

RELEASED  
C091225

# Attachment 1



15 March, 2021

Mr Roberto Bria  
Chief Executive Officer  
City of Holdfast Bay  
Brighton Civic Centre, 24 Jetty Road,  
BRIGHTON SA 5048

RBria@holdfast.sa.gov.au

Dear Roberto,

**Holdfast Bay Community Centre**

Thanks again for the invitation to meet with yourself, Marnie and Sue last week. We value the partnership with the City of Holdfast Bay, and so any opportunity to get together, exchange insights, and explore new opportunities, is a good one.

Further to that conversation, we have developed some thoughts on the best way forward in this next phase of the management and activation of the Holdfast Bay Community Centre. In particular we've outlined a process that will encourage closer collaboration, with a focus on our shared #1 objective in this endeavour – community wellbeing.

Also contained herein is our updated assessment in terms of operating subsidy, as input into your budget process.

If you have any further suggestions, or would like more information ahead of your upcoming council deliberations, we'd be happy to expand on the notes that follow.

Sincerely,



David Paterson  
Chief Executive Officer  
YMCA South Australia

## Evolving the next phase of the management and activation of the Holdfast Bay Community Centre

### Shared interests and strategic intent

There is strong vision alignment between the City of Holdfast Bay and YMCA:

*“... to deliver high-quality public spaces and services to build a welcoming, safe and active community...”* and *“a healthy, creative, connected community.”*  
(Our Place 2030 Vision, City of Holdfast Bay)

*“... to provide opportunities for all people to grow in body, mind and spirit”*  
resulting in *“lives enriched through wellbeing.”*  
(YMCA South Australia Strategic Plan 2021-25)

Both organisations are purpose-driven, community-based and non-profit. Each has a similarly long history of serving the local community, with both the Glenelg and Brighton municipalities, and the Adelaide YMCA, all being established here in the 1850s.

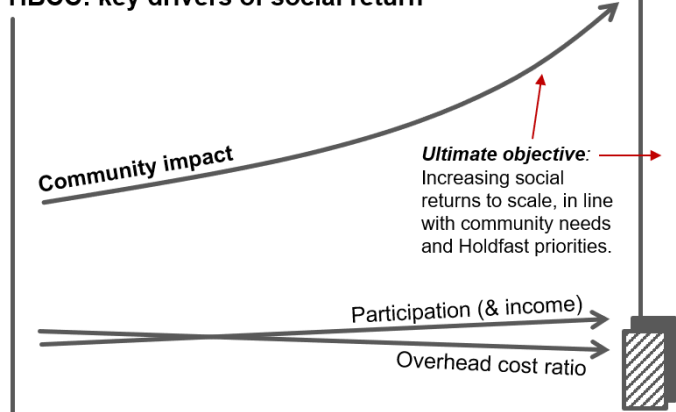
More specifically we also have common interest in enlivening these complementary visions through the Holdfast Bay Community Centre (HBCC). Metaphorically speaking, the City of Holdfast provides the “hardware” (i.e. the facility) and the YMCA the “software” (i.e. management capabilities and wellbeing programs) to activate that asset for maximum community benefit. This document outlines how we might enhance that partnership in this next phase of the Centre’s life, having regard to the City’s priorities and the lessons learned thus far.

### Key drivers of impact

Conceptually there are three main drivers of success for the HBCC – in terms of realising the vision:

1. the volume, mix and type of community **participation** at the Centre. Good performance here maximises both reach and financial self-sustainability (via booking/user fees);
2. the operating costs of the Centre. Good performance here is about increasing **efficiencies** without compromising social impact;
3. the **effectiveness of services, programs and relationships** in meaningfully improving wellbeing for Holdfast Bay residents. Good performance here results in *increasing social returns to scale* (or, put simply, more “wellbeing bang-for-buck”). The better the Centre’s culture, social connections, program innovation, quality

HBCC: key drivers of social return



standards and professional expertise, the greater the impact for both participants and other contributors. Each input or interaction results in ever-more benefit.

