

Introduction

The Local Government Act 1995 enables Council to enter into agreements with community organisations to raise loans on behalf of the organisation, with the organisation then meeting the financial obligations of the loan repayments.

Purpose

1. Facilitate the construction of facilities for use by the community on land controlled by Council.
2. Provide security for Council over a facility in the event of the demise of the community organisation.

Policy statement

1. Council will only make self-supporting loans available to registered community groups that have a demonstrated capacity/capability to meet the loan commitments and maintain the asset to be acquired.
2. In the event of Council agreeing to make available loan funds on a self-supporting basis to any district organisation, Council reserves the right to control and/or to carry out any of the following:
 - a. The preparation of the plans and specifications of the proposed works;
 - b. The calling of tenders for the proposed works;
 - c. The letting of the Contract;
 - d. The preparation and signing of the contract documents;
 - e. Sole supervision of the proposed works;
 - f. Sole authorisation of the expenditure of funds for the proposed works whether it be to the contractor or sub-contractor; or
 - g. Any other condition that Council sees necessary to apply to the proposed works because of some curious circumstance which may exist.
3. Council shall require a Deed of Agreement be prepared containing the following:
 - a. Repayment schedule;
 - b. The obligation of the community association to meet the repayments;
 - c. Details of security of the loan; and
 - d. Provisions covering the risk that the community association defaults in meeting its obligations to Council.
 - e. Circumstances under which management of the facility would default back to Council.
4. Self-Supporting Loans will only be made available for assets to be constructed on Council owned or controlled land.
5. The community association must enter in to a lease with Council for the care control and management of the land upon which the asset is to be constructed.

Application

The Policy applies to community groups and organisations within the Shire of Capel.

Procedure

Department:	Corporate Services	Next review:	April 2023
Reviewer:	Director Community & Corporate	Legislation:	Local Government Act 1995, s2.7(2)(b)
Adopted:	Minute SC0122, 19.01.99	Delegation:	
Amended:	Minute OC0215, 14.02.07 Minute OC0211, 19.02.14 Minute OC1108, 22.11.17	Risk:	
Policy ref #:		Version:	2
