

Whangarei District Council Policy

Grants, Concessions and Loans Policy

Policy0031

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SECTION 1 – General

1 Purpose

- a) Whangarei District Council is committed to the provision of grants, concessions and loans as one aspect of the Council's overall support for communities within the Whangarei District.
- b) The provision of grants, concessions and loans from Council Funds enables Council to contribute to the delivery of the Community Outcomes by assisting with a wide range of community projects and events, capital development projects, and social service delivery.

1.1 The purpose of the Grants, Concessions and Loans Policy is to:

- a) Provide key definitions to allow easy interpretation of this policy
- b) Outline the context in which these grants, concessions and loans are situated
- c) Define the scope of this policy within Council's activities
- d) Outline Council's general principles, priorities and roles with regard to grants, concessions and loans
- e) Outline the Council systems for these grants, concessions and loans:
 - i. Budgets
 - ii. Decision making
 - iii. Administration
 - iv. Reporting.
- f) Provide information about the types of grants, concessions and loans available; outline the processes for accessing these, and where more information can be found.

1.2 More detail

- a) This Policy is not intended to go into detail about the administration of each grant, concession or loan.
- b) More detailed information is provided in the Grants, Concessions and Loans Operational Guidelines ("the Operational Guidelines"), and in the guidance materials for each type of grant, concession and loan.

2 Definitions

- a) "Grants" are any payments provided that have not been arranged through a contract tender process.
- b) "Concessions" are where payments to Council would be due, but Council has chosen not to charge, which have not been arranged through a contract tender process.
- c) "Contracts for service" are agreements to make payments to a contractor, based on them meeting agreed deliverables. These agreements have been arranged through a contract tender process.
- d) "Funds" are the sources of money that grants and loans are paid from, and concessions are offset from.
- e) "Payments" are made directly from Council to a payee.
- f) "Loans" are low or zero interest loans of Council funds to external parties: the value is the lost interest income from the loan.
- g) "Contestable" grants occur when any number of organisations applies for a fixed amount of money and the outcome varies based on criteria from the application process.
- h) "Non-contestable" grants occur when a fixed number of organisations are granted a fixed amount of money on a predetermined outcome.
- i) "Social infrastructure" encompasses social, sporting, cultural, environmental, and heritage, facilities, projects, services and events that enliven a community and support vibrancy and wellness in society

- j) “District-wide”: The project or work done by the organisation is carried out for the benefit of residents of and visitors to the Whangarei District.
- k) “Locally”: The project or work done by the organisation is carried out largely for the benefit of a specific ward, group or community locale.
- l) “Sector based”: The project or work done by the organisation is confined to a specific sphere of activity and likely to be accessed mainly by persons with a like-minded interest or need.
- m) “Not for profit”: Retained funds or excess income against expenditure accrued by an organisation is used for the benefit of the membership of the organisation.

3 Context

- a) The Grants, Concessions and Loans Policy operates within the greater context of local government legislation and Whangarei District Council's policies and strategies.

3.1 The amended Local Government Act (2002) "the Act" instructs Council that its purpose is to:

“meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.”

3.1.1 The Act defines “good-quality” as:

“... infrastructure, service and performance that are –

- a) efficient; and*
- b) effective; and*
- c) appropriate to present and anticipated future circumstances.”*

3.1.2 Community Outcomes

- a) In order to meet its purpose as defined by the Act, Whangarei District Council developed five Community Outcomes to guide all of its work and activities. They are the set of aspirations or goals that the community as a whole has told Council are the most important for Whangarei. All grants, concessions and loans must support the Community Outcomes.

- b) Community Outcomes:

Easy and safe to move around	There is a range of private and public transport options including walkways and cycleways. Our travel times are predictable and our transport network is well managed, safe and efficient.
A growing, resilient economy	We have more successful businesses and more jobs. Skilled people are attracted to our District for work, to visit and invest. Our economy is vibrant and education and career opportunities match the regions needs.
Clean, healthy and valued environment	As our District grows our natural and created environment is protected, maintained and enhanced to reflect our Sense of Place, mauri and identity. Our harbour, foreshore and waterways are clean and healthy.
Vibrant and healthy communities	Our communities are safe; we have a strong sense of identity and belonging. We value and enhance our culture by working together to make a difference. Our District is full of life, activities and opportunities. Young people feel they belong, our leaders are nurtured and communities and Māori assist in shaping the direction of "our place".
Well managed growth	The city centre provides a strong heart for our District; it is vibrant and attractive supporting the District's growth. We have a variety of connected public spaces that enhance how we live. In our District existing settlements are consolidated and we ensure that new residential areas are sustainable. Our infrastructure is aligned to our growth and there is variety both in type, and location of housing.

