

9.3 - Notice of Motion – Facility Queries - Leases and Licences (SJ4087)

Councillor	Councillor Dagostino
Disclosure of Officers Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Notice of Motion

A Notice of Motion was received from Councillor Dagostino via email on Monday, 11 September 2023.

The Notice of Motion is “That Council REQUESTS the Chief Executive Officer:

1. Undertake a review of all leases and licenses that are currently in place, both informal and formal in the Shire with a view to compiling a list of all such arrangements including the nature of the arrangement and a summary of key terms, e.g., rent term key obligations on each party;
2. Undertake a review of the Shire’s budget allocated to each of these tenure arrangements with a view to ensuring that the proposed amount allocated in the 24/25 budget is reasonable and proper as determined by Council at the time;
3. Develop a long-term strategy for each of the existing leased and licenced facility taking into account the current and proposed use, generated revenue and whole of life asset cost to rationalise the utilisation of these facilities;
4. As part of the 2024/25 budget process, prepare a business case for funding consideration by Council to engage an external consultant, estimated to cost approximately \$150,000 +/- 30%, to undertake a detailed utilisation analysis of the facilities and develop a long-term strategy for consideration by Council to rationalise the asset ownership and use of these facilities.

Officer Comment

There are currently 40 Shire owned facilities that are utilised by various community groups and sporting clubs under a lease, licence, Memorandum of Understanding or shared use agreements, with 15 of the leases being based on \$1 peppercorn arrangements. Some of these leases have been in place for more than 20 years.

The current operating budget for maintenance of these facilities does not correlate to the generated revenue and most of these facilities are underutilised, some significantly.

The Shire does not currently have a long-term plan for future use of these facilities. Developing a long-term strategic plan would inform rationalisation of the future use of these facilities and improve existing arrangements. This would require detailed analysis of each facility with consideration given to current use arrangements, whole of life asset maintenance cost, asset condition, community needs etc which would be undertaken by an expert professional in the field. It is estimated that it will take 6 to 8 months for a consultant to undertake this work and develop the plan at an approximate cost of \$150,000 +/- 30%.

Contact Us

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If funded, development of this strategic plan will provide an important tool for better decision making and result in significant cost savings, improved service delivery and utilisation of the facilities.

Into the future, the CIDCP identifies a range of buildings to deliver. This work will need to be cognisant of these future works.

Voting Requirements: Simple Majority

Councillor Recommendation

That Council REQUESTS the Chief Executive Officer:

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- 2. Undertake a review of the Shire's budget allocated to each of these tenure arrangements with a view to ensuring that the proposed amount allocated in the 24/25 budget is reasonable and proper as determined by Council at the time;**
- 3. Develop a long-term strategy for each of the existing leased and licenced facility taking into account the current and proposed use, generated revenue and whole of life asset cost to rationalise the utilisation of these facilities;**
- 4. As part of the 2024/25 budget process, prepare a business case for funding consideration by Council to engage an external consultant, estimated to cost approximately \$150,000 +/- 30%, to undertake a detailed utilisation analysis of the facilities and develop a long-term strategy for consideration by Council to rationalise the asset ownership and use of these facilities.**