REPORT



SUBJECT: Strategic Study of Rangitikei Aquatic Facilities

TO: Assets/Infrastructure Committee

FROM: Gaylene Prince, Community & Leisure Services Team leader

DATE: 7 November 2014

FILE: 6-RF-2-4

1 Background

1.1 One of the work commitments noted during deliberations on the 2014/15 Annual Plan was the commissioning of a strategic study on Council's aquatic facilities, with the intention of proposals being developed (including asset management plans) for consultation in the draft 2015-25 Long Term Plan.

- 1.2 Hutt City Council was engaged to undertake a high level review of Council's aquatic facilities and to make recommendations. Their findings, attached as <u>Appendix 1</u>, focus on management and operation delivery options and asset management of facilities.
- 1.3 The organisations that manage the swim centres at Taihape, Hunterville and Marton have had the opportunity to comment on the report contained in Appendix 1 and also on an earlier draft of this cover report. Where appropriate, their comments have been included in this report. A letter from the outgoing Chairperson of the Taihape Community Development Trust to the Chairperson of Assets/Infrastructure Committee has been sent separately to elected members.

2 Management Delivery Options

Status Quo

- 2.1 Presently Marton and Taihape aquatic facilities are managed and operated under service agreements. The two service agreements differ and it is suggested that the Marton agreement is the better model as it is much more detailed and provides a return from the investment through Council receiving 10% of the revenue derived from activities such as retail sales and swimming lessons.
- 2.2 The contract with Taihape Community development Trust to manage the Taihape Swim Centre ends 30 June 2015. If the status quo is to remain, this could be dealt with in two ways:

- a new contract is negotiated with Taihape Community Development Trust which has managed the pool since the 2007/08 season, or
- expressions of interest are sought, including from Taihape Community Development Trust. (This was the process followed for the current Marton Swim Centre contract).
- 2.3 It is suggested that a new service agreement could be drawn up for a two year timeframe, with right of renewal for a further two years, i.e. to 30 June 2019. This would bring the agreement into line with the Marton Swim Centre agreement (ending September 2016, with an option for renewal of three years).
- 2.4 Ownership of the Hunterville Pool by the Hunterville Sport & Recreation Trust has been confirmed. In 2003, the Council approved the establishment of the Trust and the pool buildings were allocated to it by the trust deed. So long as the Trust exists, it has control over the facility, including extending or replacing it, but the Trust may not dispose of it. Council has retained ownership of the land (and the trust deed allows the Trust to seek a lease). If the Trust is wound up, the trust deed provides for the pool facility to be re-vested in Council.¹
- 2.5 The trust deed could be amended to signify a purely management role for the pool, if Council and the trustees preferred that. The view of the Trust is being sought on this.

Bring all facilities in-house

- 2.6 Such an arrangement is common in urban districts: it would allow for Council control for all aspects of management and operation. However, Council presently does not have any staff with the required level of technical skill and management experience. Recruiting such specialist staff is likely to be limited by the fact that seasonal employment only could be offered, unless the facilities were to open year-round. Council did bring the Marton Swim Centre in-house for the 2012/13 season: while an increased level of service was achieved, it became evident that this form of management delivery could not be sustained.
- 2.7 Having one operator lease or contract for the all three facilities, or one for the two indoor facilities and continue with current arrangement with Hunterville Sport & Recreation Trust would allow for consistency of service across the district. Asset management planning could be coordinated better between council and operator.

3 Asset Management

3.1 Staff are presently looking at options for undertaking condition assessment work, for both the building assessment, and the pool/plant assessment to enable a long term asset management plan to be introduced.

¹ This arrangement stems from a Council resolution on 25 March 1999 to withdraw from the direct provision of swimming pool services throughout the District [by] encouraging community groups or trusts to be set up throughout the district to provide the management vehicle for such a process".

3.2 The review noted some immediate maintenance/replacement/decommissioning issues highlighted by the pool managers at Taihape and Marton.

