

Community Facilities Management Policy

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Contents

Objective	3
Policy statement	3
1. Exclusions	4
2. Principles	4
3. Management models	4
4. Licensing and leasing	4
5. Renewal agreements	5
6. Maintenance, improvements and presentation	5
7. Outgoings	6
8. Council community facilities	6
8.1. Community Halls	6
8.2. Level 3 Lionel Bowen Library & Community Centre	6
8.3. Other Facilities	6
8.4. Setting the Rental Value	6
9. Provision of rental subsidies	7
10. Calculation of a rental subsidy	7
11. Appeal process	8
12. Accessibility	8
13. Provision of information	8
14. Definitions	8
15. Criteria for determining level of subsidy	9
15.1. Criteria for determining level of subsidy	9
15.2. Calculating the level of subsidy	11

Objective

Provide Council with a framework for the equitable, efficient and effective management of its community facilities.

Policy statement

The Community Facilities Management and Rental Subsidies Policy enables Council to:

- encourage optimal use of community facilities to cater for a range of community and sporting groups
- obtain a contribution from user groups for the costs of providing facilities
- recognise the social value and social benefits of services and activities organised and provided by community based groups and to subsidise these groups where it sees fit
- determine the most appropriate occupancy arrangement for each facility
- fulfill the requirements of State Government and Council policies in relation to provision of facilities on Community land, Crown public recreation reserves and open space
- ensure that all user groups support Council's non-discriminatory practices and policies
- clearly communicate Council's intentions in relation to management of community facilities

1. Exclusions

This policy excludes Council operational facilities that are covered by normal retail & commercial & residential leasing/licensing arrangements.

Commercial or for-profit organisations are not eligible for any rental subsidy.

2. Principles

The following principles apply to management of community facilities:

- The management framework will enable equitable opportunities for community based groups to access community facilities
- Where a group or organisation has regular use of a facility as supported by a licence, it should contribute to its management and maintenance costs
- Contributions from users of Council facilities should be used to cover the management, maintenance and minor improvement costs of the facility, and for the development of activities or services associated with the facility.
- The process by which a facility is managed will be open, accountable and transparent.
- All users will support Council's non-discriminatory practices and policies.
- Community facilities will be accessible to the broader community,
- All financial arrangements are documented, transparent and in accordance with legislative requirements.

All decisions made in relation to the management of community facilities must give regard to the principles as detailed in the **Policy - Grants, Donations and Subsidies**.

3. Management models

Facilities will generally be managed in a manner which maximises their availability for current residents and maintains the facility for future residents. Wherever possible, Council will implement a strategy of shared use of any facility and this will be further supported by the development of multi-use community centres.

A range of management models including direct Council management, community management, non-exclusive licenses and leases will be used. Generally, leases will only be considered in exceptional and publicly defensible circumstances.

4. Licensing and leasing

Licensing of facilities will be undertaken in full consultation with major stakeholders including community representatives and in accordance with the relevant legislation.

Council will not enter into licenses or leases which provide for exclusive access to a facility by a private individual or group to the exclusion of the general public.

Leases will only be considered in exceptional circumstances that could include the following situations:

- the proposed use of the facility has the potential to provide the best value to the community
- the lease will return a market rental to Council

- the lessee will significantly upgrade the facility at their expense where it would otherwise have remained in the same condition and
- it is in keeping with the policies of the State Government, where the land is publicly owned
- community consultation has been undertaken, and
- the lease is awarded through a contestable process.

The availability of exclusive use space in Council owned community building is limited. However when space becomes available, Council will advertise any vacancies and applications will be considered in accordance with its standard practice.

5. Renewal agreements

Where a current license, lease or other formal agreement exists, this will be honoured until its expiry.

A review of usage and management options for the facility will be undertaken within the last 24 months of the agreement period. It will take account of existing usage, the potential for the facility to be used on a multi-user basis, and any changing community needs.

The level of rent paid will also be reviewed at this time. If a review indicates that a higher rental will be charged it will be introduced over an extended period of up to three years to limit the impact on the user group. Tenancy agreement terms will be in accordance with the *Local Government Act 1993*.

