
REPORT 1
(1215/53/IM)

GRANTING OF LEASES TO SIX GROUPS OCCUPYING COUNCIL RECREATION RESERVE AND WELLINGTON TOWN BELT

1. Purpose of Report

This report seeks Committee approval to the granting of fresh leases over Recreation Reserve, Wellington Town Belt and Local Purpose Reserve land to the following groups:

- Foundation for the National Hockey Stadium (aerial photo a)
- Wellington Football Club Incorporated (aerial photo b)
- Wellington Potters Association Incorporated (aerial photo c)
- Scout Association of New Zealand (1st Karori Group) (aerial photo d)
- Scout Association of New Zealand (Johnsonville Group) (aerial photo e)
- Wellington Playcentre Association (Makara Branch) (aerial photo f)

2. Executive Summary

The report provides a description and assessment of six groups requesting a fresh lease together with officers' recommendations to grant a lease to each group.

The land being leased to two of the groups is classified as Recreation Reserve, with a further three groups being on the Wellington Town Belt. These leases will be granted under section 54 of the Reserves Act 1977. The land being leased to the Makara Playcentre is classified as Local Purpose Reserve (rather than Recreation Reserve) so this lease must be granted under the Public Bodies Leases Act 1969 rather than the Reserves Act 1977.

The Leases Policy for Community & Recreation Groups 2001 (the Leases Policy) provides guidance for assessing lease renewals (termed a 'fresh lease' in the Leases Policy). This process includes assessment of the strategic fit and level of sustainability for each group.

The report outlines Council's strategic direction and priorities and describes the fresh lease assessment process, demographic and recreational trends. Officers have outlined how the proposed leases fit the Council's strategies and priorities.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Approves, subject to the conditions noted below, the granting of fresh leases to the following groups under the Reserves Act 1977 and the Public Bodies Leases Act 1969:*

Group	Type of Lease	Location	Term (years)	Annual Rent (GST exclusive)
<i>Foundation for the National Hockey Stadium Incorporated</i>	<i>Ground and Premises</i>	<i>Mt Albert Park (Town Belt)</i>	<i>10</i>	<i>\$306 Maintenance Fee Building Compliance Fee</i>
<i>Wellington Football Club Incorporated</i>	<i>Ground</i>	<i>Hataitai Park (Town Belt)</i>	<i>10</i>	<i>\$515</i>
<i>Wellington Potters Association Incorporated</i>	<i>Ground</i>	<i>Tinakori Hills (Town Belt)</i>	<i>10</i>	<i>\$180</i>
<i>Scout Association of New Zealand (1st Karori Group)</i>	<i>Ground</i>	<i>Campbell Street</i>	<i>5</i>	<i>\$270</i>
<i>Scout Association of New Zealand (Johnsonville Group)</i>	<i>Ground</i>	<i>Ohariu Reserve Ironside Road</i>	<i>5</i>	<i>\$96</i>
<i>Wellington Playcentre Association (Makara Branch)</i>	<i>Premises</i>	<i>South Makara Rd</i>	<i>10 + 10</i>	<i>\$118 Maintenance Fee</i>

Note that any approval to grant fresh leases will be conditional on:

- (a) *appropriate consultation with Iwi being completed;*

- (b) the proposed lease on Recreation Reserve being publicly notified in accordance with sections 119 and 120 of the Reserves Act 1977 together with any conditions set out in any approved Management Plans (e.g. Town Belt Management Plan);*
- (c) each Group reimbursing Council for any costs incurred in advertising;*
- (d) there being no objections or sustained objections resulting from the required consultation or notification.*

4. Background

4.1 Overview of the Community & Recreation Leases

One hundred and forty seven sports, recreation and community groups have current leases or are seeking fresh leases with the Council for land and/or premises on recreation and Open Space land.

Throughout this year, Council officers have engaged recreation and community groups with the commitment of processing fresh leases and providing security of tenure for the groups over the land.

Thirty six groups have obtained committee approval for fresh leases since February 2007.

This report presents a further six groups requesting a fresh lease on our open space/reserve land. Three of these six groups are on the Wellington Town Belt.