Taihape Pool

- 3.3 Heating and filtration for the Learner and Toddler pools. These pools should be isolated and treated separately. An on-site meeting between Andrew van Bussel, Adrian van Niekerken (Shared Services) and Dave Cameron (FPC) in September 2012 identified that the current system did not comply with NZ Standards and costs to rectify were estimated at \$150K. This work was deferred until this strategic review of the pools was carried out as part of the 2015-25 LTP. (The existing system was put in as a stop gap measure to remove the two smaller pools from the 25m Main Pool circulation system).
- 3.4 The leak at the Taihape Pool has been unable to be traced despite considerable attempts over the past 2-3 years. The balance tank has been sealed, the seams in the main pool have been checked and Shared Services staff have used CCTV on some sewer and stormwater lines to determine the leaks. The exact water loss is not known as there is no water meter at the Pool. As was the case with the Marton Swim Centre, a meter will be installed to identify actual water loss/costs.

Marton Swim Centre

3.5 The Chief Executive and Nicholls Swim Academy have agreed that the Marton Dive Well is only open during the 2014/15 summer holiday season, that is, December and January. Nicholls Swim Academy has previously advised that they believe the Dive Well is uneconomic to repair.

4 Level of Service

- 4.1 The future nature of pool facilities will be determined by the cost of ongoing operation, the cost of maintenance/upgrade, the expectations of the community and the actual extent of use. Unlike core infrastructure services, Rangitikei residents are able to (and do) use alternative facilities in Wanganui, Feilding, Palmerston North and Waiouru. These all have the advantage of offering year-round access.
- 4.2 The Waiouru facility (comprising an indoor main pool and learner pool) is owned by the New Zealand Defence Force but it is available to the public, year round, aside from when it is being used for NZDF training/events. Staff are presently seeking feedback on the number of Taihape residents using this facility, what programmes are available etc.
- 4.3 While all three facilities in the District provide opportunities to learn to swim, as well as for community/social connectedness, both the Hunterville and Taihape Pool managers noted the disengagement of youth, who prefer the river environment for swimming and socialising.

- 4.4 The Taihape Swim Centre Manager has advised that the Trust had tried extending the season by a few weeks due to customer requests; however, the actual demand did not justify continuing this.
- 4.5 The limited season at Marton results in loss of users to other towns nearby but an extension to the season would require additional funding for operational and management costs. It is not known how many residents in or near Marton use other pools, nor the extent to which residents in or near Marton not using any pool would use the Marton Swim centre if available year-round.
- 4.6 The range of options for levels of service at the three District pools that could be considered through the draft 2015-25 LTP are:

Taihape	Hunterville	Marton	
Status quo	Status quo	Status quo	
Remove roof/solar heating	Roof the facility	Remove roof/solar heating	
Open all year round	Extend the season	Open all year-round	
-1			
Close the facility	Close the facility	Close the facility	

4.7 Cost estimates will be developed for these options.

KPIs

- 4.8 Alongside this matrix would be the key performance measures. The review suggests careful consideration over these, in consultation with the community.
- 4.9 The annual resident survey (part of the current performance framework) measures the extent to which Council's provision of swimming pool services has been better, about the same, or worse than the previous year. The survey questions focus on customer service, cleanliness and maintenance, programme activities, opening times and location and accessibility. The results from the April 2014 survey are attached as Appendix 2. Using such perception surveys is common amongst councils.
- 4.10 In addition, some more objective measures are frequently used, such as:
 - Compliance with water quality tests,
 - Accidents reported during the year,
 - Number of people using the pool²,
 - Cost per user of the pool.

² The review team from Hutt City provided figures from Taihape and Marton for the 2013/14 season. However, they are not strictly comparable as the Marton count excluded swimmers coming into the swim centre as part of school visits.

4.11 In its 2012-22 Long Term Plan, Tararua District Council included a measure to show whether public pools were financially sustainable by reporting the percentage of rates spent on these facilities.

