



TOWN OF
VICTORIA PARK



OPERATING
SUBSIDY
WORKSHOP FEB 19



WE'RE OPEN
VIC PARK

1. Context

The Town recognises that a thriving and strong community includes diverse sporting and recreational groups, cultural and community service organisations and social enterprises, which support and contribute to the quality of life of individuals and the community as a whole.

In recognition of the above, the Town provides a range of community funding programs to not-for-profit organisations, community groups and eligible parties, which are currently managed under numerous policies.

1.1 Funding Programs (the below are now outdated)

Donations- financial assistance

A donation is the gift of giving- there is no 'return on investment' or acquittal process.

Community Grants- capped \$10,000

- The Town's grants program has a social outcomes focused approach. Recipients must demonstrate evidenced based social outcomes for the community, aligned to the Town's Strategic Community Plan (SCP). Recipients are required to acquit against the grant and the Town can showcase/ celebrate the grant.

Sponsorship- proposed capped \$20,000 cash or \$40,000 in-kind support

- The objective of this policy is to maximize opportunities for collaboration/ partnerships between the Town and organisations (business and community) with the aim to increase economic vibrancy by raising the profile of the Town and achieving the Town's marketing and communications objectives.
- Acquittal process required.

No policy- Operating Subsidy- \$ open

- Draft policy- Objectives; to support operating capacity of local eligible organisations to deliver meaningful programs, supports, initiatives or services which are underpinned by evidence-based need, outcomes reporting and acquittal process; and
- Finances are managed appropriately and transparently by the Town, to promote sustainable business practices of funding recipients, and for the benefit of the community.

Leasing and Licencing program (peppercorn lease)

- No management or application process
- Lack of system to demonstrate return on investment

2. Background

The Town currently provides operating subsidies to not-for-profit organisations. To provide a transparent framework for financial assistance to eligible parties, the Town is reviewing its Operating Subsidy funding program (aligned to **Civic Leadership 6: Finances are managed appropriately, sustainably and transparently for the benefit of the community**)

2.1 What is an Operating Subsidy?

An Operating Subsidy is funds provided by the Town to an eligible party. The purpose of the funds are to support the overall operating capacity of the eligible party to deliver programs or services which improve the social health and wellbeing of individuals and the community, aligned to the Town's Strategic Community Plan outcome areas.

2.2 Why is the Operating Subsidy program being reviewed?

The Town does not have a formal Operating Subsidy Program in place. As such the Town is currently reviewing how operating subsidies are assessed and allocated, to ensure a transparent and consistent practice. This is important as the Town has a responsibility to ensure that finances are managed appropriately, sustainably and transparently for the benefit of the community.

At a National and State level there is a transition towards outcomes based commissioning and reporting. This means that organisations which apply for, or receive government funds, need to demonstrate the individual and/or community 'outcomes' they are achieving. The Town is aligning to this approach to demonstrate how eligible parties are using rate payer's funds for the benefit of the community.

2. Stakeholder Engagement

Throughout 2018 the Town worked in partnership with three local not-for-profits to draft an Operating Subsidy Policy and Management Practice.

On 22 February 2019 the Town hosted a stakeholder workshop to;

- inform stakeholders of the draft policy and management practice and how we got to this point.
- provide an opportunity (safe space) for the group to test each area of the management practice and policy; and
- provide feedback which will improve the quality of the policy and management practice.

22 Stakeholders attended the workshop, inclusive of;

- Representatives from the Support People with Basic Needs Working Group
- Sport and Recreation clubs (inclusive of Perth Football Club)
- Arts and Culture
- Various Aged Care and Senior Citizen Centres
- Various disability support services and employment Services
- Scouts
- Child Care Centres
- Social Enterprise

- Mission Australia
- Toy Library

Manager Community, Kaitlyn Griggs, provided context of why the Town is drafting an Operating Subsidy Policy and Management Practice, along with an overview of the existing funding programs. Guest presenters provided context and set the scene regarding the Federal and State transition towards outcomes based commissioning and reporting.

