

## ITEM 10 POLICY REVIEW: FINANCIAL ASSISTANCE COUNCIL POLICY

Council's Financial Assistance Policy provides clarity regarding how Council can grant financial support to individuals and/or groups/organisations in a consistent, equitable and transparent manner that meets the requirements of the Local Government Act, 1993.

This report proposes changes to Council's Financial Assistance Policy to remove detail around specific programs from the Council policy, as per auditor recommendations. This follows the public exhibition of the document for 28 days following the Council meeting of 27 May 2019.

### RECOMMENDATION

Council adopts the revised Financial Assistance Council Policy.

### REPORT AUTHORISATIONS

Report of: Sue Savage, Manager Community Cultural and Economic Development  
Authorised by: Kerry Hunt, Director Community Services - Creative and Innovative City

### ATTACHMENTS

- 1 Revised Financial Assistance Council Policy

### BACKGROUND

Council's previous Financial Assistance Policy (adopted 30 November 2015) outlined the different programs by which Council provides financial assistance to organisations and individuals and included detailed procedures for the management of each program. Following the KPMG Audit, 'Sponsorship and Grants Policy and Controls', a recommendation was made that "*WCC review and update the Financial Assistance Policy to remove reference to specific programs, and instead ensure the policy remains relevant as Council programs continue to evolve*".

As a result of this recommendation, the policy has now been revised and as part of this review, a new Financial Procedures Management Policy has been endorsed by Executive Management Committee which contains an outline of the standard procedures for each separate program.

The policy also outlines the procedures for financial assistance to both not for profit and for those that act for private gain. It sets out the criteria for eligibility for funding that includes -

- Alignment to the goals and strategies of the Community Strategic Plan
- The programs proposed budget for the year that does not exceed 5% of Council's proposed income from ordinary rates levied for the year
- The program applies uniformly to all persons within the LGA or a significant group of persons within the area.

### PROPOSAL

The revised Financial Assistance Policy is adopted by Council.

### CONSULTATION AND COMMUNICATION

The following teams were consulted -

- . Governance
- . City Strategy
- . Economic Development
- . Leisure Centres

- . Community Development
- . Cultural Services
- . Events
- . Chief Financial Officer.

Following Council's resolution of 27 May 2019, the policy was placed on public exhibition for a period of 28 days. Only one piece of community feedback was received. The feedback stated 'no funding must be provided to anybody or person who is seeking financial assistance (grant/funding or other) for gain'.

Under the Local Government Act 1993, financial assistance may be provided to a recipient who acts for private gain either by a resolution of Council, or by implementation of a financial assistance policy.

While the majority of activities that Council supports under this policy are operated by not for profit groups, there are event operators who do operate for private gain. To cease to support these activities would reduce the diversity of events on offer to our community and be counter to our goal that 'Wollongong is a creative and vibrant city'.

It is not recommended that any change be made to the draft policy placed on public exhibition.

#### PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal "Wollongong is a creative and vibrant city". It specifically delivers on core business activities as detailed in the Communications Engagement Events and Signage Service Plan 2019-20.

#### CONCLUSION

In order to continue to support a range of events and activities in the city, it is recommended that Council adopts the revised Financial Assistance Council Policy.



ADOPTED BY COUNCIL: [TO BE COMPLETED BY CORP SUPPORT]

## BACKGROUND

This policy has been developed in order to provide clarity regarding how Council can grant financial support to individuals and/or groups/organisations.

The Local Government Act 1993 (The Act) allows that a council may provide financial assistance to individuals or organisations for the purpose of exercising its functions. A decision to contribute financial assistance cannot be delegated to the General Manager or other persons, however Council may vote to delegate the implementation of Financial Assistance Programs, to the General Manager.

Council must be provided details of recipient and amount for all financial assistance granted. Where financial assistance has been provided under a specific program whose implementation has been delegated to the General Manager, Council should be advised of financial assistance under each program (including details of recipient and amount).

## OBJECTIVE

The main objective of this policy is to –

- 1 Provide financial assistance in a consistent, equitable and transparent manner that meets the requirements of the Local Government Act, 1993.

## POLICY STATEMENT

This policy outlines a process by which Council can distribute community resources in a considered and transparent manner.

