



Waitakere City Council  
*Te Taiao o Waitakere*

## NOTICE OF MEETING

# COMMUNITY SPORT FUND ALLOCATION SUBCOMMITTEE

I hereby give notice that a Meeting of the Community Sport Fund Allocation Subcommittee will be held on:-

**DATE:**        **Thursday, 25 November 2004**        **TIME:**        **7.00 pm**

**VENUE:**        **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider the business as set out herein and to take any necessary action connected therewith.

22 November 2004

Sharon Simiona  
**DEMOCRACY SUPPORT AND  
SISTER CITY LIAISON OFFICER**

Telephone (09) 836 8000 extn 8820

### MEMBERSHIP:

Councillor	JP	Lawley (Chairperson)	
Mr	WD	Buchanan	(New Lynn Community Board)
Mr	JG	Riddell	(Massey Community Board)
Ms	MC	Davis	(Waitakere Community Board)
Mr	WS	Bainbridge	(Henderson Community Board)
Mr	I	Yukich	(Waitakere Regional Sports Trust)
Mrs	E	Taumaunu	(Te Taumata Runanga)
Ms	K	Wikiriwhi	(Te Taumata Runanga)
Mr	T	Amosa	(Pacific Island Communities)
Ms	S	Hyndman	(The Community)
Ms	J	Smith	(The Community)
Ms	GPJ	Marshall	(New Lynn Community Board Alternate)
Ms	GJ	Maurice	(Massey Community Board Alternate)
Ms	DJ	Goodley	(Waitakere Community Board Alternate)
Ms	HM	Jones	(Henderson Community Board Alternate)

(Quorum 4 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE COMMUNITY SPORT FUND ALLOCATION  
SUBCOMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA  
AVENUE, LINCOLN, WAITAKERE CITY, ON THURSDAY,  
25 NOVEMBER 2004, COMMENCING AT 7.00 PM.**

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**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 PRESENTATION - SPORT WAITAKERE**

The Chairperson has consented for Lynette Adams, the new General Manager for Sport Waitakere to make a presentation to the Community Sport Fund Allocation Subcommittee on the status of Sport Waitakere. Sport Waitakere is currently going through a watershed period of review, restructure and refocus. This is as a result of less than favourable outcomes on a SPARC (Sport and Recreation New Zealand) commissioned capability audit of the governance and management functions of Sport Waitakere. The presentation will include the changes and achievements to date, the role of Sport Waitakere and what future opportunities lie ahead.



4 **CHANGE TO RECOMMENDED CRITERIA FOR THE ALLOCATION OF COMMUNITY SPORT FUND, CLUB DEVELOPMENT FUNDING**

**PURPOSE OF THE REPORT**

The purpose of the report is to present the Subcommittee with one additional recommendation to the approved criteria for allocating Community Sport Fund money for club development.

**BACKGROUND**

The Community Sport Fund was set up as a partnership between the Hillary Commission (which was Central Government funded) and territorial local authorities. The Community Sport Fund was the Hillary Commission's major contribution towards assisting and developing local sport, fitness and leisure activity initiatives and development.

In 2002, as a result of Central Government initiatives, the Hillary Commission, New Zealand Sports Foundation and the policy arm of the Office for Tourism and Sport were replaced with Sport and Recreation New Zealand. A decision was then made by Sport and Recreation New Zealand to cease the Community Sport Fund as of June 2002. As a result Waitakere City Council will not receive any further funding to divest to the community through the Community Sport Fund.

When Sport and Recreation New Zealand ceased the Community Sport Fund they informed councils that any loans and unallocated funds received from the Hillary Commission did not need to be returned and could continue to be loaned or used for purposes consistent with those for which they were received which was for sport grants, loans and club development.

In November 2003 it was decided that as there was no further money available to boost the Community Sport Fund, it would be in the best interest of the Waitakere City Community to cease providing grants and instead to strategically use the balance of the fund for loans and club development. At this time \$800,000 was set aside for loans, with the balance, plus the interest on the loans, to be allocated for club development. There is approximately \$855,000 currently in the Community Sport Fund, (this figure includes an amount of \$418,522 which is currently out on loan).

