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1. PREAMBLE

This policy provides a framework for the leasing and licensing of Council owned community and sporting facilities within the City of Holdfast Bay.

1.1 Background

The City of Holdfast Bay provides a range of sport and recreation facilities and services to the community including sportsgrounds, clubrooms and community centres.

As the owner of community land, Council plays an important role in the provision of a diverse range of community, recreation and sports infrastructure, in collaboration with local clubs and associations, to meet the ever changing needs of our community.

Council also has a responsibility to ensure that it balances the costs of maintaining and improving its facilities in conjunction with a club or groups ability to maintain sustainable (and growing) membership and participation.

1.2 Purpose

The purpose of this policy is to provide a consistent and transparent process for the granting and renewal of a lease or license. The policy provides guiding principles for the negotiation of leases and licences, while further taking into account both the financial and community objectives of Council as outlined in “*Our Place 2030 Strategic Plan*”.

1.3 Scope

This policy extends to the leasing of all facilities to sporting and community clubs within the City of Holdfast Bay, with the exception of Kauri Community and Sport Centre.

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1.4 Definitions

- 1.4.1 *Community Land:*** means all local government land (excluding roads) owned or managed by Council as classified under Chapter 11 of the *Local Government Act 1999*;
- 1.4.2 *Council:*** means a council within the meaning of the *Local Government Act 1999*;
- 1.4.3 *Lessor:*** means lessor within the meaning of *Retail and Commercial Lease Act 1995*, but in the context of this policy additionally means *Council*;
- 1.4.4 *Lessee:*** means lessee within the meaning of *Retail and Commercial Lease Act 1995*;
- 1.4.5 *Lease:*** refers to a contract by which Council (as landlord) grants exclusive rights to occupy land and/or premises to a tenant for a specified time and under certain terms and conditions;
- 1.4.6 *Licence:*** refers to a contract by which Council (as licensor) grants non-exclusive contractual rights to occupy land and/or premises to a licensee, for a specified time and under certain terms and conditions;
- 1.4.7 *Outgoings:*** means all reimbursable tax charges, insurance premiums, utility, maintenance and repair costs that are associate with the operation of the premises.
- 1.4.8 *Tenant:*** means Lessee within the meaning of *Retail and Commercial Lease Act 1995*

1.4 Strategic Reference

Placemaking: Creating vibrant and safe places
Placemaking: Developing walkable connected neighbourhoods
Community: Building a healthy, active and resilient community
Community: Celebrating culture and diversity
Community: Providing welcoming and accessible facilities
Community: Fostering an engaged and contributing community

2. PRINCIPLES

2.1. Viability of Organised Sport and Recreation

- 2.1.1** Council recognises that a number of factors impact the viability of organised sports and recreation. Some factors include, but are not restricted to: participation numbers/membership; population changes; a shift to participation in unstructured recreation; and leisure

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2.1.2 As populations and residential density increases, Council recognises that sporting and community clubs will continue to play a valuable role in the health and connectedness of our community;

2.1.3 As a result of this, when negotiating lease or licence agreements with a sporting club, recreation or community group, Council will balance the need of the community and long term viability and sustainability of individual clubs or community groups;

2.2 Public Use

2.2.1 Wherever practicable, Council will encourage community access to Council owned facilities, buildings, and playing fields.

2.2.2 When it is necessary, because of the nature of the sport or building use, for access to be controlled or limited to club members only, then Council expects that those facilities will be made available to the community by way of hire or membership;

2.2.3 Where facilities are not made available to the community per sections 2.2.1 and 2.2.2 of this policy, Council reserves the right to apply occupancy terms and conditions that reflect exclusive use of the land and/or premises.

2.3 Maximising Facility Usage

2.3.1 The monetary value of Council's sporting and community assets is considerable. Council supports the view that best community value of these assets is achieved where the facility or building use is maximised.

2.3.2 Council will offer additional incentives to groups which provide for multiple activities and sporting codes, which results in shared facilities, and increased use.

2.3.3 As joint use will be encouraged wherever practicable, to further support this principle, Council will continue to review its assets with an aim to ensure they are strategically located and provide for maximum community usage.

2.4 Inclusion

2.4.1 Council encourages and supports the participation of all people in our community in both formal and informal sport and recreation. Therefore, Council will offer incentives to all clubs and groups who support a diverse range of participation in their clubs or programs. Reductions in rent deducted from the market rental figure will be offered where a club demonstrates and provides evidence of their alignment to the principles of the policy.