Under this policy, recipients may include not-for-profit individuals and organisations as well as those who act for private gain.

## POLICY REVIEW AND VARIATION

- 1 Council is to have the opportunity to review and adopt, at least once during its Term, each Council policy.
- 2 A resolution of Council is required to adopt any variations to this policy, with the exception of minor administrative changes, such as updates to legislative references, which may be endorsed by the Executive Management Committee (EMC). Endorsement of administrative changes made to this policy by EMC does not alter the requirement for it to be reviewed and adopted by each Term of Council.

## FINANCIAL ASSISTANCE POLICY

## COUNCIL POLICY

### PROCEDURES

#### 1. Provision of financial assistance to not-for-profit recipients.

Financial Assistance may be provided to not-for-profit recipients through a resolution of Council, or by implementation of a Financial Assistance Program included in this policy. Methods of submitting a proposal to provide financial assistance for Council approval include:

- Report to Council;
- Inclusion in the adopted Delivery Program and Annual Plan or by way of a specific project with details of recipient and amount;
- Via the Quarterly Review (of the Annual Plan) or the Six-monthly Progress Report (of the Delivery Program) by way of a specific project added throughout the year with details of recipient and amount.

In the interests of openness and transparency in Council decision making, all submissions must include details of recipient and amount proposed.

#### 2. Provision of financial assistance to recipients who act for private gain.

Financial assistance may be provided to recipients who act for private gain through a resolution of Council, or by implementation of a Financial Assistance Program included in this policy.

There are special public notice requirements when proposing to provide financial assistance to a recipient who acts for private gain. A recipient who acts for private gain must not receive benefits until at least 28 days' public notice of Council's intention to consider the matter has been given. Public notice is required prior to Council's consideration of the matter. However, public notice is not required under two circumstances:

2.1 The financial assistance is part of a specific program, the details of which have been included in Council's Annual Plan for the year in which the financial assistance is proposed to be given; and where the program's proposed budget for that year does not exceed 5% of Council's proposed income from ordinary rates levied for that year; and where the program applies uniformly to all persons within the Wollongong LGA or to a significant group of persons within the area;

OR

2.2 The financial assistance is part of a program of graffiti removal work.

Regardless of whether public notice is required, where Council approval is being sought the usual Council meeting notification requirements will apply.

2.3 Financial Assistance – General Procedure

All financial assistance that is not part of a Financial Assistance Program detailed in this policy must be approved by Council.

### FINANCIAL ASSISTANCE PROGRAMS

To be eligible for inclusion in this policy a Financial Assistance Program must meet all of the following criteria:

- The program must contribute to and align with the goals and strategies outlined in the Community Strategic Plan for the year in which the financial assistance is proposed to be given;
- The program's proposed budget for the year does not exceed 5% of Council's proposed income from ordinary rates levied for that year;
- The program applies uniformly to all persons within the Wollongong LGA or to a significant group of persons within the area.

## FINANCIAL ASSISTANCE POLICY

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Each of Council's financial assistance programs has its own procedures and requirements.

- Council must publicise the opportunity for financial assistance and seek written applications. This is undertaken using a variety of mechanisms including: social media, print media, and information sessions.
- Those applications must be assessed against set criteria.
- The applications that meet the criteria and are recommended will be referred to the General Manager for approval under his delegated authority.
- Successful applicants will be advised to Council by way of a Council report to ensure transparency.

FINANCIAL ASSISTANCE POLICY

COUNCIL POLICY

SUMMARY SHEET		
Responsible Division	COMMUNITY SERVICES	
Date/s adopted	<i>Executive Management Committee</i> [updated by policy owner]	<i>Council</i> [DD Mmmm YYYY]
Date/s of previous adoptions	[DD/MM/YYYY]	
Date of next review	[Mmmm YYYY - Must be within next Term of Council]	
Legislative or other requirement for review <b>DELETE THIS WHOLE ROW IF NOT APPLICABLE</b>	[List review timeframe and Act, policy or other review requirement]	
Responsible Manager	COMMUNICATIONS AND ENGAGEMENT MANAGER	
Authorised by	DIRECTOR COMMUNITY SERVICES	