



1.0 AUTHORITY

- *Local Government Act 2020 (Vic), Section 94*
- Community Vision
- Council and Wellbeing Plan

2.0 INTENT

The purpose of this Policy is to:

- Build community strength, resilience and resourcefulness in alignment with the Community Vision, Council and Wellbeing Plan and the Financial Plan.
- Demonstrate Council's policy commitment to community engagement, public transparency and good governance in its decision making.
- Deliver agreed Council priorities in accordance with the Financial Plan.

3.0 SCOPE

This policy applies to all Councillors of the Mornington Peninsula Shire Council and Shire officers.

4.0 GOVERNANCE PRINCIPLES

Under the *Local Government Act 2020*, Council must give effect to the following overarching governance principles:

- a) priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- b) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- c) the municipal community is to be engaged in strategic planning and strategic decision making;
- d) innovation and continuous improvement is to be pursued;
- e) the ongoing financial viability of the Council is to be ensured;
- f) the transparency of Council decisions, actions and information is to be ensured.

5.0 POLICY STATEMENT

The Mornington Peninsula Shire (the Shire) is committed to providing funding for community initiatives in the form of grants, subsidies, sponsorships or trusts to foster community involvement in volunteering, community programs, projects and partnerships to build community capacity and resilience.

Community investment funding:

- Shall comply with the *Local Government Act 2020 (Vic)*, the Governance Rules and transparency policies of Council.
- Shall be underpinned by the evidence of need.



- Shall support the achievement of the Community Vision, the Council and Wellbeing Plan, Financial Plan and other key related policies and strategies.
- Shall be reviewed by February in the last year of each Council Term to enable recommendations for continuation or new programs to be discussed with the newly elected Council as part of the development of its Council and Wellbeing Plan and Financial Plan.
- Should encourage sustainability of the programs or services funded by a grant or subsidy.
- Is underpinned by community engagement and the principles of transparency, equity, accessibility, proportionality, accountability, good governance and probity.
- Shall be supported by a framework and guidelines to explain the requirements of each Funding type.
- Applications for grants and subsidies shall be opened at the commencement of the financial (subject to budget) and assessed on merit against eligibility and application criteria together with reporting and acquittal requirements.
- Applications are subject to meritorious assessment against eligibility and application criteria together with reporting and acquittal requirements.
- Assistance may be limited by Council's budget allocation and its adopted priorities. No applicant can be guaranteed funding, nor can any applicant be guaranteed to receive the full requested amount.
- Shall require successful grantees to promote the Shire, in conjunction with the Mayor and Councillors, through photo and media opportunities with regards to funding announcements, funded program and services and any other related opportunity.

6.0 HUMAN RIGHTS CHARTER COMPATIBILITY

This policy has been assessed as being compatible with *the Charter of Human Rights and Responsibilities Act 2006 (Vic)*.

7.0 ASSOCIATED DOCUMENTS

- *Local Government Act 2020 (Vic)*
- Community Vision 2021- 2040
- Council and Wellbeing Plan 2021-25
- Financial Plan 2021-31
- Annual budget 2022-23
- Governance Rules - August 2022
- Community Engagement Policy – March 2021
- Public Transparency Policy - August 2020
- Victorian Auditor General Office – Fraud Control Over Local Government Grants - May 2022



8.0 DEFINITIONS

Accessibility	The removal of barriers in the physical, attitudinal, communication and social environments.
Accountability	Being responsible for what an organisation does and their ability to give satisfactory reasons for it, or the degree to which it happens.
Approach to Community	The method used to focus funding to the community, depending upon the desired reach of the Funding Program; whether it be open to all or targeted to a specific service or project.
Competitive	Funding programs that have publicly available guidelines and application processes. Funding is awarded on a competitive basis where a funding application is selected on merit following assessment against a set of criteria.
Targeted	Funding is awarded to a defined group of recipients. It can involve a two-stage process where a market needs to be tested or properly defined.
Assessment	The steps within a process which must be followed by individuals and organisations to be considered for funding and should include forms, written documentation and eligibility and assessment criteria to be satisfied.
Assessment Criteria	The specified principles or standards against which applications are judged and used to assess the merits of applications.
Acquittal	Reporting requirements (may be financial or non-financial) for a funded project to demonstrate that the funds have been applied in accordance with the funding agreement.
Conflict of Interest	A conflict of interest arises where a person makes a decision or exercises power in a way that may be, or may be perceived to be, influenced by either material to personal interests (financial or non-financial) or material personal associations.
Community	People who live in the Mornington Peninsula Shire; People, groups and organisations that pay rates to the Mornington Peninsula Shire; Traditional owner groups that cover the Mornington Peninsula Shire; and/or



