

TO: Council

FROM: Recreation Planning Officer

MEETING DATE: 10 December 2012

SUBJECT: **SERVICE LEVEL AGREEMENT BETWEEN THE DUNEDIN CITY COUNCIL AND DUNEDIN VENUES MANAGEMENT LTD**

SUMMARY

At the Council meeting on 18 May 2012 a report was received that embraced a number of issues, including access for community activities at the Forsyth Barr Stadium. The report including the following resolutions:

- "2. That the Council provide from the 2012/2013 year onwards, 750,000 per annum to fund an annual service level; agreement with DVML in return for a range of services that would be provided by DVML.*
- 3. Than council staff in conjunction with DVML, prepare a draft service level agreement outlining the range of services to be provided, for consideration and approval by the Finance, Strategy and Development Committee."*

This report presents for approval a draft Service Level Agreement (Attachment One) as per the two resolutions above.

IMPLICATIONS FOR:

- | | |
|--|----|
| (i) Policy: | No |
| (ii) Approved Annual Budget: | No |
| (iii) LTP/Funding Policy: | No |
| (iv) Activity Management Plans: | No |
| (v) Community Boards: | No |
| (vi) Sustainability: | No |

RECOMMENDATION

That Council approves the Service Level Agreement between the Dunedin City Council and Dunedin Venues Management Limited so it can be provided for approval by the Board of Dunedin Venues Management Limited.

INTRODUCTION

This report provides a draft Service Level Agreement between the Dunedin City Council (DCC) and Dunedin Venues Management Limited (DVML) to facilitate the Resolutions 2 and 3 of Council on 18 May 2012.

DISCUSSION

The draft Agreement has been jointly prepared between Council staff and DVML. In keeping with existing DCC Service Level Agreements (such as Edgar Centre), the Service Level Agreement is based on the strategic documents of both organisations.

The strategic directions (DCC Community Outcomes, and DVML's statements around community access from its Statement of Intent and Strategic Plan) are translated to a range of outcomes and objectives, which provide for increased access to the Forsyth Barr Stadium for community activities.

Also consistent with other community asset Service Level Agreements, the draft agreement includes a framework for regular reporting on outcomes, and provision for regular review of the agreement itself.

CONCLUSION

This draft Service Level Agreement has been agreed and prepared between Council staff and DVML to facilitate Resolutions 2 and 3 above, and provide increased community access to Forsyth Barr Stadium.

Prepared by:

Approved for submission by:

Andrew Lonie
RECREATION PLANNING OFFICER

Mick Reece
**PARKS AND RECREATION SERVICES
MANAGER**

Approved by: Tony Avery
GENERAL MANAGER OPERATIONS

Date report prepared: 28 November 2012

Attachments

- 1 Draft Service Level Agreement between the Dunedin City Council and Dunedin Venues Management Limited

SERVICE LEVEL AGREEMENT BETWEEN DUNEDIN CITY COUNCIL AND DUNEDIN VENUES MANAGEMENT LIMITED

1 Partners and Vision

Dunedin City Council (DCC). DCC has identified 'Supportive Community' - *Dunedin's people feel included and connected with their wider community and enjoy a good quality of life* - and 'Active City' – *Dunedin's people lead active, healthy and enjoyable lifestyles* - as two of 10 Community Outcomes in its Long Term Plan 2012/13 – 2021/22. The DCC sees Dunedin Venues Management Limited as a strategic partner in achieving these outcomes.

Dunedin Venues Management Limited (DVML). In its Statement of Intent to June 2015, DVML has described a Vision that includes: *To establish DVML as a "best practice company" within the local community.* The Statement of Intent also includes the objective to *assist where possible with DCC's Community Outcomes.*

2 Strategic Direction

This Service Level Agreement has been developed using information from the Dunedin City Council's Physical Activity Strategy 2007 and Draft Social Wellbeing Strategy 2012, along with DVML's Statement of Intent to June 2015 and the 2012-15 Strategic Plan.

Relevant strategic directions from the Draft Social Wellbeing Strategy 2012 (DSWS) and Physical Activity Strategy 2007 (PAS) are:

- Connected People: Dunedin people feel included in their local communities and the wider city, and participate in community and city-wide affairs (DSWS Priorities 1.1 and 1.3)
- Vibrant and Cohesive Communities: Dunedin is comprised of strong, vibrant neighbourhoods and communities, and Dunedin communities have good access to information and resources (DSWS Priorities 2.1 and 2.3)
- Create urban and rural environments that foster more active lifestyles for all Dunedin residents (PAS Goal One)
- Ensure that all Dunedin residents understand the enjoyment and benefits of being physically active and how they can access these opportunities (PAS Goal Two).

Relevant strategic directions from DVML's Statement of Intent and Strategic Plan are:

- To facilitate affordable community access to its portfolio of venues, where appropriate, thereby fostering great community pride in these venues
- To work with DCC to provide access to community groups within commercial parameters as agreed with DCC
- To encourage the use of the stadium for amateur sport
- To develop a schedule for community events
- To engage with sports bodies to develop a programme of junior sporting events.

