outcomes of co-locating small to medium community social sector groups, so that those outcomes develop over time and experience.

Appendix 1: Summary of information gathered about a range of community hubs in and beyond Hamilton

Appendix not available in public report.

Appendix 2: Sample documents

Appendix not available in public report.