	<p>People, groups and organisations who conduct activities within the Mornington Peninsula Shire.</p>
Eligibility Criteria	<p>The mandatory principles or standards that must be met for an application for funding to be considered. Eligibility criteria is in addition to assessment criteria.</p>
Equity	<p>The quality of being fair and impartial</p>
Funding	<p>A sum of money or form of subsidy that Council provides to an individual or organisation under a formalised agreement.</p>
Funding Agreement	<p>A formal, legally-binding contract established with a funding recipient, which is then used as the primary legal instrument to monitor implementation of the funded activity through to its completion.</p> <p>The funding agreement states the purpose of the funding, the financial amount, and the conditions of the funding including key deliverables. It also defines the rights and responsibilities of the parties. Once signed, parties are under a legal obligation to comply with the stated terms and conditions.</p>
Funding Lifecycle	<p>The end -to- end process of identifying, developing, distributing and accounting for funding to organisations and individuals that meets best practice.</p>
Funding Program	<p>Pool of funding designated to organisations or individuals to achieve stated objectives.</p>
Good Governance	<p>The effective and responsible management of an organisation, a state or a country, which involves considering society's needs in the decisions it makes</p>
Grant	<p>A single instance of funding given to an organisation or individual for a specified purpose, directed at achieving outputs and outcomes consistent with organisational policy, where the recipient is selected on merit against a set of criteria.</p>
Outcome	<p>The desired end result. This often is an intangible social benefit such as 'a sense of wellbeing or safety' but may also be more tangible e.g. every resident has access to affordable housing'</p>
Outputs	<p>In the context of a desired outcome the outputs are services, projects, initiatives, activities. Outputs are typically the 'deliverables' that are measured.</p>



Proportionality	In the context of funding, proportionality involves ensuring a reasonable balance between the complexity of a funded activity, including the ongoing requirements for funded recipients and managing the overall risks for beneficiaries and Council.						
Probity	Probity is the evidence of ethical behaviour and can be defined as complete and confirmed integrity, uprightness and honesty in a particular process. Probity provides a level of assurance that a process was conducted in a manner that is fair, equitable and defensible						
Sponsorship	Sponsorships funds are aimed at public promotion of the Shire, its agencies or programs as opposed to material contribution towards the staging of an event.						
Subsidy	A subsidy may occur when the price to the direct user does not cover full costs and there is a recognised community benefit in covering a portion of the costs from the rate base.						
Trust	<p>A trust is a fiduciary relationship in which one party, (the trustor), gives another party (the trustee) the right to hold title to property or assets.</p> <p>Accordingly, the Shire may, distribute the benefit to a third party (the beneficiary) as per the requirements of the Trust Deed.</p> <table><tr><td>Trustor</td><td>the person who grants the trustee control over their assets, estate, or property and who creates the agreement.</td></tr><tr><td>Trustee</td><td>is responsible for managing the trust that the grantor (trustor) has appointed them over. They are the person who is in charge of managing the property or assets the trustor gives them to keep and are titled in the agreement.</td></tr><tr><td>Beneficiary</td><td>Are the people who received the benefits of the trust agreement. They are given the property or assets by the trustee from the trustor according to the terms of the agreement.</td></tr></table>	Trustor	the person who grants the trustee control over their assets, estate, or property and who creates the agreement.	Trustee	is responsible for managing the trust that the grantor (trustor) has appointed them over. They are the person who is in charge of managing the property or assets the trustor gives them to keep and are titled in the agreement.	Beneficiary	Are the people who received the benefits of the trust agreement. They are given the property or assets by the trustee from the trustor according to the terms of the agreement.
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Beneficiary	Are the people who received the benefits of the trust agreement. They are given the property or assets by the trustee from the trustor according to the terms of the agreement.						