2.4.2 For the purpose of section 2.4.1 of the policy, these incentives, which align with State Government principles, include:

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2.4.2.1 Diversity of ages in membership registration;

2.4.2.2 Active participation in Federal or State Government Sports initiatives in order to encourage growth of the club within the City of Holdfast Bay.

3 LEASE TERM, RENTAL AND MAINTENANCE

- 3.1** Pursuant to section 202 of the *Local Government Act 1999* a maximum term of five (5) years will be applied to all future lease and licence agreements;
- 3.2** Accept when doing so is deemed to be inconsistent with Council decision and/or strategic direction, all five (5) year leases will include a subsequent five (5) year option to renew;
- 3.3** Rental will be based on the equity that Council and/or the Club has in the facility. Where a Club is deemed to have 100% equity in a building, maintains the building in line with relevant legislation and successfully complies with building audits, no building rent will be applied;
- 3.4** Where clubs have no equity in the building, all lease and licence agreements will incur annual rental fees based on a market appraisal of the property by an independent valuer;
- 3.5** When negotiating the terms and conditions of each respective community lease or licence agreement, Council, at their discretion, **may** incrementally reduce any applicable annual rental fee when a Lessee provides evidence of such services and/or initiatives outlined in section 2 of this policy;
- 3.5.1** Additional incentives may be offered to clubs who demonstrate they are well managed with a high level of governance and strategic planning. This includes but not limited to: attendance at Council club development workshops and participation in STARCLUB club development program.
- 3.6** Recognising that maintenance requirements may vary between sites depending on the condition of the asset, standard building maintenance responsibilities for Council and club will be defined and applied to all lease and licence agreements;
- 3.7** Leased premises shall be inspected by Council staff annually, or at such other times as considered appropriate. Any works identified in these inspections that is deemed to be the responsibility of the Club must be completed within an agreed timeframe by a licensed tradesperson. If the work is not completed within this timeframe Council will undertake the work and recoup all costs from the Club.
- 3.8** At the conclusion of a lease, and immediately prior to vacating the premises, the tenant must complete all necessary repairs and/or maintenance on the premises required to restore the property to the reasonable satisfaction of Council.

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4 LAND RENT

- 4.1** Council is the custodian of community land for the use and enjoyment of the residents/ratepayers and visitors to the City. Therefore no rent will be charged for land associated with a sporting club or community group where that land is generally available to the community outside of scheduled activities;
- 4.2** However, similarly to sections 2.2.3 of this policy, where with Council's approval a Club chooses to enclose the land and restrict community access for the purpose of exclusive use, annual rental fees based on a market appraisal of the land will be imposed;
- 4.3** Clubs such as tennis, bowls, croquet and hockey which have 'fine turf' or 'artificial' surfaces, will receive the land component of any rent free of charge providing:
- 4.3.1** any playing service is maintained to a minimum, public reserve standard;
 - 4.3.2** club membership is open to all ages, genders and cultures; and
 - 4.3.3** the facilities are available for community use at a reasonable hire fee.

5 GROUND MAINTENANCE SERVICE LEVELS

- 5.1** Recognising that service levels may vary between sites, and depending on the level of use of the ground, the sporting code, and grade of sport being played, ground maintenance service levels will be defined and agreed upon with Clubs for the term of any lease or licence.
- 5.2** Council will maintain turf playing surfaces to a public reserve standard, in line with broader community expectations. Where additional services are required by the Club, partial cost recovery will be applied for the additional provision of maintenance services
- 5.3** Where multiple clubs contemporaneously use playing services that are maintained to a higher standard, the distribution of any partial recovery of costs will be determined by any seasonal use and/or degree of use each respective club has over the playing service.

6 ASSETS FOR THE FUTURE

- 6.1** Priority will be given to major facility upgrades that have strategic alignment to Council and are included in endorsed master plans and or strategic plans.
- 6.2** Where a building facility upgrade is requested by a Club or required due to non-compliance with the current legislation, Clubs may jointly fund or apply for third party grant funding, upgrades or Council may consider fully funding building upgrades that result in:
- 6.2.1** consolidation of assets;
 - 6.2.2** current legislation compliance;
 - 6.2.3** higher usage levels of fewer assets;
 - 6.2.4** multiple-use of facilities;

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- 6.2.5** increase range of activities, services and programs being offered; and
- 6.2.6** increased participation particularly by target groups e.g. children and teenagers, aged, disabled, women, people from culturally diverse backgrounds

6.3 Where a substantial upgrade or new facility is to be developed, Clubs must demonstrate participation, membership, good Governance and financial sustainability. Submissions for building upgrades should include:

- 6.3.1** a statement of community benefit;
- 6.3.2** analysis of relevant trends in population, recreation and sport;
- 6.3.3** an assessment by the peak bodies of the relevant sporting codes, of the future building and sport facility requirements (for the codes involved) within the City over the next 20 years;
- 6.3.4** assessment of the financial capacity of the Clubs involved (including audited financial statements for the preceding three years of operation);
- 6.3.5** a five year forward Business Plan, including financial projections and projected growth in participation, membership to be achieved with the proposed redevelopment;

6.4 Capital works undertaken and funded by Council on a building will be reflected in an increase in the percentage of equity Council holds in the building. All capital works undertaken on Council buildings will be approved and project managed by Council.

