



Government of South Australia
Office for Recreation, Sport and Racing



Commercial
Local Government Association
of South Australia



Guide for Leasing and Licensing Sports and Community Facilities



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- **Watch this space!**



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This project has been assisted by the City of Onkaparinga, Local Government Research and Development Fund and the Office for Recreation, Sport and Racing.

Guide for Leasing & Licencing of Sports & Community Facilities

Project Objectives

- + Identify local government & community leaseholder needs associated with occupying Council owned sports and community facilities.
- + Develop a leading practice Guide for Leasing & Licencing Sports & Community Facilities.



Project Background & Scope

Historically there has been a lack of consistency in lease and license agreements across Councils, whilst the community feel leasing Council owned facilities can be complex, confusing & potentially inequitable.

Tredwell Management have been engaged to undertake research and engagement with Councils and the community to get a sound understanding of the current issues facing both Councils and the Sports and Community groups.

Based on this research a Guide for Leasing and Licencing Sports and Community Facilities will be developed, creating a valuable resource.

We Need Your Input!

On-line Council Survey

An on-line survey has been developed to capture your needs associated with the occupancy agreements of your Council owned facilities. The survey can be accessed here:

<https://www.surveymonkey.com/r/Councils>

This survey closes on Friday the 8th of November 2019.

Council Workshop

A workshop will be conducted for key stakeholders' input.

Venue: Sport SA, Military Road, West Beach SA 5024

Date & Time: Friday November 8th at 9-11 am

Please RSVP to Tredwell via the contact details opposite.

Project background:

- Previous feedback has indicated there is a lack of consistency in lease and license agreements across Councils.
- Tenants find the process complex, confusing and potentially inequitable.

Key objectives:

- Identify community needs and expectations in relation to leasing council-owned sports and community facilities.
- Develop a Guide for Leasing and Licensing Sport and Community Facilities.

Questions?

If you have any questions or queries relating to this project please contact Tredwell:

admin@tredwell.com.au

(08) 8234 6387



In preparing the Guide, extensive research and consultation was conducted including:

- literature reviews
- interviews
- surveys
- workshops

Throughout this Guide leading practices are outlined, and this has been defined as:

- evidence based
- endorsed by a subject matter expert
- successfully implemented and ideally evaluated.

Project research identified:

Councils and the wider community value the benefits of providing community facilities.

Community facilities can range from smaller, older and dysfunctional buildings to new large highly functional and modern multi-use facilities.

Councils are facing increasing expectations from clubs and the general community to provide a higher standard of facilities and services.

The increase in the number of larger and more sophisticated regional level community facilities is changing the way Council let and manage these types of community facilities.



Current state

Project research identified:

Policies, fee structures and services such as maintenance levels provided by Councils can vary considerably between Councils and in some cases within the same Council area.

The level of progression varied considerably with some Councils not even having a current policy in place, whilst other Councils having had a policy in place for many years and are working towards leading practice governance and management.

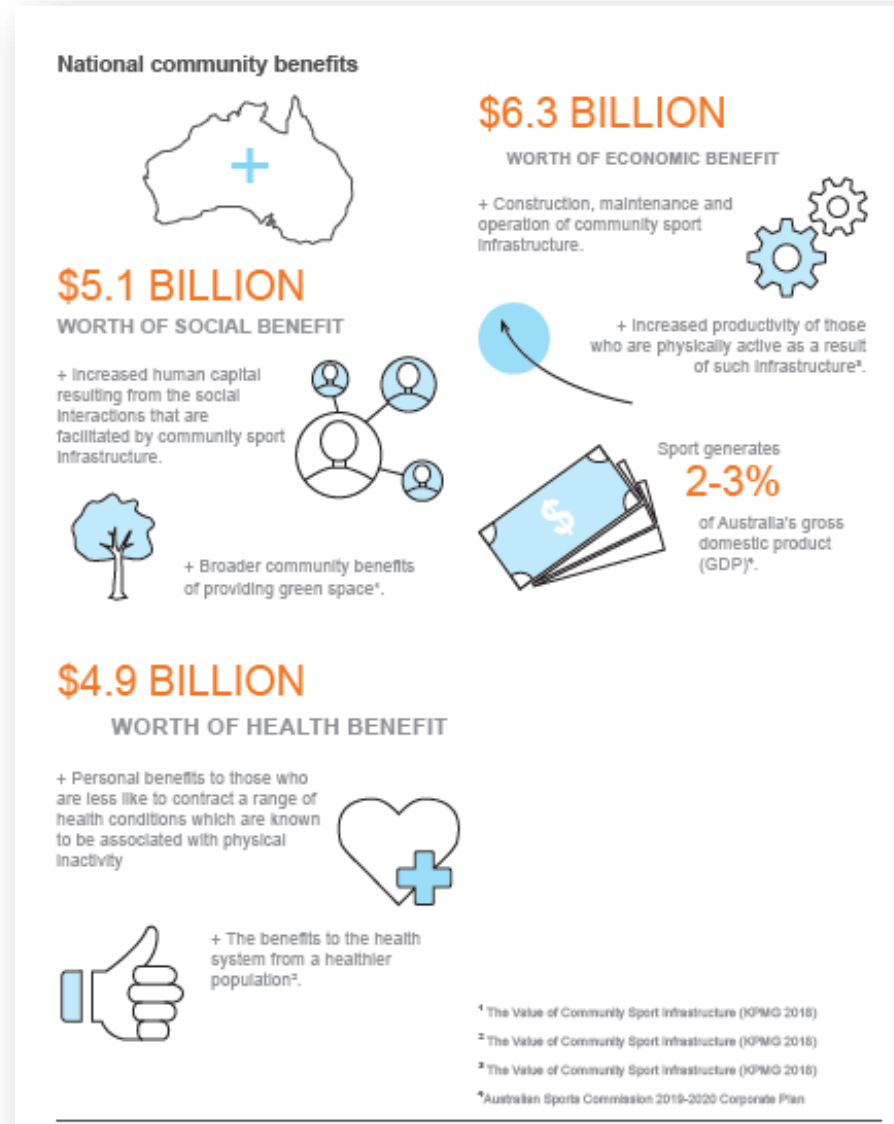
Councils are facing increasing pressure to recognise the community benefits and reduce or remove fees.



