

## 6.3 Policy Reports

### 6.3.1 Community Capital Works Grants Program Policy

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#### Recommendation(s)

That Council

- adopt the updated Community Capital Works Grants Policy

#### Attachments

1. Final draft CCWG policy May 2022 [6.3.1.1 - 9 pages]

#### Executive Summary

The Community Capital Works Grants Program Policy outlines Council's commitments and responsibilities in providing Community Capital Works Grants to the community. The Policy provides guidelines for the consistent management of the grant program across Council based on the principles of community involvement and good governance.

Following an internal audit conducted by Crowe Australasia several amendments to the Community Capital Works Grants Policy are proposed to improve the program and reduce risk.

#### Background

In accordance with the annual audit program, an internal audit of Council's Community Capital Works Grant program was undertaken by Crowe Australasia in June 2021. The audit assessed whether the existing controls and processes are operating effectively and a report with recommendations was provided to Council.

Overall, the audit determined that under a control rating there was an adequate control environment in most areas with moderate risk improvement opportunities identified which require corrective action.

The following items were identified as risks relating to the policy and have been addressed in the proposed updated policy:

Risk	Risk rating	Action taken
Councillors are included in the grant assessment panel and have direct communication with staff regarding grants.	High	Councillors will no longer be on the formal assessment panel. Councillor's questions/communication regarding grant applications to be channelled through the CEO/General Manager (GM) Liveable Communities.  Briefings, one or two as required, will be provided to Councillors by Council officers

		<p>on the applications received and assessments undertaken by Council officers prior to proceeding to Council Meeting for endorsement.</p> <p>Role of Councillors as final decision makers at Council Meeting clearly articulated.</p>
There is a lack of senior officer involvement in the grant assessment panel.	Medium	Internal Council Cross Divisional Group (ICCDG) is to have representation from at least 1 senior council officer. Manager Active and Connected Communities will be that member. The GM Liveable Communities is responsible for ensuring compliance with revised Policy/assessment process.
It is not clear within the policy what constitutes an improvement versus what would be considered maintenance.	Medium	Policy updated to include the funding scope and explicitly states that funding is not available for general maintenance.
Roles and responsibilities of the various assessment panels are not clearly articulated.	Medium	<p>Terms of reference have been developed for the ICCDG.</p> <p>ICCDG and Grant Evaluation Committee have been combined.</p>

### Policy Implications

This report presents proposed changes to the Community Capital Works Grants Policy.

The Community Capital Works Grants Program plays a role in delivering on the priorities identified in the Cardinia Shire Council Plan.

This Policy will be transferred onto Council's most recent Policy template.

### Relevance to Council Plan

#### 2.1 We support the creation of liveable spaces and places

2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.

### Climate Emergency Consideration

Climate considerations are highly important within the Community Capital Works Grant Program. Category 1 has two of the four priority areas focused on this:

Priority area 1: Upgrades to more efficient and effective appliances

Priority area 2: Environmental building upgrades

In the policy update projects which provide an environmental benefit are encouraged.

### Consultation/Communication

The initial audit consulted a range of Council officers and involved the Audit Committee members.

Internal consultation has also informed the proposed amendments to the Community Capital Works Grants Policy.

### **Financial and Resource Implications**

There are no financial implications on the proposed amendments to the Community Capital Works Grants Policy.

Over the past 3 years, Council has contributed \$1,016,082.83 through the Community Capital Works Grants Program to improve community facilities.

### **Conclusion**

Following an internal audit conducted by Crowe Australasia, some risks surrounding the Community Capital Works Grant program administration were identified.

The audit identified several control measures that could be put into place to strengthen the program and these have been included in the proposed updated Community Capital Works Grant Policy.

Council is requested to adopt the updated Community Capital Works Grant Policy.



# Community Capital Works Grants program policy

## 1 Policy alignment

This policy details the administration of the Community Capital Works Grants and is intended to achieve consistent management of the grants program based on the principles of community participation and good governance.

## 2 Purpose

The Community Capital Works Grants Program aims to assist community groups to improve facilities that are being used to promote local community networks and support wellbeing. The three community grant categories include:

**Category 1:** Capital Works Grants – Council funds and delivers projects on behalf of the community group.

**Category 2:** Capital Works Partnership Grants – both Council and the community group provide a financial contribution to the project. Community groups deliver project.

**Category 3:** Major Equipment Grants – for the purchase of plant and equipment to undertake maintenance at the facility.

The objectives of Category 1 and 2 are to:

- upgrade the facilities from which community groups provide services to the community
- improve facilities that are primarily focused on the delivery of services or programs that promote local community networks
- improve facilities that positively contribute to community safety and the wellbeing of residents, foster community ownership and management of local facilities.