In July 2004 a set of criteria for the allocation of funding for Club Development was discussed and agreed upon.

This report is in response to the Club Audit which was carried out by Visitor Solutions Limited which highlighted the area of 'developing volunteer infrastructure' as being an important issue facing clubs and as such it is believed that this should be added to the list of the recommended criteria for the allocation of club development funding.

**STRATEGIC CONTEXT**

Leisure facilities and activities contribute to the wellbeing of the City's residents, by providing recreation opportunities that promote health and social cohesion. The Council's Leisure Strategy, Community Facility Plan, Parks Strategy and Revenue and Financing Policy guide the provision of these facilities and activities to ensure that they are available to all residents, responsive to changing demands and provided efficiently.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided. To improve the wellbeing of the City's people and communities, the Council provides and supports a diverse range of leisure opportunities through facility operation and development, direct funding, assistance to access other funding and support of activity initiatives.

Through its Strategic Plan Council has adopted a platform of 'Strong Communities' stating that in the next 10 years Council will develop the City as a renowned hub of social activity, arts, leisure, sports and recreation.

## ISSUES

Visitor Solutions was commissioned to undertake a Club Audit in July 2004 and this report has been recently received. A separate agenda report relating to the full Club Audit (named the Club Growth and Development Study) is being presented.

One of the key issues highlighted in the report is in relation to quality of governance. It appears that the most successful and rapidly expanding clubs had the most developed and clearly defined management structures. Whereas by comparison clubs that had experienced a decrease in membership appeared to have failed to grasp the importance of governance issues. What appears to be lacking in the clubs that are not doing so well, is a lack in training in the core areas on governance, management, administrative processes, marketing and strategic planning.

When the Club Development criteria was proposed and accepted by the Community Sport Fund Subcommittee in July of 2004, the issue of 'development of volunteer infrastructure' was identified under the heading of 'Projects will address the following areas', but not added to the list of 'What the club development fund is to be allocated towards'. It is therefore proposed that before the first funding round in May 2005 the issue of development of volunteer infrastructure should be included in the funding criteria, the list would read: (The new addition being the second bullet point).

### **The club development fund is to be allocated towards projects that focus on:**

- The development of regional sport, fitness or physical leisure strategies that identify future facility and programme needs for a sport or number of sports in Waitakere City;
- Development of volunteer infrastructure, such as training in governance, management, administrative processes, marketing and strategic planning;
- Feasibility studies for clubs looking to amalgamate;
- Costs associated with the establishment of multi-sport clubs;
- Actual club amalgamation; and
- Improving the services a regional sport organisation provides to club sport.

## RESOURCES

There are no additional resources, staff time to administer the process of the funding rounds will be provided through the Annual Plan.

## CONCLUSION

The recent Club Growth and Development Study which was carried out by Visitor Solutions Limited highlighted that the area of development of volunteer infrastructure was important to the sustainability of sports clubs in Waitakere City. As a result it is believed that this should be added to the list of the recommended criteria for the allocation of club development funding.

Although the issue of development of volunteer infrastructure was included in the original criteria under another heading, it was not added to the definitive list of what the club development fund is to be allocated towards. This report is to have it added to the list before the first funding round in May 2005.

The wording that will be added to the list will be:

- Development of volunteer infrastructure, such as training in governance, management, administrative processes, marketing and strategic planning.

### **RECOMMENDATIONS**

1. That the Change to Recommended Criteria for the Allocation of Community Sport Fund, Club Development Funding report be received.
2. That the Subcommittee recommend to the Arts and Events Special Committee the adoption of the following amended criteria for allocating funding for club development:

**The club development fund is to be allocated towards projects that focus on:**

- The development of regional sport, fitness or physical leisure strategies that identify future facility and programme needs for a sport or number of sports in Waitakere City;
- Development of volunteer infrastructure, such as training in governance, management, administrative processes, marketing and strategic planning;
- Feasibility studies for clubs looking to amalgamate;
- Costs associated with the establishment of multi-sport clubs;
- Actual club amalgamation;
- Improving the services a regional sport organisation provides to club sport.

