

Capital Assistance for Sporting and Recreational Facilities *Policy*

produced by

Leisure & Cultural Services

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BOROONDARA
City of Harmony

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Capital Assistance for Sporting and Recreational Facilities Policy

Councils have had a long standing practice of assisting sporting and recreational clubs or groups with capital developments which help promote sporting and recreational opportunities for their residents. The City of Boroondara will continue this practice and this policy and accompanying guidelines have been developed to provide a clear and consistent approach to sporting and recreational capital assistance.

Information on the following is contained in the policy context paper accompanying this policy document:

Funding Sources

Funding Conditions

Procedures for all Applications for Capital Assistance.

1. Corporate Framework

This policy is guided by the Corporate Framework for the Leisure and Culture Policy.

2. Key Policy Statement

The purpose of this policy is to identify financial assistance which may be available to provide sporting and recreational facilities of a high standard, appropriate to the needs of residents and local sporting and recreation clubs and organisations. This is to be achieved by encouraging organisations' self-sufficiency through allocation of grants, loans and loan guarantees on the basis of general eligibility criteria, and criteria relating to the category of facility.

The Financial Assistance Policy needs to be seen within a budget context. The achievement of policy directions must be considered in the context of community wide priorities and the allocation of limited resources. As representative of the community Council will consider resource parameters in the annual budget process.

3. Strategy

STRATEGIC OBJECTIVES

ACTIONS

1. Improve existing Council assets, especially with regard to general safety and security.	Provide and administer Minor Capital Assistance (Sportsground Improvement program) up to \$20,000 in accordance with approved Guidelines and Procedures.(refer Policy Context , Sections 2 & 3)
2. Provide consistency of quality in provision of sporting facilities throughout the municipality.	As Above
3. Maximise utilisation of existing facilities.	As Above
4. Improve sporting and recreational facilities and opportunities within the municipality.	Provide and administer Major Capital Assistance. up to \$200,000 in accordance with approved Guidelines and Procedures.(ref. Policy Context , Sections 2 & 3)

4. Policy Context and Guidelines

Funding Sources

Council Funding

Council continues to commit funds to the maintenance and development of sporting and recreational facilities within the municipality each year. The funding is available for capital works *or* fixed assets. Items such as land purchase or purchase of consumables are specifically excluded.

In order to cater for the differing levels of need for assistance and the broad range of facilities for which assistance is sought, the Capital Assistance Scheme for Sporting and Recreational Facilities provides opportunities for assistance in the form of grants, loans, loan guarantees or some combination of these forms of assistance.

The level of Council funding will be determined annually by Council, taking into account the various competing projects and services. Council also recognises that it will not always be possible for every eligible project to satisfy all the criteria outlined in these guidelines.

Funding Limits

The total of all outstanding loans and loan guarantees at any one time is to be no more than \$1,000,000 unless otherwise agreed by Council.

A limit of \$200,000 in Council provided loans or Council loan guarantees is to apply to any one organisation unless otherwise agreed by Council.

Federal and State Funding

Council will seek funding for facility development and planning studies` from State & Federal Government, and projects which attract funding from these sources will receive a higher priority for funding from Council.

Conditions for Council Funding

General Criteria for Capital Assistance

Priorities will be determined in accordance with the following criteria. Proposals which :

- ✓ Create new, or increase, recreational or sporting opportunities within the municipality,
- ✓ Are designed for disability access.
- ✓ Increase opportunities for juniors to participate.
- ✓ Assist the group or club to be more self sufficient.
- ✓ Have a substantial level of club or group contribution and a demonstrated ability of the club or group to meet its commitments.
- ✓ Improve facilities on Council land.
- ✓ Reduce the level of Council maintenance and maintenance costs likely to be required.
- ✓ Improve the quality of the experience of those participating.

Minor Capital Assistance (Sportsground Improvement Program)

Council may consider proposals for funding up to \$20,000 from sporting clubs/sportsground special committees. These grants will be targeted towards improvements to sportsgrounds and related facilities where committees, clubs or associations are endeavouring to improve the quality and utilisation of facilities or provide new facilities.

The criteria for assessing these proposals are:

1. Provide a level of consistency in the provision of sporting facilities throughout the municipality.
2. Provide increased safety and security to Council's assets and the community as a whole.
3. Create a greater opportunity for the utilisation of the facility.
4. Improve the standard and quality of existing Council assets.

