

Grants and Sponsorship - Accommodation Grants Program - Beaconsfield Community Centre

File No: S117676

Summary

The Accommodation Grants Program (the Program) is one of 17 programs adopted as part of the City's Grants and Sponsorship Policy. The Program supports community, cultural and sustainability focused organisations by providing accommodation in City-owned buildings within the community property portfolio at nil or below market rent.

Accommodation Grant recipients are organisations that provide services that meet the needs identified in Sustainable Sydney 2030, and the City's strategic plans and policies. Grants are available to non-profit organisations and for-profit organisations where they demonstrate a public benefit.

Currently, there are 76 leases held by 67 organisations located across 49 properties managed under the Program. Recipients of Accommodation Grants enter into leases or licences with the City for a fixed term of appropriate length, usually five years, subject to an annual performance review.

The City called for applications for Beaconsfield Community Centre at 169 Victoria Street, Beaconsfield on 22 July 2020 for a five-year lease. The premises is a small building in a residential area and was formerly occupied by South Eastern Community Connect Inc with a focus on older people and community development. South Eastern Community Connect Inc vacated the property and left the Accommodation Grant Program in 30 June 2019, as their primary customer base and service hub are located in the Bayside Council local government area. This meant they had limited utilisation of the space.

Two eligible applications and one ineligible application were received. Bicycle Garden Incorporated is recommended to occupy the property under the Program with the condition that operating days, times and activity are permitted under the Development Application. All figures in this report and its attachments are exclusive of GST. All market rental value in this report is calculated with an annual increase of three per cent per annum and excludes GST.

Recommendation

It is resolved that:

- (A) Council approve an Accommodation Grant for Bicycle Garden Incorporated pertaining to Beaconsfield Community Centre, 169 Victoria Street, Beaconsfield for five years on the following rental subsidy:

	Market Rental Value	Grant Subsidy	Grant Amount	Rent to be paid	Conditions
Year 1	\$26,500	100%	\$26,500	\$0	DA approval for operating day, times and activity
Year 2	\$27,295	100%	\$27,295	\$0	
Year 3	\$28,114	85%	\$23,897	\$4,217	
Year 4	\$28,957	85%	\$24,614	\$4,344	
Year 5	\$29,826	85%	\$25,352	\$4,474	

- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the lease to Bicycle Garden Incorporated on terms consistent with this resolution and in accordance with the Grants and Sponsorship Policy.

Attachments

Attachment A. Recommended Accommodation Grant Program Application - Beaconsfield Community Centre

Attachment B. Not Recommended Accommodation Grant Program Applications - Beaconsfield Community Centre

Background

1. The Accommodation Grants Program (the Program) presently makes available 76 spaces for 67 organisations in 49 buildings. The total cost of the Program in revenue foregone for the 2020/21 financial year is estimated as \$5.7 million.
2. On 22 July 2020, the City called for applications for Beaconsfield Community Centre.
3. Applications closed at 5pm on Wednesday 26 August 2020. Two eligible applications and one ineligible application were received.
4. Information about this grant program (such as application dates, guidelines and draft lease) was made available on the City's website. The City actively promoted the program through LinkedIn and ArtsHub as well as email campaigns to target interested parties who have expressed an interest in the City's Accommodation Grants Program. The City also actively promoted the program through its Green Square community networks.
5. The Program is open to not-for-profit and for-profit entities. The recommended applicant in this report is a not-for-profit organisation, Bicycle Garden Incorporated.
6. The assessment process included advice and recommendations from key stakeholders on the assessment panel and specialist assessors depending upon the nature of each submission. The integrity of the proposed budget, proposed use of space, contributions and partnerships were assessed, scored and ranked against defined criteria. Once the recommended application is approved by Council, a lease or licence is prepared, which includes performance criteria that must be adhered to and acquitted against.
7. In assessing the grant applications, the assessment panel considered the following policies and action plans: Sustainable Sydney 2030; the City of Sydney Operational Plan; Creative City Cultural Policy and Action Plan; Cultural Diversity Strategy; Social Sustainability Policy and associated plans; OPEN Sydney Strategy and Action Plan; Safe City Strategy; Homelessness Strategy; and Inclusion (Disability) Action Plan.
8. The panel was comprised of the City Spaces Area Manager - South, Cultural Projects Coordinator, Community Property Manager and Grants Officer with specialist advice from the Cycling Manager, chaired by the A/Executive Manager, Creative City.
9. The panel considered the applicant's ability to pay rent when determining the level of subsidy per year. As part of the application process, applicants provide details of the level of rent they can afford to pay and the subsidy level they wish to receive. The panel considers this information and how the organisation ranked against the Program criteria. After submissions closed and during the assessment period Bicycle Garden Incorporated advised the City that their proposed budget and the level of subsidy they wish to receive would not be sustainable for years three to five. Their budget relied on a significant increase in cash donation in these years which is no longer feasible with the ongoing restrictions of Covid-19 impacts. They provided a revised budget increasing their request for subsidy to 85 per cent for years three to five which was considered and endorsed by the panel.
10. In assessing the grant application, the assessment panel also considered the proposed vision, operational model, relevant experience and corporate responsibility of the application proposed.