4.2 Strategic Context and Direction

The lease renewal process provides the Council with an opportunity to evaluate each group's community value and contribution to the various Council strategies and policies relevant to recreation and community groups. These strategies and policies include:

- Social and Recreation Strategy
- Environment Strategy
- Leases Policy for Community and Recreation Groups
- Reserve Management Plans such as the Town Belt Management Plan.

Social and Recreation Strategy

Sport, recreation and community group leases fit under the Social and Recreation Strategy. This Strategy aims to build strong, safe and healthy communities for a better quality of life. The Council will provide greater leadership to promote a high level of social cohesion and participation. High levels of participation in the community including sports and recreation groups are critical to resilient communities.

The Social and Recreation Strategy encourages collaborative partnerships with our sports and recreation groups to ensure the best delivery of services and programmes and the maximum use of amenities and resources.

Environment Strategy

Sport, recreation and community group leases also fit within the context of the Environment Strategy, which emphasises sustainable development and the protection and enhancement of our natural environment. The Strategy recognises the inter-relationship between social and cultural well being and the environment. It aims to make Wellington more liveable, where our natural environment is more accessible to all for a wide range of social and recreation opportunities while not compromising our environmental values.

Recreation Policy (2003)¹

The Recreation Policy identifies that quality recreation and leisure opportunities enhance the city as a place to live and visit, and contributes to community well-being. It aims to offer a diverse range of accessible and affordable recreation activities, enhance the contribution of recreation events to the city's economy, and encourage an increase in participation.

The Council understands that the provision of recreation is provided to a wide variety of organisations including sports and recreation groups. The Council plays a pivotal leadership role and aims to establish strong partnerships with these organisation and groups to achieve and sustainable recreation opportunities for the city.

Leases Policy for Community and Recreation Groups (Leases Policy)

The Leases Policy also reinforces Council's significant role in fostering the well-being and strength of communities by facilitating networks, providing recreation opportunities and supporting community facilities. The objectives of the Leases Policy are:

- *To strengthen communities through leasing land and buildings to groups.*
- *To ensure that the provision of leases is fair, equitable and responsive to community needs.*
- *To formally standardise the requirements of the lease.*

The Leases Policy outlines the process for a new lease and lease renewal. It calls renewing a lease a fresh lease. The process is outlined in Section 4.4.

Reserve Management Plans (For example the Town Belt Management Plan)

The Town Belt Management Plan supports leasing land to groups provided their activity is primarily concerned with public outdoor recreation, is open to public participation, does not restrict public access, and is not detrimental to any of the other values of the Town Belt. The term of the lease shall be no more than 10 years, with no automatic right of renewal.

¹ Formerly known as the 'Recreation Strategy' before 2005/6 Strategic Review.

4.3 Assessment of Fresh Leases

Fresh leases are those where the current lessee is seeking to renew the existing lease. The Council recognises that most groups have made investments in assets and this is a key consideration in the evaluation of a fresh lease. The process for a fresh lease is as follows:

- Step 1. Applicant provides Council officers with relevant information including, financial information, historical patterns of use and future prospects.
- Step 2. Officers evaluate information, including assessing whether the group will be sustainable (membership and financial), their activities are consistent with Council's strategic direction and objectives, and consider their previous lease performance. Unless there is evidence that these criteria are not met to a significant extent a fresh lease will be available to the lessee.
- Step 3. Communicate officers' decision to the applicant. If a fresh lease is recommended then negotiate draft lease tenure, rental and terms and conditions.
- Step 4. Seek approval in principle from Regulatory Committee.
- Step 5. Public notification following the Reserves Act process.
- Step 6. If all approvals are granted and no objections are sustained, then lease documents will be prepared.

4.4 Lease Agreement and Documentation

The Lease Policy provides guidance and a standard framework for the lease agreement and documentation. This includes, lease rental and tenure, procedural matters and the responsibilities and requirements of the lessee and the Council.

The Council offers ground leases and premises leases to community groups. Some groups own their own building and are responsible for its maintenance and insurance. In these cases the Council can offer a ground lease, which is a lease for the land only. Groups that lease Council owned buildings are granted a premises lease. These groups lease both the land and the Council owned buildings on the land. They pay a maintenance fee to the Council for their share of the external maintenance costs.