The objectives of Category 3 are to:

- provide eligible committees of management with an opportunity to purchase maintenance equipment that will be used to maintain playing surfaces, outer grounds, or large internal building areas, on their own accord, without the need to engage contractors
- create opportunities for committees to work together in obtaining funding for new grounds equipment and collaborate in the usage of this equipment.

## 3 Scope

Groups and organisations eligible for Community Capital Works Grants must:

- be an incorporated not-for-profit, managed by a volunteer board or committee of management, or
- be a committee established by Council or Victorian Government to manage a Council or Crown-owned asset.

And meet the following:

- have adequate public liability insurance
- have no outstanding grant acquittals or outstanding debts owing to Council
- propose an initiative which will benefit the Cardinia Shire community and be located in Cardinia Shire
- be able to supply financial statements and information as requested
- be able to meet conditions associated with receiving the grant
- demonstrate that the proposed activity is consistent with local, state and federal regulations
- be able to provide supporting data, when requested, proving that the project is adequately costed.

Groups that use facilities managed by a committee of management must obtain the approval of the committee of management prior to lodging an application for a grant. For groups that use facilities on Crown land, approval from the relevant state government body is required prior to applying for the grant.

The community capital works grants are intended to provide funding towards works that enhance a Council or Crown-owned asset. This may include new works as well as capital improvement and renewal work which modernises the facility and improves the use and efficiency by community groups.

Projects that provide an environmental benefit are encouraged.

All projects must demonstrate how they will meet Council's enhanced building standards (e.g. sustainable building standards for energy and water-use efficiency, universal access standards) even if this is not the sole focus of the project(s).

The following will not be funded:

- general maintenance activities
- works proposed in facilities not owned by or managed on behalf of Council or the Victorian Government
- requests for retrospective funding, where projects have commenced prior to receiving funding approval
- consultancy fees
- groups and organisations with an outstanding debt to Council.

Applications for capital works on private land will be assessed on a case-by-case basis where there is a demonstrated community benefit and where the private land is managed by a community committee.

## **4 Policy description**

Council provides ongoing annual funding through the community capital works grants program to support community groups to provide programs and services that strengthen the Cardinia Shire community and deliver strategic outcomes on behalf of Council.

Cardinia Shire Council is committed to providing this funding efficiently, equitably, and ethically.

Grant opportunities will be widely promoted across the municipality using a variety of promotional avenues to enable all eligible groups the opportunity to apply for a grant.

Under the community capital works grants program, 3 grant categories are available for the community. Each grant category will have its own set of guidelines to be read in conjunction with this policy.

#### **4.1 Category 1: Capital works grants**

- Maximum of \$20,000 (per project).
- Projects must deliver capital improvements to a building or grounds from which the community group deliver services.
- Projects must align with the list of priorities set by Council.
- A simplified application process proposing the project idea is required.
- The Internal Council Cross-Divisional Group (ICCDG) will be responsible for assessing the applications.

All works to be carried out from the grant will be coordinated by Cardinia Shire Council, with no matched funding asked of by the community group and no works undertaken by committees or clubs.

5% of total annual package allocated to Category 1 programs will be directed to Building and Facilities to manage the program (project management costs).

Projects must align with Council's strategic objectives. In some instances, a building condition and assessment report may be required.

Examples of set priorities include:

- electrical switchboards
- asbestos removal
- hot water systems providing effective outcomes
- lighting upgrades for security, improved internal lighting and energy reduction
- replacement of fencing
- rooftop solar energy systems or similar
- improvements to amenities.

Community groups will be required to submit a simplified application to register for Category 1 grants. Only Set Priorities as identified in the current year's grants round can be applied for.

#### **Application process**

The Community Group will not be required to submit quotes, detailed plans, building permits, product specifications, Public Liability and Workcover Certificate as part of the process. Council will undertake the installation/construction of works on behalf of the successful community group. Where the project cost is likely to exceed the \$20,000 budget allocation, further discussions between the applicant and Council to revise the scope may be required.

Category 1 applications will go through a preliminary assessment process and be short-listed by the ICCDG and provided to Council's Senior Leadership Team (SLT) for endorsement. Grants will be referred to a full Council meeting for endorsement and formal approval.

All applicants will be informed of the outcome of their application in writing and offered the opportunity to discuss their application.

#### **4.2 Category 2: Capital works partnership grants**

- Recommended maximum project cost \$70,000 (co-funded with maximum \$35,000 Council contribution).