All three elements are important but, by far, the greatest value comes from this third factor (e.g. when one attends a doctors' clinic the question in mind is not their overhead ratios, but the effectiveness of the advice and service in meeting health need at hand). Moreover, it is the very purpose for which the Holdfast Bay Community Centre exists. Hence it should be our primary frame in determining the best way forward for HBCC, with other drivers such as overheads playing an important-but-supporting role.

This is perhaps also where HBCC - as presently activated by the YMCA - is of quite a different nature to the three other community centres in Holdfast Bay. To directly compare HBCC with a volunteer-based model for a band or social club for example is somewhat of an apples-and-oranges exercise. They are all valuable, but represent different propositions to the community, playing different roles, with different economics and impacts. Rather, the more relevant frame is their *complementarity* within the broader Holdfast Bay community wellbeing ecosystem. Or, in other words, it is their *difference* that makes the City and its residents better off overall.

### **The near-term challenge**

For all of the excellent programs and experiences being delivered through HBCC, and all its further potential over coming years, the economics do present a challenge in the short-term. It is here that the YMCA and City wish to work collaboratively together in order to ensure the Centre's community impact can continue to grow.

Hitherto, the YMCA has relied on an annual operating subsidy of around \$27,000 which has enabled affordable access to residents and non-profit user-groups. With this support the Centre has operated close to break-even in most years prior (*refer letter of 20 August, 2020*). The disruption of the pandemic, together with structural changes in public program funding, has meant the Y will lose around \$42,000 this financial year, even after the City's subsidy.<sup>1</sup> Or, in terms of ratio, the YMCA is currently carrying around 60% of the total operating gap, and council around 40%.

As a sign of our commitment to the Holdfast Bay partnership and community, we have carried our losses temporarily, whilst we work together to find better solutions. However, for a non-profit such as the YMCA, this can only be for a limited time.

Much stands to be lost to the Holdfast Bay community should the YMCA not be able to sustain its activation of the HBCC. First and foremost are the programs, connections and support residents enjoy today. There is also the rent that our charitable YMCA Youth & Family Services unit pays as a tenant at the Centre, and the substantial volunteer input that goes into maintenance and the like. If council needed to manage and re-activate the Centre itself, there would be substantial effort and cost involved.

Clearly it is in every stakeholder's interests to find a sustainable solution to this, so that we can all refocus on the main prize – building community wellbeing.

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<sup>1</sup> \$69,000 total operating loss in FY21, partially offset by this year's \$27,000 contribution from Council.

## A collaborative way forward

The following measures are suggested as a way of working together in this next phase of the Centre's journey. They incorporate insights and ideas raised in our meeting, and address areas that appear to have caused some confusion in the past.

<b>Strategic clarity</b>	<ol style="list-style-type: none"> <li>1. Senior representatives of the City of Holdfast and YMCA meet to affirm, refine or clarify the intended <b>purpose and strategic vision</b> of the Holdfast Bay Community Centre (both in itself and as it relates to the wider Holdfast Bay community wellbeing ecosystem, the Our Place 2030 strategy, and 2020 Social Needs Assessment).</li> <li>2. High-level <b>goals</b> are established for the next 2, 5 and 10 years (aligned with the lease, see below). The principal focus is on community wellbeing, with high-level participation and financial objectives also defined in support of that.</li> <li>3. As an option, these could be captured in a non-binding <b>Letter of Understanding</b> between the two partners, together with some principles of how we wish to work together toward those ends.</li> </ol>
<b>Lease arrangements</b>	<ol style="list-style-type: none"> <li>4. We proceed with <b>5+5 lease</b> arrangements as planned, reflecting the desire of both partners to work together over the longer term.</li> <li>5. An optional <b>break point is established at the end of Year 2</b>, prior to which we will conduct a mutual review of progress. If we both agree everything is on the right path, we continue on. If not, an exit option is available. (This 2-year window provides us with an intensive 'collaboration window' within which to trial new methods, programs and innovations that build on current strengths – and then assess the results and their ongoing viability).</li> </ol>
<b>Operating model</b>	<ol style="list-style-type: none"> <li>6. Early in the process, we hold a <b>co-design workshop</b> whereby YMCA and City management collaboratively explore different options to refine or enhance the operating model (e.g. opportunities for council to provide some forms of support at lower cost, greater use of volunteers, etc).</li> </ol> <p><i>[It must be noted here that, of course, each is an independent entity with its own governance and responsibilities, and one party cannot compel the other to operate a certain way. But the spirit of this exercise would be to go in with an open mind and be willing to explore any worthwhile option that appears to have merit. Some ideas may subsequently proceed to a trial].</i></p>

