

Community Development Report

Committee Consideration – 13 February 2018
Council Resolution – 27 February 2018

Table of Contents

Item No.		Page No.
CM01.18	Venue Charges Playgroups & Toy Libraries	2

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Committee	13 February 2018
Council	27 February 2018
Applicant	City of Nedlands
Officer	Marion Granich – Manager Community Development
Director	Lorraine Driscoll – Director Corporate & Strategy
Attachments	Nil

Executive Summary

This report is being considered by Council because it involves a decision on fees and charges, which only Council has the authority to set.

Council is asked to set these fees across a number of financial years, for two reasons:

- no fees and charges for these groups have as yet been set for the current financial year; and
- playgroups and toy libraries use Council venues on the basis of a three-year management license, as this provides them with certainty and the ability to plan ahead.

Therefore, Council is asked to set usage fees for these groups for four financial years.

Once Council has decided on fees and charges for these groups, the City will invoice them for the current financial year, and implement the future charges through a three-year management license for each group. Council is asked to provide the CEO with delegated authority to enter into management licenses with the three playgroups and two toy libraries, based on annual amounts set by Council.

Recommendation to Committee

Council:

1. **Acknowledges the importance of the City's playgroups and toy libraries to the well-being of children and families;**
2. **Approves the annual venue usage charges for playgroups and toy libraries listed in the table below:**

	2017/18	2018/19	2019/20	2020/21
Nedlands Playgroup	\$2,350	\$2,900	\$3,450	\$4,000
Hackett Playgroup	\$1,920	\$2,620	\$3,300	\$4,000
Mt Claremont Playgroup	\$2,250	\$2,500	\$2,750	\$3,000
Nedlands Toy Library	\$520	\$680	\$840	\$1,000
Floreat Toy Library	\$420	\$610	\$810	\$1,000

3. Provides delegated authority to the Chief Executive Officer to enter into management licenses with the Nedlands Playgroup, Hackett Playgroup, Mt Claremont Playgroup, Nedlands Toy Library and Floreat Toy Library based on the annual amounts listed in the table above.

Background

The City provides three facilities that are used by Playgroups and Toy Libraries, as follows:

Table 1: Venues and User Group/s

Venue	User Group/s
1. College Park Family Centre	<ul style="list-style-type: none"> • Nedlands Playgroup • Nedlands Toy Library
2. Mt Claremont Play Centre	<ul style="list-style-type: none"> • Mt Claremont Playgroup
3. Hackett Play Centre	<ul style="list-style-type: none"> • Hackett Playgroup • Floreat Toy Library

Definitions

Playgroup – a playgroup is a regular gathering of parents (or caregivers) and pre-school-aged children, for the benefits of socialisation and play. The parents (or caregivers) remain on-site and together supervise the children. (Playgroups are *not* licensed childcare, whereby parents pay to have their children cared for by licensed professionals.) At playgroups, the parents (or caregivers) are providing the care. Playgroups within the City of Nedlands are community organisations, not privately-owned businesses.

Toy Library – a toy library is a lending service set up to hire out toys and other equipment for use by pre-school-aged children. Toy libraries aim to support families and encourage quality time spent playing with children. Toy libraries support re-use of books, toys and equipment by multiple families, rather than single-use of items that may be suited to only a brief developmental stage of childhood. Therefore, toy libraries support re-use of resources. Toy libraries within the City of Nedlands are community organisations, not privately-owned businesses.

Key Relevant Previous Council Decisions

CM02.17: on 23 May 2017, Council considered a recommendation on fees and charges for playgroups and toy libraries using the City's community facilities, and decided to defer a decision on the matter, pending opportunity to discuss it in more detail at a Councillor Briefing.

On 12 December 2017, the matter was considered at a Councillor Briefing. Therefore, the matter can now be again considered formally by Council at a Council meeting. The three playgroups and two toy libraries affected are keen to have a clear decision on the issue.

Discussion

The City's community facilities play an important role in building social capital by providing meeting places for the many community groups within the City. In order to continue to provide these facilities, the City needs to ensure a reasonable level of cost recovery through usage fees. The preferred approach is to introduce incremental changes so user groups have time to absorb those changes.

Historically, each of the City's playgroups and toy libraries have used City facilities on the basis of a management license. Under a management license, the City maintains the facility and charges the user a fee for its use. Therefore, the City maintains the three community facilities used by local playgroups and toy libraries, while each group pays an annual fee to Council for use of the facility.

The key matter for decision is what level of annual fee these groups should pay for use of their respective facilities.

