

Policy P610 Collier Park Village - Financial Arrangements

Responsible Business Unit/s	Collier Park Village, Financial Services
Responsible Officer	Director Corporate Services, Manager Collier Park Village
Affected Business Unit/s	Collier Park Village, Financial Services

Policy Objectives

The City provides independent living units for the purpose of aged care at the Collier Park Village. Residents of the retirement village individually enter lease agreements to take the premises in return for payment of a nominated sum upon entry and ongoing maintenance on a monthly basis. It is considered appropriate for information relating to these financial arrangements and the method of their determination to be freely available to present and prospective residents.

Policy Scope

This Policy affects the Financial Services Department and Collier Park Village.

Policy Statement

The Capital Contribution to be paid upon taking lease of a unit within the Collier Park Village is to be composed of 3 components:

- Initial Refurbishment Levy (5% of Market Price of the Unit)
- Ingoing Contribution / Lease Premium (Reviewed annually by the City)
- Refundable Portion (Repaid to the resident upon leaving Village)

The amount of the Ingoing Contribution (to be paid **once only** upon entry) is to be reviewed administratively on an annual basis in the context of the long term financial sustainability of the village and current market conditions.

All prospective residents are to be advised of the monetary amount of the Ingoing Contribution prior to entering into a lease to take a unit within the Collier Park Village.

The Refundable Portion of the Capital Contribution is to be quarantined in the cash-backed CPV Residents Loan Offset Reserve until such time as the funds are repaid to the departing resident. Monies held in this reserve are to be used exclusively for the purpose of meeting payments to departing residents.

An Additional Refurbishment Levy equal to 1% of the Refundable Portion as determined upon entry to the village is payable annually for residents in years 6 -10 inclusive of their term of residence in the village. This condition applies only to residents subject to the Initial Refurbishment Levy.

In accordance with the Retirement Villages Regulations 1992 regulation 7F, Financial matters are dealt with in the Lease Agreement with a resident or prospective resident.

The Refundable Portion is managed in accordance with Retirement Villages Act 1992. Sections 18 and 19 and invested in accordance with P603 Investment of Surplus Funds.

The Monthly Maintenance Fee to be applied to the units within the village is to be determined annually by the City following consultation with the Collier Park Village Residents Committee. In determining the amount of the Monthly Maintenance Fee, due consideration is to be given to factors including but not necessarily limited to:

- Level of service provided
- Financial viability and sustainability of operations
- Fee levels at comparable facilities
- Movement in the Consumer Price Index (CPI)

Residents of the village may, by completing a Deed of Variation to their existing lease, opt to pay a lesser amount of monthly maintenance as determined by the City annually – and have the remainder of the agreed maintenance fee deducted from the Refundable Portion of their ingoing monies.

The Collier Park Village Residents Committee is to be provided with an opportunity to consult with the City at the draft budget stage of the budget development process.

The City will provide quarterly financial statements in the approved format to the CPV Residents Committee in a timely manner having regard to close off of accounts and availability of relevant financial information needed to prepare the statements.

A summary of the financial performance of the Collier Park Village accompanied by a copy of the Audit Opinion on the City's Annual Financial Statement is to be made available to the Collier Park Village Residents Committee within 30 days of presentation of the Audit Opinion to Council.

Legislation / Local Law Requirements

Retirement Village Code of Practice

Retirement Villages Act 1992, Sections 18 and 19

Retirement Villages Regulations 1992, regulation 7F

Other Relevant Policies / Key Documents

P603: Investment of Surplus Funds

City of South Perth Strategic Plan