Current state

The Guide will benefit Council and clubs by:

- Identifying the importance of letting community facilities, including the social, health and economic outcomes.



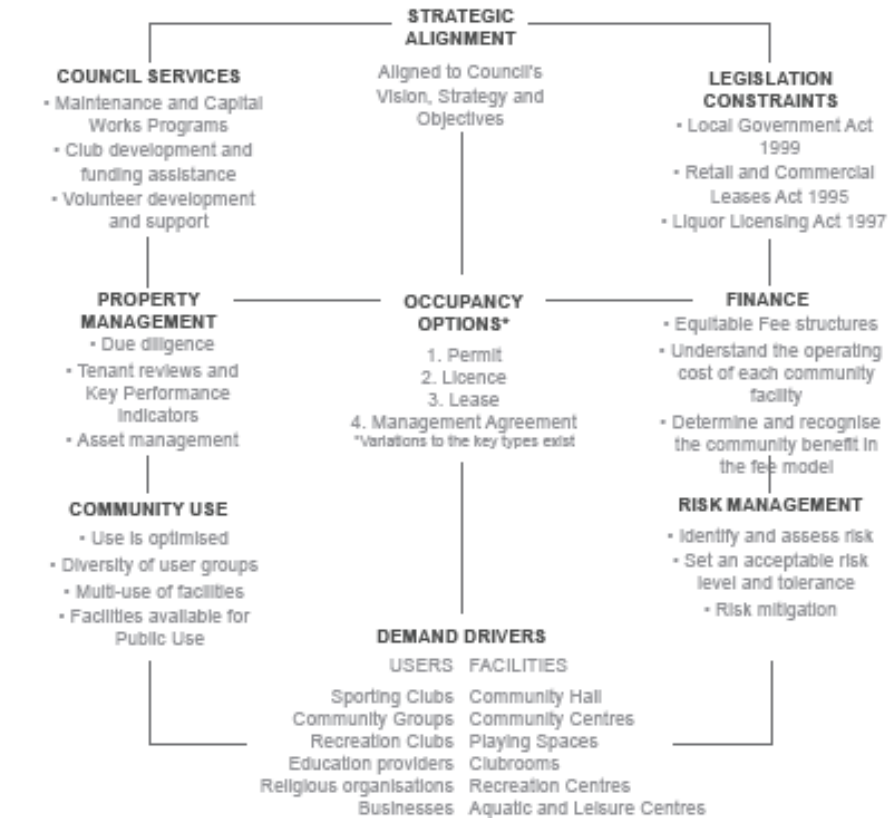
The Guide will benefit Council and clubs by:

- Assisting Council to establish policies which are strategically aligned and promote equitable access.

Occupancy agreement framework for community facilities

SUSTAINABILITY FACTORS

SOCIAL	ECONOMIC	ENVIRONMENTAL & CULTURAL
<ul style="list-style-type: none"> Increased community benefits Increased membership base and participation rates Community support and development 	<ul style="list-style-type: none"> Value add to community Sustainable operations Employment creation 	<ul style="list-style-type: none"> Minimise impact on the environment Create sense of place Activate public spaces



Source: Tredwell Management

The Guide will benefit Council and clubs by:

- Recognising the different types of occupancy agreements.