3.1.3 Council approach

- a) In response to the amended Act, Council performed a review of the funding it provides to external parties in the form of grants, concessions and loans. The aim of this review was to develop a consistent administration framework and policy in order to improve operational efficiency and effectiveness in conducting these activities, and ensure these activities are operating as clearly and consistently as possible.
- b) Specific outcomes were to get a comprehensive picture of Council support to organisations across the district, to develop strategic priorities for fund administration for the whole organisation, and to improve reporting and accountability.

3.2 This Policy recognises and is directed by:

3.2.1 Legislation, in particular:

- a) Local Government Act 2002
- b) Local Government (Rating) Act 2002.

3.2.2 Whangarei District Council policies, in particular:

- a) Rates Remission and Postponement Policies
- b) Youth Policy
- c) Accessibility Policy
- d) Arts Culture and Heritage Policy.

3.2.3 Whangarei District Council strategies, in particular:

- a) Community Halls Strategy
- b) Community Activities/Facilities Strategy*
- c) Open Spaces Strategy
- d) Recreation Strategy*
- e) Significance and Engagement Strategy
- f) Positive Aging Strategy.

* *In development at the time of writing.*

4 Scope

- a) All community investment, in the form of grants, concessions and loans provided by Council are within the scope of this policy.
- b) This policy replaces and expands upon the Community Funding Policy 2010.
- c) Any contracts which were put into place by following the appropriate Government procurement policies are specifically excluded by this policy. This includes, but is not limited to tendered contracts for service (CFS) and preferred supplier arrangements.
- d) Grants, concessions and loans are provided from a wide range of business units across Council, and are provided to a range of entities and individuals.
- e) In some instances, this scope will include Council acting as a vehicle for central government funds (e.g. Creative Communities Scheme, Ministry of Social Development rates rebates); or partnering with organisations to assist or lead development of funding sources.

5 Principles

- a) Council recognises the need for a balanced mix of social infrastructure (encompassing facilities, services, projects and events) that meet the needs of the diverse communities that make up the District.
- b) This mix is to be delivered district-wide, locally, and for particular sectors.
- c) To meet those different needs Council provides a range of funding to external parties in the form of grant payments, concessions and community loans.
- d) Council seeks information, input and applications from the public in order to ensure it puts these limited funds to good use in serving the Whangarei District.
- e) Council aims to ensure that both the commonly expected social infrastructure, and iconic and/or unique events and services are supported through this policy.

5.1 Key principles that apply to grants, concessions and loans processes:

- a) Inclusion
- b) Equity/fairness
- c) Consistency
- d) Transparency
- e) Efficiency
- f) Effectiveness.

6 Priorities

- a) Each Fund has priorities, eligibility and criteria that relates to its specific purpose. These are outlined in the guidance information for each Fund.
- b) Specific priorities may be set from time to time by Council.

6.1 Generally, Council will consider financially supporting activities:

- a) That align with Council's roles and strategic directions
- b) That contribute to Council's Long Term Plan (LTP) Community Outcomes
- c) "Sense of Place" projects
- d) That benefit the wider community or a sector of the community
- e) That respond to a current or future community need
- f) That demonstrate financial sustainability and planning.

6.2 Generally Council will not support:

- a) Activities:
 - i. where the primary purpose is to promote religious, political, or commercial activity
 - ii. it considers are the core business of another organisation or service provider
 - iii. it considers the responsibility of a central government agency.
- b) Retrospective expenses, debt servicing, social functions, gambling/prize money, travel costs, conference fees, or costs related to fines or disputes.
- c) Organisations it has significant concerns with, financial or otherwise.

7 Processes

The general processes which relate to this Policy are outlined below. These processes are provided in more detail in the Operational Guidelines.

7.1 Administration

- a) Community Services has an overview role for all of Whangarei District Council's grants, concessions and loans, and for this Policy. Community Services:
 - i. ensures each Fund is administered in line with this Policy
 - ii. ensures budgets for each Fund are set in advance based on recognised need
 - iii. collates the annual reporting to Council.
- b) Each Fund is administered by its relevant department.