5 Next steps

- 5.1 There is some additional information to be obtained, particularly the assessment of the physical condition of the plant and buildings at each location and, subsequently, cost estimates for the various levels of service. In addition, information is needed about the use made by District residents of pools in neighbouring districts.
- 5.2 A decision is needed on the approach to be taken for negotiating a management contract for the Taihape Swim Centre from 1 July 2015. This includes the form of contract as well as whether expressions of interest are to be sought from a range of organisations or whether the negotiation should be confined to the Taihape Community Development Trust. Experience in settling the management of the Marton Swim Centre is that a long lead time is needed.

6 Recommendations

- 6.1 That the report 'Strategic Study of Rangitikei Aquatic Facilities' be received.
- 6.2 That the management of the Taihape Swim Centre from 1 July 2015 be on the basis of a two-year contract (with option to renew for a further two years) and following the terms in the current management contract with the Marton Swim Centre as closely as practicable and that

EITHER

this proceed through invited tenders from potentially qualified organisations, including the Taihape Community Development Trust

OR

this proceed initially as a direct negotiation with the Taihape Community Development Trust, unless there is no agreement by 31 March 2015, when tenders will be invited from other potentially qualified organisations.

Gaylene Prince
Community & Leisure Services Team Leader



Appendix 1



REPORT FOR THE RANGITIKEI DISTRICT COUNCIL ON THE DISTRICTS AQUATIC FACILITIES

1. SUMMARY

Aquatic facilities, in general are costly to maintain and operate due to their nature. The environment they produce is hard, particularly on building structures and equipment. Rangitikei District Council (RDC) has made good improvement to the three aquatic facilities over many years covering in two facilities to make them more customer friendly by taking the weather out of the equation. They have invested in plant, and are trying to maintain the asset with the financial resources they have with a small and declining population base.

However over the next 5-10 years there are some major capital replacement costs if the community want to keep the current level of service of all three pools. There is also the question of whether the current operational model is sustainable and whether it will meet the future needs of the District.

This report looks at options and recommendations on operational models, asset planning, and some outstanding issues that need to be addressed in the immediate future to assist the RDC in making decisions on the future direction of this service.

2. BACKGROUND

Hutt City Council was engaged by the RDC to complete a high level review and make recommendations on the districts three aquatic facilities focusing on the following areas:

- · Management delivery models
- Asset management and facility operation process
- Opportunities to increase participation and services

The report authors and reviewers are, Nevill Sutton – Commercial Operations Manager with 30 year's plus experience in aquatic and swim teaching, and Stephen Keatley – Community Facilities Manager and NZRA PoolSafe Assessor with 20 years' experience in aquatic facility management and asset planning.

Hutt City Council operates in house; 3 indoor pools, 3 outdoor pools, a swim school and 2 fitness suites.

A site visit was conducted on Monday 29 September 2014. The authors met with council officers, the operator of the Marton Community Pool, a member from the Taihape Development Trust, and the pool manager and a member of the Hunterville Community Trust.

The following documents were also provided by the RDC for review:

- Annual Reports to council from the contractor of Marton and the Taihape Trust
- Financial information on RDC swimming pool activity
- · Leases for all three aquatic operators

3. CURRENT SITUTION

The community is well served for aquatic facilities with one outdoor and two indoor facilities within the Rangitikei District for a total population of 14,019 (2013 census data) which equates to 4,673 people per aquatic facility.

Total attendance for the 2012-13 year, for all three pools was 31,278 which equates to 2.23 swims per vear per resident.

Costs have been difficult to fully assess with the way the budgets are allocated at Marton Community Pool. However after reviewing the information the authors received, net operation cost to the RDC including Grants to the two trust is \$423,904* ex GST which equate to \$13.55 per user or \$30.23 per resident.

To show a comparison Hutt City Council is part of New Zealand Recreation Association - Leisure Check Benchmarking programme, which is a voluntary programme. We have taken similar size populations to show how RDC compares. Below is a table of the information.