<b>Financial contributions</b>	<p>7. We reframe the conversation around finances to “<b>co-contribution</b>” (that is, the YMCA’s operating losses are essentially a contribution to the Centre, as is the City’s subsidy). Whilst only a change in language it does provide a more accurate and constructive picture of what we are both bringing to the table, for the sake of residents.</p> <p>8. Currently (FY21) the YMCA is carrying 60% of the total operating deficit, and the City of Holdfast Bay 40% (via its subsidy). Continuing our “co-contributions” in these same proportions, the contribution from the City in forward years would be:</p> <ul style="list-style-type: none"> <li>a. <b>\$19,936 in FY22</b> (with the YMCA contributing \$29,905);</li> <li>b. <b>\$12,800 in FY23</b> (with the YMCA contributing \$19,200) – noting that this is a forward estimate. We will both need to revisit this closer to the time, through our normal budget processes - also considering outcomes of the 2-year review.</li> <li>c. The objective would be to return HBCC to a <b>break-even</b> position by Year 3.</li> </ul> <p>This gradual winding down of council subsidy reflects our plans to develop new wellbeing programs at HBCC that both improve community impact and replace lost Centre income and subsidy.</p>
<b>Communication</b>	<p>9. In order to avoid the confusion that can arise from multiple voices, we each <b>clarify who is authorised to speak</b> on behalf of their organisation, at different levels of interaction.</p> <p>10. Under YMCA South Australia’s Board Charter, authority for these kinds of matters is <b>delegated to the CEO</b>. On occasion the Chair may engage with outside parties, but only (1) to represent the Board, (2) in situations where it is required / appropriate, and (3) in conjunction with the CEO. The current Chair of YMCA SA – the entity that is the leaseholder for the HBCC - is Mr Robert Prime, a partner with accounting &amp; consulting firm, Nexia Edwards Marshall. <i>(Mr Tim Looker OAM is the current Chair of our charitable arm, YMCA SA Youth &amp; Family Services (YFS) – an entity that is a tenant at HBCC, and provides community services there, but is no longer the entity managing the Centre itself. This arrangement has changed from last year – in line with our letter of 20 August, 2020).</i></p> <p>11. The following are seen as the most natural points of interaction between our management teams:</p> <ul style="list-style-type: none"> <li>a. <b>David Paterson</b> (CEO) with <b>Roberto Bria</b> (CEO).</li> <li>b. <b>Haydn Bellamy</b> (regional manager) with <b>Marnie Lock</b>.</li> <li>c. <b>Tracey Fenwick</b> (centre manager) with <b>Sue Dugan</b>.</li> </ul> <p>Noting also that <b>Andrew Mundy</b> (YMCA COO) also plays a key operational leadership role in support of Haydn and Tracey, and is similarly authorised to speak for the YMCA. <i>Marion Modra, our Head of Community Strengthening, is based at HBCC. She provides expert leadership to YFS programs delivered through the site, and remains a key contact in that regard. However, matters relating directly to Centre management should go through Tracey &amp; Haydn.</i></p>

**Progress  
reporting**

12. In order to ensure all stakeholders are appropriately up-to-date with progress and developments, the YMCA will provide council with a **quarterly report** for HBCC. The precise format of this report can be agreed with City management, but will most likely cover:
- a. quarterly and YTD participation rates
  - b. quarterly and YTD centre financials
  - c. engagement activities
  - d. indicators of social impact (where available).