

Item No: 15.12

Subject: **GLENELG FOOTBALL CLUB – FINANCIAL SUPPORT**

Date: 26 September 2023

Written By: Chief Executive Officer

Chief Executive Officer: Mr R Bria

SUMMARY

In April 2023, Council endorsed the re-forming of the Glenelg Football Club Working Group to November 2023 to work with the Club to assess its long-term financial viability ahead of the lease and licence agreement expiring on 31 October 2023.

This work is underway, however additional time is required to complete the review in full.

This report seeks an extension of both the appointment of the Elected Members to the Working Group and the current lease and licence agreement.

RECOMMENDATION

That Council:

- 1. notes the report;**
 - 2. approves the extension of the current financial assistance to the Glenelg Football Club to 29 February 2024 being:**
 - a) that the Glenelg Football Club continue to not be charged interest on existing borrowings;**
 - b) that the current lease and licence be held over at an annual rental of \$40,000 pa (including GST); and**
 - 3. approves the extension of the Glenelg Football Club Working Group to February 2024, including the continued appointment of Councillors Abley, Smedley and Snewin to the Working Group.**
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STRATEGIC PLAN

Wellbeing: Establish community hubs that integrate community support, recreational, and commercial services in multi-purpose spaces.

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

BACKGROUND

Council resolved on the 14 December 2021 the following motion C141221/2502:

1. *That Council notes the report and affirms its commitment to the long-term sustainability of the Glenelg Football Club.*
2. *That the Glenelg Football Club continue to not be charged interest on existing borrowings up to 31 October 2023.*
3. *That the Glenelg Football Club annual lease be maintained at \$40,000 pa (including GST) up to 31 October 2023.*
4. *That a review of these arrangements be undertaken at least six months prior to the 31 October 2023.*

In April 2023, Council approved the re-forming of the Glenelg Football Club Working Group with the primary purpose of reviewing the financial support arrangements provided to the Glenelg Football Club and that its objectives will only be advisory and consultative and report back to Council with any recommendations for Council consideration.

Councillors Abley, Smedley and Snewin were appointed as the Elected Member representatives on the Glenelg Football Club Working Group until November 2023.

REPORT

The Glenelg Football Club Working Group have met on a number of occasions since April. Through those meetings it has been determined that a long-term financial forecast is required to assess the future financial viability of the Club. The Club is currently developing its long-term financial forecast which will allow us to assess the financial stability of the Club. This analysis is taking longer than was anticipated.

An independent consultant (BRI Ferrier) has been engaged to undertake an independent review of the Club's financial position and forecasted assumptions. The consultant's work will be completed once the Club has finalised its long-term financial plan. This is due to be completed by the middle October 2023. Once BRI Ferrier's report is completed, options to review the financial assistance to the Club can be assessed. It is envisaged that the review will not be finalised by the 31 October 2023 expiry of the current arrangements. As the independent financial review is still underway it would be prudent to extend the current financial assistance arrangements to enable this work to be completed in full.

It is recommended that an extension of the current financial assistance to the Club, the continuation of not charging interest on existing borrowings and the holding over of the lease and licence and maintenance of the rent at \$40,000 pa (including GST) until 29 February 2024 be endorsed. This will allow time for options to be canvassed with the Club and Council and will allow time for any approval process through Council bearing in mind the Christmas, New Year break of Council. The review of financial assistance to the Glenelg Football Club will come back to Council once completed which could be earlier than the 29 February 2024.

Accordingly, it is recommended the term of the Working Group and appointed Elected Members also be extended to 29 February 2024.

BUDGET

The 2023/24 budget was developed with an assumption that the status quo would continue.

LIFE CYCLE COSTS

Not applicable