

1.8 COMMUNITY FUNDING PROGRAMS

SUSTAINABILITY THEME

Community

OBJECTIVES

The objective of this policy is to provide clarity on the provision of funding by the City of Greater Geraldton to the community through its community funding programs.

POLICY STATEMENT

The City is committed to providing funding to community groups.

This policy provides the working principles to how the various funding programs offered by the City are to be delivered and administered (including budgets, accessibility, authorisation etc.).

This is a discretionary Council Policy.

POLICY DETAILS

1. Community Grants Program

The Community Grants Program aids local community groups and organisations that make positive contributions to the quality of life within the Greater Geraldton region.

Key points to the Community Grants Program are as follows:

- Budget is \$200,000 per annum. Any changes to the budget is to be set by Council.
- Funding of \$2,000 to \$20,000 is available. Maximum amount to be requested is \$20,000 or 50% of the total cost of the project, whichever is the lesser.
- Determination is made by the Community Grants Committee who make their recommendations to the CEO who has delegated authority to endorse the Committee's recommendations. Should the CEO wish to make any changes to the Committee's recommendations, the changes are to be approved by Council.
- The Community Grants Program is offered twice per year.
- Applicants can request a two year funding commitment. If a two year funding commitment is granted, the funding available for distribution in the second year will reduce by said amount.
- Funding awarded over \$10,000 must be audited
- Items ineligible for funding include:
 - Recurring operational costs (i.e. wages, insurances, utilities etc.)
 - Uniforms
 - Activities with the main purpose to raise funds for distribution back to the community

- Retrospective funding
- Activities that are exclusive to the Recipient's members
- Activities that have already secured assistance from the City through another funding program
- Activities that have received assistance through the Community Grants Program within the past twelve months
- Private / commercial ventures and activities
- Relocation costs
- Support for an individual pursuit
- Activities that are held outside of the Greater Geraldton region.

2. Community Project Support Program

The Community Project Support Program aids local community groups and organisations that make positive contributions to the quality of life within the Greater Geraldton region.

Key points to the Community Project Support Program are as follows:

- Budget is \$15,000 per annum. Any changes to the budget is to be set by Council.
- Maximum amount to be requested is \$2,000. No co-contribution is required.
- Determination is made by the City's Grants Review Panel who make their recommendations to EMT for their approval.
- The Community Project Support Program is offered each quarter, or until all funding has been dispersed.
- Quarterly report submitted to Council on program funding.
- Items ineligible for funding include:
 - Recurring operational costs (i.e. wages, insurances, utilities etc.)
 - Uniforms
 - Activities with the main purpose to raise funds for distribution back to the community
 - Retrospective funding
 - Activities that are exclusive to the Recipient's members
 - Activities that have already secured assistance from the City through another funding program
 - Activities that have received assistance through the Community Grants Program within the past twelve months
 - Private / commercial ventures and activities
 - Relocation costs
 - Support for an individual pursuit
 - Activities that are held outside of the Greater Geraldton region.

3. Service Agreements

Service Agreements are offered to local organisations that provide a service to the Greater Geraldton community that the City may be required to provide if the said organisations didn't.

Service Agreements are to be offered to the following local organisations:

- Geraldton Surf Life Saving Club
\$10,000 in 2018-19
\$5,000 in 2019-20
- Sailors, Soldiers & Airmen Memorial Trust \$4,000 per annum
- Mid West Sports Federation \$10,000 per annum
- Mid West Academy of Sport \$25,000 per annum
- Geraldton Regional Cricket Board \$45,000 per annum
- Geraldton Cemetery Board \$30,000 per annum
- Geraldton Tennis Club
\$21,435 in 2018-19
\$10,718 in 2019-20

Key points to the Service Agreements are as follows:

- Budget is to reflect the above allocations. Any changes to the budget and approved allocations are to be determined by Council.
- Service Agreements are to be locked in for a three (3) year term, with an annual review to ensure compliance with the terms and conditions of funding.
- Determination to renew the Service Agreement for the new financial year is made by EMT. If the City is to enter into a new Service Agreement or amend the value to the Service Agreement from the previous year, an item will need to be presented to Council for their endorsement.
- Phasing of all Service Agreements is to be considered to ensure Recipients aren't becoming reliant on the City to continue their operations.

4. Mayoral Discretionary Fund

The Mayoral Discretionary Fund is for the Mayor to approve requests for financial assistance at his discretion.

Key points to the Mayoral Discretionary Fund are as follows:

- Budget is \$50,000 per annum. Any changes to the budget is to be set by Council.
- Mayor has authority to approve funding up to \$5,000. Anything above \$5,000 must be presented to Council for their endorsement.
- Quarterly report submitted to Council on approved disbursements.

Guidelines:

- 4.1 Provide support for City of Greater Geraldton region based not for profit charitable institutions, organisations or individuals;
- 4.2 Assist in the development of initiatives or ventures for regional community based sporting, cultural, philanthropic or youth institutions, organisations or individuals;

- 4.3 Facilitate the promotion of community relations, within the context of communities with which there is established an understanding of exchange or cooperative venture;
- 4.4 Assist with the promotion of economic or community development initiatives within the City of Greater Geraldton; and
- 4.5 Further potential in the establishment or conduct of initiatives that will provide benefit to the broader community.

