

Finance and Operational Performance Committee

**Monday, 6 October 2003
Commencing at 9.30 am**

Part V: General

**Item 16: Accommodation Review:
 Council Operations**

SUPPLEMENT TO AGENDA FOR AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY, ON MONDAY, 6 OCTOBER 2003 COMMENCING AT 9.30 AM.

PART V - GENERAL

16 ACCOMMODATION REVIEW: COUNCIL OPERATIONS

PURPOSE OF THE REPORT

The purpose of this report is to provide the Finance and Operational Performance Committee with additional information relating to an earlier report considered at the meeting of 8 September 2003.

The report also identifies and explores a number of options that would provide additional accommodation for Council's Information Management staff to be able to deliver key Information Management projects over the next few years.

BACKGROUND

At its meeting of 8 September, the Committee considered a report that addressed a need to secure additional space to allow Council's Information Management Department to deliver a range of operational and project responsibilities over the next few years. Specific programmes include AIM (Addressing Information Management), Infrastructure Technology upgrades, and GEMS replacement.

With Council planning to relocate to Henderson in just over two years, optimisation of existing Council premises was seen as preferable to leasing additional accommodation, particularly in the interests of a low cost solution.

The area occupied by Sport Waitakere in the Recreation Centre was seen as having the potential to meet the needs of the Information Management Department, subject to a viability study. Whilst this proposal would mean the displacement of Sport Waitakere staff, their relocation to the area occupied by the Waitakere Central Community Arts Council, in the Recreation Centre, was seen as an option. To complete this accommodation revision, it was proposed that Waitakere Central Community Arts Council be relocated to the Corban Winery Estate.

A key driver behind the overall proposals was a decision made by Council on 15 December 1999, that reads in part:

“That negotiations begin to move the Waitakere Arts Council to the Corban Winery Estate and to re arrange the tenancies at the Assid Corban Recreation Centre to make space for the Citizens Advice Bureau and possibly other tenants.”

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For various reasons the relocation of other groups into the Recreation Centre did not eventuate and Waitakere Central Community Arts Council only relocated part of its activities to the Corban Winery Estate.

In response to this renewed proposal to complete the full relocation of arts activities to the Corban Winery Estate, Waitakere Central Community Arts Council is strongly expressing a reluctance to move.

Following consideration of the 8 September report, the Finance and Operational Performance Committee resolved:

"That a further report on the possible relocation of the Waitakere Central Community Arts Council to the Corban Winery Estate and the relocation of Sport Waitakere within the Assid Corban Recreation Centre be provided to the Finance and Operational Performance Committee to include:

- *alternative accommodation options;*
- *implications for and consultation with the affected stakeholders;*
- *financial impact of the options;*
- *future development of a youth centre and other developments*
- *associated with the Henderson hub;*
- *future provision of Arts facilities within the City;*
- *implications for the Council Information Strategy."*

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STRATEGIC CONTEXT

Leisure facilities and activities contribute to the well being of the City's residents by providing recreation opportunities that promote health and social cohesion.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided.

The decision in 2002 for Council to strengthen the Henderson centre to become a Central Business District (CBD) for Waitakere and locate the new Civic Centre, Waitakere Library, UNITEC and major leisure facilities in the area is a key stimulus to attract a high level of new investment. It is essential that all projects necessary to present an area that is visually appropriate of a CBD are undertaken. This involves presenting an image of a thriving bustling economically successful business area, with good public amenity and leisure facilities and that is safe for people to live, work and play in.

The two key sites Council owns in central Henderson appropriate for leisure activities are the Cranwell Park area and the Corban Estate Arts and Cultural Centre. Both of these sites are currently undergoing their future development feasibility studies assuming a construction phase between 2006/2010. A workshop on the results of the feasibility study for the proposed youth facility is to be held with Councillors.

ISSUES

Prime Accommodation Drivers and Key Factors / Milestones

The prime driver behind this report is the need to rationalise accommodation use to avoid unnecessary costs without unduly compromising the activities of affected stakeholders.