7.2 Policy amendments

- a) Any amendments to this Policy will be considered for recommendation by the Community Funding Subcommittee, and referred to Council for approval.

7.3 Budgets

- a) The Annual Plan sets out the budget and explains how Council intends to finance the activities and services it provides for the next financial year as directed by the current LTP.
- b) Once allocated, these budgets are administered by Council staff.

7.4 Information & support

- a) Information about each Council Fund is available to the public at www.wdc.govt.nz and from Council staff.
- b) Support with queries and funding applications is provided to suitable levels, and in a timely fashion. This support is provided by the Council staff that administer each Fund.

7.5 Assessment and Approval Process

- a) Funding approvals will be made in accordance with delegated authorities established by Council from time to time. As such, some Funds will be decided by Council or Council Committees and Subcommittees, whilst others will be decided by Council staff under the delegated authority of Council.
- b) The process for assessing each request for funding will vary between Funds.
- c) The decision of Council on distribution of funds is final and no review or appeal will be considered.

7.6 Recipient Agreements

- a) All grants, concessions and loans must have in place a written agreement between the recipient and Council.
- b) The nature of these agreements varies based on the size, type and significance of:
 - i. the Fund; **and**
 - ii. the grant, concession or loan.
- c) Guidelines for the minimum type of agreement are outlined in the Grants, Concessions and Loans Operational Guidelines.

7.7 Recipient Reporting

- a) Reporting to Council from the recipient is required for many grants, concessions and loans.

- b) The nature of the required reporting varies based on the size, type and significance of:
 - i. the Fund; **and**
 - ii. the grant, concession or loan.
- c) Guidelines for the minimum reporting levels are outlined in the Grants, Concessions and Loans Operational Guidelines.

7.8 Reporting to Council

- a) Within three months of the end of each financial year, Council staff will submit a report to Council on the grants, concessions and loans activity for the previous financial year (1 July-30 June).
- b) This report will provide a comprehensive summary of Council support to external parties via grants, concessions and loans.

SECTION 2 – The Funds

8 Grants

- a) Council provides a range of grants to external parties. They are sorted into four categories.

8.1 Grant categories:

- a) One-off Grants
- b) Contestable Grants
- c) Operational Grants
- d) Transition Grants.

8.1.1 The following financial conditions apply to all grants:

- a) All grants are exclusive of GST. If the payee is registered for GST this must be stated on the application form, and the payment of the grant will have the GST component added to the approved grant amount.
- b) Payment of grants will only be made on receipt of:
 - i. a standard invoice - if not GST registered, **or**
 - ii. an official tax invoice - if GST registered.

If applicable, a payment schedule will be negotiated with Council staff.

- c) Where funds are approved contingent upon the procurement of other funds or specific conditions, proof of success must be provided before Council funds are advanced.

8.2 One-off Grants

- a) One-off Grants can be approved by Council through the Annual Plan and LTP processes. These grants will generally be for significant capital developments or events.
- b) These grants are entirely at the discretion of Council. As such, this policy is not directly relevant; however the principles within it can be used to guide Council in its decision making with relation to One-off Grants.
- c) *Note: In the case of grants, "capital" means maintenance or development of assets not owned by Council.*

8.3 Contestable Grants

- a) Contestable Grants are application based, and are generally open for applications for one or more fixed time period during each financial year. These application periods are known as "funding rounds".
- b) Every Contestable Grant follows the outlined:
 - i. Process
 - ii. Priorities
 - iii. Eligibility
 - iv. Funding limits
 - v. Expenditure prior to approval
 - vi. Conditions.

8.3.1 Process

- a) A funding round for a Contestable Grant is opened with publication of the Contestable Grant at least one month prior to the closing date of that funding round.
- b) Applications are received by Council staff until the closing date of the funding round.
- c) Once the funding round has closed, applications are assessed, and presented to a Council committee or subcommittee for consideration and allocation of grants.
- d) Applicants are notified of the result of their application, successful applicants are invited to invoice Council for the allocated grant.

8.3.2 Priorities

- a) Priorities relating to the purpose of each Contestable Grant are set prior to applications being sought.
- b) The priorities for a Contestable Grant may remain constant from funding round to funding round, or vary.
- c) The priorities are publicised when applications are sought, and attached to the application form for each fund.

