



RECREATION & SPORT FACILITY MANAGEMENT GUIDE

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Government of South Australia
Office for Recreation, Sport and Racing

Contents

TABLE OF CONTENTS	PAGE
1. Purpose of the Guide.....	3
2. Background.....	3
3. STEP 1 – Clarifying what is expected from the facility.....	3
4. Monitoring and Evaluating Performance.....	7
5. STEP 2 – Determining the Appropriate Management Model.....	7
6. References.....	8

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1. PURPOSE OF THIS GUIDE

Designed to supplement the South Australian Regional Level Recreation and Sport Facilities Planning Guidelines this resource has been developed to assist local government officers and others responsible for the planning, development and operation of recreation and sport facilities identify the appropriate facility management model for their facility.

2. BACKGROUND

Sustainable asset management is one of the most problematic issues facing Local Government. Due to their characteristics regional level recreation and sport facilities are assets that generally require large amounts of public money to develop, operate and maintain and as a consequence it is important for councils to decide early on:

1. **What outcomes they expect from the facility in return for the public investment and how this performance will be measured? and**
2. **What facility management model is best suited to helping council achieve these outcomes?**

3. STEP 1 - CLARIFYING WHAT IS EXPECTED FROM THE FACILITY

The successful management of facilities requires a shared understanding and commitment by council and facility operators to manage the facility in an efficient, effective and responsible way. In order to do this it is important for councils to determine what they want from the facility especially in terms of **COMMUNITY/SOCIAL, ENVIRONMENTAL and FINANCIAL outcomes.**

Most critical to the long term sustainability of a facility is achieving a balance between maximising community/social outcomes while minimising costs. These two concepts are often in tension with each other with councils having to find a balance between providing the standard of facility and level of services that community need and expect at a cost which is equitable and affordable (for users and council).



3. STEP 1 - CLARIFYING WHAT IS EXPECTED FROM THE FACILITY *cont.*

OUTCOMES	THINGS TO CONSIDER
<p>What are the community/social outcomes and targets you want the facility to achieve in the short, medium and long term?</p>	<p>To be sustainable a facility should provide the right mix of programs and services to cater for the community it has been built for. To do this requires councils to understand what the community needs actually are (both now and into the future). This can be done by:</p> <ul style="list-style-type: none"> • Undertaking an analysis of the current and projected future demographic characteristics of the local community. Understanding characteristics such as the communities' social-economic status, gender and age mix now and projected can help inform the types of programs and services to be delivered, when they should be delivered, and at what cost. • Consulting with the community to develop a better understanding of their needs and wants. This will help to further refine the program and cost mix and help determine the community/social outcomes and targets you need to set for a facility. <p>TIPS:</p> <ul style="list-style-type: none"> ➤ It is important to ensure the outcomes and targets set align with councils Community Strategic Plan priorities. ➤ To be successful recreation and sport facilities need to be welcoming and accessible to people regardless of age, cultural background, abilities and income levels. This principle should be embodied in the design, activities, programs and management of the facility.
<p>What environmental outcomes and targets do you want the facility to achieve in the short, medium and long term?</p>	<p>The cost of utilities such as electricity and water are rising and this places increased pressure on the operating and maintenance life-cycle costs of facilities. As a consequence, it is becoming increasingly important for councils to consider implementing strategies such as installation of solar panels on community facilities and use of energy efficient LED lighting in an effort to reduce operational costs.</p> <p>TIPS:</p> <ul style="list-style-type: none"> ➤ Conduct a facility environmental audit and set objectives and energy and water use targets for the next 3-5 year period. Ensure you have mechanism in place to measure and report against the performance of the facility.

3. STEP 1 - CLARIFYING WHAT IS EXPECTED FROM THE FACILITY *cont.*

OUTCOMES	THINGS TO CONSIDER
<p>What financial outcomes and targets do you want the facility to achieve in the short, medium and long term?</p>	<p>In terms of financial management it is important that councils consider what level of financial support if any through mechanism such as subsidies and/or grants will be provided to off-set some or all of the costs of managing, operating and maintaining the facility. In particular council has to decide whether:</p> <ul style="list-style-type: none"> • It will utilise a ‘user pays’ model for a facility where user groups and/or participants pay all of the costs associated with the facility (full cost recovery), or • Especially where the facility and the programs and services it delivers supports council meet its social and community priorities and targets: <ul style="list-style-type: none"> • ‘Fully fund’ all or some costs of maintaining the facility, or • Use a ‘shared cost’ subsidy model to reduce the cost to user groups and/or participants. <p>TIPS:</p> <ul style="list-style-type: none"> ➤ It is important that the outcomes and targets set are consistent and align with the council asset and financial management plan targets. ➤ Consider implementing a ‘Community Facilities Subsidy Policy’ which provides a framework to standardise the level of subsidy provided to community groups who use facilities (e.g. sports clubs) based on the extent to which they meet councils priority community/social outcomes (e.g. provide programs for men and women, provide membership concessions or discounts to low income earners). ➤ To offset costs consider other income generating opportunities for the facility that can such as inclusion of an onsite commercial tenancy for example: <ul style="list-style-type: none"> ➤ Health Club (24/7 Gym) ➤ Child Care Centre ➤ Retail ➤ Office/administration ➤ Allied Health Service (e.g. Sports Physio) ➤ Neighbourhood House ➤ Youth/Other Community Services ➤ Monthly Community Markets.