- WACOSS presented on the State Government Sector Wide Outcomes Based Framework- under the Department of Premier and Cabinet, Supporting Communities Forum.
- WALGA presented on the Federal transition to outcomes based commissioning, WALGAs advocacy role relating to outcomes based framework.

3. Consultation Method

The consultation process/ plan was developed in partnership between Community Engagement and Community Development service areas. Wil Kerr (Community Development officer, Cultural Diversity) facilitated the consultation session which took place from 9.30am to 2.30pm. Morning tea and lunch was provided.

The consultation method used was a World Café, whereby stakeholders, in groups of 4-5 people, moved from table to table reviewing and testing sections of the management practice and policy. This approach enabled robust discussion, promoted diversity of thought, and yielded extensive and well tested feedback and recommendations.

4. Workshop Recommendations and feedback

The following section details the recommendations and feedback provided by the stakeholder group on the Policy and Management Practice. The Policy was considered as one document, whereas the management practice was divided into segments, with one segment placed at each table. Participants were placed in groups, and the groups roamed from table to table, to test each segment.

Segment reviewed	Feedback / Recommendation from Workshop
<p>Policy – refer to draft policy attachment 1.</p>	<ul style="list-style-type: none"> • Feedback/ Recommendations on the Policy • The policy was tested from various view points and perspectives, and was entirely rewritten on the day. • The most significant recommendation from the day related to the need to have a streamlined / overarching Community Funding Program policy, which made a meaningful connection between the various funding programs the Town provides. Thus, Management Practices for each funding program would be required.

	<ul style="list-style-type: none"> • The rational for this recommendation related to; <ul style="list-style-type: none"> ○ Bringing all funding programs under one overarching policy, opposed to numerous disconnected policies. ○ Recognition for the need to take into account the totality of support provided by the Town under the various funding programs. ○ That the acquittal process must be proportionate to the funding amount.
<p>Management practice:</p> <p>Aims The aims of the Operating Subsidy program are:</p> <ol style="list-style-type: none"> i. To provide a transparent framework for financial assistance to eligible organisations, inclusive of evidence-based outcome reporting aligned to the strategic outcomes of the Town’s Strategic Community Plan; ii. To ensure economic efficiency of community resources; iii. To encourage collaboration between local organisations to provide holistic initiatives, supports and services to address evidence-based needs; iv. To increase participation and accessibility to a range of quality and innovative programs and activities which achieve individual or community outcomes; and v. To promote sustainable operating capacity. 	<p>Feedback / Recommendations on Aims</p> <ul style="list-style-type: none"> • Keep the aims action oriented so organisations know what they need to do • The aims should align to the intent of the program and content in the management practice • Definition of ‘evidence-based’ outcomes is required • List the strategic outcomes • What does collaboration mean? Is it required? Is it a token exercise? How will the Town support this? Is there a measurement tool for collaboration? • Sharing of data to ensure that the ToVP and organisations are on the same page when it comes to what exactly the evidence based needs are • It may be difficult to increase participation and accessibility to a range of quality and innovative programs etc, as some programs only target specific community cohorts • What is innovative? How will this be defined? • The concept of promoting sustainable operating capacity was supported. Thus, do not create a dependence cycle.

<p>Management practice:</p> <p>Eligibility & Ineligibility Eligibility and Ineligibility were reviewed together to ensure consistency between these two sections.</p> <p>To be eligible for an operating subsidy:</p> <ol style="list-style-type: none"> the applying party must be established and solvent; the purpose of an organisation must be a not-for-profit sporting or recreational group, or cultural or community service organisation, or social enterprise; the purpose of the organisation must align to one of the Town's Strategic Outcome areas; the purpose will be stated in the organisation's constitution, details of incorporation or similar statement of purpose. <p>Applicants will be ineligible for an operating subsidy where the;</p> <ol style="list-style-type: none"> eligibility criteria is not met; the applicant is seeking a subsidy to top-up a direct support or service delivery program which is funded through Commonwealth or State Government funding, with the exclusion of crisis support services; applicant has an outstanding debt to the Town; the application is incomplete; applicant has failed to submit a satisfactory acquittal for a previous operating subsidy, grant or sponsorship; the application is submitted retrospectively; and <p>the applicant fails to meet all relevant insurance requirements</p>	<p>Feedback/ Recommendations on the Eligibility and Ineligibility:</p> <ul style="list-style-type: none"> Solvent- should larger organisations be eligible? Consider aggregated program turn-over of \$10million. Should be locally based in the Town. Do start-ups and small groups require their own funding program? Clearly define what will and will not be funded- actual items, utilities, insurance, maintenance etc. Ensure this is clearly explained. Ensure consistency between the two sections.
<p>Management practice:</p> <p>Funding Categories Applicants must identify a single funding</p>	<p>Feedback/ Recommendations on the Funding Categories</p> <ul style="list-style-type: none"> Instead of a single funding category, identify one or more categories that your application or organisation can deliver on.