Council	Population 16647		Cost/resident		Total Spend	
Council 1			\$ 70.5		\$	1,173,613.50
Council 2		12108	\$	42.00	\$	508,536.00
Council 3		22641	\$	24.30	\$	550,176.30
Average		17132	\$	45.60	\$	744,108.60
Rangitikei		14019	\$	30.23	\$	423,904.00

MARTON COMMUNITY POOL

This facility is currently contracted to Nichols Swim Academy and outside of Wellington this is the only fifty metre indoor facility in the Lower North Island. Two learners and toddlers pool are include within the roofed area. An outdoor dive well is also included in the pool confines with a nice outdoor area and plant room. A small gym is located in the building next to the pool. The pool water treatment plant is excellent with very extensive resources having been installed for the water treatment and heating services.

In the 2013-14 season 15,984 people attended during the opening period of October to April. The report to council shows the contractor trying to work with a range of community groups, is making improvement to the facility and has practical ideas for improvement to the services and complex over the coming years. The council pays for all operating and maintenance costs, excluding staff, and the council gets a percentage of programmes and entry revenues.

The community seems to have good access with a local swimming club on site. Learn to swim seems to be well catered for with multiple pools being available along with space in the main 50m pool. A hoist is also available for disabled users. The pool precinct is well served with local primary schools and high schools making good use. The complex is currently working towards Pool Safe accreditation.

TAIHAPE COMMUNITY POOL

This facility is currently managed by the Taihape Development Trust. The facility includes a 25m pool, a toddler's pool, and learner's pool. The facility is well placed in its location with a huge recreational park alongside with many other sporting codes, and a secondary school right

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^{*}The above amount excludes council overheads, capital funding and depreciation

next door. This facility currently meets the Pool Safe standard and the swim school currently operating is a registered Quality Swim School through Swimming New Zealand.

The current lease holder uses a number of water based activities to encourage the local community to avail itself of the services on offer at the facility. These include lane swimming, learn to swim, holiday programmes, snorkel classes, and water safety classes. A hoist is also available for disabled users. Local schools make good use of the facility.

In the 2013-14 season 11,294 people attended during the opening period of November to March. An operational grant of \$140,000 plus GST per annum is given by council to the trust to operate the facility on their behalf. Capital replacement or renewals of the building mostly fall on council however the trust has the ability to apply for funding to assist with these costs through agreed arrangements between the trust and council.

HUNTERVILLE COMMUNITY POOL

This facility is currently managed by the Hunterville Community Trust. This facility is a typical outdoor pool design with a 22 yard main pool and a separate toddlers and learner's pool also included. The facility is basic but for the size of the surrounding community is suitable.

The facility is effectively located by a large sports park surrounded by other sporting clubs who all seem to work well together. There is a swimming club, local schools, and community using the facility. The pool currently is pending meeting the Pool Safe standard.

In the 2013-14 season approx. 4000 people attended during the operating period of December to February. An operational grant of \$56,000 plus GST per annum is given by council to the trust to operate the facility. Capital replacement or renewals of the building mostly fall on council however the trust has the ability to apply for funding to assist with these costs through agreed arrangements with the trust and council.

4. RECOMMENDATIONS

OPERATIONAL MODEL

The authors have completed a table to highlight two options that are available for the service delivery of the aquatic service. The third option is to continue with the current model. There would need to be further investigation and testing on the preferred model before a final decision is made.

Whatever decision is made for the operational model a strong and SMART set of Service Key Performance Indicators for the provision of aquatic services within the district should be developed. These KPI's should be reported through the RDC Annual Plan each year so the service can be effectively evaluated by councillors and senior council managers.