7 ANCILLARY FACILITY MAINTENANCE

- 7.1** Ancillary facilities (such as sports lighting, sight screens, scoreboards, sports fencing etc) will be the responsibility of the Clubs to fund and maintain, however, Council will consider applications for joint funding on a case by case basis. The facilities will be audited by Council and Clubs will be instructed of any actions required as a result of the audit;
- 7.2** Where Clubs fail to undertake work specified in the audit, that is deemed the responsibility of the Clubs, Council will undertake the work and charge the Club accordingly;

8 PROFESSIONAL/COMMERCIAL CLUBS

- 8.1** Recreation and sporting clubs are finding it increasingly difficult to attract volunteers to help with coaching, administration and maintenance. Council acknowledges that some amateur clubs now offer players and volunteers some type of remuneration to cover expenses related to their services.
- 8.2** If however the profits gained from a commercial activity are not reinvested into the Club facilities or sport, then the Club may be deemed as being commercial in nature, and a rent charged in accordance with the City of Holdfast Bay's Commercial Leasing Policy may apply.

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9 NAMING RIGHTS

- 9.1** It is acknowledged that Council holds the naming rights to all community and sporting facilities on Council-owned land;
- 9.2** When clubs wish to encourage sponsorship through fixed signage, council consent must first be obtained.

10 SUB-LEASE / SUB-LICENCE

- 10.1** Where a Club wishes to enter into a sub-lease or licence arrangement for part or all of the premises to another club or commercial activity, approval must first be received from the Council prior to entering into the arrangement. The Council reserves the right to assist the sub-tenant in negotiating a sub-lease or licence fee based on the nature and quantum of the proposed agreement, and the head lease paid by the tenant club / association.

11 REFERENCES

11.1 Legislation

- *Associations Incorporations Act 1985.*
- *Local Government Act 1999.*
- *Retail and Commercial Leases Act 1995.*

11.2 Other References

- Associated procedures, guidelines and policies.
- Appendix A: Sporting & Community Leas

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APPENDIX A:

SPORTING AND COMMUNITY LEASING POLICY INCENTIVE & DISCOUNT SCHEDULE

1. Community Organisation Discount

- 1.1 For the purpose of section 2.1 of this policy, in order to support clubs further achieve growth and remain sustainable for community benefit, Council will offer a discount of up to and including 90% of the recommended 'Market Rent'.
- 1.2 In accordance with section 8 of this policy to be eligible for the entirety of this discount, the club must provide reasonable evidence that their occupancy and any activities conducted onsite during their tenancy will not be deemed as being commercial in nature.

2 Lease Incentive Discounts

- 2.1 For the purpose of sections 2.2, 2.3, 2.4 and 3 of the this policy, and in addition to section 1 of this schedule, Council offers lease rental reductions to sporting clubs and community groups who can demonstrate the following initiatives and/or programs are incorporated into their operations:

INCENTIVE	REDUCTION	CRITERIA
Public Access <10%	10%	<i>Facilities that are made available to the public via 'hire agreements'</i>
Inclusion <20%	5%	<i>Diversity of age membership initiatives</i>
	5%	<i>Multicultural initiatives</i>
	5%	<i>Diversity of gender (both in membership and Committee / Board representation) initiatives</i>
	5%	<i>Alignment with State and Federal inclusion initiatives</i>
Good Governance <20%	10%	<i>Demonstrated evidence/accreditation of sustainable strategic planning and ongoing volunteer training and management (e.g STARCLUB, Good Sports etc)</i>
	5%	<i>Regular attendance at club development initiatives and workshops</i>
	5%	<i>Annual Submission of relevant governance and financial reports, and attendance at club development workshops</i>
Youth / Aged Focused Programs <10%	5%	<i>Permanent Programs and Facilities</i>
	5%	<i>Occasional Programs (e.g. seasonal sporting programs)</i>
Multi-code <10%	10%	<i>Evidence of continual multi-facility users</i>