

**Absolutely Positively  
Wellington City Council**

Me Heke Ki Pōneke

# Ordinary Meeting of Te Kaunihera o Pōneke | Council Supplementary Agenda

9:30am Rāpare Thursday, 1 Pīpiri June 2023

Ngake (16.09), Level 16, Tahiwī,

113 The Terrace

Pōneke | Wellington



## 2. General Business

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### SPORT FACILITIES FEES AND CHARGES REVIEW

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#### Kōrero taunaki | Summary of considerations

##### Purpose

1. This report to Te Kaunihera o Pōneke | Council responds to the Notice of Motion which seeks to conduct an independent review (the review) of the Council's sport field and facilities fees and charges, moved by Councillor Abdurahman and seconded by Councillor O'Neill. The Notice of Motion is attached as Attachment 1.
2. The purpose of a review is to provide transparency on how fees are established, what fees contribute towards, and how capital works for sport facilities are developed and/or renewed.
3. The purpose of this report is to outline the next steps and provides draft Terms of Reference (ToR) for consultation with the sporting codes.

##### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- |  |  |
|--|--|
| <b>Strategic alignment with priority objective areas from Long-term Plan 2021–2031</b> | <input type="checkbox"/> Sustainable, natural eco city   |
|  | <input checked="" type="checkbox"/> People friendly, compact, safe and accessible capital city |
|  | <input type="checkbox"/> Innovative, inclusive and creative city                               |
|  | <input type="checkbox"/> Dynamic and sustainable economy                                       |
|  | <input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure       |
|  | <input checked="" type="checkbox"/> Affordable, resilient and safe place to live               |
|  | <input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network    |
|  | <input type="checkbox"/> Fit-for-purpose community, creative and cultural spaces               |
|  | <input type="checkbox"/> Accelerating zero-carbon and waste-free transition                    |
|  | <input type="checkbox"/> Strong partnerships with mana whenua                                  |

##### Relevant Previous decisions

Notice of Motion received from Council

##### Significance

The decision is **rated medium significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

##### Financial considerations

- |                              |  |   |
|------------------------------|--|---|
| <input type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input checked="" type="checkbox"/> Unbudgeted \$100-150k |
|------------------------------|--|---|
4. This review is unbudgeted and will be an overspend. The cost of a review is expected to be between 100k - 150k. It will cover the cost of an independent chair, and an external consultancy to carry out the review.

5. It is estimated that there will be an additional resourcing requirement for 0.5 FTE for officer time across the organisation for the duration of the review. The internal costs will be from re allocating within existing resources.
6. The timeframe for the review allows for findings of the review to be considered as part of Council's 2024 Long-term Plan process, including the Revenue and Finance Policy review processes.

**Risk**

|  Low      |  Medium      |  High      |  Extreme

7. There is a reputational risk for Council with the wider sport community if the working group is not representative of the codes who use our facilities.
8. Given Council has a large engagement with the sporting community on a week-to-week reputational risk needs to be considered.
9. There is a risk of recovering revenue, as one code has stopped payment of their user fees and indicated previously that these will not be paid until the review has been completed or now as we understand it, is underway.

Authors	Sanjay Patel, Sports and Clubs Partnership Lead Baz Kaufman, Manager Strategy and Research Geoff Lawson, Team Lead, Policy Ben Keat, Community Partnerships Manager
Authoriser	Paul Andrews, Manager Parks, Sports & Rec Kym Fell, Chief Customer and Community Officer

## **Taunakitanga | Officers' Recommendations**

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree to complete the review into Council's sport facilities fees and charges.
- 3) Note the draft Terms of Reference as outlined in Attachment 2. Officers will further consult and confirm the draft Terms of Reference with the working group.
- 4) Agree to delegate to the Mayor and Chief Executive to finalise the Terms of Reference following the input of the working group made up of representative codes and any participating councils.
- 5) Agree to delegate to the Mayor and Chief Executive the appointment of an independent Chair, informed by a recommendation from the working group.
- 6) Agree to delegate to the Mayor and Chief Executive the appointment of an independent consultant informed by a recommendation from the independent chair and working group.
- 7) Agree to an unbudgeted overspend in the 2023/24 Annual Plan in Activity 1117 Recreation Programmes of \$150,000 to meet the cost of this review. The overspend will be offset by savings to be found in the Social and Recreation Strategy.
- 8) Note that while Wellington City Council will endeavour to make the review regional it will require support from neighbouring territorial authorities. Conversations with Officers at neighbouring territorial authorities are underway.