<p>category they are applying for, and which outcomes of that funding category will be achieved. The funding categories align to the strategic outcomes of the Town's Strategic Community Plan;</p> <p>Social Category- To promote sustainable, connected, safe and diverse places for everyone (drop down box with indicators)</p> <p>Economic Category- To promote sustainable, diverse, resilient and prosperous places for everyone (drop down box with indicators)</p> <p>Environment Category - To promote sustainable, livable, healthy and green places for everyone (drop down box with indicators)</p>	<ul style="list-style-type: none"> • All categories (outcome domains) in the SCP should be included as a funding category. • Separate funding categories will enable applications to be assessed against each other. Thus those applying for funding under social outcomes will be assessed against each other. The same will apply for Environment. • One applicant can hit multiple outcome areas. • Civic Leadership – should this have its own program? • How will organisations demonstrate that they are meeting the SCP outcomes? • Is this the best approach?
<p>Management practice:</p> <p>Process</p> <ul style="list-style-type: none"> • On an annual basis the Town will publically advertise the Operating Subsidy program, inclusive of funding categories aligned to strategic outcome areas, submission timelines and requirements; • Applications will be assessed by a panel once per year against the nominated funding category and against other applications in the nominated funding category; • A report will be submitted to Council for consideration and approval, conditional upon annual budget availability; • The provision of an Operating Subsidy on a previous occasion is not a guarantee of continued subsidy, and should not be relied upon by applicants as such; 	<p>Feedback and Recommendations on Process</p> <ul style="list-style-type: none"> • More detailed information about the process to be developed and released as part of the adoption of this policy and the advertising of open rounds • Will categories be weighted in a certain way? Will some be more valuable than others? • Include detailed information on the application process, amounts available, capped ration (maximum amount you can apply for) • Feedback timelines and process timelines. Ensure they are clear • Details around the panel, who, when will they meet conflicts of interest • Is there a minimum contract period? i.e 1 year? • Additional work / information to be provided on KPIs and requirements of organisations who apply for the funding, when are these agreed to? What happens if they are not met?

<ul style="list-style-type: none"> • Relationship-based service agreements will be for a maximum of a three year (3) period at any one time; • Operating subsidies must be acquitted on an annual basis against key performance indicators, submission of audited annual accounts, and any other specific conditions as set within the service agreement to determine ongoing eligibility and continuation of multi-year funding contracts; • Where applicable, review of the relationship-based service agreement will take place in the second year to allow for sufficient lead in time for reapplication; • Where assessed and deemed appropriate by Council, funding may be decreased annually by a discretionary amount to incrementally reduce the financial reliance upon the Town. 	<ul style="list-style-type: none"> • Need to be clear how the incremental decrease will take place. • Provide future workshops on the funding program.
<p>Management practice:</p> <p>Requirements</p> <ul style="list-style-type: none"> • The operating purpose for which the subsidy is being sought must be used for the purpose for which the organisation exists. • Operating subsidies must be acquitted on an annual basis against key performance indicators, submission of audited annual accounts, and any other specific conditions as set within the relationship-based service agreement to determine ongoing eligibility and continuation of multi-year funding contracts; • The applicant must provide evidence of all necessary insurances. 	<p>Feedback and Recommendations on Requirements</p> <ul style="list-style-type: none"> • Robust discussion around the purpose of the funding- to support the 'Operating capacity'. When you break it down, it is about 'Outcomes' which are reached through service/ program delivery. • What if the opportunity exists to deliver something very valuable but it is not core business? • Do you only report on the program or service that the subsidy is related to, or your whole organisations? • Ensure there is a system to identify if an organisations is delivering on contract arrangement in the first 12 months. • The Town to provide support. • Ensure consistent reporting requirement, provide acquittal templates • What is the necessary insurance?