Council recognises that many groups have a strong historical affiliation with the facilities which they use and have contributed in cash and kind to their development. However, past contributions of cash or in kind by user groups to a facility do not convey permanent or preferential access to that facility. While Council supports the continued occupation of those facilities by those groups, it will encourage shared multi-use basis where it does not currently occur.

6. Maintenance, improvements and presentation

Responsibilities in relation to maintenance, improvements and facility presentation will be fully detailed in formal agreements. The following general rules will apply:

Unless otherwise determined, Council is responsible for the external structural integrity of community facilities. A user group however is responsible for maintaining the external building in its existing condition and this may include painting, graffiti removal etc. The responsibilities will be detailed in the agreement.

Where a group voluntarily undertakes extensions or improvements to the exterior of a facility (e.g. pergola, sun shade) they are responsible for the maintenance and presentation of those improvements.

In some instances, when a high level of rental subsidisation is provided, an organisation or group may take responsibility for the long term maintenance of the facility required to ensure its sustainability. This may happen where a facility is used solely by one organisation such as in the case of surf clubs and these responsibilities will be documented in the agreement. Where applicable, Council will work with these groups to develop a long term maintenance program for the facility.

Unless otherwise determined, users of the facility will be responsible for the internal maintenance of the facility. Where more than one group is licensed to use a facility, contributions and responsibility for maintenance will be shared based on the floor space usage ratio taking into account the different activities carried out by the different users.

Facility fit out improvements undertaken by user group/s will remain the property of the groups. Structural modifications, additions and improvements undertaken with the consent of Council will remain the property of Council as owner of the facility. Preparation of the Development Applications is the responsibility of the user group.

7. Outgoings

Responsibilities in relation to outgoings will be fully documented in formal agreements and in general the following process will apply.

A user group will be responsible for all outgoings as they apply to the facility. The outgoings include but are not limited to the following:

- Rates
- Telephone
- Commercial waste, sanitary, sewage and cleaning charges
- Any land tax assessed on or levied in respect of the Premises
- Insurance premiums (not building insurance)
- Fire protection
- Charges for gas, electricity, oil and water separately metered and consumed in or on the Premises and
- All other charges and impositions by any public utility or authority for the supply of any service separately metered or supplied to the Premises.

This is not an exclusive list and there may be other outgoings that relate to specific buildings and or uses. The full list of responsibilities will be documented in the agreement.

Where there are more than one group sharing the facility the users will assume proportionate responsibility for some of the outgoings. If anyone user does not agree to this then they will be responsible for the cost of installing a separate meter for recording or measuring of the services or substances.

8. Council community facilities

8.1. Community Halls

Council currently has a number of halls and meeting rooms for hire and the fees are determined annually as part of Council's *Annual Fees and Charges*. The fees provide for discounts for local community and cultural groups and organisations. In addition there are variations in the fees depending on the actual hall and its condition, the time and day of the week.

The availability of the halls and meeting rooms will be promoted in Council's website with details of size, conditions of hire and cost.

8.2. Level 3 Lionel Bowen Library & Community Centre

This space has been allocated to Arts & Cultural Residencies for a 6-12 month trial following resolution of Council NM45/22 16 August 2022.

8.3. Other Facilities

Council owns a number of buildings which are leased and/or licensed to a range of community groups and organisations. These include surf clubs, child care centres, aged facilities, sporting groups and neighbourhood community groups.

8.4. Setting the Rental Value

For each facility, Council seeks to recover either all or a proportion of the total operating costs of that facility. For a leased or licensed property Council seeks to recover rent at market value although in some cases a Council rental subsidy may be applied.

Market rental valuations will be obtained for all facilities. The market rental value is the amount of annual rent achieved if the accommodation had been let in a competitive market taking into account the type of use (such as child care centre) and the level of demand for the specific type of use.