8.3.3 Eligibility

- a) To be eligible to apply for Council's application based Contestable Grants, applicants must:
 - i. be "not for profit" and have legal status, or be working under an umbrella group/organisation which meets these criteria
 - ii. not have a bad credit record
 - iii. display appropriate financial management and procedures
 - iv. have a positive track record of funding from Council (if previously funded)
 - v. not be applying for a grant for an activity that Council is already providing the organisation financial support for.
- b) Each Contestable Grant has specific eligibility and ineligibility criteria that relates to its purpose. These criteria are contained in the application form and guidance for each Contestable Grant.
- c) All projects/events must not have started prior to the closing date of the funding round applied to.

8.3.3.1 In addition to the general ineligibility guidelines outlined in Section 1, the following apply to Contestable Grants:

- a) Generally, applications will not be accepted from:
 - i. government agencies
 - ii. schools

- iii. individuals (except to the Creative Communities Scheme).
- b) Generally Council will not support activities or initiatives where the applicant has sufficient revenue streams and/or resources to fund the initiative themselves.
- c) Applicants that have previously received a grant or concession from Council must have supplied all required reporting, and had this reporting accepted before any further applications will be considered.

8.3.4 Grant Limits

- a) The maximum funding limits are detailed in the application guidance for each Contestable Grant.
- b) Council reserves the right to consider grants in excess of the maximum funding limits.
- c) Council wishes to "fund for success", so reserves the right to vary grant limits and will consider applications for more than the maximum indicated for any Contestable Grant in exceptional circumstances.
- d) Council recognises that granting a portion of an application can be ineffective in situations where the balance required may not be forthcoming. In these circumstances, while an application may be supported in principle, Council funding may be declined.
- e) An applicant may only receive one Contestable Grant (grants provided from the Creative Communities Scheme are excluded from this count) per financial year (1 July – 30 June) except where:
 - i. they are acting as an "umbrella" applicant for an otherwise ineligible applicant; **or**
 - ii. an unforeseen opportunity arises that would disadvantage the District if not taken up; **or**
 - iii. Council has otherwise agreed the applicant can apply again in that year.

8.3.5 Expenditure prior to approval

- a) Where projects/events begin after the closing date of the funding round applied to but before the application is considered by Council, the applicant may elect to proceed with expenditure.
- b) Such expenditure would not be deemed to be "retrospective".
- c) However, any expenditure incurred is at the applicant's risk, as there is no guarantee a grant will be forthcoming.

8.3.6 Conditions

- a) Conditions that apply to any Contestable Grants advanced will be published in the application guidance for each Contestable Grant.
- b) Council may set additional terms and conditions for any grant advanced at its discretion.
- c) Standard terms that apply to all Contestable Grants are:
 - i. all applications must be made on the appropriate application form and must be supported by the specified documentation
 - ii. All applications must be received by the closing date of the funding round, unless otherwise negotiated
 - iii. any grant must be spent on the purpose for which the application was made within the notified period (generally within 12 months)
 - iv. grant recipients must acknowledge Council support in any relevant promotional materials and communications
 - v. any unspent funds at the conclusion of the project/initiative must be returned to Council, unless otherwise negotiated
 - vi. grant recipients must submit a report outlining the use of the funds.

8.4 Operational Grants

- a) Operational Grants are provided annually to organisations that provide valued services and facilities to Council and communities.
- b) Operational Grants are provided from various parts of Council, for a range of purposes.
- c) Most Operational Grants are historical in nature.
- d) Every Operational Grant follows the outlined:
 - i. Process
 - ii. Priorities & Eligibility
 - iii. Funding limits
 - iv. Conditions.