4. MONITORING AND EVALUATING PERFORMANCE

Once the desired outcomes for a facility are determined it is important that there is a mechanism in place to monitor and evaluate whether they are being met. This can be achieved by including them as Key Performance Indicators (KPI's) in facility operators leases, licence or management agreements.

KPI's establish what is expected from the facility. Once established they become the benchmark against which performance is evaluated.

KPI's can be difficult to establish and monitor. Outcomes which are easily quantified, and relatively easy to prepare, include indicators such as **income and expenditure, and patronage levels**. On the other hand, qualitative outcomes which are much more difficult to draft, include **customer satisfaction levels and social outcomes such as contribution to the health of the community and quality of life issues**.

Performance Measure should be:

- **Relevant** – to the specific outcomes you want the facility to achieve.
- **Well-defined** - be written in a way that is easily understood and most importantly measurable by those responsible for the reporting.
- **Cost-effective** – it is important to remember that there is a cost associated with monitoring and reporting on performance and you need to set KPI's that are achievable to deliver and report against especially when working with volunteer organisations (e.g. sporting clubs).
- **Time-framed** - dates performance reports are due should be documented and adhered to.

Things to consider:

- **Set a broad range of KPI's, for example in the areas of finance, attendances/use, customer/user satisfaction, condition/maintenance of the asset, reporting.**
- **Include the KPI's in all tenure documents, such as licence agreements and management contracts.**
- **Require facility operators to prepare an annual facility operational plan detailing how the KPI's will be met.**
- **Link renewal of tenure to meeting KPI's.**



5. STEP 2 - DETERMINING THE APPROPRIATE MANAGEMENT MODEL

Providing the community with a well located and designed recreation and sport facility which provides the right mix of programs and services does not in itself guarantee success, how the facility is managed is also an important consideration.

Determining the best and most efficient/effective model to manage and operate facilities is a key element to the success of facilities and needs to be addressed on a venue specific basis, and be considerate of the needs of the community it serves.

There are essentially five management options applicable to the management of publicly owned recreation and sport facilities:

Management Options	✓ Is best suited to situation where:	× Is not best suited to situations where:
<p>IN-HOUSE MANAGEMENT</p> <p>1. Direct Management by Council Staff – Council retains control and accountability for the operation and management of the facility.</p> <p>2. Indirect Management – Council retains control through a ‘body corporate’ type arrangement (e.g. management by a Section 41 Committee of Management or Section 42 subsidiary of council).</p>	<ul style="list-style-type: none"> • Council wants control over the day-to-day administration and operation of the facility including (in the case of Direct Management) the mix and cost of programs and activities it provides the community. • Council wants to ensure that the facility is maintained to a high standard. • Council wants to directly manage its potential risk exposure in Manage facility use. 	<ul style="list-style-type: none"> • The core purpose of the facility is to provide a commercial return on the investment. • Council does not have staff with skills and experience in managing, operating and/or maintaining the recreation facility.
<p>EXTERNAL MANAGEMENT</p> <p>3. Contract Management to an external organisation (e.g. professional facility management company).</p> <p>4. Lease or Licence to an external organisation (e.g. sporting club).</p> <p>5. Shared management with an external agency (e.g. joint school-community use facilities).</p>	<ul style="list-style-type: none"> • Council wishes to share and minimise its operating costs. • Council wishes to have no day-to-day administrative responsibilities. • Council wants to attract a capital investor. • Council wants a fixed operating budget. • The facility competes in a dynamic and competitive market. • A professional body is required to provide a specialised service. 	<ul style="list-style-type: none"> • The group responsible for the management of the facility does not have staff/ volunteers with skills and experience in managing, operating and/or maintaining the recreation facility. • The group responsible for the management of the facility has no operation or strategic plan for the facility. • Council wants control over the mix and cost of programs and activities the facility provides the community - contractor may only offer profitable programs and may disregard the social needs of the broader community.

(Source: Guidelines for Sustainable Management of Community Recreation Facilities, Local Government Recreation Forum, South Australia.)

7. REFERENCES

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