<p>Management practice:</p> <p>Considerations The Operating Subsidy will be managed separately to the leasing and licensing agreement, grants or sponsorship programs, however will take into consideration the totality of support provided by the Town to ensure economic efficiencies.</p>	<p>Feedback/ Recommendations on Considerations</p> <ul style="list-style-type: none"> • Definition of considerations required. i.e are they imperative? What impact do they have? • Remove this entirely and include these issues in the process section, and define when each consideration impacts the process • All other support [funding] mechanisms provided by the Town • Does this include in-kind resources provided by both the Town and the organisations towards the delivery of whatever they are applying for to achieve the SCP outcomes? • More work around this term, what does it mean and how organisations provide this, not all efficiencies are economic. Organisations interactions with the SCP • Workshop on leasing and licencing/ peppercorn lease?>Social Return on Investment.
---	---

5. Administration Recommendations

The following recommendations are made by Administration;

- That one umbrella 'Funding Program Policy' supersedes all existing funding policies, and is accounted for in the Governance Policy review process.
- That a review takes place of existing management practices to align to the new policy.
- That the totality of funding (cash or in-kind support), is taken into considered and managed holistically when a funding application is made.
- That the Town actively engages with relevant stakeholders when designing the Leasing and Licensing program (front end design).
- That administration takes into account the feedback and recommendations from the workshop, and amends the management practice and application process of the Community Funding Program (operating subsidy component)

ATTACHMENT 1 (old draft policy which has been superseded)

POLICY NUMBER:	Needs a number allocated
POLICY TITLE:	FUNDING PROGRAMS
Management Practice:	<ol style="list-style-type: none"> 1) Donations program 2) Community grants program 3) Sponsorship program 4) Community outcomes program 5) Leasing and licencing program,
Delegation:	Needs delegation

POLICY STATEMENT:

The Council is committed to supporting eligible parties and organisations through a range of funding programs inclusive of;

1. Donations program
2. Community Grants program
3. Sponsorship program
4. Community Outcomes program; and
5. Leasing and Licencing program of Town owned assets.

OBJECTIVE:

1. To support eligible parties to deliver programs, supports, initiatives or services which are underpinned by evidence-based need and outcomes, which are aligned to the Town's Strategic Community Plan.
2. To ensure economic efficiency, accountability and transparent financial management of funds by the Town, inclusive of in-kind support, and taking into account the totality of funds received by an applicant through the various funding programs.

Practice Implications

Administration practices to demonstrate;

- Transparent and objective management practices for each funding program;
- Consistently applied eligibility and ineligibility criteria per program;
- The administration of contracts will be determined by program criteria but must include
 - a. length of agreement
 - b. funding amount
 - c. acquittal requirements

Council reserves the right to decline any application which does not meet the set criteria of the relevant funding program, or which would bring the Town's brand or reputation into disrepute, or at

its discretion accompanied by justifiable reason.

Responsible Officer:	Insert the responsible officer to oversee and manage the policy. This must be a Director, Executive Manager or a Business Unit Manager.
Related Polices:	Insert any related policies by title and number or N/A
Related Local Law:	Insert any related local law/s by title or N/A
Delegation:	Delegated to CEO – <u>Yes or No</u> If yes insert Delegation Number Sub-delegation – <u>Yes or No</u>
Authority:	Insert date adopted by Council
Last Reviewed:	Insert review date adopted by the Council
Next Review date:	Insert proposed review date (policies to be reviewed every 2 years by the Council or earlier if required)