Report prepared by: Jan Brown, Community Assistance Administrator.



## **5 CLUB AUDIT (CLUB ASSISTANCE AND GROWTH) REPORT**

### **PURPOSE OF THE REPORT**

The purpose of the report is to advise the Subcommittee on the work completed on the Club Assistance and Growth report (previously called the Club Audit) for the City and to seek the Committee's comments and direction on the report.

### **BACKGROUND**

When Sport and Recreation New Zealand (SPARC) ceased the Community Sport Fund in 2003 SPARC informed councils that any loans and unallocated funds received from the Hillary Commission did not need to be returned and could continue to be loaned or used for other purposes consistent with the purpose for which they were received. It was agreed that it was necessary to establish the options available to utilise the remaining funds, to ensure that Council made the most effective and efficient decision on their use of these funds.

At the Finance and Operational Performance Committee dated 8 December 2003 it was endorsed:

- “4. *That \$20,000 be allocated from the Community Sport Fund to the Club Audit Project managed by Sport Waitakere.*
5. *That an additional allocation of up to \$22,000 from the Community Sport Fund be provided to the Club Audit Project managed by Sport Waitakere, subject to an assessment of the progress results and costs to date of the initial club audits by 31 May 2004.’*”

4337/2003

Sport Waitakere contracted Visitor Solutions Ltd to survey clubs with the objective of gaining an understanding of the current issues facing clubs and encouraging clubs within Waitakere City to participate in the Club Assistance and Growth Study. The name of the study was changed because initial feedback was that clubs were cautious of participating in the study because of connotations surrounding the word audit. Approximately 260 clubs were invited to participate in the questionnaire and 86 clubs completed the survey. To gain a greater understanding of the types of issues facing clubs and how they can be assisted in the future interviews were conducted with 10 selected clubs. These interviews did not involve the evaluation of secondary data such as club records or financial statements. Discussions about the relative health of clubs, areas of success and indeed those areas that may require assistance in the future were therefore based on perceptions of interviewees, statements and questionnaire survey responses.

## **STRATEGIC CONTEXT**

Leisure facilities and activities contribute to the wellbeing of the City's residents, by providing recreation opportunities that promote health and social cohesion. The Council's Leisure Strategy, Community Facility Plan, Parks Strategy and Funding Policy guide the provision of facilities and activities to ensure that they are available to all residents, responsive to changing demands and provided efficiently.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided. To improve the wellbeing of the City's people and communities, the Council provides and supports a diverse range of leisure opportunities through facility operation and development, direct funding, assistance to access other funding and support of activity initiatives.

Through its Strategic Plan Council has adopted a platform of 'Strong Communities' stating that in the next 10 years Council will develop the City as a renowned hub of social activity, arts, leisure, sports and recreation.

## **ISSUES**

The project brief for the Club Assistance and Growth study was to provide a city wide profile of issues that are facing clubs or constraining their operational development. Strategies can then be developed to assist clubs to grow sustainably. The study is also intended to provide valuable information on the current position of clubs. The survey addressed the following areas:

- Membership;
- Subscriptions;
- Club structure;
- Strategic direction;
- Communication and relationships;
- Funding and revenue;
- Teams;

- Facilities;
- Coaching and player development;
- Facility sharing; and
- Financial position.

A1-A46

Both the interview process and responses to the questionnaire identified that a number of clubs are operating very well while others are facing challenges in certain areas of their operation. A summary of the key issues follows. A copy of the full report is attached at pages A1 to A46.

