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**REPORT 1**  
*(1215/53/IM)*

## **GRANTING OF LEASES TO FOUR GROUPS OCCUPYING COUNCIL RECREATION RESERVE AND WELLINGTON TOWN BELT**

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### **1. Purpose of Report**

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

- Wellington Smallbore Rifle Association Incorporated (aerial photo a)
- Lyall Bay Surf Lifesaving Club Incorporated (aerial photos b1 and b2)
- Terawhiti Bowling Club Incorporated (aerial photo c)
- Scout Association of New Zealand (Newlands Group) (aerial photo d)

### **2. Executive Summary**

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

The land being leased to three of the groups is classified as Recreation Reserve, one of these being on the Wellington Town Belt. These leases will be granted under section 54 of the Reserves Act 1977. Lyall Bay Surf Lifesaving Club Incorporated is on fee simple land so this lease must be granted under the Local Government Act 2002 rather than the Reserves Act 1977.

The Lyall Bay Surf Lifesaving Club Incorporated currently has both a ground and a premises lease for the lease of a Council owned building and lease of land for their own building.

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. *Approve, subject to the conditions noted below, the granting of fresh leases to the following groups under the Reserves Act 1977 and the Local Government Act 2002:*

<b>Group</b>	<b>Type of Lease</b>	<b>Location</b>	<b>Term (years)</b>	<b>Annual Rent (GST exclusive)</b>
<i>Wellington Smallbore Rifle Association Incorporated</i>	<i>Ground</i>	<i>Mt Albert Park (Town Belt)</i>	<i>10</i>	<i>\$299</i>
<i>Lyall Bay Surf Lifesaving Club Incorporated</i>	<i>Ground</i>	<i>Lyall Bay Parade</i>	<i>10 + 10</i>	<i>\$138</i>
<i>Lyall Bay Surf Lifesaving Club Incorporated</i>	<i>Premises</i>	<i>Lyall Bay Parade</i>	<i>5 + 5</i>	<i>\$122 Maintenance fee</i>
<i>Terawhiti Bowling Club Incorporated</i>	<i>Ground</i>	<i>Karori Park</i>	<i>5 + 5</i>	<i>\$1,622</i>
<i>Scout Association of New Zealand (Newlands Group)</i>	<i>Ground</i>	<i>Spennmoor Street</i>	<i>5</i>	<i>\$140</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.

Council officers continue to engage recreation and community groups with the commitment of processing fresh leases and providing security of tenure for the groups over the land.

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

This report presents a further four groups requesting a fresh lease on our open space/reserve land. One of these four groups is 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)<sup>1</sup>**

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.

#### **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

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

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.*

<b>Shorter Tenure</b>	<b>Longer Tenure</b>
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 Survey<sup>2</sup>).

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.

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<sup>2</sup> 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.

## **Target Shooting**

There are currently 156 Target Shooting Clubs throughout New Zealand with approximately 1,600 members nationally. There are seven clubs in Wellington with one having an outdoor shooting range.

## **Surf Lifesaving**

Surf Life Saving New Zealand (SLSNZ) is the national association representing nine districts and 71 Surf Life Saving Clubs. It has a combined membership of around 13,000 people. On a regional level there are seven clubs in Wellington with a combined membership of approximately 1000 members.

Wellington City hosts four clubs that are actively engaged in surf life saving and patrolling. Over the last four years membership levels have increased by 10% on average.

## **Bowls**

Bowls New Zealand has recognised, through their Strategic Plan 2004 -2008, the importance of changing the image of the sport, and aims to get more people to play and utilise its existing facilities.

Membership numbers in bowling across Wellington and throughout New Zealand are declining. Officers are engaging with national and regional bodies and local clubs to address the issues of sustainability and future community needs for bowls.

## **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 four groups requesting fresh leases, and includes their strategic fit and level of sustainability.

### Wellington Smallbore Rifle Association Incorporated (Premises and Ground Lease)

History	The Association first leased the site known as the Royal Tiger Range at Mt Albert Park next to the Wellington Pistol Club in 1976.	
Background	The Association has seven Target Shooting Clubs that are currently affiliated to it and use the indoor rifle range. The Association hosts a number of competitions during the year including the Wellington Smallbore Rifle Association Open Championship. The building is well utilised all year round especially during winter where usage is 25 hours per week.	
Term	10 year lease. This term is in accordance with the Town Belt Management Plan.	
Strategic Fit	Contributes to More Liveable, More Inclusive, More Actively Engaged and Better Connected outcomes. Has a website.	
Group Sustainability	Membership (Roll)	101 (26 School Pupils)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

### Lyll Bay Surf Lifesaving Club Incorporated (Ground and Premises Lease)

History	The club was established in 1910 and was the first surf lifesaving club to patrol in New Zealand. The Club will celebrate its Centenary in 2010.	
Background	<p>The club's primary aim is to ensure the safety of the public on Lyall Bay Beach, it also continues to focus on the training of lifeguards. The club consider the continuous training of members and competitive activities such as swimming and surf boat competitions to be vital to achieving this aim of providing safety to the public on the beach. In order to keep up with increasing membership and maintain an effective lifeguarding service, the club intends to redevelop its clubhouse which sits on a ground lease granted to the club by the Council.</p> <p>The club also have a premises lease for the top floor of a Council owned building situated on Lyall Bay Beach, 35 metres to the west of the building owned by the club. The top story of the premises lease building forms the club's main social and committee meeting area.</p>	
Term	10 + 10 year lease for the ground lease. This term is in accordance with the standard term outlined in the Leases Policy.	
Term	5 + 5 year lease for the premises lease. This term is in accordance with the likelihood that the club's own building will have been redeveloped within the 10 year period and the club will no longer require the premises lease.	
Strategic Fit	Contributes to More Liveable, More Eventful, More Inclusive, More Actively Engaged, Better Connected, Safer Communities and Healthier Outcomes. Has a website.	
Group Sustainability	Membership (Roll)	250 (150 Juniors and 100 Seniors)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

### Terawhiti Bowling Club Incorporated (Ground Lease)

History	The club first became incorporated on 10 October 1949, however it wasn't until 1955 that the club known as Terawhiti Bowling club was officially opened. In 1996 the club undertook a major upgrade of the pavilion extending the floor area and improving the bar and toilet facilities.	
Background	The club has two greens that it maintains and a current membership of 74 of which all are senior members. The club is more active during the summer months as bowls is a summer sport, during these months the facility is used on average 50 hours a week.	
Term	5 + 5 year lease. Term reflects declining membership nationally.	
Strategic Fit	Contributes to More Liveable, More Inclusive and Healthier Outcomes.	
Group Sustainability	Membership (Roll)	74
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

### Scout Association of New Zealand (Newlands Group) (Ground Lease)

History	The first lease for the site commenced in 1958, however the current scout group was first formed in 1986.	
Background	The scout group has a current membership of 36, comprised of Scouts, Cubs, Keas and Scouts Leaders. 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. The programme is then 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	36 (30 youth members)
	Financially viable	Yes
Terms & Conditions of Previous Lease Met?	Yes	

## 6. Conclusion

The four 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**

**Wellington Smallbore Rifle Association  
Incorporated**

**Aerial Photos B 1 and B 2**

**Lyall Bay Surf Lifesaving Club Incorporated**

**Aerial Photo C**

**Terawhiti Bowling Club Incorporated**

**Aerial Photo D**

**Scout Association of New Zealand (Newlands  
Group)**