The leases offered to the groups are in the standard format in accordance with Leases Policy and Committee's resolution of 7 February 2007. The standard leases cover the following terms and conditions:

- Reporting requirements
- Allocation of responsibilities between lessee and lessor
- Payment of rates, water and other utilities
- Maintenance of buildings, structures, vegetation and land
- Insurance
- Subleasing
- Granting security against a lease

- Termination of leases
- External signs
- External commercial advertising within leased areas.

4.5 Term of Lease

In accordance with the Leases Policy the standard tenure for leases is ten years plus one further term of ten years. (The standard term for a lease on Town Belt is 10 years with no automatic right of renewal).

However, there are occasions where it is appropriate to use a degree of flexibility in the term of a lease. This flexibility is at the Council’s discretion and is designed to allow Council to respond to changing community needs and expectations. The reasons a shorter or longer term may be offered are limited to the following circumstances:

Table 1: Reasons for a shorter or longer term may be offered.

Shorter Tenure	Longer Tenure
Declining trends in an activity	Recognition of past asset investment
Evolution of activities that will compete for assets	Proposed asset investment
Alternative uses are planned by the Council for the lease asset (for example, demolition of the buildings in X years)	To provide certainty for external funding purposes
Life expectancy of facility/ assets is less than lease tenure	Dependence by community or membership on continuity of a key activity
Group asks for a shorter tenure	

4.6 Monitoring and Reporting Requirements

The Council is interested in the ongoing performance of community and recreation groups so it can monitor the achievement of strategic objectives for the city. The reporting requirements in the lease are not intended to be a control mechanism, rather a means of communication between the Council and the groups.

Reporting generally includes the requirement for:

- Membership numbers and usage rates
- Community events run through the leases
- Financial information

4.7 Relevant Demographic Trends

This section outlines some of the demographic changes and relevant trends that have occurred or are projected city-wide. This information assists in portraying what is happening at the community, regional and national level and can be used to make informed decisions.

The proportion of young people who live in Wellington and are sedentary has increased significantly. In 1997 seven percent of young people living in this region were sedentary, but by 2001 this figure had risen to 31% (SPARC Physical Activity Survey²).

It is predicted that by 2026 there will be:

- 2,000 fewer children aged 0-14
- 20,000 more people aged 40-64
- 14,000 more people aged 65 plus.

Hockey

Nationally, the sport of hockey has grown since 2001, particularly in primary school and college levels. The sport has approximately 43,000 participants with an even mix of men and women participants at all levels.

Within the Wellington region there are approximately 3,600 players with nine senior hockey clubs in Wellington City. The Wellington competition is centralised at the National Hockey Stadium, Mt Albert Park, Berhampore. The stadium facility is running at full capacity and utilisation. (Source: Hockey New Zealand Annual Report).

Rugby

Wellington City has 4,734 players in seasonal competition from eight clubs consisting of 77 senior teams, 129 junior teams and 45 college teams. The Wellington Rugby Football Union (WRFU) has recorded growth in participation in both junior and senior level and is predicting further growth of between 5 and 15% for its competitions over the next 5 years. Growth predictions have also factored in the new game for under 7 year olds called Ripper Rugby which has proved popular as well as the 2007 and 2011 Rugby World Cup. The WRFU's strategic plan 2007-2009 has goals to improve its volunteer base, club membership and finances (source: Wellington Rugby Football Union)

Pottery, Arts & Crafts

There are currently around 36 independent pottery societies throughout New Zealand that are affiliated to New Zealand Potters Incorporated, which is an umbrella organisation that represents the interests of the 480 registered potters throughout the country through organised representation on national issues, news letters, publications, conventions and exhibitions.

Demographic trends are not available for this group, however according to the New Zealand Potters website, New Zealand has more potters and ceramic artists per population of any country in the world.

² No recent data is available. Youth2007 is a nationwide survey currently underway that will examine the "health and wellbeing of the next generation of Kiwi adults" (Ministry of Health/Ministry of Youth Development). Results will be available in mid 2008.