The spread of clubs represented a wide variety of sports and club sizes. Seven of the clubs responding to the questionnaire were located just outside the City's boundaries. It can be argued that many of their members would come from Waitakere City and therefore the information submitted has been included in the analysis. The table below shows the spread of the responding clubs by ward:

Table 1: Club Participation by Wards

Ward	Clubs	%	Total Membership	%
Massey	14	16.3	3,054	15.1
Henderson	30	34.9	6,129	30.3
New Lynn	25	29.1	7,336	36.3
Waitakere	10	11.6	2,147	10.6
Auckland Border	4	4.6	393	2.0
Rodney Border	3	3.5	1,153	5.7
Total	86	100	20,212	100

### Membership Trends

The report indicates that over the last two years 50.6% of clubs reported an increase in membership while 33.7% reported a decrease. The most noticeable increase in membership is occurring between the ages of 4-18 year while there has been a decline in memberships in master's grades (participants over the age of 35). The largest membership in clubs is within the senior grades (19-35 years), this group represents 24% of all clubs memberships. However, membership in all grades 18 years and under had the largest rise in the last two years

Out of the 17 different sports codes that responded, touch, soccer and softball have experienced a growth in membership at all grade levels over the last two years. While cricket membership has increased in all junior to senior grades (8-35 years), membership has remained stable in the midget (4-7 years) and senior (36 years plus) grades.

Lawn bowls clubs appear to be struggling to retain membership levels with members moving to social grades and with insufficient new players joining, it has led to the recent amalgamation of several clubs which has seen men's clubs joining with women's clubs.

## Communication

Clubs perceived that they had the highest levels of quality communication with other clubs from within their own code (76%), their sports regional body (73%) or their sports national body (59%). Communications with other organisations not directly linked to the club's sport were less well perceived. Communication with SPARC was the least favourably perceived with 65% of clubs stating communication was 'poor' or 'very poor'. Communication with Waitakere City Council was perceived by 43% of responding clubs to be either 'very good' or 'good' while Sport Waitakere had a slightly lower rating of 34% (table 2).

Table 2: Clubs Perceptions of Communication Quality

Group Being Communicated With	Perceived Quality of Communication					Total Sample Size
	Very Good (%)	Good (%)	Acceptable (%)	Poor (%)	Very Poor (%)	
Other Clubs of the same code	45%	31%	18%	5%	1%	74
Other Clubs of different codes	13	16	25	26	20	64
Your sports codes regional organisation	38	35	15	6	6	68
Your sports codes national organisation	31	28	17	12	12	68
Waitakere City Council	17	26	24	27	6	70
Sport Waitakere	19	15	26	28	12	73
SPARC	10	8	17	25	40	63
Local schools	22	17	24	28	9	69
Local community	16	21	43	16	4	68

All clubs interviewed believed that room existed to improve communication with Council. However, those clubs that had made recent contact with Council were generally positive with the quality of communication. Interviewees highlighted that this communication did tend to be with 'operational staff' (ie. "parks staff") or even Councils operational 'contractors' rather than in a planning capacity.

Sport Waitakere was not perceived as playing a significant advisory role in the operation of the clubs that were interviewed. The majority of interviewees perceived the organisation to be running general community programmes, general coaching and first aid programmes. Although the majority of clubs interviewed reported the staff to be friendly, they did not perceive Sport Waitakere as a first point of contact for assistance. The issue of a lack of continuity in staff was also raised in interviews as being a deterrent to communicating with Sport Waitakere.

Interviewees all believed huge potential existed to forge stronger lines of communication with the general community and clubs of other codes. Although the potential exists the survey results clearly show this interaction is not generally occurring at present and clubs require assistance in facilitating such communication.

## Governance and Management

One of the key issues facing the sector is governance and management however the majority of clubs don't perceive governance and management as a key issue. When clubs were asked to profile various risks only 11.6% believed that governance was an important risk factor to be managed. Clubs that perceived they were struggling saw governance as a slight risk. Clubs were more concerned with a lack of new members and reduced revenue.

However when assessing a range of reasons as to why they felt membership has either increased or decreased, the main reason for increased membership, "improved governance", was ranked twice as important as other reasons. Three out of the four reasons given for increased membership were factors influenced directly by the clubs. By comparison clubs that had experienced a decrease in membership cited reasons that were external to the clubs such as the negative profile of the particular sport.