## **Whakarāpopoto | Executive Summary**

10. This report responds to the Notice of Motion which seeks to conduct an independent review (the review) into the Council's sport field and facilities fees and charges, moved by Councillor Abdurahman and seconded by Councillor O'Neill on 02 Tuesday May, 2023.
11. The purpose of the review is to provide transparency on how fees are established, what fees contribute towards, and how capital works for sport facilities are developed and/or renewed.
12. The purpose of the report is to provide an outline of how officers intend to commission a review of the Council's sport facility fees including a draft scope of what is to be included.
13. The review is expected to be completed by November 2023 to help inform the Council's 2024-34 long term plan process.

## **Takenga mai | Background**

14. In June 2022 five sporting codes came together with College Sport Wellington to form the Affordable Sports for Greater Wellington group. The group was made up of Wellington Rugby, Wellington Hockey, College Sport Wellington, Capital Football, Capital Basketball and Cricket Wellington. It is chaired by Lisa Jones (CE, Wellington Hockey). Note that officers understand that Wellington Rugby and Capital Basketball are no longer represented by the group.
15. The group lobbied candidates in the local body elections to commit to a review of sport fees across five Wellington territorial authorities.

16. The group was concerned about the affordability of sport, particularly for children and families and is seeking a review of user's fees and charges for sports codes. They noted the increasing cost of living and the Council's sinking lid Policy on Class 4 gaming machines a large source of income for some of these groups.
17. Comparisons have been drawn with Auckland City Council and Christchurch City Council who do not charge user fees for sports fields and fund all sports field operating expenses through rates.
18. The Council's user fees and charges are set through the Council's Revenue and Financing Policy (RFP) which determines the level of user fees and charges for different Council services.
19. The RFP settings are broadly aligned to those of other Councils in the Wellington region, recognising that each Council set their own RFP and have varying levels of service, provision of facilities, and operating models.
20. In September 2022 WCC officers met with representatives from the group. The group was able to clarify that in addition to the lowering of fees, they also wished to see more transparency and greater regional consistency in fees and charges.
21. In February 2023 the Chair of the Affordable Sports group wrote to the five Mayors asking to discuss the next steps in initiating the review.
22. In March 2023, Mayor Whanau responded to the group advising the group to engage with Council's Long Term Plan Process and that officers would reach out to assist in answering their concerns.
23. The Notice of Motion was moved by Councillor Abdurahman and seconded by Councillor O'Neill on 02 Tuesday May, 2023 and seeks to conduct an independent review (the review) into the Council's sport field and facilities fees and charges (attachment 1)
24. On 10 May 2023, officers met with the Chair of the Affordable Sports for Greater Wellington Group, Lisa Jones, Capital Football CEO Richard Reid, and their Business Development Manager Todd Bryant to discuss their preference in moving forward.
25. The group would like a collaborative approach working with all participating Councils to develop the scope of the review and a ToR for a working group which would include criteria of the membership and appointment of the independent consultant.
26. Affordable Sports and Sport NZ have advised that they would be willing to contribute financially.
27. The wider sport sector, including those codes who utilise Council facilities will be asked to engage with the review process.

### **Kōrerorero | Discussion**

28. The proposed outline of how a review will take place is outlined within the draft ToR (attachment 2).
29. The draft ToR has been developed to help initiate conversations and ensure the following principals are adhered to:

- Inclusivity: it can be developed through a consultative process that involves key stakeholders, ensuring that the review is informed by a wide range of perspectives and needs.
  - Focus: helps to keep the review focused on the key issues and areas of concern, ensuring that the review is comprehensive but also targeted towards specific objectives.
  - Consistency: provides a consistent framework for conducting the review, ensuring that all aspects of the review are conducted in a systematic and rigorous manner.
  - Accountability: provides a clear framework for measuring progress and assessing the quality of the review, ensuring that the review is conducted in an accountable and transparent manner.
30. The working group membership outlined in the draft ToR will provide technical insights, guidance and relevant support to the consultant.
31. The draft timeline is expected to be as follows:
- Representative steering group membership formed (June 2023)
  - Consultation and confirmation with stakeholders on terms of reference (June 2023)
  - Recruitment of independent chair (June 2023)
  - Recruitment of consultant (July 2023)
  - Analysis, benchmarking, and consultation (August – September 2023)
  - Development of findings and any recommendations (October 2023)
  - Final report to participating Councils (November 2023)

#### Regional Approach Discussion Points

32. The Affordable Sport group has outlined the desire for a regional review across Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council, and Kāpiti Coast District Council.
33. Whilst in principle officers agree a regional review would meet the desire of the Affordable Sport group, the practicalities of a joint review with neighbouring Councils adds a significant level of complexity to this task. With varying strategic outcomes including revenue and finance policies, levels of services and provision of sport facilities, a regional review would require significantly more investment, time and resources. Each Council would have to agree on and adopt the outcomes to give effect to such a review which is not within any of the individual Councils control.
34. A regional review could;
- Provide a broader perspective on common issues, best practices, information sharing and opportunities for collaboration.
  - Support synergies of resources such as time, expertise, and funding could be shared among the participating councils, with possible cost savings in the overall review.

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- Allow for discussion on policies, fee structures, and pricing models across multiple councils.
  - Facilitate joint initiatives and partnerships promoting fairness and equity for users and stakeholders; and for the benefit of the broader region.
35. Coordinating a regional review with multiple councils requires effective communication, consensus-building, and alignment of timelines and priorities. It may be challenging to ensure that all councils are engaged and committed to the review process.
36. Each council may have different priorities, resources, and levels of commitment to the review, which could lead to challenges in achieving consensus on key issues and implementing recommended changes. They have varying stakeholder needs with unique sport facilities, user demographics, levels of service and community priorities. Reviewing the diverse regional data sets arising from this will take time to ensure comparability.
37. However in any review officers will benchmark, where possible, Wellington City alongside our neighbouring Councils to assist in understanding this regional view and provide the information that the Affordable Sports group is seeking.
38. At the time of writing this report Upper Hutt City Council and Porirua City Council has expressed their support in undertaking a regional review of sport facility fees and charges. Hutt City Council have indicated they already have their own review underway and are happy to share information from their review. It is expected that the review will be completed by 30 November 2023 to assist in informing Councils LTP process.

## **Kōwhiringa | Options**

39. The Council may;
- Adopt the recommendations in this report.
  - Amend the recommendations in this report.
  - Not adopt the recommendations in this report.

## **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

### **Alignment with Council's strategies and policies**

40. The Council's user fees and charges are set through the Council's Revenue and Financing Policy (RFP) which determines the level of user fees and charges for different Council services.
41. RFP settings are broadly aligned to those of other Councils in the Wellington Region, recognising that each Council sets their own RFP and have their own cost and operating model.
42. An independent review of sport field allocations, use, cost and ancillary services was conducted between 1997-2000 and formed the basis of the charges set out for natural sport fields. These charges are reviewed annually in line with the Council's Revenue and Finance Policy for this activity.

### **Engagement and Consultation**

43. A communication and engagement plan will be developed in line with the Council's communication and engagement framework.

### **Implications for Māori**

44. There are no known implications for Māori at this stage, however the review may make recommendations in line with Councils Tūpiki Ora Māori Strategy.

### **Financial implications**

45. The estimated cost of this review is up to \$150k. This will be an unbudgeted overspend in the 2023/24 Annual Plan in Activity 1117 Recreation Programmes. The overspend will be offset by savings to be found in the Social and Recreation Strategy.
46. The information will assist in informing the 2024-34 Long Term Plan.
47. It is estimated that there will be an additional resourcing requirement for 0.5 FTE for officer time across the organisation for the duration of the review. The internal costs will be from re allocating within existing resources.
48. Officers intend to seek financial support from Sport NZ for costs associated with a regional review. Officers will also seek a funding commitment from participating councils.

