

ITEM NUMBER: 18.4**CONFIDENTIAL REPORT****KAURI COMMUNITY & SPORTING COMPLEX –
EOI TENDER
(Report No: 250/21)**

Pursuant to Section 90(2) 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: 250/21 Kauri Community & Sporting Complex – EOI Tender 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: 250/21 Kauri Community & Sporting Complex – EOI Tender 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: **18.4**

Subject: **KAURI COMMUNITY & SPORTING COMPLEX – EOI TENDER**

Date: 27 July 2021

Written By: General Manager, Strategy and Corporate

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

This report presents a recommendation to Council to extend the existing arrangements with Belgravia for an additional six months, and to suspend advertising for an Expression of Interest for management of the of the Kauri Community and Sporting Complex for the same period, while negotiations are undertaken with the Seacliff Tennis and Hockey Clubs to review the existing management model.

RECOMMENDATION

That Council:

- 1. approves the suspension of advertising the Expression of Interest for interested parties in managing the Kauri Community & Sports Complex for six months;**
- 2. approves the extension of the current management agreement with Belgravia Leisure for the facility management of the Kauri Community & Sports Complex for six months;**
- 3. notes Administration will table a report within the six months recommending an approach for the ongoing management of the Kauri Community & Sports Complex; and**

RETAIN IN CONFIDENCE - Section 91(7) Order

- 4. having considered Agenda Item 18.4 Kauri Community & Sporting Complex - EOI Tender (Report No: 250/21) 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 or the expiry of the 24 month confidentiality period.**
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COMMUNITY PLAN

Placemaking: Creating lively and safe places

Community: Providing welcoming and accessible facilities

Community: Providing welcoming and accessible facilities

Economy: Supporting and growing local business

Culture: Providing customer-centred services

COUNCIL POLICY

Procurement Policy

STATUTORY PROVISIONS

Local Government Act 1999.

Retail and Commercial Lease Act 1995

BACKGROUND

Previous Relevant Reports and Decisions

- Council Report No. 166/21; Item No. 18.1 *“Kauri Community and Sporting Complex – Management Review and new EOI Tender”*, 8 June 2021 (Resolution No. C080621/2313)
- Council Report No. 222/20; Item No. 17.1, *“Kauri Community & Sporting Complex – Management Review”*, 11 August 2020 (Resolution No. C110820/2008);
- Council Report No. 74/19; Item No. 17.1, *“Kauri Community & Sporting Complex – New EOI Tender”*, 12 March 2019 (Resolution No. C120319/1409);
- Question on Notice No. 413/18; Item No. 9.2.2, *“Kauri Sporting Complex Management”*, 11 December 2018;
- Council Report No. 52/18; Item No. 17.2, *“Kauri Community & Sporting Complex - EOI Results”*, 27 February 2018 (Resolution No. C270218/1065);
- Council Report No. 453/10; Item No. 14.7, *“New Lease Agreement – Holdfast Bay Music Centre”*, 12 December 2017 (Resolution No.: C121217/1003);
- Council Report No. 455/17; Item No. 14.9, *“New Lease Agreement – Seacliff Tennis Club”*, 12 December 2017 (Resolution No. C121217/1002);
- Council Report No. 454/17; Item No. 14.8, *“New Lease Agreement – Seacliff Hockey Club”*, 12 December 2017 (Resolution No. C121217/1001);

- Council Report No. 349/17; Item No. 14.6, *“Kauri Community and Sporting Complex - EOI for Operational Management”*, 10 October 2017 (Resolution No. C101017/929); and
- Council Report No.: 232/19; Item No.: 17.1, *“Kauri Community and Sporting Complex - EOI Results”*, 23 July 2019 (Resolution No. C230719/1564).

At its meeting on 8 June 2021, Council resolved for an Expression of Interest (EOI) be advertised to seek parties interested in managing the Kauri Community and Sports Complex (Complex). During the debate for this agenda item there was discussion regarding the role of the Seacliff Hockey and Seacliff Tennis Clubs (Clubs) could have in any future management model. There was also discussion with Elected Members regarding the primary purpose of the facility, and the role that sporting, community use and commercial uses played at the Complex.

REPORT

Following the debate and subsequent resolution of the motion, the General Manager, Strategy and Corporate met with the Clubs to discuss issues with the current management model and to gauge if there was interest from either Club to submit an application as part of the EOI process.

The main concern that both Clubs raised during these discussions was the Complex did not provide for clubroom facilities for either Club. Both Clubs felt like this was impacting on the “sense of community” within their Clubs. The Complex was the first hub to be constructed as part of Council’s three hub sporting complex strategy, with the other two being Brighton Oval and Glenelg Oval. The design was the first of its kind for the Council in that it meant that club space was to be common area to be shared by all clubs. The original management model proposed would have resulted in the three Clubs utilising the Kauri Complex: Hockey, Tennis and the Music Club, forming an Association to manage the facility. This would have given the Clubs the ability to manage the common area on the first floor of the Complex and have a clubroom space. Once this approach could not be negotiated, this resulted in the common area being managed by Council through a third party, and the Clubs losing access to clubroom space.

This issue goes to the core of the primary function of the Kauri Community and Sporting Complex, and whether the Complex is primarily a sporting complex, such as Brighton Oval Complex, or a community facility. To achieve a sustainable outcome for the future, Council needs to resolve this issue. Further discussions are required with Elected Members to resolve the primary purpose and use of the Complex. The Clubs have expressed interest in exploring possible options in managing the first floor common area and therefore more detailed discussions are also required with the Clubs to determine if there is a management model that could be developed that would allow for clubroom space for the Clubs while balancing community needs the Council may have for the facility. Therefore, it is recommended that Council defer the advertising of an EOI for management of the Complex for six months to allow for further discussions and resolution of a sustainable management model, and the current management agreement with Belgravia Leisure be extended for six months to ensure the ongoing management of the Complex during these discussions. Administration will bring back to Council a report within the six months recommending a proposed approach following discussions.

BUDGET

Management fees for the Complex are included within the 2021/22 operational budget.

LIFE CYCLE COSTS

N/A

CONFIDENTIAL