Key factors/ milestones that have been taken into account are:

- 1) A report on a feasibility study for a "Youth Facility", which is to be considered in a workshop by the Projects Special Committee on 1 October, and
- 2) The Corban Estate Arts and Culture Centre considerations which will see a feasibility study for the Performing Arts Centre and an overall site concept plan developed during the 2003/2004 year.

Whilst the "Youth Facility" study is focussed on the feasibility of developing a new "Youth Facility" on the Henderson Recreation Centre site, the Recreation Centre is likely to continue to be available for existing or other use until 2006.

Based on the work programme associated with the "Arts and Culture" feasibility study, any major development work on the Corban Estate is unlikely to take place before 2006/2007 and development of the overall concept plan is likely to be a phased construction process.

Other key/ factors milestones are:

- 1) To meet planned Information Management work programmes, Council requires additional accommodation for 22 Full Time Equivalent staff from January 2004 with this number peaking at 25 during 2005 before reducing to 19 from January 2006, and
- 2) Accommodation in the new Waitakere Sports Complex will be available for Sport Waitakere staff from September 2004.

Other Accommodation Needs

Council has also made a commitment to assist Greypower and the Henderson Maori Wardens to find additional accommodation from February 2004 (although this could be as early as December 2003) as a result of the demolition of premises at 5 Ratanui Street. The following options, where possible, have taken these requirements into consideration.

Accommodation Options

In considering Council operational needs, low cost solutions and the interests of affected stakeholders, the following options have been considered:

- Option 1 - Relocate Waitakere Central Community Arts Council to the Corban Winery Estate, move Sport Waitakere into the area vacated by Waitakere Central Community Arts Council and place Information Management staff into the current Sport Waitakere area.
- Option 2 - Find short- term leased accommodation for Sport Waitakere pending their ultimate shift to the new Waitakere Sports Complex, in September 2004. This would allow Waitakere Central Community Arts Council to remain in their existing space and for Information Management staff to use the current Sport Waitakere accommodation.
- Option 3 - Find leased accommodation for Information Management staff, which would allow Waitakere Central Community Arts Council and Sport Waitakere to remain in their existing accommodation.
- Option 4 - Carry out modifications to the Sport Waitakere accommodation to allow the current occupants and Information Management staff to share this area. Waitakere Central Community Arts Council would remain in it's existing locality.
- Option 5 - Delay Information Management work programmes by nine months pending the relocation of Sport Waitakere to the new Waitakere Sports Complex, followed by the subsequent placement of Information Management staff into the current Sport Waitakere area.

Analysis of Options and Associated Implications, Including Costs

Factors to Note

The Information Management Department requires additional accommodation space, regardless of any of the identified options. Therefore, for comparison purposes, standard set up costs relating to furniture, equipment and local area network costs (allowed for under operational budgets) are excluded from the "Additional costs" columns.

Since the Committee's September meeting, The Manager: Information Management has confirmed that the Sport Waitakere area, subject to identified alterations, will meet the needs of the planned operations.

Costs included in the tables are indicative only and would need to be explored further once an option was selected. The lease costs are based upon securing the right sized accommodation at middle-of-range costs. The reality is that size and lease costs of available premises, at the relevant time, are likely to be variable.

Council's Traffic Wardens currently occupy a small area in the Sport Waitakere Complex and all options allow for a continuation of that arrangement.

Option 1 - Relocate Waitakere Central Community Arts Council to the Corban Estate, Sport Waitakere into the current Waitakere Central Community Arts Council area and Information Management staff into the current Sport Waitakere area.