5. Signature Event Program

The Signature Event Program is for large scale events within the City of Greater Geraldton which bring tourists and an economic boost to the region. Events eligible for funding are to be run by the Recipient, they are not to be City managed events.

Signature Event Agreements are to be offered to the following local organisations:

- Mullewa Muster & Rodeo \$30,000 per annum
- Geraldton Greenough Sunshine Festival \$20,000 per annum
- Funtavia \$20,000 per annum

Key points to the Signature Event Program are as follows:

- Budget is to reflect the above allocations. Any changes to the budget and approved allocations are to be determined by Council.
- Signature Event Agreements are to be locked in for a three (3) year term, with an annual review to ensure compliance with the terms and conditions of funding.
- Determination to renew the Signature Event Agreement for the new financial year is made by EMT. If the City is to enter into a new Signature Event Agreement or amend the value to the Agreement from the previous year, an item will need to be presented to Council for their endorsement.
- Phasing of all Signature Event Agreements is to be considered to ensure Recipients aren't becoming reliant of the City to continue their operations.

6. Self-Supporting Loans

Self-Supporting Loans are for community and sporting groups for the purposes of capital asset acquisition or development.

Self-supporting loans will only be considered for capital asset acquisition or development and will not be approved by Council for operational equipment or operating expenses purposes.

Council will consider providing self-supporting loans to community or sporting groups:

- In exceptional circumstances to mitigate serious risks and/or meet urgent capital requirements that will deliver substantial benefits to the community consistent with the City's Strategic Community Plan and priorities identified in the Corporate Business Plan.
- Where the self-supporting loan forms part of a matching community grant component (e.g. CSRFF)
- Where in the view of Council, the use of City borrowings for the intended purpose will deliver benefits to the community materially outweighing likely benefits from the alternative purposes from which the said borrowings would have to be diverted.

- Where in the view of Council there is compelling justification for the City to act as lender instead of a bank or other financial institution.

6.1. Matters to be considered by Council

- 6.1.1** The City's Long Term Financial Plan and forecast debt financing capacity – across the prospective life of a requested loan.
- 6.1.2** Regulated borrowing limits as determined by WA Treasury Corporation.
- 6.1.3** Debt Service Coverage Ratio (calculated as annual surplus before interest expense and depreciation divided by annual debt service payments) meets required Department of Local Government Standard.
- 6.1.4** Standard is NOT met if ratio is less than two (2).
- 6.1.5** Basic Standard is ratio is between two (2) and five (5).
- 6.1.6** Advanced Standard if greater than five (5).
Note: This indicator is used by the WA Treasury Corporation in considering loan applications from the City.
- 6.1.7** Indebtedness Ratio – measures the extent to which past borrowings principal outstanding relate to the City's discretionary general revenue. Target = < 0.4.
- 6.1.8** Limit on the use of loan funds in any one year to a level where the aggregate costs of servicing interest and principal repayments does not exceed ten (10) percent of operating revenues generated from rates, fees and charges.
- 6.1.9** Annual budget and current financial position of the City.
- 6.1.10** New Capital Works program priorities and funding requirements.
- 6.1.11** Asset renewal/replacement funding requirements.
- 6.1.12** Demands for use of borrowings for City requirements.
- 6.1.13** Compliance with legislative requirements associated with borrowing of monies under Section 6.20 of the Local Government Act 1995.

6.2 Limits

- 6.2.1** Funding is to be limited to the provision of only one active SSL loan per group. Council to determine the amount to be borrowed on a "case by case" determination but the amount cannot be such that the level of consolidated self-supporting assistance to groups in any one year would exceed annual repayment of principal and interest that is more than 0.75 per cent of rates revenue
- 6.2.2** The term of borrowing will be limited to a ten (10) year period or such lesser period as may be determined by the prevailing terms of the City's debt financier.

6.3. Assessment

Based on an application having no significant of adverse impact in relation to the abovementioned general principles and it also meets criteria and guidelines principles, the application will be assessed based on the following:

- 6.3.1.** Provision of a fully completed application form.
- 6.3.2.** Provision of proof of incorporation
- 6.3.3.** Provision of latest audited financial statements (Operating, Cash Flow & Financial Position Statements).

- 6.3.4. Provision of a forward financial plan in relation to the required term of borrowing.
- 6.3.5. Provision of compelling evidence on ongoing capacity to service and repay the loan from its operations.
- 6.3.6. Provision of a Business Case in support of the asset acquisition or development proposal to be financed by the requested self-supporting loan.

