

## ITEM NUMBER: 18.1

### CONFIDENTIAL REPORT

# KAURI COMMUNITY AND SPORTING COMPLEX – EXTENSION OF MANAGEMENT AGREEMENT (Report No: 82/22)

*Pursuant to Section 83 (5) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:*

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.
  
- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

**Recommendation – Exclusion of the Public – Section 90(3)(b & d) Order**

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 82/22 Kauri Community and Sporting Complex – Extension of Management Agreement in confidence.
  
  - 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 82/22 Kauri Community and Sporting Complex – Extension of Management Agreement on the following grounds:
    - b.** pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would prejudice the commercial position of the Council.
  
    - d.** pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
  
  - 3.** The Council is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.
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Item No: 18.1

Subject: **KAURI COMMUNITY AND SPORTING COMPLEX – EXTENSION OF MANAGEMENT AGREEMENT**

Date: 22 March 2022

Written By: Manager, Development Services

General Manager: Strategy and Corporate, Ms P Jackson

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### **SUMMARY**

The current agreement between the City of Holdfast Bay (Council) and Belgravia Health and Leisure Group (Belgravia) for the management of the Kauri Community and Sporting Complex expires on 31 March 2022. This report recommends that Council extend the existing arrangements with Belgravia for an additional three (3) months, and delegate to the Chief Executive Officer the authority to grant further extensions thereafter as a means to facilitate negotiations with the Seacliff Tennis and Hockey Clubs affording the parties the necessary time to review the existing management model with the aim of transitioning the management responsibilities to the Clubs.

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### **RECOMMENDATION**

#### **That Council:**

1. **approves the extension of the current management agreement with Belgravia Health and Leisure Group for the facility management of the Kauri Community and Sports Complex for three months to 22 June 2022; and**
2. **authorise the Chief Executive Officer to consider and authorise further extensions of the current management agreement with Belgravia Health and Leisure Group as a means to facilitate negotiations with the Seacliff Tennis and Hockey Clubs to review the existing management model with the aim of transitioning the management to the Clubs.**

#### **RETAIN IN CONFIDENCE - Section 91(7) Order**

3. **having considered Agenda Item 18.1 Kauri Community and Sporting Complex - Extension of Management Agreement (Report No: 82/22) in confidence under Section 90(2), 90(3)(b) and 90(3)(d) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report be retained in confidence for a period of 24 months with the Chief Executive Officer authorised to release the documents following conclusion of the Management Agreement with Belgravia Health and Leisure Group or the expiry of the 24 month confidentiality period.**
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## **STRATEGIC PLAN**

Wellbeing Objectives 2020-2030 – Support businesses and increase participation rates across the whole community

## **COUNCIL POLICY**

Sporting and Community Leasing Policy

## **STATUTORY PROVISIONS**

*Local Government Act 1999.*

*Retail and Commercial Lease Act 1995*

## **BACKGROUND**

At its meeting held on 27 July 2021, Council resolved to suspend the Expression of Interest (EOI) process for the management of the Kauri Community and Sports Complex (Complex), and grant a six (6) month extension to the operative period of the agreement as a means to facilitate negotiations with the Seacliff Tennis and Hockey Clubs (Clubs) to review the existing management model (Council Resolution C270721/2372). Since then, Council Administration have been liaising with the Clubs as a means to explore options for a sustainable management model that would see the Clubs assume a greater role in managing the Complex. A Council workshop was subsequently held on 8 March 2022 to discuss the primary purpose and use of the Complex, and the type of management model that would serve the community best moving forward.

## **REPORT**

The current agreement between the City of Holdfast Bay (Council) and Belgravia Health and Leisure Group (Belgravia) for the management of the Kauri Community and Sporting Complex (the Complex) expires on 31 March 2022. With the expiration date approaching, and following the outcomes of a Council workshop held on 8 March 2022, it is timely to consider formally transitioning to a management model that fulfils the long-held ambition of the Hockey and Tennis Clubs for their own clubroom facilities within the Complex. To achieve this, Council would first need to extend the management agreement with Belgravia for a short period of, say, three (3) months as a means to provide the necessary time for the management model to be developed and agreed upon by both Council and the Clubs. Thereafter, there may be a need to provide incremental timeframe adjustments, depending on the progress of the transitioning process towards a Clubs-managed model, which is recommended be authorised by the Chief Executive Officer on efficiency grounds. This approach is also designed to maintain continuity of service through a gradual changeover from Belgravia to the Clubs.

The Clubs have expressed interest in exploring possible options in managing the first floor common area of the Complex. An extension of the management agreement would provide the time required for more detailed discussions with the Clubs to settle on a management model that would allow for clubroom space for the Clubs, while balancing the broader community needs that the Council may have for the facility. Therefore, it is recommended that Council grant an initial

extension of the management agreement and delegate to Administration the authority to grant incremental extensions thereafter (if required) to allow for further discussions and resolution of a sustainable management model, and to ensure the ongoing management of the Complex during the period of negotiation. Administration will bring back to Council a report within the three (3) months recommending a proposed approach following discussions with the Clubs.

**BUDGET**

Management fees for the Complex are included within the 2021/22 and 2022/23 operational budgets.

**LIFE CYCLE COSTS**

Not applicable

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