Bring all three	facilities in house
Pro's	 Council has control of all facilities Allows for a standard level of customer service approach across all facilities Asset management is able to be coordinated along with capital development Reporting is standardised Council receives all income – entry fees + LTS (learn to swim) income
Cons	 Local community may feel aggrieved at losing control of their facility – Taihape / Hunterville

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	Council will have all operational costs across all facilities
	 Council will have all maintenance and capital development costs
	Council cannot apply to funders as the trusts can.
Have one oper	ator lease or contract for the all three facilities or one for the two indoor facilities
	vith current arrangement with Hunterville Community Trust
Pro's	 Allows for a consistent model of operation across the facilities A standardised operational contract with clear KPI's would show the current qualifications for staff, standards, and codes Allows for a standard level of customer service approach Asset management could be coordinated better between council and operator Reporting could be standardised
Cons	This is the biggest risk especially if the operator over promises and under delivers
	 Local community groups may feel aggrieved at losing control of their facility

LEVEL OF SERVICE

The authors believe there is no need to look at extending the length of the current seasons for Taihape and Hunterville. However with Marton there could be a good business case to look at extending the season depending on the contractor ability to increase usage over the coming seasons to justify the additional cost.

As the Hunterville Pool is outdoors, the weather is the biggest predicator as to the usage. It currently meets the community's needs locally and it may be nice to extend the season if the weather allows for such to occur. However the added costs need to be taken into consideration.

A great summer brings hopefully more swimmers, but associated with this is the fantastic river option that is available to all those who live in its vicinity. This applies equally to Taihape.

The Marton and Taihape pools being enclosed are not so reliant upon the weather to bring customers in to use the facility. A point of difference between the two is the internal aesthetics of each with Marton being open and airy whilst Taihape is darker, utilitarian and the entrance is not so inviting internally or externally. Any extension of seasonal use would have to be addressed as to the increased operational costs and it may be found that extending the season is not financially viable.

Looking at each indoor facility there were a number of options given as to ways of improving the current customer experience received at each facility. Each of these decisions has capital costs associated with them but these need to be assessed against the useful life cycle of each facility.

Taihape:

- A poolside spa or hydro therapy pool for the older members of the Taihape community to engage in exercise and injury /rehabilitation
- A system for heating the air in the facility so that ventilation is able to take place ensuring the current ceiling and roof don't continue to deteriorate.
- Install insulation of the pool ceiling in an attempt to improve the building life and energy efficiency.
- A coat of paint to lift the colour inside the building
- Making the entry to the facility much more inviting and welcoming, incorporating the recreational precinct that the pool currently is separated from.
- More efficient and energy saving heating system for learners and toddlers pool that
 meets the needs of the use determined. Allowing learn to swim classes to be held in
 temperatures conducive to good learning 30 32 degrees

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Marton:

- A submersible bulkhead situated on the bottom of the main pool at the twenty five metre mark - allowing for 25 metre pools to be created allowing for greater operational use by user groups.
- A splash pad developed where the current diving well is situated. This allows for a
 multiple of functions to be installed in an area allowing for multiple users reducing the
 issues that the current diving well brings. A splash pad will definitely appeal to the
 younger members of the community.
- Developing a "flippaball" competition in the local area where the need for deep water
 is not required and is very popular with school groups. This works very well in many
 areas Naenae Pool, Lower Hutt currently has 800 school children taking part in a
 competition each Wednesday over term 3 each year.

ASSET MANAGEMENT

- Complete a building condition assessment report to plan for the future capital renewals e.g.
 roof structures etc. and the facility remaining life cycles of pool water treatment plants and
 building structures so that council can plan better on large capital replacement items with an
 initial overview of 10 15 years.
- Complete Service of Level Key Performance Indicators for swimming pools, after consultation with the local community. This important piece of work will assist council to develop an asset management plan and will assist with the strategic direction and service level expectations for these assets.
- Once the above two have been completed it is recommended that an Asset Management Plan is developed and is reviewed every 3 years.

IMMEDIATE ACTIONS REQUIRED

While conducting the review a number of immediate actions were discovered. The authors have listed them under suggested timeframes:

Within the next 3 months:

The current Trust believe the that council owns the Hunterville pool, where council officers
believe the Trust does. This leaves the trust or the council with a large risk and Health and
Safety issues if ownership of the facility is not clear – Action: Confirm the status of
ownership of the Hunterville Pool and depending on the outcome the operational model
may need to be modified.

