

## ITEM P&S - 230418 - POLICY 4.2 FINANCIAL ASSISTANCE

REPORT BY: EXECUTIVE MANAGER PEOPLE AND SERVICES

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### SUMMARY

Policy 4.2 Financial Assistance – Section 356 of the Local Government Act, is currently due for review.

This report recommends that, in view of the budgetary constraints facing Council and to ensure a rigorous assessment process for annual approval of financial assistance, Policy 4.2 Financial Assistance should be amended to remove the automatic allocation of Recurrent Financial Assistance each year to nominated groups. All community groups would be required to apply for Non-Recurrent Financial Assistance each year.

### COMMENTARY

Council currently provides financial assistance to not-for-profit community groups and organisations under Section 356 of Local Government Act, 1993, in the following categories:

- Recurrent Financial Assistance
- Non-Recurrent Financial Assistance, including fee waivers and sporting related financial Assistance

#### Recurrent Financial Assistance

Recurrent Financial Assistance has been provided to the organisations listed below for a number of years as these organisations (in accordance with Policy 4.2) have been regarded as contributing to the retention and further development of social capital within individual communities. Council has determined the amount of the allocation in each year's Operational Plan.

<b>Recurrent Financial Recipient</b>	<b>2017/18 Amount</b>
Lithgow Show Society	\$12,300
Ironfest Festival	\$12,300
Lithgow Chamber of Commerce programs and events	\$12,300
Western Region Academy of Sport	\$1,780
White Ribbon Day	\$500
Schools for end of year academic prizes	\$930
Lithgow Tidy Towns	\$2,050
Wallerawang Tidy Towns	\$1,025
Portland Tidy Towns	\$1,025
Cullen Bullen Tidy Towns	\$1,025
Portland Golf Club	\$860
Lithgow Information and Neighbourhood Centre Rental Assistance	\$11,000
Arts Outwest	\$12,749
<b>Total</b>	<b>\$69,844</b>

#### Non-Recurrent Financial Assistance

Council allocates an amount in each year's Operational Plan for Non-Recurrent Financial Assistance and calls for applications in April and October each year. Applications from the community are considered by the Community Development Committee which makes recommendations to Council on the projects and amounts to be awarded.

The Non-Recurrent Financial Assistance allocation includes an amount of \$1,000 for the waiver of fees and charges for the use of Council facilities (approval delegated to the General Manager), \$10,000 for four Civic Ballroom and Tony Luchetti Showground fee waiver packages each (up to a value of \$2,500 each) and an allocation for sporting-related sponsorships / financial assistance (including the waiving of sportsground hire fees, as well as financial assistance for junior representatives). Sporting related applications are considered by Council's Sports Advisory Committee and are reported separately for Council endorsement.

Council has allocated \$87,000 for Non-Recurrent Financial Assistance in the current year.

### **Draft 2018/19 Operational Plan**

Council has made an allocation of \$147,500 in the draft 2018/19 Operational Plan as follows:

Recurrent Financial Assistance	\$52,500
Non-Recurrent Financial Assistance	\$54,000
Portland Pool	\$41,000

The allocation for both Recurrent and Non-Recurrent Financial Assistance is less than the current year allocation due to budget constraints.

The allocation for Portland Pool is outside the scope of Policy 4.2 and the allocation is set in the annual Operational Plan as a contribution to assist the non-profit Portland & District Olympic Pool Assn with the costs of operating a community facility. The Portland Pool contribution has been increased in the draft 2018/19 Operational Plan to include a specific allocation of \$6,000 towards the costs of water usage.

### **Conclusion**

It is a number of years since the list of Recurrent Financial Assistance recipients was reviewed. Circumstances may have changed for individual recipients and may continue to change into the future. A reduced Financial Assistance allocation in the 2018/19 Operational Plan will reduce the amount available for allocation to recipients therefore it is timely to reconsider ways in which funds can be allocated to the highest need projects.

It is recommended that the Recurrent Financial Assistance category be deleted with current recipients required to apply for Non-Recurrent Financial Assistance each year. In this way, the Community Development Committee and Council will be better able to assess the relative merits of all Financial Assistance applications at the same time.

### **POLICY IMPLICATIONS**

This report recommends that Council removes the Recurrent Financial Assistance category from Policy 4.2 Financial Assistance.

### **FINANCIAL IMPLICATIONS**

- Budget approved – The draft 2018/19 allocation is \$147,500
- Cost centre - Recurrent Financial Assistance 600063 and Non- Recurrent Financial Assistance 600059
- Expended to date - nil
- Future potential impact - The combined allocation for Recurrent and Non-Recurrent Financial Assistance may be reduced in future years.

### **LEGAL IMPLICATIONS**

Council provides financial assistance to not-for-profit community groups and organisations under Section 356 of the NSW Local Government Act 1993.

## **ATTACHMENTS**

1. Policy 4.2 Financial Assistance

## **RECOMMENDATION**

### **THAT** Council:

1. Amend Policy 4.2 Financial Assistance by removing the Recurrent Financial Assistance category and requiring current Recurrent Financial Assistance recipients to apply for Non-Recurrent Financial Assistance each year.
2. Note that a review of Policy 4.2 Financial Assistance has commenced and that the draft revised policy will be presented to the May Council meeting to be endorsed for public exhibition and comment for 28 days.