7. CSRFF Funding

7.1 General Information

- 7.1.1 The contribution will be tied directly to successful CSRFF support and financial contribution is to be on a dollar for dollar matching basis with the Department of Sport and Recreation.
- 7.1.2 Maximum City contribution (Small Grants) will be limited to the lesser of \$66,666 (Funding projects \$200,000 or less) or 1/3 of the total project cost.
- 7.1.3 City will allocate up to \$100,000 per year (Small Grants) for contributions towards approved minor sporting facility development projects, subject to annual budget consideration.
- 7.1.4 All “Annual” and “Forward Planning” (Funding projects above \$200,000) grant submissions will be considered by the City on an individual basis adhering to the guidelines outlined within the CSRFF application whilst aligning with City’s principles outlined in section (7.2) of this policy.
- 7.1.5 Only single-stage, stand-alone projects will be considered eligible for funding. Applications for ‘phased’ projects or for project design costs will not be considered.
- 7.1.6 Applicants required to adhere to the City’s Fundamental Objectives as per the Strategic Community Plan.
- 7.1.7 Only clubs located within the City’s boundaries are considered eligible to receive funding.

7.2 The Sporting Club applicants have the following roles:

- 7.2.1 Ensure and provide evidence that the club has the resources and financial capacity to contribute to and coordinate the project.
- 7.2.2 Ensure project is aligned with the City’s Fundamental Objectives as per the Strategic Community Plan.
- 7.2.3 Contact the City prior to submitting any application to discuss project.
- 7.2.4 Obtain any necessary licences or approvals, meet design and documentation requirements, provide robust cost estimates and any additional information as requested for the project by the City. Documentation and cost estimates need to take into account all Occupational Health and Safety obligations, and Environmental requirements, Work Methods, and must include all other project costs.

7.3 The City has the following roles:

- 7.3.1** Make provision in the annual budget for small grants funding, subject to prevailing financial circumstances.
- 7.3.2** Accept applications as part of the Department of Sport & Recreation's CSRFF Small Grants Round bi-annually and follow Department of Sport & Recreation' funding guidelines for processing application.
- 7.3.3** Give consideration to the LTFFP and SSL guiding principles when assessing annual and forward planning grants and the capacity to resource.
- 7.3.4** Assess each eligible application against the City's Fundamental Objectives and provide recommendations and priority listings to Council for consideration.
- 7.3.5** Submit eligible applications and Council minutes to the Department of Sport and Recreation as per guidelines.

KEY TERM DEFINITION

City means the City of Greater Geraldton.

Annual Budget means a statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.

Asset means a physical component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months.

Asset Renewal Costs (Capital Renewal Expenditure) – Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally.

Corporate Business Plan means the Corporate Business Plan adopted by Council.

Long Term Financial Plan (LTFFP) means a ten year rolling financial plan incorporated into the local government's Corporate Business Plan that activates Strategic Community Plan priorities. Annual Budgets aligned with strategic objectives result from these planning processes.

Replacement means the complete replacement of an asset that has reached the end of its life, so as to provide a similar or agreed alternative level of service.

Strategic Community Plan means the Strategic Community Plan adopted by the Council.

ROLES AND RESPONSIBILITIES

Chief Executive Officer: Review the Community Grants Committee recommendation (approve/not approve).

Community Grants Committee: Review and assess each individual application for funding through the Community Grants Program.

Council:

- Community Grants Program – Review recommendation and make final determination to approve or not approve any changes the Chief Executive Officer has made to the Community Grants Committee's recommendations.
- Service Agreements – Review recommendation and make final determination to approve or not approve offer financial assistance via a Service Agreements.
- Mayoral Discretionary Fund – Review recommendation and make final determination to approve or not approve any commitment of funding over \$5,000.
- Signature Events – Review recommendation and make final determination to approve or not approve the offer of financial assistance via a Signature Event Agreement
- Self-Supporting Loan - Review recommendation and make final determination by absolute majority to approve or not approve self-supporting loan application.

- CSRFF Grants - Review recommendation and make final determination by absolute majority to approve or not approve funding.

Executive Management Team:

- Community Project Support Program - Review the Grants Review Panel recommendations (approve/not approve).
- Service Agreement – Annual review of compliance to the terms and conditions of the funding.
- Signature Events – Annual review of compliance to the terms and conditions of the funding.
- CSRFF Grants - Review each individual application assessment.

Grants Review Panel: Review and assess each individual application for funding through the Community Project Support Program.

Manager Treasury & Finance: It is the responsibility of the Manager of Treasury & Finance to implement this Council policy and assess each individual application for a Service Agreement, Signature Event and Self-supporting Loan.

Mayor: Review and assess each individual application for funding through the Mayoral Discretionary Fund.

Manager Sport & Leisure: Review and assess each individual application for funding through the CSRFF funding Programs.

WORKPLACE INFORMATION

Strategic Community Plan
 Corporate Business Plan
 Long Term Financial Plan
 Sporting Futures Report
 Local Government Act 1995

POLICY ADMINISTRATION

Directorate		Officer	Review Cycle	Next Due
Corporate and Commercial Services		Manager of Treasury & Finance	Biennial	2020
Version	Decision Reference	Synopsis		
1.	CCS XXX – XX XX XXXX	NEW Council Policy		