

## 6.4 Financial Reports

### 6.4.1 Community Capital Works Grants Underspend Proposal

**File Reference:** Nil.  
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#### Recommendation(s)

That Council supports option two, as presented in this report, to redirect the underspend of \$185,000 into Councils 2021/2022 Community Capital Works Grants Budget.

#### Attachments

Nil

#### Executive Summary

On the 25 May 2020, Councillors adopted the recommendation of the 2020/2021 CCGW program. Following this meeting, a further paper was submitted to Council at the 29 June 2020 Councillor Briefing session providing options on how the underspend of the program, \$185,000, could be allocated within Cardinia Shire Council.

#### Background

A total of \$400,000 was identified through the budget process for the Community Capital Works Grants and Major Equipment Grants 2020/2021 programs, as follows:

- Community Capital Works Grants \$350,000
- Major Equipment Grants \$50,000

Applications for Community Capital Works Grants and Major Equipment Grants 2020/2021 opened on 28th January 2020 and closed on 2nd March 2020. A total of 39 applications were received, 32 Community Capital works Grants and 7 Major Equipment Grants.

At the conclusion of the assessment process, 18 Community Capital Works Grants projects will receive grants at a total grant allocation of \$167,782.59. Four (4) Major Equipment Grant applications are recommended to receive grants at a total of \$46,075.

A total of \$213,857.59 has been allocated to the 20/21 program, leaving an underspend of \$186,143.

During the assessment phase, 12 applications were recognised to being ineligible, these 12 applications totalled \$189,953.75, with the vast majority not meeting the requirements of the Community Capital Works Grant Policy, in particular, where an application must have supporting financial documents showing the whole amount of the grant requested, is available to the club in their account.

#### Policy Implications

- Community Capital Works Grant Policy

- Major Equipment Policy

### Relevance to Council Plan

The below areas of the Council Plan are reflected in this review

- 1.1 Our People - Access to a variety of services for all
- 1.4 Our People - Improved Health and well-being for all
- 1.5 Our People - Variety of recreation and leisure opportunities
- 2.1 Our Community - Our diverse community requirements met
- 3.1 Our Environment - Provision and maintenance of assets on a life-cycle basis
- 3.3 Our Environment - Enhanced natural environment
- 3.4 Our Environment - Natural and built environments supporting the improved health and wellbeing of our communities
- 5.1 Our Governance - An engaged community
- 5.3 Our Governance - Long-term financial sustainability

### Climate Emergency Consideration

Nil.

### Consultation/Communication

Consultation has not been undertaken with the greater community regarding the underspend, however internal communications have been undertaken with several departments.

### Financial and Resource Implications

The Community Capital Works Program for the 2020/2021 program was \$400,000, \$350,000 identified for the Community Capital Grants program and \$50,000 committed to the Major Equipment Grants program.

- \$167,782.59 has been allocated to the Community Capital Works Grants applications, and
- \$46,075 to the Major Equipment Grant applications

Totalling \$213,857.59, leaving an underspend of \$186,143

### OPPORTUNITIES TO REDISTRIBUTE UNDERSPEND

#### Option 1 - Absorb underspend into Councils Budget.

With Councils current financial situation, consideration may be given to retaining the excess funds to assist with Councils end of year budget.

#### Option 2 - Enhanced 21/22 CCGW Program

There is an opportunity to redirect the amount of \$185k into next years, 21/22 Community Capital Works budget, increasing the amount of money available to our community next year.

A review is currently being undertaken of the Community Grants program, with the aim and purpose to simplify the grants process. A major element of this review is to lessen the burden for clubs to have enough funds in their account prior to applying for grants.

It is expected that the launch of the reviewed grants program will generate more applications, therefore a need for a larger budget may be required.

**Option 3 - Redirect underspend to unsuccessful clubs of 19/20 who did not meet the financial threshold**

Council is considering a review of the Community Grants program, part of this review is that clubs will be required to provide evidence of their overall annual financial situation, with a percentage of the funding proposed to be identified in their account, before being considered for the grant. This has changed from the current policy where 100% of the grant funding request must be shown in a financial statement.

In addition, the MEG guidelines, of must having a playing surface or reserve, it is proposed to be changed to allow committees that are not sporting affiliated to apply for MEG applications.

By considering the proposed changes to the Grants program against the 12 applications that were unsuccessful in the 19/20 program, six applications could be supported within the underspend, totalling \$87,626.20.

Six applications would still not be successful.

In addition, it is recognised that some clubs/committees may not have applied in the 20/21 round, due to them recognising that they did not meet the requirements of the current policy and guidelines.

**Conclusion**

Three options are presented to Council regarding the allocation of \$185,000 underspend of the 19/20 Community Capital Works and Major Equipment Grants.

Officers recommendation is that the \$185,000 underspend in the Community Capital Works Budget be redirected into next year's 21/22 Community Capital Works budget, increasing the amount of money available to our community as set out in option two of this report.