Advantages	Disadvantages	Additional Costs
<ul style="list-style-type: none"> • A relatively low cost solution Information Management Department can meet its work programme and be fully operational from February 2004 • External data networking infrastructure is already in place • Would ensure full use of current Sport Waitakere area for the remaining life span of the Recreation Centre • Some space could be made available for Greypower and the Maori wardens, but without access to toilet and kitchen facilities 	<ul style="list-style-type: none"> • Waitakere Central Community Arts Council is reluctant to move to the Corban Estate, deeming the area as currently unsuitable - no major enhancements expected until 2006 • Sport Waitakere have yet to confirm that the Waitakere Central Community Arts Council area is suitable for their needs • Both these organisations would have disruption to on-going operations as patrons adjusted to changed localities • Sport Waitakere would also need to undergo a second relocation in September 2004 	<p>Information Management Set up costs of \$75,000 required to be fully operational - air conditioning, security, internal alterations</p> <p>Sport Waitakere Cost of relocating existing furniture and equipment, demountable partitions, plus computer and telephone set up costs -say \$10,000</p> <p>Waitakere Central Community Arts Council Cost of relocating existing furniture and equipment and setting up -say \$5,000</p> <p>Potential cost of minimal building upgrade at new premises, say \$5,000</p> <p>Total additional costs \$95,000 – all 2003/2004</p> <p>(Additional cost of \$10,000 - \$15,000 to prepare accommodation for Greypower/ Maori wardens)</p>

Option 2 - Secure short-term leased accommodation for Sport Waitakere from January to September 2004, with Information Management staff moving into the existing Sport Waitakere space.

Advantages	Disadvantages	Additional Costs
<ul style="list-style-type: none"> • Waitakere Central Community Arts Council does not need to be relocated at this stage • Information Management Department can meet its work programme and be fully operational from February 2004 • External data networking infrastructure is already in place • Would ensure full use of current Sport Waitakere area for the remaining life span of the Recreation Centre • Some space could be made available for Greypower and the Maori wardens, but without access to toilet and kitchen facilities 	<ul style="list-style-type: none"> • Difficulties in securing short-term lease in the Henderson area • Sport Waitakere would also need to undergo a second relocation in September 2004 	<p>Information Management Set up costs of \$75,000 required to be fully operational - air conditioning, security, internal alterations</p> <p>Sport Waitakere Cost of relocating existing furniture and equipment, demountable partitions, plus computer and telephone set up costs - say \$10,000</p> <p>Additional Lease costs of around \$25,000 for average standard premises for 9 months</p> <p>Waitakere Central Community Arts Council No costs would be incurred</p> <p>Total additional costs \$110,000, as follows: 2003/2004 \$104,000 2004/2005 \$6,000</p> <p>(Additional cost of \$10,000 - \$15,000 to prepare accommodation for Greypower/ Maori wardens)</p>

Option 3 - Secure leased accommodation for Information Management staff from December 2003 to approximately June 2006 or such time as Council's new Henderson accommodation becomes available.

Advantages	Disadvantages	Additional Costs
<ul style="list-style-type: none"> • Waitakere Central Community Arts Council and Sport Waitakere do not need to be relocated at this stage • Information Management Department can meet its work programme and be fully operational from February 2004 • Some space could be made available for Greypower and the Maori wardens, with possible access to toilet and kitchen facilities, subject to negotiation with Sport Waitakere 	<ul style="list-style-type: none"> • Most expensive cost option • Sport Waitakere area would become vacant from October 2004 and full optimisation of its use for Council activities may not be possible over the few years pending the proposed development of a Youth facility. Its value as leased premises may also be compromised by the relatively short duration availability period 	<p>Information Management Set up costs of say \$30,000 - \$75,000 required to be fully operational - depends on what layout modifications are required and any additional needs such as air conditioning and security</p> <p>External data networking infrastructure lease costs of approximately \$24,000 per annum, i.e. \$60,000 over 2.5 years</p> <p>Lease costs of approximately \$45,000 - \$50,000 per annum, i.e. \$112,500 - \$125,000 over 2.5 years</p> <p>Sport Waitakere No costs would be incurred</p> <p>Waitakere Central Community Arts Council No costs would be incurred</p> <p>Total additional costs \$202,500 - \$260,000, as follows: 2003/2004 \$64,500 - \$112,000 2004/2005 \$69,000 - \$74,000 2005/2006 \$69,000 - \$74,000</p> <p>(Additional cost of \$10,000 - \$15,000 to prepare accommodation for Greypower / Maori wardens)</p>

Option 4 - Carry out modifications to the Sport Waitakere accommodation to allow the current occupants and Information Management staff to share this area.