- If the project exceeds \$70,000, the shortfall must be met by the group.
- Grants must be for the enhancement of a Council or Crown owned asset and may include works such as:
  - building extensions and improvements
  - capital improvements or upgrades of playing surfaces, play equipment, or other infrastructure.
- Grant contribution by the community group is based on a rating scale dependent on the overall annual income of the group. The rating scale is:
  - up to \$5,000 = 10% contribution
  - \$5,000-\$15,000 = 30% contribution
  - above \$15,000 = 50% contribution.
- The ICCDG will be responsible for assessing the applications.
- The application has 2 stages:
  - Stage 1 – Simplified application as an expression of interest (EOI).
  - Stage 2 – Detailed application process for projects that are invited to proceed to Stage 2.
- Community group must demonstrate financial capacity to service the grant.
- The committee contribution may include a negotiated voluntary labour component.
- Works must be delivered by the community group in line with the grant requirements.

Committees will be required to provide annual financial statements for the preceding financial year at the time of the submission of the grant application ensuring their groups capacity to pay for the project as per the agreement.

#### **Application process**

##### **Stage 1 – Expression of interest**

Community groups are invited to submit a simplified application as an EOI to be assessed by Council's Grants Team with assistance from project support officers from the appropriate team.

If the application is eligible and supported in principle, the community group is invited to submit requirements for Stage 2 via a detailed application.

If an application is not supported at Stage 1, project support officers will work with the community group to explore other options or assist in the group applying for a community capital works grant in future years.

##### **Stage 2 – Detailed application**

Community groups submit full details of the proposal as outlined in the application guidelines.

Applications will be assessed by the ICCDG. Each application is assessed against a set criteria and discussed by the ICCDG. Once agreement is reached by the ICCDG, the grants are presented to Council's SLT, Council Briefing and then Council Meeting for Council endorsement.

All applicants will be informed of the outcome of their application in writing and offered the opportunity to discuss their application.

### **4.3 Category 3: Major Equipment Grant**

- Applicants' contribution matched (dollar for dollar) by Council to a maximum grant amount of \$20,000 (e.g. total project cost \$40,000).
- The ICCDG will be responsible for assessing the applications.
- Applications must be consistent with agreed reserve maintenance schedules.
- Community groups must demonstrate financial capacity to purchase the equipment.
- Equipment must comply with current relevant safety standards.

- All projects will be funded on a matched funding basis: for each dollar from the community group, Council will contribute \$1.

#### **Application process**

Community groups are required to supply full details of the proposal as outlined in the application guidelines. Applications will be assessed by the ICCDG.

If an application is not supported, the project support officer will work with the community group to explore other more suitable opportunities, or to assist the group applying for a community capital works grant in the following year.

All applicants will be informed of the outcome of their application in writing and offered the opportunity to discuss their application..

## **5 Assessment criteria**

Due to funding availability, it is not always possible to support all applications or grant the full amount applied for.

To assist Council to assess the competing projects in **Category 1 Capital Works Grants** and **Category 2 Capital Partnership Grants**, applicants must demonstrate that the project meets the following criteria. Selection will be based on the following:

#### Priority 1

- projects that enhance access and inclusion
- projects that address occupational health and safety and/or regulatory compliance issues.

#### Priority 2

- projects that maintain a facility at an acceptable level for its current use
- projects that improve facilities that are not fit for current use.

#### Priority 3

- projects that upgrade facilities
- projects relating to facilities that are of an acceptable standard for current use.

Applications must also:

- demonstrate how the local and wider community will benefit from the project
- be consistent with Council plans and priorities
- be consistent with strategic plans for the facility/location
- demonstrate the group's capacity to deliver the project both from a financial and project management perspective.

To assist Council to assess applications for **Category 3 Major Equipment Grants**, applicants must demonstrate that the project meets the following criteria:

#### Priority 1

- demonstrate the need for major equipment and how it will support and improve the ongoing maintenance of the facility.

#### Priority 2

- demonstrated need for funding assistance.



Priority 3

- ability to maintain and store the equipment.

For all categories, preference will be given to projects that are not eligible for state or federal government or other funding assistance. Applications for funding to support additional state or federal funding will be considered.

The ICCDG will be responsible for assessing the applications for Category 3 based on how each project meets the program criteria.

### **5.1 Change in project scope**

Any change in project scope after a grant has been awarded must be discussed with the program support officer and applied for through the SmartyGrants program for approval. The change in scope will be considered and any additional costs or expenses as a result will be borne by the project applicant.

### **5.2 Application for multiple projects in one year**

Applicants can submit more than one project in a given year. The community capital works grants program is designed to extend to as many community groups and organisations as possible and will be spread broadly throughout the municipality. If the budget is exhausted for the year, with a risk of some groups unable to be funded, discussions will be held with any groups that have applied for multiple projects, to prioritise their proposal and decrease the number of projects to allow other groups to be successful.

### **5.3 Acquittal**

All projects for which grants have been made must be completed and acquitted in the financial year the grant is received.

Community groups cannot receive funds for a new project when there is a funded project in progress.