### **Legal considerations**

49. Council has legislative requirements under the Local Government Act 2002, s102 Funding and financing policies and s103 Revenue and financing policy.



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## Risks and mitigations

50. There is a reputational risk for Council with the sporting community if the working group is not representative of the sporting codes using our facilities.
51. A risk of revenue being withheld, as one user has indicated they intend not to pay their user fees.
52. These risks will be mitigated by further engagement with the codes on the draft ToR (attachment 2) which sets out to ensure we are collaborating and consulting with relevant stakeholders.

## Disability and accessibility impact

53. NA

## Climate Change impact and considerations

54. NA

## Communications Plan

55. A communication and engagement plan will be developed in line Councils framework, together with those in the proposed working group outlined in the draft ToR (attachment 2)

## Health and Safety Impact considered

56. NA

## Ngā mahinga e whai ake nei | Next actions

57. To engage further with a representative group of sporting codes and participating councils on the draft Terms of Reference.
  - Representative steering group membership formed (June 2023)
  - Consultation and confirmation with stakeholders on terms or reference (June 2023)
  - Recruitment of independent chair (June 2023)
  - Recruitment of consultant (July 2023)
  - Analysis, benchmarking, and consultation (August – September 2023)
  - Development of findings and any recommendations (October 2023)
  - Final report to participating Councils (November 2023)

## Attachments

- |               |  |         |
|---------------|--|---------|
| Attachment 1. | Notice of Motion <a href="#">↓</a>          | Page 15 |
| Attachment 2. | Draft Terms of Reference <a href="#">↓</a>  | Page 17 |

## NOTICE OF MOTION

In accordance with Standing Order 23.1 and 23.2, it is proposed to move the following motion at the meeting of the Council on the 1<sup>st</sup> June 2023.

Notice of Motion

That the Council:

1. Resolves to conduct an independent review of Council sports ground charges to establish transparency and provide greater consistency around how each sport is funded for sporting facilities including:

- How fee charges are established
- What fee charges go towards
- Exploration of alignment across the wider councils in the Wellington region
- Investigation of how the Capital Expenditure process is used around developing new facilities and/or replacement of existing facilities

  
Mover:

Name: Councillor Nureddin Abdurahman

Date: 2 May 2023

  
Seconder:

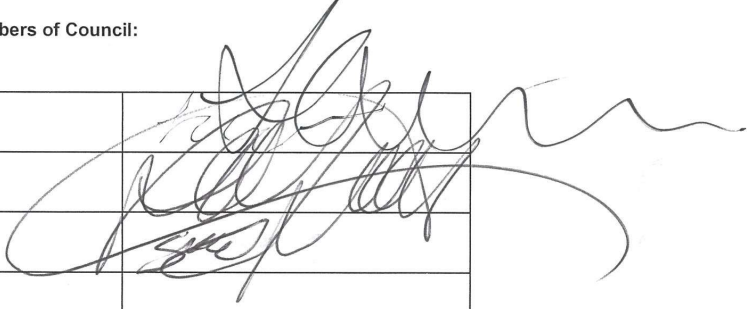
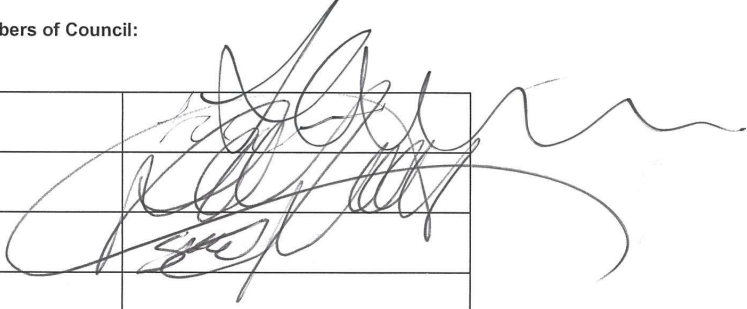
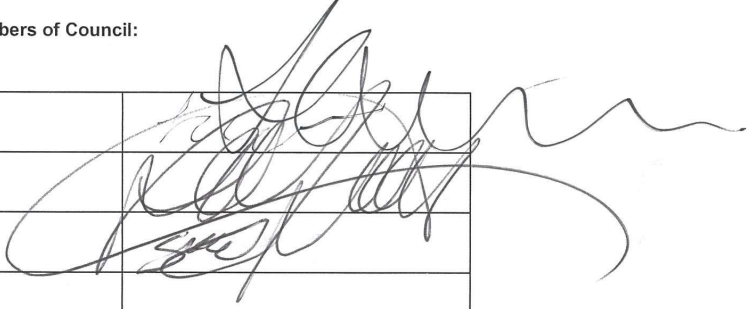