May 2017 Proposal

In May 2017, Council considered a recommendation to increase the fees paid by these groups for use of Council facilities. The recommendation was based on charging playgroups and toy libraries \$5 per hour for use of a Council facilities. (This charge is considerably lower than the hourly rate paid by all other community groups using Council facilities, which is \$25 per hour for a renovated facility or \$20 per hour for an unrenovated facility.) The proposed \$5 per hour charge would have translated into the following annual fees for playgroups and toy libraries:

Table 2: Impact of Charging Playgroups & Toy Libraries \$5 per Hour

	Current Annual Fee	Proposed Annual Fee (based on \$5 per hour)
Nedlands Playgroup	\$2,350	\$7,800
Hackett Playgroup	\$1,920	\$6,500
Mt Claremont Playgroup	\$2,250	\$4,160
Nedlands Toy Library	\$520	\$780
Floreat Toy Library	\$420	\$440
Total	\$7,460	\$19,680

Table 2 above shows that the proposed charge of \$5 per hour would have significantly increased the annual fee paid by the three playgroups, with more modest increases recommended for the two toy libraries.

The playgroups expressed concern about the impact on their groups' viability, given they were already struggling with retaining membership, and were concerned that an increase in membership fees, necessitated by the significant increase in venue charges, would further exacerbate their difficulty in attracting new playgroup members.

New Proposal

Following discussion at the Councillor Briefing session in December 2017, Administration is now proposing a more modest increase in charges for playgroups and toy libraries, as follows:

Table 3: Proposed Annual Venue Usage Fee for Playgroups & Toy Libraries

	Current Annual Fee	Proposed Annual Fee
Nedlands Playgroup	\$2,350	\$4,000
Hackett Playgroup	\$1,920	\$4,000
Mt Claremont Playgroup	\$2,250	\$3,000
Nedlands Toy Library	\$520	\$1,000
Floreat Toy Library	\$420	\$1,000
Total Revenue	\$7,460	\$13,000

Further, it is proposed that this new increase in annual fees is reached incrementally over three years. This will mean phasing the increase in as follows:

Table 4: Staged Introduction of Proposed New Venue Usage Fees

Group	Current Fee	2018/19	2019/20	2020/21
Nedlands Playgroup	\$2,350	\$2,900	\$3,450	\$4,000
Hackett Playgroup	\$1,920	\$2,620	\$3,300	\$4,000
Mt Claremont Playgroup	\$2,250	\$2,500	\$2,750	\$3,000
Nedlands Toy Library	\$520	\$680	\$840	\$1,000
Floreat Toy Library	\$420	\$610	\$810	\$1,000
Total Revenue	\$7,460	\$9,310	\$11,150	\$13,000

These increases are modest, but still represent a systematic approach to improving cost recovery on the City's community facilities. The staged increases in fees are increases of approximately 20 % per annum until 2020/21, after which the intention is to increase annual fees by CPI only.

New Approach to Managing Facilities

Under the current CEO, the City has taken a pro-active approach to managing and maintaining community facilities. This approach is now dealing with the issues that result from the City's stock of aged buildings, many of which were developed in the 1960's. Most of these buildings had not been significantly upgraded since the initial build, resulting in the City having community facilities that no longer met contemporary standards and contrasted sharply with sporting and community facilities in new areas.

Under this new approach, a number of key community buildings have been significantly re-furbished (including the John Leckie and Allen Park Pavilions); a new facility developed (the Adam Armstrong Pavilion); and significant support has been provided to sporting clubs, to assist them with securing funding to upgrade their facilities.

This staged approach to upgrading community facilities is set to benefit play groups and toy libraries in the near future. Technical Services has recently re-structured existing staffing resources to appoint a Facilities Management Officer with responsibility for pro-actively inspecting and monitoring community facilities and drawing up annual maintenance plans for inclusion in annual budgets, for Council consideration. This next stage of the City’s overall approach to dealing the back-log of community facilities issues is aimed at better-targeted maintenance expenditure and therefore improving the satisfaction of user groups.

Consultation

The groups have been consulted and updated throughout the process. The three playgroups were concerned about the initial increase proposed in May 2017, and were of the view that this substantive increase would affect their ability to attract new members.

The City intends to continue to consult with the playgroups and toy libraries using Council facilities, to ensure that maintenance expenditure is targeted and addresses the groups’ concerns as well as the longer-term and facility requirements.

Budget/Financial Implications

The cost of maintaining the three facilities used by playgroups and toy libraries in 2016/17 is shown below:

Table 5: Annual Cost to Council of Maintaining Facilities Used by Playgroups & Toy Libraries 2016/17

Venue	Cost
Hackett Play Centre	\$6,304
College Park Family Centre	\$14,482
Mt Claremont Play Centre	\$27,612
Total	\$48,396

In 2016/17, these three venues brought in \$7,460 in usage fees, being a cost-recovery rate of only 15 %.

By 2020/21, this proposed increase in usage fees will result in a cost-recovery rate of 26 %, assuming a modest increase in maintenance costs.

Conclusion

It is recommended that Council agrees to increase the usage fees charged to the City’s playgroups and toy libraries progressively over three financial years, as specified in Table 4 of this report. Additionally, it is recommended that the usage fees for the current financial year remain at the 2015/16 levels, as it is late in the financial year to introduce an increase. These measures will allow the groups time to adapt to the relatively modest increases proposed, while still improving the rate of cost recovery for those buildings in the longer term.