Applications will be endorsed by the Sportsground special committees where they exist. User groups or clubs which may specifically benefit from the proposed project will be encouraged to contribute towards the cost.

In evaluating the individual applications the general criteria for capital assistance will be used.

Major Capital Assistance

Council may consider proposals for funding up to \$200,000 as a grant, loan, loan guarantee or combination of these on the basis of the General Criteria above and according to the category of facility.

The full range of facility categories is outlined in Council's Leisure and Cultural Policy. (See [Figure 1 Overview of Facility Categories](#))
Facilities in categories B, C and D are covered by this Financial Assistance Policy.

CATEGORY B FACILITIES

These facilities have the following characteristics:

MULTIPURPOSE FACILITIES

ie. provide for a broad range of recreation/sporting activities (either indoor or outdoor) and cater for a range of user groups.

OPEN ACCESS

ie. there are no restrictions or limited restrictions on using these facilities however user groups would be required to pay a fee for use of the facilities.

EXIST WITHIN A NON-COMPETITIVE ENVIRONMENT

ie. Council is usually the sole provider of these facilities which would not otherwise be provided by the private/non government sector.

Examples of the types of facilities in this category are sportsgrounds and related facilities, community and neighbourhood centres, swimming pools.

Council Contribution

These facilities may attract a higher level of Council support through directly funding or providing a non repayable grant to achieve a basic standard of facilities that meet the core requirements of usage. In the case of pavilions, core facilities would include toilets, changerooms, wet areas, etc. Council may seek a contribution from user groups for any additional non core facilities or higher standards of facilities.. In the case of a pavilion, non core facilities would include social rooms, store rooms, kitchen/ kiosks, etc. Council may require user groups to contribute at least 50% towards the costs of non core facilities through the groups own resources or through a loan provision.

CATEGORY C FACILITIES

These facilities have the following characteristics:

MULTI PURPOSE FACILITIES

ie provide for a broad range of recreational and sporting activities and cater or a range of user groups/market sectors.

OPEN ACCESS

ie. there are no restrictions or limited restrictions on using these facilities. however user groups and individuals would be required to pay a fee for use of the facilities.

EXIST WITHIN A COMPETITIVE ENVIRONMENT

ie. Council is not usually the sole provider and these facilities may be provided by private/non government sector. These facilities aim to have a larger target/market reach and are larger scale.

Examples of facilities which would fall within this category are the major leisure centres, gymnasiums and sports stadiums. These facilities aim to generate sufficient funds to cover operational costs as well as a significant contribution towards capital improvements. Consequently they aim to be self supporting and generally attract no operating support from Council.

Council Contribution

Council may support capital improvements to these facilities generally through operating surpluses or loans. However Council may choose to invest capital funds in these facilities in the form of a grant under the following conditions:

- (a) where it is demonstrated that the facility is below a minimum standard of quality,
- (b) community need is clearly demonstrated and it is in accordance with Councils Facilities Strategy Plan,
- (c) where no alternative facilities exist which are accessible.
- (d) where there is an economic incentive for Council ie. reduced maintenance costs, improved income potential.

CATEGORY D FACILITIES

These facilities have the following characteristics:

DEDICATED PURPOSE

ie. the facility is designed and managed primarily for a single activity.

RESTRICTED ACCESS

ie. services a discrete group of users/club which has exclusive occupancy/management of a facility usually through a lease arrangement with Council.

Examples of facilities which may fall within this category are tennis and bowling clubs, synthetic hockey grounds, scout halls.

Council Contribution

Council may support capital improvements to these facilities generally through a loan or bank guarantee.

Council may choose to invest in these facilities through a grant/loan mix where:

- (a) there are no alternative facilities;
- (b) community need is clearly demonstrated and it is in accordance with Councils Open Space or Facilities Strategy Plan;
- (c) the proposal services broad user groups;
- (d) where there is an economic incentive to Council ie. financial return/cost savings to Council.

Council may choose to contribute a maximum of 25% of the total cost of the facility as a grant.