8.4.1 Process

- a) From 2015-2016 Operational Grants are provided by invitation only, after either:
 - i. a history of receiving regular non-contestable grants from Council; **or**
 - ii. at least one year in the Transition Grant Fund.
- b) Organisations that want to be considered to receive an Operational Grant must have an existing funding relationship with Council (e.g. through Contestable Grants and/or contracts), and must apply to the Transition Fund (see 8.5).
- c) Operational Grant payments are approved yearly either by a Council committee, or by Council staff under the delegated authority of Council.
- d) Prior to annual approval of all Operational Grant payments, an assessment process occurs. For each Operational Grant, Council must clearly indicate that:
 - i. the service or activity being supported meets Council's Community Outcomes, and/or policies and/or strategies; **and**
 - ii. the combined level of service and community benefit from the grant provision exceeds that which would have been achieved if the Council had allocated the funds for comparable services through an alternate grant or tendered contract for service; **or**
 - iii. the grant is the only reasonable way to gain the benefits required.
- e) When this assessment indicates that an Operational Grant does not meet the requirements above, the grant may be referred into the Transition Grant Fund exit process (detailed in the Operational Guidelines).
- f) When this occurs an Operational Grant may become a Transition Grant for a maximum of two years whilst a decision is being made as to the future of the grant. See the Transition Fund (8.5) for more details.

8.4.2 Priorities & Eligibility

- a) Due to the range of Operational Grants provided, many types of entity (and some individuals) receive Operational Grants.
- b) As such there are no set priorities or eligibility criteria which apply to all Operational Grants.
- c) Each type of Operational Grant has its own set of priorities and eligibility criteria. These are set out in the guidance materials for each grant.

8.4.3 Funding Limits

- a) Each Operational Grant Fund has budget allocated during the Annual Plan process. These budgets will guide the allocation of Operational Grants for the financial year.

8.4.4 Conditions

8.4.4.1 Agreements

- a) In order to allow Council to interpret value for service, all grant recipients must have a formal agreement with Council in place in order to receive a grant. If one is not yet in place, it must be arranged prior to the next payment.
- b) These agreements will range in complexity dependent on level of service and size of grant.
- c) Guidance on the recommended level of agreements for Operational Grants can be found in the Operational Guidelines.

8.4.4.2 Reporting

- a) All grant recipients must report against the funding agreement in place with Council.
- b) The level of reporting will range in complexity dependent on level of service and size of grant.
- c) Guidance on the recommended level of reporting for Operational Grants can be found in the Operational Guidelines.

8.5 Transition Grants

- a) As part of the Annual Plan process, Council will allocate a quantum to the Transition Fund, for the allocation of Transition Grants. Transition Grants are the entry and exit point for Operational Grants.
- b) Applications for Transition Grants are open at least once each year to organisations that are seeking to transition from receiving One-off and/or Contestable Grants to having a more secure operational funding relationship with Council.
- c) Applications are likely to be invited:
 - i. from organisations that have a stable and successful relationship with Council
 - ii. when it is evident that there is significant community benefit to supporting the organisation.
- d) For the year of the Transition Grant, an agreement is in place, outlining deliverables to be met in order to receive an Operational Grant in the following year.
- e) After one year, each recipient of a Transition Grant will be assessed against the deliverables outlined in the agreement that is in place.
 - i. If all deliverables outlined in the agreement are met, in most circumstances the organisation will be moved into the Operational Grant cycle for future years.
 - ii. If all deliverables are not met, in most circumstances the Transition Grant will cease and the applicant will be directed to find alternate funding sources.
 - iii. In some cases Council may offer the recipient a maximum of one further year in the Transition Fund, if it believes the recipient can meet the agreed deliverables in the following year. This approach is used cautiously in order to manage expectations of Transition Grant recipients.

9 Concessions

- a) Council provides a range of concessions to external parties.
- b) Concessions are sorted into three categories.

9.1 Concession categories:

- a) One-off Concessions
- b) Operational Concessions
- c) Transition Concessions.

9.2 One-off Concessions

- a) One-off Concessions can be approved by Council through the Annual Plan and LTP processes, or otherwise in committee.
- b) These concessions are entirely at the discretion of Council. As such, this policy is not directly relevant; however the principles within it can be used to guide Council in its decision making with relation to One-off Concessions.

9.3 Operational Concessions

- a) Operational Concessions are provided annually to organisations and individuals that provide valued services and facilities to Council and communities.
- b) Operational Concessions are provided from various parts of Council, for a range of purposes.
- c) Operational Concessions are usually provided by invitation.
- d) Many Operational Concessions are historical in nature.
- e) Every Operational Concession follows the outlined:
 - i. Process
 - ii. Priorities & Eligibility
 - iii. Funding limits
 - iv. Conditions.