9.0 POLICY SPONSOR

The Manager – Community Partnerships is responsible for overseeing the application and review of the Community Investment Funding policy.

10.0 DOCUMENT CONTROLS

This policy will be reviewed by February 2024 (the last year of the current Council term) and recommendations submitted to the new Council by May 2025.



10.1 Document Version Table

Document Version Control				
Version	Section	Revision Description	Date Revised	Approved by
#2	9.0	Policy Sponsor changed from Manger – Community Strengthening to Manager – Community Partnerships	24 /01/ 2023	Manager Governance

Administrative Updates

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a Shire department, the change to an existing policy or document referred to in this policy, and minor updates to legislation and the like which does not have a material impact. However, any change or update which materially alters the document must be by resolution of Council.

Appendix A: Community Investment Funding Policy Framework

Introduction

This framework includes the Community Investment Funding Lifecycle, including notes on the use of Program Logic (a requirement for the establishment of community grants and subsidies) and the Community Investment Funding Design & Delivery Matrix.

- **The Community Investment Funding Lifecycle** (refer figure 1 and 2)

The Community Investment Funding Lifecycle is the overarching process for reviewing and creating the Shire's Community Investment Funding Programs, and comprises four stages; Plan and Design, Engage, Deliver and Improve.

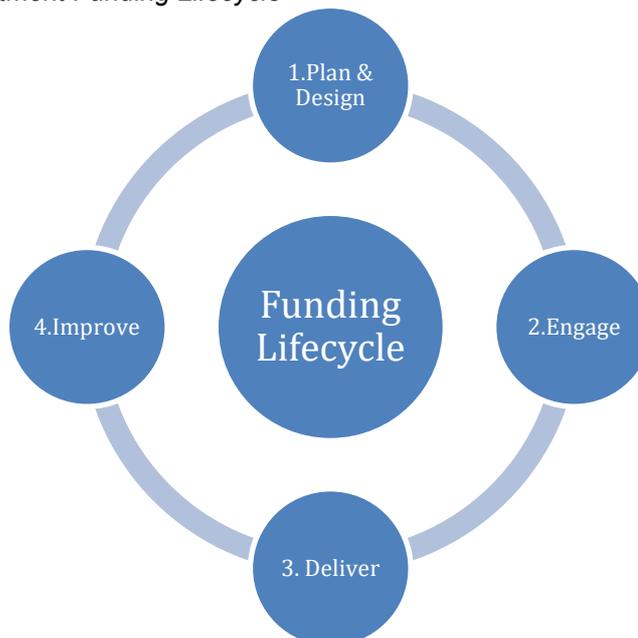
- **Community Investment Funding Design & Delivery Matrix** (refer figure 3)

The Community Investment Funding Design & Delivery Matrix defines available Funding Types and outlines subsequent high-level process requirements for the Planning and Design and Delivery of the Shire's Funding Programs (Stages one and three of the Community Investment Funding Lifecycle).

Community Investment Funding Lifecycle

The Community Investment Funding Lifecycle (Figure 1 and 2) comprises four stages and shows the cyclic representation of continually reviewed and improved Funding Programs to ensure ongoing relevance with community need and alignment with this Policy and the Shire's Council Plan and strategic objectives.