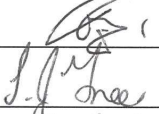



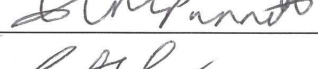




Name: Councillor Teri O'Neill

Date: 2 May 2023

### Attachments

Nil

Signatures of Elected Members of Council:

Mayor Whanau	
Cr Foon	
Cr Abdurahman	
Cr Apanowicz	
Cr Calvert	
Cr Brown	
Cr Chung	
Cr Free	
Cr Matthews	
Cr McNulty	
Cr O'Neill	
Cr Pannett	
Cr Paul	
Cr Randle	
Cr Wi Neera	
Cr Young	

Draft Terms of Reference (ToR)  
Wellington City Council Sport Facilities Fees and Charges Review

Note: This ToR has been developed for the purpose of initiating consultation and further discussion with stakeholders.

Note: While Wellington City Council will endeavour to make the review regional it will require support from neighbouring territorial authorities and may alter the content of the draft ToR.

## 1. Purpose

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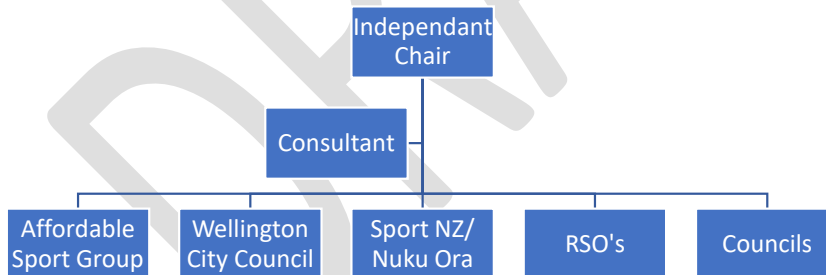
The purpose of this review is to examine Wellington City Council's current sport facility fees and charges to provide transparency on how fees are established, what fees contribute towards, and how capital works for sport facilities are developed and/or renewed. The review will look to investigate Council's fee structure, pricing model, provisions of facilities, levels of service and overall cost recovery approach. The review will consider the needs of all stakeholders, including sport groups, users, and the Council.

## 2. Governance

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The review is proposed to be governed by an independent Chair and informed by a working group, comprising representatives from the Council and key stakeholders.

Governance Structure



### 2.1 Independent Chair

The independent chair will ensure fairness, impartiality, and expertise in the review process, fostering trust among stakeholders and facilitating effective decision-making.

#### 2.1.1 Responsibilities

- Remain objective throughout the review process, ensuring that decisions and recommendations are based on fair and unbiased assessments of the information and data gathered.

- Provide leadership and guidance in facilitating the review, ensuring that the process stays on track, and addressing any challenges or conflicts that may arise among the stakeholders.
- Engage and communicate with the working group to actively seek input, listen to concerns, and ensure that all perspectives are considered in the review process.
- Facilitate discussions and negotiations among the stakeholders, creating an environment where open dialogue and collaboration can take place. Encourage constructive participation, manage conflicts, and work towards consensus or agreement on key issues.

## 2.2 Working group

The working group will provide technical insights, guidance and relevant support to the consultant.

### 2.2.1 Membership

- Independent Chair
- Affordable Sport Group
- Wellington City Council officers
- Sport NZ/Nuku Ora
- Regional sport organisations (RSO) using Council Sport Facilities

Note: The number of representatives is yet to be determined.