Scouts

Nationally, Scouts membership has consistently declined over the past decade. In the 1980s there were over 50,000. In 2005 there were 12,436 youth members, following a 24% loss over the past 5 years.

Numbers have been declining in Wellington, with at least two clubs closing recently. However, there are still strong clubs such as the Ngaio Scouts. The Council is committed and actively engaged in ongoing discussions with the lower North Island region of Scouting. This year Scouting NZ launched a new strategic direction that hopes to see growth or at least stabilisation of membership numbers in the next few years.

5. Discussion

5.1 Club Information

The following information briefly describes the six groups requesting fresh leases, and includes their strategic fit and level of sustainability.

Foundation for the National Hockey Stadium (Premises and Ground Lease)

History	The Foundation for the National Hockey Stadium first leased the site in 1992 for the purposes of administering the hockey stadium.	
Background	<p>The Foundation has both a premises lease for the Council owned pavilion it leases and a ground lease for its own building which houses its offices, located to the rear of the pavilion. Both buildings are well utilised all year round with usage around 25 hours per week.</p> <p>The primary role of the Foundation for the National Hockey Stadium is to manage the booking system for use of the turf facility. The Foundation pays separately for the use of the two Hockey turfs.</p> <p>During the winter months the senior or open grade competition, comprises 3 premier and 3 reserve grades totalling 87 mens and womens teams. These teams have around 1400 competitors and competes at the National Hockey Stadium with it's two water based turf facility. Over the summer, a range of competitions are run to satisfy the recreational and performance minded hockey player.</p>	
Term	10 year lease. This term is in accordance with the Town Belt Management Plan.	
Strategic Fit	Contributes to More Liveable, More Eventful, More Inclusive, More Actively Engaged, Better Connected, Healthier and More Competitive outcomes.	
Group Sustainability	Membership (Roll)	N/A
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Football Club Incorporated (Ground Lease)

History	<p>The club is one of the oldest playing through rugby union club in New Zealand, having played its first match in 1870 against Nelson Club at Petone.</p> <p>The club has produced thirty All Blacks since 1929 and has won Wellington Rugby's premier trophy, the Jubilee Cup, eight times.</p>	
Background	<p>The club has a total of eight senior teams, which is higher than the provincial club average of six, and also boasts seven junior teams with a combined membership of over 600 members.</p>	
Term	<p>10 year lease. This term is in accordance with the Town Belt Management Plan.</p>	
Strategic Fit	<p>Contributes to More Liveable, More Inclusive, More Actively Engaged, Better Connected, and Healthier Outcomes.</p> <p>Has a website.</p>	
Group Sustainability	Membership (Roll)	400 (150 Juniors, 150 Seniors and 100 social and honorary Members)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Potters Association Incorporated (Ground Lease)

History	<p>The Wellington Potters Association (WPA) first became incorporated in 1958, which makes it one of the oldest potters club in New Zealand. The WPA is based at 130 Grant Road and took occupancy of the building in 1996 when the lease was assigned to the association from the previous lessee, the Music and Drama Society.</p> <p>The association's stated objectives are "to help, encourage and advance the interests of potters and the art and craft of pottery within New Zealand" The association is affiliated to New Zealand Potters Incorporated which consists of around 36 independent pottery societies.</p>	
Background	<p>Members are predominantly Wellington based studio and hobby potters, however, the association has members who also reside out of Wellington.</p> <p>The association holds exhibitions at lease once a year and holds specialised workshops with local and overseas tutors throughout the year.</p>	
Term	<p>10 year lease. This term is in accordance with the Town Belt Management Plan.</p>	
Strategic Fit	<p>Contributes to More Liveable, More Inclusive and Better Connected Outcomes.</p> <p>Has a website.</p>	
Group Sustainability	Membership (Roll)	151
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Scout Association of New Zealand (1st Karori Group) (Ground Lease)