11. All grants are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant.
12. The terms and conditions of the agreement between the tenant and the City are detailed in each lease or licence, which sets out specific Key Performance Indicators and performance measures for each tenant.
13. The Program is highly competitive. The application not recommended did not score as highly against the assessment criteria as the recommended organisation.
14. Tenants within the Accommodation Grants Program are required to pay all outgoings for their tenancy including power, water, garbage removal, public liability and maintenance and repair costs.
15. Bicycle Garden Incorporated is a not-for-profit organisation providing vibrant spaces where the community can learn to build, maintain and repair bicycles. The applicant has requested the use of the Beaconsfield Community Centre, 169 Victoria Street, Beaconsfield to develop a community hub for bicycle mechanics and cyclists and will meet the increasing demand for community run DIY bicycle workshops.
16. Bicycle Garden Incorporated has reached their capacity within the limited space and operating hours available in their current location at Sydney Park Cycling Centre, operated by BikeWise who are contracted to run the City's cycling courses. Relocating to Beaconsfield Community Centre will allow Bicycle Garden Incorporated to increase accessible hours, grow existing programs and engage more volunteers.
17. Bicycle Garden Incorporated's current income is solely through cash donations and their proposed activation is expected to break-even at the recommended subsidy level of 100 per cent in the first two years. The new location will allow them to expand their operations to include income from other sources such as event ticket sales, memberships, bike sales and venue hire in years three to five and is expected break-even at the recommended subsidy level of 85 per cent.
18. The assessment panel concluded that the project proposed aligned with both the Program's requirements and the needs of the organisation. The applicant demonstrated strong partnerships, links and support with the local community and organisations such as the Bower Reuse and Repair Centre.
19. The assessment panel recommended a condition that Bicycle Garden Incorporated operating times, days and activity are subject to Development Application approval.
20. The start date for the new tenant will be determined once the condition of DA approval for the new tenant's operations is met. The lease will be for a period of five years.
21. It is recommended that Bicycle Garden Incorporated be awarded an Accommodation Grant for Beaconsfield Community Centre, 169 Victoria Street, Beaconsfield, for a period of five years on the following rental subsidy:
 - (a) Year 1 - 100% subsidy valued at \$26,500
 - (b) Year 2 - 100% subsidy valued at \$27,295
 - (c) Year 3 - 85% subsidy valued at \$23,897
 - (d) Year 4 - 85% subsidy valued at \$24,614

- (e) Year 5 - 85% subsidy valued at \$25,352

Key Implications

Strategic Alignment - Sustainable Sydney 2030

- 22. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
 - (a) Direction 6 - Vibrant Local Communities and Economies - the provision of accommodation to a varied group of community and cultural organisations contributes to the diverse range of services and support that the City provides for our community. The diversity of these groups contributes to the vibrancy of the city's villages and the communities within them.
 - (b) Direction 7 - A Cultural and Creative City - approximately one third of the Accommodation Grant Program tenants are cultural/arts organisations. These organisations support cultural development through the support of artists, and the delivery of culturally stimulating activities that engage our communities.

Social / Cultural / Community

- 23. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, economic, environmental and social initiatives from the communities, and community organisations, within the local area.

Financial Implications

- 24. Based on the current budget of the Accommodation Grants Program, the total grant value of the Program is \$5.7 million in revenue foregone for the 2020/21 financial year

Relevant Legislation

- 25. Section 356 of the Local Government Act 1993. Section 356 of the local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.

Critical Dates / Time Frames

- 26. The start date for the new tenant will be determined once the condition of DA approval for new tenant's operations is met. The lease will be for a period of five years.

Public Consultation

27. The property was open for inspection by registration for four sessions on 27 July, 3, 18 and 24 August. Nine organisations represented by 19 people attended the property inspections.

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