Within the next 12 months:

- There is some urgent work that is required at the Taihape Pool on the heating and filtration systems, especially the learners pool, which needs to be addressed as to costs and how this could be funded, whether through a combination of council capital funding and/or the trust applying to funders
- The Taihape main pool and/or balance tank currently leaks Action: Council and the trust works together to complete further investigation and monitor the water usage over the 2014-15 season to look at fixing before the 2015-16 season.

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• The Marton Diving Pool well leaks and is not used that much based on information supplied by the contractor. Action: A decision needs to be made as to rectifying the problem (not recommended by the authors) or closing the diving well and looking at replacing with some other type of aquatic amenity e.g. Splash/Zero depth splash pad

Authors:

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Hutt City Council

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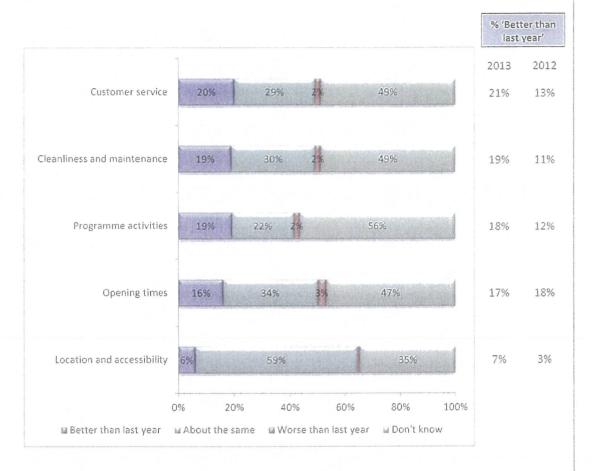
Appendix 2



Public swimming pools

Public swimming pool related detailed measures⁵

All swimming pool measures show minimal year-on-year result changes. Customer service (20%), cleanliness and maintenance (19%), programme activities (19%), and opening times (16%) continue to be perceived as better than last year with location and accessibility remaining largely similar to last year (59%).



⁵ Q: Thinking about the existing provision of swimming pools; for each of the following aspects of the facility, please indicate whether, in your opinion, the service provision is better or 'worse than last year', or 'about the same as last year'. Base: 2014 n=382; 2013 n=376; 2012 n=334.

Key demographic differences

Significant differences in responses across area, age and gender are outlined below for each swimming pool variable:

Customer service

 Koitiata/Ratana/Turakina residents were more likely to state that they were unsure if the customer service at the community swimming pools was different to last year (75% c.f. the total 49%).

· Cleanliness and maintenance

- o Rural Marton residents were more likely to state that the cleanliness and maintenance of the community swimming pools was better than last year (33% c.f. the total 19%).
- Residents aged between 30 and 45 years were more likely to state that the cleanliness and maintenance of the community swimming pools was the same as last year (45% c.f. the total 30%).

Programmed activities

 Koitiata/Ratana/Turakina residents were more likely to state that they were unsure if the programmed activities at the community swimming pools were different to last year (84% don't know c.f. the total 56%).

· Opening times

- O Urban Bulls residents and Koitiata/Ratana/Turakina residents were more likely to state that they are unsure if the opening times of the community swimming pools were different to last year (62% and 78% don't know respectively c.f. the total 47%) whereas urban Marton residents were more likely to state that the opening hours were better than last year (22% c.f. the total 16%).
- Residents aged between 30 and 45 years were more likely to state that the swimming pool opening hours were about the same as last year (53% c.f. the total 34%) while residents aged 55 years or older were more likely to be unsure if the opening hours had improved (51% c.f. the total 47%).