History	The original lease commenced in 1976 for a term of 21 years.	
Background	The scout group has a current membership of 44 with just under half being junior members. The building is used on average eight hours a week, which appears to be the norm for scout groups.	
Term	5 years. Term reflects declining membership	
Strategic Fit	Contributes to More Liveable and Healthier Outcomes. Youth Focus.	
Group Sustainability	Membership	44 (20 Cubs and 24 Scouts/Venturers)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Scout Association of New Zealand (Johnsonville Group) (Ground Lease)

History	The Group have occupied the current site at Ohariu Reserve since 1972 when the building was relocated from the Johnsonville city centre. Prior to that, the building was used by the army during World War II and was first located at Titahi Bay.	
Background	The scout group has a current membership of 106, consisting of 86 youth members which represents one of the strongest scout groups in Wellington city. The facility is used eight hours a week by the group. As with all scout groups, the programme of activities is set by the National Scouting Association of New Zealand and implemented and run by the individual scout groups.	
Term	5 years. Term reflects declining membership.	
Strategic Fit	Contributes to More Liveable and Healthier Outcomes. Youth Focus.	
Group Sustainability	Membership	106 (85 youth members and 21 adult leaders)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

Wellington Playcentre Association (Makara Branch) (Premises Lease)

History	Makara Playcentre has operated in the Makara district since the early 1960s and was originally located in the Makara Community hall. The Playcentre was relocated to its current site in the 1980s and the original lease commenced in 1982.
Background	<p>Playcentre is an internationally recognised Early Childhood organisation. It began as a parent co-operative in the 1940s to support families and promote new developments in early childhood education.</p> <p>There are 496 Playcentres affiliated to the New Zealand Playcentre Federation, with 22 throughout the Wellington region and 15 operating within Wellington City. Playcentres are partially funded by the Ministry of Education through Bulk Funding and a Training Grant.</p> <p>The Makara Playcentre operates twice a week from the premises during the hours of 9.00am – 12.00pm. It has a current roll of 71 children from a total of 53 families.</p>
Term	10 + 10 years. This term is in accordance with the standard term outlined in the

	Leases Policy.	
Strategic Fit	Contributes to More Liveable, More Inclusive and Better Connected Outcomes.	
Group Sustainability	Membership	71 children under 5 years old
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

6. Conclusion

The six groups requesting a fresh lease on Open Space, Reserve Land and the Wellington Town Belt have provided sufficient evidence to demonstrate their strategic fit and are sustainable for the proposed term of their lease. All groups are in agreement with the proposed terms and conditions, including the term of the lease.

Officers propose that the Committee exercise its delegated authority to approve the granting of leases to these groups, subject to the conditions identified in the Recommendations Section (Section 3) of this report.

Contact Officer: David Shaw, Property Advisor, Community Purpose Property

Supporting information

a) Strategic fit

7.1 Recreation Opportunities – Wellington offers a diverse range and an abundance of quality recreation and leisure activities that are easily accessed and affordable.

7.2 Participation and Health – Increased participation in recreation and leisure activities enhances overall health and well-being

7.3 Events and Identity – Year-round recreation activities and event contribute to the economic prosperity and identity of Wellington.

b) Annual Plan reference

This is a Corporate Services activity as opposed to an Annual Plan activity.

c) Annual Plan and Long Term Financial Strategy implications

There is currently no Annual Plan measure for this activity.

d) Treaty of Waitangi implications

The recommendations in this report are subject to consultation with appropriate Iwi being completed.

e) Consultation

A copy of the notification will be sent to the Friends of the Town Belt, and leases will be publicly advertised in accordance with the Town Belt Management Plan 1995.

Public notification is not required for leases granted under the Local Government Act 2002.

f) Legal implications

Each lease is referred to Council solicitors to confirm that documentation is in order prior to either party signing the final lease documents. Council solicitors to provide certification to support this.

Aerial Photo A - Foundation for the National Hockey Stadium

Aerial Photo B - Wellington Football Club Incorporated

Aerial Photo C - Wellington Potters Association Incorporated

**Aerial Photo D - Scout Association of New Zealand (1st
Karori Group)**

**Aerial Photo E - Scout Association of New Zealand
(Johnsonville Group)**

Aerial Photo F - Wellington Playcentre Association (Makara Branch)