Permit
Licence
Lease
Management Agreement
Sub - lease
Ground lease
Crown land lease
Head lease

Occupancy agreements

The Guide will benefit Council and clubs by:

- Identifying assessment criteria for a potential tenant.

Pre-assessment of a potential tenant

Can the tenant:

- Align its use of the community facility to Council's strategy?
- Provide activities that benefit and engage with the community?
- Provide evidence of a legal entity?
- Provide the required insurances?
- Provide recent Annual General Meeting Reports and minutes?
- Pay rent as agreed?
- Provide a financial report? Reviewed or audited if required.
- Demonstrate there are no unresolved issues with Council?
- Demonstrate the community facility is fit-for-purpose?
- Increase current utilisation of the community facility?
- Provide evidence of membership and participation numbers?
- Specify when and for how long they will use the community facility?
- Demonstrate they have the skills and experience to manage the facility?
- Demonstrate they have succession planning in place to ensure the transfer of skills and knowledge to emerging leaders?
- Meet the Key Performance Indicators (KPI) or objectives set by Council?
- Demonstrate membership of a peak body?
- Demonstrate accreditation to a club development program such as STARCLUB?



Tenants

The Guide will benefit Council and clubs by:

- **Identifying property management activities that supports Council's risk profile and is manageable within their available resources.**
 - Inspections and reviews
 - Key performance indicators
 - Supporting good governance
 - Working in partnership
 - Managing disputes



Property management

The Guide will benefit Council and clubs by:

- **Providing examples of equitable fee models:**

- Peppercorn rent
- Percentage of market value
- Percentage of capital replacement value
- Percentage of maintenance costs
- Schedule of fees
- Fee per square metre

including potential discounts and incentives based on:

- Facility utilisation
- Social inclusion
- Club equity
- Good governance
- Financial hardship/Social economic status
- Utilities/costs



The Guide will benefit Council and clubs by:

- Encouraging Council to provide services to support tenant's development and sustainability.



Maintenance services



Club development support



Grant assistance

Capital funding



Council services

The Guide will benefit Council and clubs by:

- Highlighting common issues and identifying actions to move towards leading practice.

ISSUES	STRATEGY OR ACTION
Council operating with no Policy, or outdated Policy.	<ul style="list-style-type: none"> • Review strategy and determine objectives for community facilities. • Develop a leasing policy in consultation with Elected members and the local community reflecting Council's strategy and objectives.
Council has no register of community facilities or an understanding of current occupancy agreements.	<ul style="list-style-type: none"> • Audit community facilities and gain understanding of occupancy agreements currently in place. • Create a register of information.
Council has outdated historical agreements.	<ul style="list-style-type: none"> • Upon renewal of historical agreements transition occupancy agreements to new agreement reflecting current policy. • Change management techniques will be required where tenant is faced with significant change.
Council tenant is a volunteer organisation requiring assistance to meet Governance criteria.	<ul style="list-style-type: none"> • Council host training sessions for the tenant to address skill gap. • Council encourages the tenant to become a member of a club development program.
Council tenant is a volunteer organisation and has experienced turnover of key roles/contacts and loss of knowledge.	<ul style="list-style-type: none"> • Council hosts an annual tenant information forum to update any new volunteers. • Council sets conditions on occupancy agreement to be notified of key contact changes. • Council to meet with new key contact.
Council is looking to change fee model.	<ul style="list-style-type: none"> • Choose a fee model based on the policy of the Council. Review potential discounts and incentives to ensure an equitable outcome.
Council requires a better understanding of its community facility utilisation.	<ul style="list-style-type: none"> • Request usage data as part of an annual tenant review and/or develop a usage survey and/or conduct a usage audit.
Tenant is unclear on maintenance obligations for the facility.	<ul style="list-style-type: none"> • Develop a maintenance schedule which clearly specifies the responsibility of the Council and the responsibility of the tenant.
Council is seeking to increase usage of its community facilities.	<ul style="list-style-type: none"> • Encourage licence over exclusive leasing, encourage sub-leasing and hire permits. • Implement a Fee Model which rewards increased use of the facility. • Develop tenant KPI to encourage higher utilisation.

Towards leading practice

The Guide will benefit Council and clubs by:

- Provide templates for Council use



Tenant skills assessment



Tenant reviews



Occupancy agreement conditions



Templates

Further resources

The Guide directs you where to go for further information, including useful resources and websites.

Watch this space!

How the Retail and Commercial Lease (Miscellaneous) Amendment Bill exclusion for Local Government will be applied?