Advantages	Disadvantages	Additional Costs
<ul style="list-style-type: none"> • Waitakere Central Community Arts Council does not need to be relocated at this stage • Sport Waitakere to remain in existing premises • External data networking infrastructure is already in place 	<ul style="list-style-type: none"> • A shared accommodation arrangement would mean that a total of 4 to 5 staff could not be accommodated. In addition, there would be no provision for meeting room facilities because of the space shortage • Either or both groups would need to scale down their operations. In the case of IM this would delay the implementation of key projects with a resulting impact on Council operational efficiencies • Additional security measures would also be required because of the need to ensure security of IM equipment and records from third parties • No possibility of accommodating Greypower and the Maori wardens • Whilst remaining in existing premises, Sport Waitakere staff would need to be shifted to another part of the complex. 	<p>Information Management and Sport Waitakere Set up costs of \$100,000 required to be fully operational - air conditioning, security, internal alterations, data connections, increased security</p> <p>Sport Waitakere Cost of relocating existing furniture and equipment, demountable partitions, plus computer and telephone set up costs - say \$5,000</p> <p>Waitakere Central Community Arts Council No costs would be incurred</p> <p>Total additional costs \$105,000 2003/2004</p>

Option 5 – Delay Information Management work programmes pending the relocation of Sport Waitakere into the new Waitakere Sports Complex, followed by the subsequent placement of Information Management staff into the current Sport Waitakere area

Advantages	Disadvantages	Additional Costs
<ul style="list-style-type: none"> • Waitakere Central Community Arts Council and Sport Waitakere remain in existing locations pending moves driven by other developments • External data networking infrastructure is already in place 	<ul style="list-style-type: none"> • A nine month delay in work programmes would have a major adverse impact on the 3 key projects – Addressing Information Management (AIM), Infrastructure Technology upgrades and GEMS replacement, worth a total of \$4m. Such a delay would severely impede the various Council operations. • In addition, Council has entered into contractual commitments for these key projects. 	<p>Not quantified</p>

Impacts On Stakeholders

Waitakere Central Community Arts Council

At the Finance and Operational Performance Committee meeting of the 8 September 2003, Waitakere Central Community Arts Council presented their concerns in regard to the possible relocation of their organisation to the Corban Estate. Currently they sub-lease a stand-alone building at Corbans known as the 'Garage building'. Council and the Waitakere Arts and Cultural Development Trust have made some alterations to this building to fit the requirements of Waitakere Central Community Arts Council, and hireage of other teaching and workshop space is available on an as-needs basis. There is no dedicated gallery space for the Waitakere Central Community Arts Council although early discussions with the Trust did explore this possibility.

Waitakere Central Community Arts Council have not fully relocated from the Recreation Centre to the Corban Estate and have continued to operate from both sites in the expectation that this situation would remain viable until a full and final decision was made on the future development of the Recreation Centre.

Waitakere Central Community Arts Council concerns in regard to the Corban Estate site are as follows:

- the dedicated building at the Corban Estate is too small and unsuitable for some of their activities;
- although the building has undergone some refurbishment there are unresolved issues in regards to maintenance and the removal of a small amount of asbestos in the ceilings;
- pedestrian access, both from regular users and casual drop-ins, is problematic at the Corban Estate;
- safety and security, both real and perceived, is of concern to members.
- a significant number of members are reluctant to make the move to the Corban Estate.

The building maintenance issues that are of concern relate to minor window repairs and exterior decorating, which are programmed and should be completed by the end of December 2003. The existing ceiling has a spray textured finish, which has been tested and contains small amounts of asbestos. This ceiling is in good condition and is not considered a health risk. However, a contract for the textured ceiling removal has been let and the work should be completed within the next few weeks.