Figure 1: Community Investment Funding Lifecycle

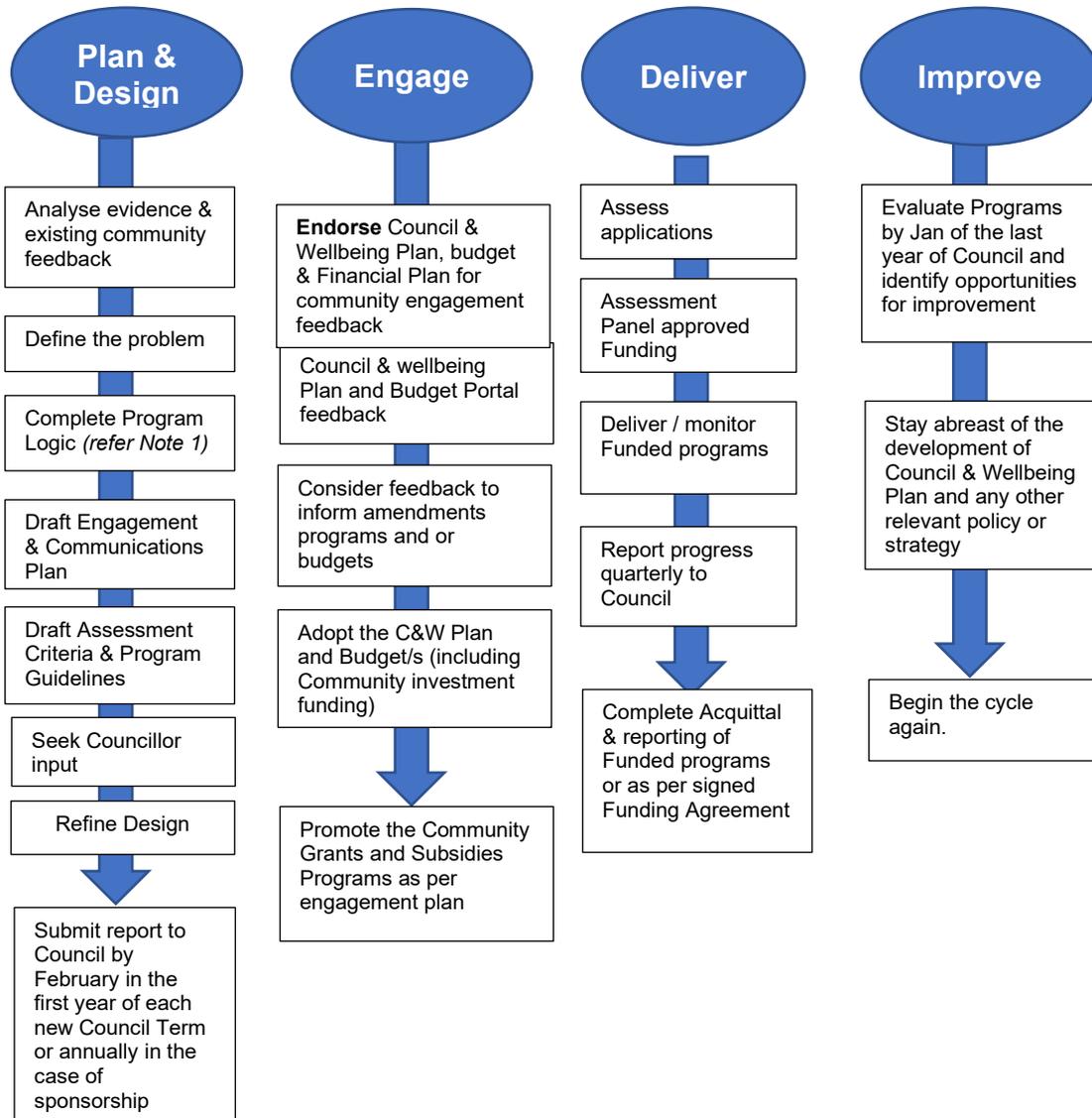




The Funding Lifecycle Stages each have requirements (*as shown in Figure 2*),

- The Plan and Design Stage 1 examines need, the problem to be solved and the desired purpose and outcome/s of a proposed funding program. For community grants and subsidies this examination is facilitated through use of the Program Logic Template included with the specific Grants and Subsidies Framework and Guidelines. Specific guidelines are under development for Sponsorships and Trust Deeds will outline the purpose and requirements of trusts.
- The Engage Stage 2 is where the community is engaged to consider and provide feedback on all proposed programs as part of its development of the Council Plan and budget by each new Council.
- The Delivery Stage 3 represents the implementation of the funded program and require ongoing monitoring to ensure delivery is occurring in accordance with the Funding Agreement.
- The Improve Stage 4. All funded programs shall be reviewed in the last year of each Council with the intention proposals for new and continued programs shall be reviewed by the newly elected Council as part of its development of the new Council and Wellbeing Plan and Financial Plan. The community is encouraged to have input and provide feedback or make submissions for further consideration by Council as part of the adoption process.