The report indicates that clubs that are doing well all had strong governance in place and a process of continuous review to improve. Successful clubs also had the ability to draw on strong skill sets (such as accountancy, management, legal advice) from within their committees on membership and each committee member appeared to have clearly defined responsibilities set out in job descriptions. However, during the interview process it became apparent that many clubs did not have a good understanding of the role of governance and there was potential for improvement even though many clubs stated that they were suitably governed. The signs that governance was problematic within some clubs included the following:

- No clear understanding of the difference between governance and physical management.
- No set committee meeting protocols.
- No clear understanding of each committee member's role.
- Poor quality or lack of documentation.
- Indications of internal disharmony amongst committee members.
- No cap on the number of members that can be elected onto a committee.
- No significant governance decisions being made.
- No system for evaluating performance.
- Lack of accountability.
- Lack of transparency.
- Inability or an unwillingness to enforce club code and New Zealand law.
- Lack of necessary skills within some committees or an unwillingness to seek these skills.
- Lack of commitment from some committee members.

The quality of a club's management structure and the processes implemented to delegate tasks to the membership bore a strong correlation to the clubs apparent general health. The most successful and rapidly expanding clubs had the most developed and clearly defined management structures. Good management was commonly cited as producing three particular benefits namely, increased revenue, improved productivity and improved club culture. However very few clubs maintained accurate strategic plans including financial issues. Many of the clubs questioned whether or not there was a need to maintain such records "given they are a club and not a company". One third of the clubs surveyed did not or could not complete the financial section within the questionnaire, however, there was a strong correlation between clubs that were struggling and those that relied heavily on charitable trust grants.

The interview process indicated that the extent of the problems identified in the questionnaire survey may have been underestimated in certain instances. For example, a proportion of the questionnaire survey is based on the respondent's perceptions of a particular item, issue or position. The interviews identified that clubs often were not aware of what certain plans, policies, or roles should include or involve. Therefore simply having strategies, policies or planning documents does not necessarily mean that the clubs are addressing all the key issues or that they are even implementing what has been documented. Similarly, having a governance structure in place does not always mean that it is sound and functioning well.