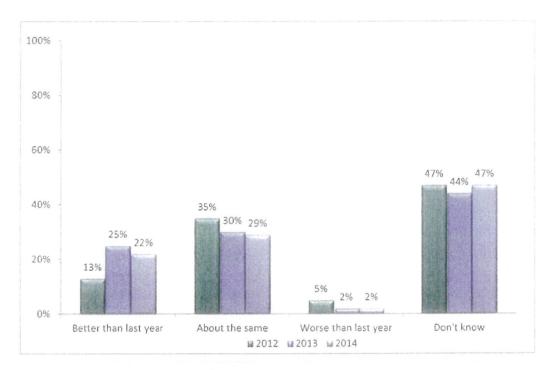
Location and accessibility

- o Urban Bulls residents and Koitiata/Ratana/Turakina residents were more likely to state they were unsure if the location and accessibility of the community swimming pools was different to last year (53% and 69% don't know respectively c.f. the total 35%) whereas Marton residents, both rural and urban, were more likely to state that this had remained the same (63% urban residents and 75% rural residents c.f. the total 59%).
- o Female residents were more likely to state that the location and accessibility of the community swimming pools was better than last year (11% c.f. the total 6%).



Overall measure for public swimming pools⁶

Results for the overall measure of public swimming pools for 2014 were similar to those from 2012; 22 per cent of residents felt that the swimming pools were better than last year, 29 per cent felt they were about the same and only two per cent felt they were worse than 2013. Forty-seven per cent were unsure if there had been a change year on year.



Key demographic differences

Significant differences in responses across area, age and gender are outlined below:

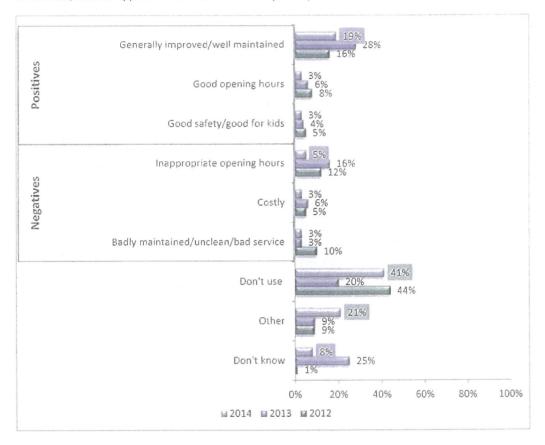
- Koitiata/Ratana/Turakina residents were more likely to state that they were unsure if there had been a change in the community swimming pools since last year (75% don't know c.f. the total 47%) while urban Marton residents were more likely to state that the provision of swimming pools was better than last year (28% c.f. the total 22%).
- Residents over the age of 55 were more likely to state they were unsure if the there had been a change in community swimming pools since last year (53% don't know c.f. the total 47%).

⁶ Q: Overall do you think the Council's swimming pools are getting better or 'worse than last year', or 'about the same as last year'? Base: 2014 n=382; 2013 n=389: 2012 n=330

Factors that influenced resident views of Council's provision of public swimming pools⁷

Ratings for Council's provision of swimming pools appears to be driven by a general improvement overall (19%), while negative responses appear to remain at low levels (all 5% or less).

A greater proportion of residents indicated that they do not use the swimming pools at all (41% in 2014 c.f. 20% in 2013). There had also been an increase in the number of residents who did not directly respond to the question with the number of 'other' responses increasing year on year (21% in 2014 c.f. 9% in 2013, refer to Appendix 2 for full verbatim responses)



Key demographic differences

Significant differences in responses across area, age and gender are outlined below for each response category:

- Inappropriate opening hours
 - o Residents aged between 30 and 45 years were more likely to state that the swimming pool opening hours were inappropriate (14% c.f. the total 5%).
- Badly maintained/unclean/too cold/bad service
 - Female residents were more likely to state that they felt the community swimming pools were badly maintained (6% c.f. the total 3%).

⁷ Q: Thinking about how you just rated the Council's provision of swimming pools what is the single most important factor which has influenced your view? Base residents who rated swimming pools:2014 n=318; 2013 n=178; 2012 n=292.