In the event that the community group is not satisfied with the valuation, the group should seek their own independent valuation. All costs associated with the valuation shall be borne by the group. Should the community groups valuation not be accepted by Council, a rental determination must be prepared by an Australian Property Institute selected Valuer. The cost of the determination is to be split equally between Council and the community group.

The total costs to Council of operating each facility which includes depreciation, maintenance, administration and improvements will be determined. In the case of a new building a sinking fund should also be established as part of long term sustainability planning.

9. Provision of rental subsidies

Council may assist community users by providing a rental subsidy. The rental subsidies will be for a period as specified in the agreement/lease.

The extent of the rental subsidy will be determined according to Council's objectives and using the established criteria which form part of this policy.

The level of subsidy will be reviewed on a regular basis and this will be reflected in any agreements. The review does not imply a change in the level of subsidy but is required so that Council is fully informed on the total level of subsidies being applied. All rental subsidies must be reported to the community on an annual basis.

The criteria as set out will be reviewed and revised on a regular basis and will be detailed in Council's Management Plan.

Council seeks to ensure that the cost to Council of the provision of community facilities is transparent. Council has a fiduciary responsibility to all ratepayers and must clearly identify the actual cost of all rental subsidies.

10. Calculation of a rental subsidy

Step 1: A market rental value will be obtained for the property.

Step 2: The total costs to Council of operating the facility including depreciation, insurance, maintenance, rent payable to Department of Planning, Industry & Environment, administration and improvements will be determined.

Step 3: The level of the rental subsidy will be determined based on the criteria which will be provided to potential licensees prior to establishing an agreement.

The level of subsidisation will vary between none to the minimum fee alighted to the statutory minimum rent that must be charged for facilities on Crown Reserves. The rent payable by a community group must always include the rent payable by Council to the Department of Planning, Industry & Environment for use of Crown lands. Annual reviews of the subsidised fees will apply.

The minimum rental payable by community groups after application of the rental subsidy to any market valuation must be no less than the minimum rental set for Crown leases and licenses as at the date of preparation or commencement of the agreement.

11. Appeal process

In the event that the community group is not satisfied with the level of rental subsidy determined, the process will be reviewed by a panel of which will consist of two other Council officers and the Chair of the Community Affairs Committee. If considered appropriate, an independent third party member will be invited to participate in the review process.

The Coordinator, Property Services will outline how the process was applied and the Community lessee/licensee will have the opportunity to state their situation.

The basic purpose of the Review Panel is to ensure that the procedure is applied fairly and accurately. It is important that the integrity of the process be maintained.

12. Accessibility

Council will seek to ensure that facilities are progressively updated to become physically accessible to all segments of the community.

13. Provision of information

Council will provide information to the community on the management of its community facilities through its management plan, annual report and quarterly performance reports.

Community groups and organisations using Council's community facilities will be required to report annually on performance indicators in relation to the facility and the group's activities. User groups will be asked to provide audited financial statements. Reporting requirements will be detailed in the agreement. Council will provide guidance and advice on the collection of this information.

Council insists on the highest level of probity in the management of its community facilities.

14. Definitions

Community facilities refer to Council owned and managed community buildings/facilities and their immediate surrounds which are used by community based not-for-profit groups to provide and organise recreational, cultural, sporting and community service activities. They are often, but not always, situated on Council Land and/or public open space or Crown Land for which Council has long term management responsibility. Examples include community centres, sports facilities and club rooms, and surf club facilities.

