



INNER WEST COUNCIL

Date: 12 February, 2019

Dear Tenant,

Submissions invited on the draft Land and Property Strategy and Policy

Council has developed a draft Land and Property Strategy and Policy (LAPS) which will guide how community assets are managed to meet the needs of the community now and in the future. The LAPS covers all Council-owned, managed and controlled land and property. Council is publicly exhibiting the draft LAPS for community comment.

As a tenant of Council-owned property, your feedback is valued. You are invited to make a submission on the draft LAPS.

What is Council land and property?

Inner West Council is the custodian of community assets including over two million square metres of land valued at \$723 million and a property portfolio of 298 buildings valued at \$316 million. This includes land and property for Council services; Council-operated community services such as childcare centres and aquatic centres; and spaces that Council leases to others for community and commercial use.

What is the LAPS?

The LAPS is a new strategic framework to manage Council land and property, implemented over ten years. It includes:

- Asset Register
- Land and Property Policy
- Land and Property Strategy (principles and strategic actions)
- Implementation action plans (for leasing and initiatives)

Audit and benchmarking

Council audited all properties and developed performance indicators as part of the LAPS. Four indicators will measure performance of Council's property portfolio.

- Condition of the property
- Utilisation (hours of operation)
- Capacity (accessibility, compliance and space efficiency)
- Cost neutral (outgoings recouped and rent received)

Each new lease agreement or licence will be assessed against the benchmarks.

What does cost neutral mean?

Cost neutral means that there is no cost to Council to provide the property portfolio. Council will monitor the cost of providing premises and making contributions to community groups who lease Council's properties. In the long term, Council aims to achieve a cost neutral property portfolio and deliver savings that can be used to benefit the wider community.



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How will this impact Council's tenants?

Council will aim to charge a market rate for all property through a competitive process and recoup all outgoings (i.e. building insurance, water rates, repairs and maintenance) from tenants.

The LAPS proposes that outgoings recouped increase from 12% to 100% in ten years, and market rent received increases from 50% to 70% in ten years.

Council proposes to establish an Accommodation Grants Program to support organisations which cannot afford to pay a commercial rate. Refer to the frequently asked questions information supplied with this letter for further information.

When will the LAPS be implemented?

The LAPS has a long term outlook and will be implemented over a ten year period. Council will implement the Leasing Implementation Plan over a four year period

Have your say – make a submission

View the draft LAPS:

- online at yoursay.innerwest.nsw.gov.au/draft-land-and-property-strategy-and-policy
- a hard copy at Ashfield Service Centre, Leichhardt Service Centre and Petersham Service Centre

Make a submission:

- Online at yoursay.innerwest.nsw.gov.au
- By writing to Council: PO Box 14, Petersham NSW 2049.
Please mark your submission 'LAPS submission Ref:Trim 19/6465'.

Submissions close Wednesday, 6 March, 2019.

Next steps

All submissions will be reported at a public Council meeting. Everyone who makes a submission and provides contact details will be informed when the meeting is scheduled and provided with a link to the report.

More information

For enquiries please contact Helen Langford, Property and Assets Manager
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Yours sincerely

Brooke Martin

Group Manager Properties, Major Building Projects and Facilities



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Frequently asked questions (FAQs)

What does this mean for my lease or licence?

Council has more than 80 existing agreements, each with different conditions. Under the LAPS Council will aim for a consistent approach to all new agreements. Once a lease expires, Council will either issue a short term renewal or commence a competitive process for the new lease or licence.

When will this impact on my tenancy?

More than half of the current agreements are in a holdover arrangement. This means that whilst the lease is out of date, the agreement has not expired and all conditions and terms are still binding.

Council staff will be guided by the Leasing Implementation Plan which will take approximately four years. This plan is prioritised based on capital works program, tenant current performance and Council strategic needs. The current prioritised program is part of the LAPS.

Will I have to pay more?

Under the LAPS, Council will aim to charge a market rent for properties and tenants must pay all outgoings. These include building insurance, water rates, repairs and maintenance.

Rent agreements will be assessed against the benchmarks identified in the LAPS.

Why is Council going to charge market rents and recoup outgoings?

Inner West Council was formed from the amalgamation of Ashfield, Leichhardt and Marrickville Councils in 2016. The former Councils historically agreed to discounted rental arrangements or peppercorn rental arrangements. Under the Office of Local Government Accounting Code, Councils must quantify the financial support and the true commercial income that a property will provide.

What if my organisation can't afford market rent?

The LAPS proposes an Accommodation Grants Program by which organisations can apply for discounted rent. The draft LAPS Policy sets out the Accommodation Grant discounts as follows:



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Accommodation Grant Eligibility Criteria

Grant	Comments and Examples
100%	Council provides a grant for 100% of the market rent excluding the cost the outgoings.
90%	Despite this indication, the rent must at least cover outgoings arising as a direct result of the occupation and if Crown Land must be at least the specified annual minimum. This category will usually be for small volunteer groups with little funding or capacity to raise income and who meet Council's strategic objectives and/or priorities to a very high degree and who are occupying 1-2 small rooms with shared facilities or co-location.
75%	This will usually be organizations meeting Council's objectives or priorities to a high degree, with some funding but unable to pay close to market rent.
50%	This will usually be organizations which align with Council's priorities, have some funding or capacity to obtain income but unable to pay market rent.
25%	This will usually be organizations which align with Council's priorities, and have some funding or capacity to obtain income or funding but are unable to pay full market rent.
10%	This will usually be organizations with capacity to pay market rent or close to market rent, by charging its clients fees at market rates and/or through other commercial avenues or funding sources, but a small Council subsidy is justified due to the need and uniqueness of the service provided or other factors.
0%	This will usually be organizations with capacity to pay market rent, due to its size and/or by charging its clients fees at market rates and/or through other commercial avenues or funding sources. Commercial Leases.

Will I be eligible for an Accommodation Grant?

Accommodation grants equivalent to all or part of the market rent may be granted to non-government organisations (NGOs), incorporated not-for-profit (NFP) service providers, and sporting and community organisations for non-commercial properties provided that such uses align with the community's demonstrated needs or aspirations, and meet the objectives of the Community Strategic Plan or associated Council plans.

How and when do I apply?

Applications for Accommodation Grants will be accepted at the time of the Expression of Interest or Request for Tender process for the property in question.



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What about Sporting Clubs and community groups that have been in some properties for a long time?

Council recognises that many existing Lessees or Licensees of community land and Crown Land, notably sporting bodies and community groups, have strong historical, social and/or recreational ties to the facilities they use. In some cases, they have contributed financially to the development of these facilities. In considering new or continued Leases or Licenses of such facilities, Council will take these factors into account and may at its discretion and subject to a report to Council, not require Expressions of Interest or Tender to be called.

Please refer to the draft LAPS for full details.