## **6 Roles and responsibilities**

***Council's Building and Facilities Unit will be responsible for:***

- determining the set priorities in category grants (with assistance from project support officers and the grants team if required)
- the administration and completion of approved grants in Category 1
- delivering projects within the grants timeframe
- reporting projects and finalisation when they have been delivered to the grants team.

***Internal Council Cross Divisional Group (ICCDG)***

Membership includes nominated Council officers, including a minimum of one senior Council officer. The ICCDG will be responsible for:

- assessing the simplified applications in Category 1, providing support or refusal of the project
- assessing the simplified EOI applications in Category 2, providing approval or refusal to progress to Stage 2
- assessing the detailed Stage 2 applications in Category 2
- assessing the applications in Category 3
- providing final endorsement prior to the recommendations being provided to the GM responsible for these grants, SLT and Council.

***GM, responsible for the grants program, and SLT***

Responsible for reviewing the ICCDG recommendations prior to presenting them to Council via briefing/s and to a Council meeting for endorsement.

***Community groups applying for the grant***

Responsible for understanding and adhering to the program guidelines.

***Grants team***

Responsible for the facilitation and administration of the community capital works grants program in accordance with this policy.

***Project support officers***

Responsible for liaising, supporting, and communicating throughout the grants process with their respective group.

***Councillors***

Councillors will be briefed on the recommendations of Council officers and will be responsible for endorsing grants at a Council Meeting. Officer recommendations will be presented at up to 2 Council briefings prior to Council meeting. Councillors must direct any communication regarding the grant applications to the CEO or General Manager responsible for the grants program.

To ensure an accountable and transparent assessment process, anyone with a conflict of interest regarding specific projects will not participate in any discussions or decision making relating to that specific application.

## **7 Compliance**

In addition to the terms and agreement provided to successful applicants via a letter of offer and within the program guide, the following conditions apply to all Council's grants and funding programs.

- When an organisation or individual accepts a grant and/or signs an agreement it means that they accept the conditions outlined in their terms of agreement /funding offer.
- All projects are to be completed within the allocated financial year. Multiple-year funding is not available under this grant program.
- Proof of project completion must be provided to Council prior to payments being processed by Council.
- Grant funds will only be carried over under exceptional circumstances. Recipients must make written application for consideration of funds to be carried into future financial years.

If community asset committees (formally Section 86 Committees) require a loan or donation, written approval from Council's Governance Unit is required. Community asset committees are unable to enter into loan agreements unless approval is provided by Council and a formal loan agreement between the committee and the company/person is entered into. This is to protect the rights of both sides and ensure that a loan repayment schedule is included.

### **7.1 Recourse for non-compliance**

If a community group disagrees with the outcome of their grant application, a written request may be made within 4 weeks of receiving notification of the outcome. Such requests will be received and reviewed by the General Manager responsible for the grants program and a formal response will be provided.

## 8 Related documents

Type of document	Title and/or RMC link
Commonwealth/Victorian legislation	n/a
Strategic directions paper	n/a
Policies	Building and Maintenance Policy
Strategies	n/a
Guidelines	Roles and Responsibilities for the management of the Community Capital Works Grants Program Community Capital Works Grants Program Guide
Procedures	Internal Council Cross Divisional Group - Terms of Reference Community Capital Works Grants Program Guide

## 7 Glossary of terms

**Acquittal** - Information provided by a grant recipient that ensures that funds have been administered responsibly and in line with conditions of the grant program.

**Capital works** - Defined as building extensions and improvements. Playing surface improvements and lighting projects are also considered to be capital works items. Built in or fixed equipment may also be considered for funding. It is not intended that the grant program will fund portable items, however, where portable equipment meets best practice models, such as portable playground equipment in kindergartens, these items will be considered for funding.

**Council** - Cardinia Shire Council being a body corporate constituted as a municipal Council under the *Local Government Act 2020*

**Councillors** - The individuals holding the office of a member of Cardinia Shire Council.

**Council officer** - The Chief Executive Officer and staff of Council appointed by the Chief Executive Officer.

**Crown-owned/Victorian Government owned** – Facilities owned by the Victorian Government that are either managed by a Victorian Government appointed committee or allocated to Council who generally appoint their own committee of management.

**Grant** - Sum of money given to organisations or individuals with an expectation that the money will be used for an agreed and specified purpose.

**Grants team** - The team within Council that administers the community capital works grants program.

**Project support officers** - Officers from various teams across Council that support the groups in their respective areas.

**Set priorities** – Set priorities for infrastructure will be based on Council's strategic objectives in consultation with a building assessment report, condition rating (where applicable), an asset management plan and community consultation. Essential safety measures and emergency works

are not reliant on community capital works grants, these works will be undertaken through the usual building and facilities implementation process.