Both safety and security issues have been recently highlighted and a meeting was held on 26 September between Council officers (Manager: Arts, Security Manager, Group Manager: Project Services, Health and Safety Auditor and Property Asset staff) to address and seek solutions to the concerns. As a result of this meeting, a security contractor will be stationed at the Corban Estate for the duration of the school holidays. A security review of the Corban estate is to be undertaken which should result in strategies to address both safety and security on the Corban Estate. In addition, the Council's Security Manager is to provide arts personnel with some safety and security awareness training.

Waitakere Central Community Arts Council have been approached to provide some clear figures as to membership numbers, number of classes and other activities. However, due to the demands of the recent Waitakere Licensing Trust Awards, they have not been able to furnish that information to date. This information will be provided verbally for the Committee's meeting.

Sport Waitakere

The Sport Waitakere Board of Trustees is currently reviewing the board's overall operations, including those associated with the new Waitakere Sport Complex, and the outcomes may impact upon the resources that need to be accommodated pending the proposed relocation of Sport Waitakere in September 2004.

On this basis there is a degree of uncertainty as to whether the area currently occupied by Waitakere Central Community Arts Council will fully support the potential needs of Sport Waitakere.

The Trustees are expected to meet in early to mid October and therefore the outcomes of that meeting are unlikely to be available to the Finance and Operational Performance Committee on the 6 October.

RESOURCES

Budget provision of \$70,000 has been allocated for this project from accommodation funds for 2003/2004.

Any additional funding requirements would need to be considered under the half yearly review.

CONCLUSION

To avoid a major adverse impact on Council's Information Management work programme and the associated affect on Council's overall operations, Information Management staff need to be placed in suitable premises no later than January 2004. This effectively eliminates **Options 4 and 5**.

From an Information Management operational perspective, only two approaches are considered viable. These are:

- a) to secure leased premises for Information Management staff (**Option 3**); or
- b) to utilize the accommodation currently occupied by Sport Waitakere, with the latter being relocated.(**Options 1 and 2**) Possible, but restricted, accommodation could also be available, under these options, for Greypower and the Maori wardens.

However, the use of leased premises for Information Management staff is a costly proposition, with a likely cost range of \$202,500 to \$260,000 over 2.5 years. **Option 3** is not recommended.

In considering the second approach, Sport Waitakere would either need to be:

- a) placed into leased accommodation (**Option 2**); or
- b) shifted into the Waitakere Central Community Arts Council area, with Waitakere Central Community Arts Council being relocated to the Corban Winery Estate (**Option 1**).

The use of leased accommodation for Sport Waitakere would result in total relocation costs for all parties of approximately \$110,000. This would see a budget shortfall of \$40,000.

The relocation of Sport Waitakere into the area currently occupied by Waitakere Central Community Arts Council would result in total relocation costs for all parties of approximately \$95,000. This would see a budget shortfall of \$25,000. Whilst this is the cheapest of the preferred options, the cost factor needs to be weighed up against the concerns raised over the current suitability of the Corban Winery Estate as the prime location for Waitakere Central Community Arts Council. In addition, the suitability of the Waitakere Central Community Arts Council area for Sport Waitakere has yet to be confirmed.

RECOMMENDATIONS

1. That the information be received.
2. That, in consultation with Sport Waitakere, alternative accommodation be sought for the relocation of Sport Waitakere by February 2004.
3. That consultation continue with the Waitakere Central Community Arts Council, concerning their current occupancy at the Recreation Centre, in conjunction with Council's future use of and redevelopment considerations for that site.
4. That Council's proposed accommodation for the Waitakere Central Community Arts Council at the Corban Winery Estate be further addressed with the Waitakere Central Community Arts Council and reported back to the Finance and Operational Performance Committee.

Report prepared by: Paul Tate, Manager: Customer Services, City Services.