Additional Criteria for Loans and Loan Guarantees

In assessing eligibility for a loan or loan guarantee, in addition to the above General Criteria (Section 2.1), the following will also be considered :

- ✓ Non-Council avenues for raising the necessary finance must have been explored, i.e. a Council loan or loan guarantee should be regarded as a last resort.
- ✓ The financial capacity of the group to repay a loan.
- ✓ The group's history of payment of accounts.
- ✓ The amount of equity being introduced to the project by the borrowing club or group.
- ✓ The income generating capacity of the proposed new facility.
- ✓ The size and cost of the project.
- ✓ Provision of a Council loan guarantee will generally be considered only for amounts in excess of \$5,000.

Conditions of Loans and Loan Guarantees

Express agreement is required from the borrower that no additional borrowing from third party lenders will be undertaken during the life of the loan/loan guarantee except with the approval of Council.

Any current lease agreement with a borrower must be altered to include a condition that in the event of default or calling on the guarantee of the loan, the Council may terminate the lease.

Audited financial accounts are to be provided by the borrower each year for the life of the loan/ guarantee.

Cash flow statements are to be provided each year in advance for the life of the loan/guarantee.

Criteria for Determining Interest Rates on Loans

In general, the rate of interest to be charged will be prescribed in the provisions of the Local Government Act.

The initial level of interest charged may be reduced in cases where a group can demonstrate that it is disadvantaged or it caters for a disadvantaged sector of the community.

Payment of Loans

The loan period shall be subject to negotiation between Council and the groups concerned. However in general, the loan period shall not exceed 10 years, unless special circumstances are involved.

The major criteria which shall be used to determine the period of repayment is the financial capacity of the group concerned.

Council reserves the right to renegotiate repayment conditions where a club's financial circumstances change during the repayment period.

Repayment of loans shall be made by equal quarterly instalments over the full repayment period unless otherwise specified.

Procedures for All Applications for Capital Assistance

Process

Prior to preparing a submission, a proposal should be discussed with Council's Leisure and Cultural Services Manager or nominated Officer.

Council will consider providing assistance with the development of proposals where clubs/groups do not have the necessary knowledge and/or resources.

Timelines

Requests for capital works will be responded to as part of Council's annual budget and the timelines are as follows :

Receive enquires	August
Sight plans/discuss/feasibility study	Sept-Dec
Report to Council	January-February
Review & prioritise applications	February
Refer to estimates	February

Details

Proposals must include the following information :

- Aim of project.
- Detailed cost breakdown.
- Details of club contribution.
- Amount requested from Council and/or the amount of loan guarantee.
- Evidence in the form of detailed budget projections of the Club's ability to meet its contribution and/or loan repayment instalments.
- Latest Club Annual Report including audited financial statement, aims of Club, programs provided, attendances, insurance details.
- Benefits to the Community of the project.
- Details of how the project will meet the criteria outlined in these guidelines.
- Plans and specifications.

Town Planning/Building or any other permits and/or Council or other approvals and/or community consultation or at least information that the proposal is feasible. In this case the necessary permits/approvals must be obtained by the Club.

It is the responsibility of the proposer to obtain all necessary permits and approvals prior to Council approving a grant/loan or loan guarantee.

Conditions of All Allocations

The allocation approved is the maximum that will be provided for the project by Council.

The project must be carried out under the supervision of the appropriate Council Manager.

Council's contribution to the project will be paid after all other contributions have been made.

Clubs funded must either be incorporated or agree to apply for incorporation within 12 months of an allocation being announced.

All appropriate building and planning permits must be obtained before proceeding.

Where alcohol is served in premises related to the proposal, an appropriate liquor licence must be sought and obtained.

Where food is to be served the appropriate Health Regulations must be met.

FIGURE 1: OVERVIEW OF FACILITY CATEGORIES

Purpose <i>Target Reach</i>	A Free Multi-Use Open Access	B Multi-Use Open Access Sole Provider	C Multi-Use Open Access Multi Provider	D Dedicated Purpose Restricted Access	E Civic/ Cultural
Local	Open Space - Active/ Passive	Sportsgrounds & Pavilions Community Centres & Halls.		Bowls / Tennis Clubs Scout Halls Croquet	
Municipal	Libraries Bike Trails Open Space - Active and Passive	Sportsgrounds & Pavilions Community Centres Swimming Centres	Leisure Centres		
Regional/ Metropolitan	Libraries Bike Trails Open Space - Passive	Kew Traffic School	Tennis Centre Golf Course	Glenferrie Oval	The Camberwell Centre Hawthorn Town Hall