3 Preamble

A way for DVML and DCC to implement the strategic directions of both organisations as identified above is for DVML to promote and provide free or reduced cost access to the Forsyth Barr Stadium for suitable community groups, in return for a Service Level payment from DCC. A Service Level Agreement has been identified as the best mechanism to ensure this occurs in a transparent, equitable and measurable way.

In all activities associated with the negotiation, implementation and review of this Service Level Agreement, both parties will act in a responsible, professional and business-like manner.

The Dunedin City Council requires DVML to be sensitive to the Dunedin City Council's responsibility not to be anti-competitive in the achievement of their outcomes. Activities that compete with the private sector must not be subsidised by Dunedin City Council funding.

4 Outcomes and Objectives of this Service Level Agreement

The DCC and DVML visions and strategic directions are considered through the following outcomes and objectives.

These outcomes and objectives will be worked towards and align with the *DVML Statement of Intent and 2012-15 Strategic Plan*

OUTCOME(S)	OBJECTIVE
<p>Facilitate affordable community access to its portfolio of venues, where appropriate, thereby fostering great community pride in these venues.</p> <p>Dunedin people feel included in their local communities and the wider city, and participate in community and city-wide affairs.</p> <p>Dunedin is comprised of strong, vibrant neighbourhoods and communities.</p> <p>Create urban and rural environments that foster more active lifestyles for all Dunedin residents.</p>	<p>To promote and make the Forsyth Barr Stadium pitch and function rooms available for use by organisations with charitable or not-for-profit status.</p>
<p>Dunedin communities have good access to information and resources.</p> <p>Ensure that all Dunedin residents understand the enjoyment and benefits of being physically active and how they can access these opportunities.</p>	<p>There is active promotion of the benefits of physical activity and the opportunities available at the Forsyth Barr Stadium.</p>
<p>Subsidised community usage of facilities occurs in a transparent, equitable and measurable way.</p>	<p>To report on usage and costs generated by organisations with charitable or not-for-profit status.</p>
<p>Dunedin people feel included in their local communities and the wider city, and participate in community and city-wide affairs.</p>	<p>To measure customer satisfaction and benefit obtained by organisations with charitable or not-for-profit status using the Stadium.</p>
<p>Facilitate affordable community access to its portfolio of venues, where appropriate, thereby fostering great community pride in these venues.</p> <p>Dunedin people feel included in their local communities and the wider city, and participate in community and city-wide affairs.</p>	<p>To develop new community initiatives at the Stadium.</p>

5 Responsibilities – Dunedin City Council

- The DCC will pay Dunedin Venues Management Ltd a service level payment of \$750,000 in equal monthly instalments for 2012/13 (1 July 2012- 30 June 2013) on the basis of Dunedin Venues Management Ltd meeting its obligations under this Service Level Agreement. ***DCC and DVML have agreed on this payment level as fair value for the arrangement¹***. The Council guarantees no additional funding and accepts no responsibility for budget overruns.
- The DCC will establish criteria for community groups to be entitled to use of DVML's Forsyth Barr Stadium facilities, at reduced or no cost to those groups. The criteria are:
 - Group/organisation has charitable status (registered with Charities Commission) or is not-for-profit (e.g. sports club, school or cultural group)
 - Access does not conflict with DVML's commercial arrangements.

If the number of qualifying groups/activities as above outstrips DVML's ability to supply under this Service Level Agreement, or timing of community activities conflicts, then some additional criteria to prioritise selection are:

1. Activity engages a wide cross section of the public in respect to age, culture or physical ability
 2. Any funds raised are distributed/used in the Dunedin/Otago area (as opposed to nationally)
 3. Activity significantly adds to the profile of the Dunedin region.
- To assist DVML with advice and expertise in fulfilling its reporting responsibilities as documented in this Service Level Agreement. This includes planning for future improvement in measurement systems, such as considering the University of South Australia CERM Customer Service Quality system, to provide for business improvement.

6 Responsibilities – DVML

- To make the Forsyth Barr Stadium pitch, the function rooms and car park available for use by organisations with charitable or not-for-profit status, on a basis that does not prevent or compromise commercial events, and subject to DVML's obligations to other contracted parties.
- To promote and manage events which encourage the stadium to be accessed by the wider community
- To promote the availability of the Forsyth Barr Stadium pitch and function rooms, for use by organisations with charitable/not-for-profit status. This includes:
 - Targeting promotion to young people, people with disabilities, older adults and other groups identified as having barriers to participation.
 - Promoting a calendar to charitable and not-for-profit organisations, with available times indicated.
- Using the Ungerboeck booking system as a basis, to report six-monthly to DCC on usage by charitable and not-for-profit organisations, as well as wider community use. This report is to include bookings for next 6 months and actual for last 6 months, including the following details: name of organisation, type of usage (such as sporting, school, charity, cultural),

¹ The bold italicized statement was included based on Deloitte's professional opinion on this agreement.

activity undertaken (such as tournament, public open day, school prizegiving, fundraising event), subactivities undertaken (e.g. different sporting codes), number of participants and spectators, date and time span of usage, and space(s) used.