### 2.2.2 Working Group Responsibilities

- Provide technical insights, guidance and relevant support to the consultant Assist in identifying any issues or areas for improvement
- Fosters cooperation and knowledge-sharing
- Assist in proposing recommendations for changes that promote equitable access to sports facilities
- Assist in the development of a communications and engagement plan
- Actively work with others in their own organisations to ensure that information requests, data gathering, and any requested inputs for projects are provided in a timely manner
- Maintain a commitment to the Group by allocating time to participate in email discussions, consultation and regular meetings.

## 2.3 Working Group Meetings

### 2.3.1 Frequency

- Meeting frequency will be as required and is expected to be determined by the group. It is expected that the Project Steering Group will meet monthly.

### 2.3.2 Location

- Project Steering Group members will preferably attend meetings in person however, it is acknowledged that this will not always be possible so electronic participation will be supported.

### 2.3.3 Minutes

- Brief meeting minutes including a record of attendance, conflict register, agreed key messages, and action points will be taken and circulated to the parties. All Parties will contribute to ensuring the accuracy of any record keeping.

#### 2.3.4 Decision Making

- Decisions will be made by consensus. Where consensus cannot be reached there will either be further discussion to enable a consensus decision or the chair will make a deciding vote with differing views recorded.

#### Steering Group Processes

- Chairing the Project Steering group Meetings will be carried out by the Independent Chair who will be responsible for;
- Managing meeting processes
- Acting as spokesperson for the Group, including issuing formal communication on behalf of the group

### 3. Scope of Review

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The review will cover the following aspects of Wellington City Council's sport facility fees and charges :

- The current fee structure and pricing model for fees and charges
- How Capital expenditure and operational expenditure are decided and funded
- Levels of provision and services provided by councils
- The level of cost recovery achieved by the Council on different activities and services
- Benchmarking of fees and charges, levels of services, provision against similar Councils across New Zealand
- A particular focus on benchmarking against Hutt City Council, Upper Hutt City Council, Porirua City Council, and Kāpiti Coast District Council.
- Alternative models to be explored and reported on including comparisons from other TA's
- The feasibility and impact of any recommended changes to the fees and charges

It will review the relevant activities which sit under the Social and Recreation category which fall under the following Activity codes:

- 5.1.2 Sport Fields both natural and artificial
  - includes natural and synthetic sports turfs (including two school turf partnerships), nine croquet lawns, Newtown Park running track, velodrome, and tennis/netball courts.
- 5.1.4 Ākau Tangi Sport Centre and Recreation Centres
- 5.3.2 Public Toilets (Changing rooms)

### 4. Review Methodology

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The review will be conducted by an independent consultant and governed by an independent chairperson and will include the following steps:

- Consultation with key stakeholders, including sport groups, users, and the Council
- Analysis of relevant data, including financial records, levels of service, usage data, and market research and benchmarking against other Councils

- Identification of issues and opportunities for improvement
- Development of recommendations and options for change
- Consultation with stakeholders on the findings to ensure clarity

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## **5. Deliverables**

The review will deliver the following outputs:

- A report outlining the findings of the review, including issues and opportunities for improvement, and recommendations
- A presentation to the Council on the findings and recommendations
- Information required to assist in informing the Councils 2024/34 LTP process.

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## **6. Timeline**

The review will commence on as soon as practically possible and will be expected to be completed to align with Councils 2024/34 LTP process. The indicative timeline for the review is as follows:

1. Consultation with stakeholders of terms of reference (June 2023)
2. Steering group membership formed (June 2023)
3. Recruitment of independent chair (July 2023)
4. Recruitment of independent consultant (July 2023)
5. Analysis, benchmarking, and consultation (August – September 2023)
6. Development of recommendations (October 2023)
7. Finalization of recommendations (November 2023)

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## **8. Budget**

The cost of a review is expected to be between 100k - 150k. It will cover the cost of an independent chair, and an external consultancy to carry out the review.

There will also additional resourcing requirement of 0.5 FTE for officer time across organisation for the duration of the review. The internal costs will be from within existing budgets.

Note: Costs are provisional and subject to further investigation.

### **Review of the Terms of Reference**

These terms of reference may be reviewed and updated as necessary by the steering committee to ensure that they remain relevant and consistent with the Council's strategic goals and objectives