

POLICY FOR ASSESSING CLUBS IN DIFFICULTY

MINUTE NO. – 1783/01

That the Policy for Assessing Clubs in Difficulty be adopted.

1.0 Policy for Assessing Clubs in Difficulty

This policy will apply to clubs that have been defaulting on their financial commitments to Council including Shared Responsibility Scheme commitments. The Advisory Panel will determine which clubs this shall apply to with advice from Council officers.

The external advisor will work with a club to gain funding to develop the necessary documentation required to present to the Advisory Panel, as outlined in section 3 below.

Council will appoint a sponsor for each project, which will provide one point of contact for all interested parties.

The Advisory Panel will analyse the information supplied by the club and assess the club against an established set of criteria identified in section 2.

The Advisory Panel will then recommend to the Community Development Committee and/or Council the most appropriate method of dealing with the issues facing the club. These may include;

- Allocation of funds through the Annual Plan process
- Sharing of Club facilities
- Relocation of Club or facility
- Rationalisation of facility
- Club amalgamation
- Council managing the club facility
- Council maintaining the facility and planning for this through the long term asset development programme
- Partial or full write-off of Shared Responsibility loans
- Other methods as considered appropriate

2.0 Assessment Criteria

There are four criteria that will be used to evaluate each proposal to the Advisory Panel.

1. *Demand* – Extent of existing demand, how demand for the proposal has been established and how it will be continued into the future
2. *Business Plan (including Strategic Plan)* – Management and business goals and key objectives (taking operational budgets into consideration). Plan that outlines the organisations direction for the next 5 – 10 years and whether it is in line with Tomorrow's Manukau. Written support from community and parent organisations. Detailed financial analysis that demonstrates viability and sustainability for on going operation and maintenance costs.
3. *Benefits* – Social and leisure benefits of the facility as a result of the programmes and services provided to members/community. Consideration will be given to provision of services/programmes for groups that are not able to readily access existing opportunities or groups with special needs.
4. *Facility Optimisation* – Degree of multi-usage or maximised usage. This will identify opportunities for the facility to be owned through joint venture with one or more organisation, attracted sponsorship or provide an opportunity for the facility and administration services to be utilised by other groups and service providers.

3.0 Information Groups Should Present to the Advisory Panel

- Summary (This should be written last and contain a summary of the whole document)
- Objectives (Group/club goals, set membership, revenue and social objectives. Make sure the objectives are concrete and measurable)
- Mission (Higher goals should make up the mission i.e. outcomes rather than outputs)
- Club/Group
 - History
 - Current situation
 - The club/group, relationship to other clubs, providers, regional sports organisation's, national sports organisation's and parent groups
 - Financial situation, accounts and analysis (proof that help is required)
 - Facility and resource ownership, utilisation, condition and use
 - Administration and management structure
 - Management processes
- Situational Analysis
 - Leisure trends (sport or community)
 - Membership size, growth projections and segmentation
 - Competitor analysis
 - Describe your club or group strategy and explain how it relates to the competition for membership that you face
- Future Plan Viability
 - Description
 - SWOT analysis (Strengths, Weaknesses, Opportunities Threats)
 - Risk of Council not accepting the proposal
 - Alliances with other clubs, groups or sports
(Written evidence of support from other groups and parent bodies for the proposal, shared goals, objectives and compatible cultures)
 - Facility concept, utilisation projections and on-going management
 - Membership (demographic analysis of likely membership projections)
 - Timeline and milestones
 - Legal considerations i.e. for the formation of a new trust or body with a new constitution
 - Benchmarking (how you compare to like clubs)
 - Group Structure
 - Management skills and experience
(List and describe each position within your organisation and the responsibilities associated with each, list the most important members of your group and summarise their backgrounds, experience and support, specify where your groups is weak and how your group plans to fill these gaps in the future).
- Financial Analysis
 - Analysis of two to three years annual reports
 - Sustainability information e.g.
 - cash flow – five years
 - debt repayment per member
 - benchmarking with other clubs
 - future programmes
 - Refinancing/restructuring of debt
 - Risk analysis e.g. revenue streams
 - Future liabilities e.g. property maintenance
 - Shared service options
 - Financial expertise

- Contributes to and is linked to Council's Strategic Priorities (Tomorrow's Manukau)