- In conjunction with the six-monthly report above, to report on the costs of hosting each organisation's activities in the previous 6 months, including details of any partial costs paid by the organisation where applicable. The report should clearly categorise the cost for each activity, including but not limited to:
 - Facility hire
 - Turf protection
 - Line marking and signage
 - Power
 - Audiovisual production
 - Security
 - Ticketing
 - Cleaning
 - Other staff and administration costs.
- To ensure that appropriate insurances are in place to host activities qualifying under this Service Level Agreement.
- To develop an evaluation form to record level of customer satisfaction and provide information for improvement in delivery of future community usage.
- To administer the evaluation form for each using Forsyth Barr Stadium facilities under the criteria specified in this Service level agreement.
- To provide an annual Service Level Agreement report to DCC by 20 July each year, followed by a meeting with Council representative/s within 10 working days. Notice of this requirement will be given three months before the report is due. A summary of evaluation from participating organisations must be included in the Annual Service Level Agreement report and used to inform the Statement of Intent for the following financial year.
- To employ staff with the necessary skills, experience and aptitude to successfully implement DVML's responsibilities contained in this Service Level Agreement.

7 Review and Variations

- This Service Level Agreement can be developed and modified if aspects of it need improvement or refining. This will be formalised at an annual review between the parties covered by this Service Level Agreement. Any amendments to the Service Level Agreement are to be in writing and signed off by representatives of both parties.

8 Non-performance

- Non-performance of any or all of the responsibilities of either the Dunedin City Council or DVML will require a meeting between the parties, and a process and timeframe will be agreed and recorded to achieve performance. Continued non-performance of DVML or the Dunedin City Council will result in written notice of termination, at least one month prior to termination of the Service Level Agreement.

9 Partner Representatives

- The Manager of Parks and Recreation Services, Mick Reece, or nominee will administer all aspects of the Service Level Agreement and is the official Dunedin City Council representative who will liaise with DVML.

- The Chief Executive of DVML, Darren Burden, or nominee will administer all aspects of the Service Level Agreement and is the official DVML representative who will liaise with the Dunedin City Council.

10 Assignment

- DVML may assign, transfer or sub-contract any of its responsibilities under the Service Level Agreement to other persons or organisations only with the prior consent of the Dunedin City Council.
- DVML agrees that if DVML assigns transfers or sub-contracts any of its responsibilities under the Service Level Agreement to other persons or organisations, DVML will be responsible for complying with all the responsibilities and requirements of the Service Level Agreement.

11 Indemnity

- DVML will indemnify the Dunedin City Council and will keep Dunedin City Council Fully Indemnified in respect of any claim, loss, damage or expense of whatever nature incurred by Dunedin City Council by reason of any breach of the Service Level Agreement by DVML.
- DVML will not be liable for any claim, damage or expense incurred by the Dunedin City Council where such claim, loss, damage or expense is incurred by virtue of any act or omission whether negligent or otherwise of the Dunedin City Council, any of its officers or employees.
- The Dunedin City Council will indemnify DVML and will keep DVML fully indemnified in respect of any claim, loss, damage or expense of whatever nature incurred by DVML by reason of any breach of the Service level Agreement by the Dunedin City Council.
- The Dunedin City Council will not be liable for any claim, damage or expense incurred by DVML where such claim, loss, damage or expense is incurred by virtue of any act or omission whether negligent or otherwise of DVML, any of its offices or employees.

12 Force majeure

Neither Dunedin City Council nor DVML shall be held responsible for any delay or events beyond their control which may affect the party's ability to carry out their responsibilities under this Service Level Agreement.

13 Definitions of Terms

Charitable status:	Pertaining to an organisation, this means the organisation is registered with the NZ Charities Commission.
Facilities:	The 'facilities' includes the pitch, carpark, and function rooms of the Forsyth Barr Stadium
Not-for-profit	An incorporated society or other organisational entity that generates neither profit nor return to shareholders.
Older adults:	Generally those aged 65 years and over but could also include individuals of a lesser age.

People with disabilities: Individuals with impairments are considered to be disadvantaged by the recreational, social and environmental barriers to participation that exist. As a result of this disadvantage, people with impairments experience disability.

Sport: Physical activities that are competitive, organised, involve observation of rules, and may be participated in either individually or as a team.

Young people: Individuals between the ages of 11 years and 19 years.

Signed on _____ 2012 by:

Mick Reece
Parks and Recreation Services Manager
Dunedin City Council

Darren Burden
Chief Executive
Dunedin Venues Management Limited