15. Criteria for determining level of subsidy

15.1. Criteria for determining level of subsidy

Criteria	Each answer worth 4 points.	Each answer worth 3 points.	Each answer worth 2 points.	Each answer worth 1 point.
Structural Integrity	Assumes full responsibility for long term maintenance (structural integrity) of building	Makes some contribution to long term maintenance (structural integrity) of building	Makes minimal contribution to long term maintenance (structural integrity) of building	Council responsible for long term maintenance (structural integrity) of building
Reactive & Ongoing Maintenance	Takes responsibility for internal & external reactive maintenance as detailed in agreement	Takes responsibility for almost all of the internal & external reactive maintenance as detailed in agreement	Takes responsibility for some of internal & external reactive maintenance as detailed in agreement	Does not take responsibility for internal & external reactive maintenance even though detailed in agreement
Extent of Service provided by organisation	Broad community (more than 40%) is a beneficiary of service provided by organisation	Service is significantly used by number of specific sections of local community	While the organisation provides a direct service to only a small number in local community, it forms part of a larger service provision	Service only used by small number of local community
Extent of Accessibility of Facility to community	Facilities are accessible to many in Randwick community (Managed by Council)	Facilities generally accessible to Randwick community (Managed by Council)	Facilities have limited accessibility to others in Randwick community (any fees charged for use comes to RCC)	Facilities not accessible to others in community <u>or</u> limited access with funds (if charged) going to lessee/licensee.
Number/ Type of Service Providers	A unique service (only one of kind)	One of a number of providers of a community service	One of a number of providers meeting a less critical community need (in terms of Council identified targets) or meeting an identified recreational need.	Provider meets social or recreational needs only,
Ability to charge fees & raise income	Limited or no ability to raise revenue	Some ability to raise revenue and charge fees which may be varied to reflect ability of clients to pay	Has ability to charge fees & raise revenue.	Operates on profit basis

Criteria	Each answer worth 4 points.	Each answer worth 3 points.	Each answer worth 2 points.	Each answer worth 1 point.
Access to Other Sources of Funding?	No access to other funding sources	Limited access to other sources of funding (no more than 5% total)	Access to other sources of funding - State, Federal and/or Local funding which provides between 5-30% of total funding	Access to other sources of funding - State, Federal and/or Local funding which provides more than 30% of funding
Do they provide direct competition to commercial ventures?	No. Main activity is not a commercial activity	While main business is not a commercial activity, some aspects of the business are in direct competition	While they are in direct competition with commercial providers they provide added or differentiated service to users	In direct competition with commercial providers
Does their service impact on Council's need to provide similar service?	Without this service provision Council would be required to provide additional service,	Lack of service would have some impact on Council's provision	Service is not core responsibility of local government but could be provided	Service is not responsibility of local government
Organisational Status and Structure	The organisation is locally based; stand alone; and not for profit. It has a voluntary management committee, comprised mainly of local area representatives	The organisation is locally based; has a regional focus; is stand alone and not for profit. It has a voluntary management committee, comprised partly of local area representatives	The organisation is a locally based service, outlet or project that is part of a larger not for profit organisation. It has a voluntary advisory committee, comprised partly of local area representatives	The organisation is a locally based service, outlet or project that is part of a larger not for profit organisation. There is limited, or no local area representation on the advisory committee or similar
Capacity to undertake range of administrative and management responsibilities	Dependent on assistance from volunteers for all administrative and management functions.	Paid staff undertake some of the administrative and management functions and volunteers assist with the other tasks	Staff undertake majority of administrative and management functions with additional assistance provided by umbrella organisation.	Umbrella organisation carries out majority of administrative and management functions
		Service meets identified	Service meets a broad	Service is valued by community but it is

Criteria	Each answer worth 4 points.	Each answer worth 3 points.	Each answer worth 2 points.	Each answer worth 1 point.
Social and community benefit	Service is unique and specific and meets high level of need or Service meets identified social/community needs, with most service users from low socio-economic background	social/community needs, with service users from range of socio-economic backgrounds	social/community need	not focused on meeting an identified social/community need

15.2. Calculating the level of subsidy

CATEGORY	Category A	Category B	Category C	Category D
Points Range	48 – 37 points	36 -25 points	24 – 13 points	12 points
Range of Subsidy	90% to 100% subsidy	50% to 90% subsidy	1% to 50% subsidy	No subsidy

The level of subsidy is based on number of points. We would establish a database to accurately calculate the subsidy level. However some approximate calculations are as follows;

46 points – approx. 97.5%

42 points – approx. 95% subsidy

28 points – approx. 60% subsidy

33 points – approx. 80% subsidy

16 points – approx. 12.5% subsidy

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