Figure 2. The four stages of the Community Investment Funding Lifecycle



Community Investment Funding Design and Delivery Matrix

Determining the Funding Type and approach to the community is critical to good governance and success of a community investment funded program. The Matrix provides an easy reference to the definitions of each Funding Type and the major steps for proposing and implementing a funding program in accordance with the Policy. However, additional specific guidance is provided in the Framework and Guidelines for Grants and Subsidies. A Sponsorship Framework (under development) will also provide detailed guidance, which must be followed to ensure good governance. In relation to Trusts, specific Trust Deeds must be referred to for guidance as they will detail the specific requirements to be followed.

Both Competitive and Targeted Programs must provide clear and consistent guidance to applicants, including opening and closing dates, promotion and accessibility to the intended audience (broad public or identified sector), adequate preparation time for applications and protocols for equitable, clear assessment criteria and consistent support for applicants.

Figure 3. The Community Investment Funding Design & Delivery Matrix

Community Investment Funding Types			
Grant	Subsidy	Sponsorship	Trust
<p>A single instance of funding given to an organisation or individuals for a specified purpose, directed at achieving a desired outcome and consistent with Shire policy, where the recipient is selected on merit against a set of criteria.</p> <p>Approach to the Community: Competitive or Targeted</p> <p>Term: As per grant guidelines</p> <p>Scope: Specific purpose aligned to Council strategic goals for the benefit of the community</p>	<p>A subsidy occurs when the price to the direct user does not cover full costs and there is recognised community benefit in covering a portion of the costs from the rate base. The degree of subsidy is proportionate to the level of benefit.</p> <p>Approach to the Community: Targeted</p> <p>Term: As per agreement</p> <p>Scope: Discount, in kind contribution, waiver or funding agreement</p>	<p>Funds aimed at public promotion of the Shire, its agencies or programs, or sponsorships associated solely with the purchase of advertising or brand promotion, as opposed to a material contribution.</p> <p>Approach to the Community: Targeted</p> <p>Term: As per sponsorship agreement</p> <p>Scope: Contribution to an event or activity with a negotiated mutual benefit.</p>	<p>A trust is a fiduciary relationship in which one party, (the trustor), gives another party (the trustee) the right to hold title to property or assets. Accordingly, the Shire may, distribute the benefit to a third party (the beneficiary) as per the requirements of the Trust Deed.</p> <p>Approach to the Community: Competitive or Targeted</p> <p>Term: Determined by Trust</p> <p>Scope: Determined by Trust</p>
Community Investment Funding Program Process			
<p>Funding programs are individual funding pools, allocated via a meritorious process in SmartyGrants to achieve desired outcomes. A Framework for each Funding Type and specific information guidelines for applicants must outline the process for programs under each Funding Type. The relevant Framework will provide the detailed guidance however, the indicative steps are provided below as a guide.</p>			
<ul style="list-style-type: none"> Justification of investment funding – Program Logic Engagement of the community – Council Plan & budget process Approval of investment funding - Council Application -major/minor 	<ul style="list-style-type: none"> Justification of investment funding – Program Logic Engagement of the community – Council Plan & budget process Approval of investment funding - Council Application – minor /major Assessment- Panel 	<ul style="list-style-type: none"> Justification and approval of sponsorship funding – Council Report Application - Assessment – Panel Decision – Council 	<ul style="list-style-type: none"> Justification and approval of Trust – Council report Application Assessment – Panel Decision – Council or delegated committee Funding Agreement minor/major Payment Where appropriate and in



<ul style="list-style-type: none"> • Assessment – Panel or officer • Decision – Council or delegated Panel or Officer • Funding Agreement – minor /major • Payment • Monitor • Report and acquit 	<ul style="list-style-type: none"> • Decision - Council • Funding Agreement- minor /major • Payment • Monitor • Report and acquit 	<ul style="list-style-type: none"> • Funding Agreement – Minor/major • Payment • Monitor • Report and acquit 	<p>accordance with Trust requirements, may include report and acquit</p>
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