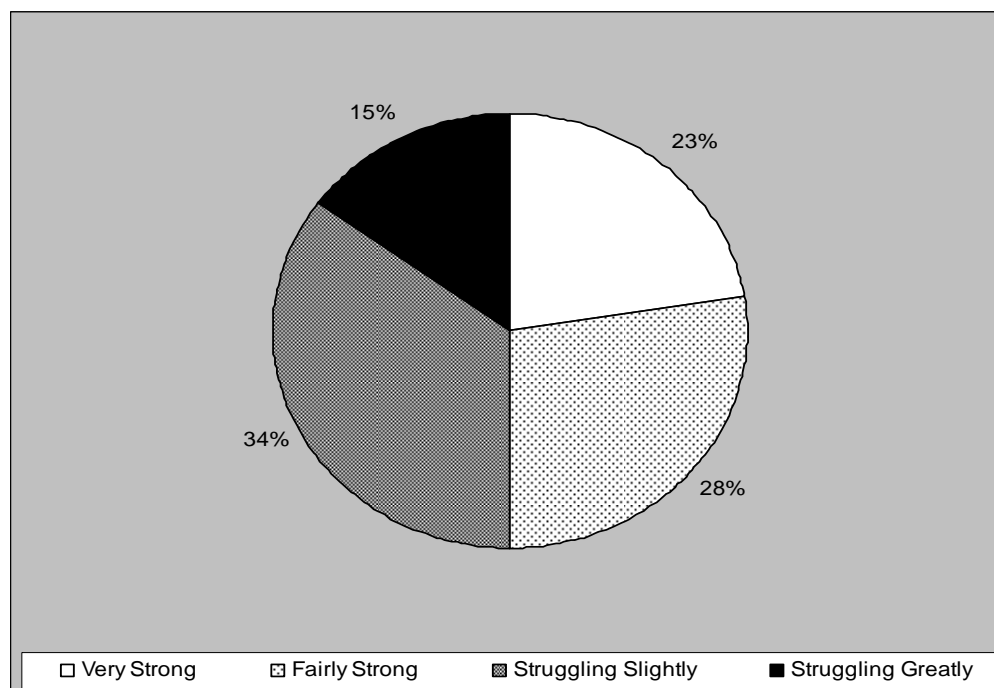
### Shared Facilities

The report concluded that 60% of clubs shared their facilities with other organisations and the majority perceived the relationship to be working well, with only 10% believing the relationship was not working. The most commonly shared resource was playing surfaces/space. By far the greatest advantage was reduced operation overheads however the second ranked benefit was an improved community spirit created through sharing of resources. Funding from the Community Sport Fund is for club development with an emphasis on amalgamation. The information gained through the report highlights that a large number of clubs are already sharing resources and therefore may not be able to amalgamate with other clubs which potentially could impact on their ability to gain funding from the Community Sport Fund.

### Clubs Perceptions

Just over 50 % of clubs perceived they were in a very strong or fairly strong position. What is of concern is that 34% of clubs perceived that they were struggling slightly and 15 % believed they were struggling greatly (this is reflected in chart 1). In part this may be because of a lack of thorough and accurate information providing clubs with the ability to benchmark themselves against best practice models from other clubs. The report suggests "it is likely that significant improvements could be made across the sector with the adoption of what by industry standards are very simple best practice models".

Chart 1: Perceived Health of Clubs



It is also important to use the information contained in the report in context. The sample size was relatively small (33% of the total sample size responded) and the report gives an indication of the likely position of clubs.

### Further Research

The report provides an understanding of the key challenges facing clubs however further investigation is required to determine how to address the issues, particularly surrounding governance, management and strategic planning. It is recommended that the additional funding be utilised to develop a report outlining the strategic options available to remedy the identified issues such as:

- how to address the ongoing need for training;
- what training can be provided;
- who will provide the assistance eg. Council, Unitech etc;
- how to ensure the assistance provided is sustainable;
- how to assist clubs who are experiencing difficulties currently;
- how to improve communication between clubs, sports codes, regional sports trusts, Council and national sports bodies;
- how to address issues of declining membership and how to foster club development; and / or
- how to encourage or facilitate partnerships.

### RESOURCES

Approximately \$855,000 is still remaining in the Community Sport Fund which was provided by the former Hillary Commission. The funding was allocated for this proposal at the 13 November 2003 Community Sport Fund Subcommittee meeting by the following resolution:

*“That the Community Sport Fund Allocation Subcommittee recommends to the Finance and Operational Performance Committee that an additional allocation of up to \$22,000 from the Community Sport Fund be provided to the club audit project managed by Sport Waitakere, subject to an assessment of the progress results and costs to date of the initial club audits by 31 May 2004.”*

4155/2003

### CONCLUSION

Given the challenges that many clubs are facing on a day-to-day basis it is unlikely that they will all be in a position to seek the assistance they require. The majority of clubs appear to have coaching and sports focused programmes in place. What appears to be lacking is training in the core areas on governance, management, administrative process, marketing and strategic planning. Until such time as these issues are addressed on a sector wide basis it is likely that many clubs will fall short of their full potential. Stronger communication and focussed direction between SPARC, National governing bodies, regional sports trusts and Council all have the potential to assist in addressing these problems. It is recommended that the additional \$22,000 funding be utilised to develop a report detailing how to address the issues.

### RECOMMENDATIONS

1. That the Club Audit (Club Growth and Development) report be received.
2. That the Community Sport Fund Allocation Subcommittee recommends to the Finance and Operational Performance Committee that the additional allocation of \$22,000 be released to contract a report recommending strategic options on how to address the issues raised in the report such as:
  - how to address the ongoing need for training;
  - what training can be provided;
  - who will provide the assistance eg. Council, Unitech etc;
  - how to ensure the assistance provided is sustainable;
  - how to assist clubs who are experiencing difficulties currently;
  - how to improve communication between clubs, sports codes, regional sports trusts, Council and national sports bodies;
  - how to address issues of declining membership and how to foster club development; and / or
  - how to encourage or facilitate partnerships.

Report prepared by: Clare Dwyer, Leisure Projects and Contracts Administrator.