9.3.1 Process

- a) Operational Concessions are approved yearly either by a Council committee, or by Council staff under the delegated authority of Council.
- b) From 2015-2016 Operational Concessions are provided by invitation only, after either:
 - i. a history of receiving Operational Concessions from Council; **or**
 - ii. at least one year of receiving a Transition Concession.
- c) Organisations that want to be considered to receive an Operational Concession must have an existing funding relationship with Council (e.g. through Contestable grants and/or contracts, or One-off Concessions), and must apply through the Transition Concession process (see 9.4 and the Operational Guidelines).
- d) Operational Concessions are approved yearly either by a Council committee, or by Council staff under the delegated authority of Council.
- e) Prior to annual approval of all Operational Concessions, an assessment process occurs. For each Operational Concession, Council must clearly indicate that:
 - i. the service or activity being supported meets Council's Community Outcomes and/or policies and/or strategies; **and**

- ii. the combined level of service and community benefit from the concession provision exceeds the income it has forgone; **or**
 - iii. the Operational Concession is the only reasonable way to gain the benefits required.
- f) When this assessment indicates that an Operational Concession does not meet the requirements above, the grant may be referred into the Transition Concession exit process (detailed in the Operational Guidelines).
- g) When this occurs an Operational Concession may become a Transition Concession for a maximum of two years whilst a decision is being made as to the future of the concession. See the Transition Concessions (9.4) for more details.

9.3.2 Priorities & Eligibility

- a) Due to the range of Operational Concessions provided, many types of entity (and some individuals) receive Operational Concessions.
- b) As such there are no set priorities or eligibility criteria which apply to all Operational Concessions.
- c) Each type of Operational Concession has its own set of priorities and eligibility criteria. These are set out in the guidance materials for each concession.

9.3.3 Funding Limits

- a) Each Operational Concession has budget allocated during the Annual Plan process each year. These budgets will guide the allocation of Operational Concessions for the financial year.

9.3.4 Conditions

9.3.4.1 Agreements

- a) In order to allow Council to interpret value for service, all recipients of Council Operational Concessions must have a formal agreement with Council in place. If one is not yet in place, it must be arranged prior to the next Concession being approved.
- b) These agreements will range in complexity dependent on the type, size and purpose of the Operational Concession.
- c) Guidance on the recommended level of agreements for Operational Concessions can be found in the Operational Guidelines.

9.3.4.2 Reporting

- a) Most recipients of Operational Concessions are not required to report against the funding agreement in place with Council.
- b) The level of reporting (if any) will range in complexity dependent on the type, size and purpose of the Operational Concession.
- c) Guidance on the recommended level of reporting for Operational Concessions can be found in the Operational Guidelines.

9.4 Transition Concessions

- a) Transition Concessions are the entry and exit point for Operational Concessions.
- b) No budget is specifically allocated to Transition Concessions.
- c) Applications for Transition Concessions are open at least once each year to organisations that are seeking to transition from receiving One-off Concessions to having a more secure financial relationship with Council.
- d) Applications are likely to be invited:
 - i. from organisations that have a stable and successful relationship with Council
 - ii. when it is evident that there is significant community benefit to supporting the organisation.
- e) For the year of the Transition Concession, an agreement is in place, outlining deliverables to be met in order to receive an Operational Concession in the following year.
- f) After one year, recipients of a Transition Concession will be assessed against the deliverables outlined in the agreement that is in place.
 - i. If all deliverables outlined in the agreement are met, in most circumstances the organisation will be moved into the Operational Concession cycle for future years.
 - ii. If all deliverables are not met, in most circumstances the Transition Concession will cease and the applicant will be directed to find alternate funding sources.
 - iii. In some cases Council may offer the recipient a maximum of one further year of a Transition Concession, if it believes the recipient can meet the agreed deliverables in the following year. This approach is used cautiously in order to manage expectations of Transition Concession recipients.

10 Multiple grants and concessions

- a) Where one entity receives multiple grants and/or concessions from Council for a range of purposes, care must be taken to ensure that agreement and reporting requirements take all arrangements into consideration.
- b) In most cases this will result in:
 - i. one funding agreement; **and**
 - ii. one set of required reporting required.
- c) The minimum and agreement requirement should reflect the total of all grants and concessions, and encompass all requirements of all grants and concessions.
- d) An organisation's entire package of grants and concessions must also be taken into consideration when assessing grants and concessions each year. For example, if an organisation's Operational Grant is sent into the Transition Grant process for consideration under the exit process, any other Operational Grants and/or Operational Concessions should be considered at this time too.

11 "In kind" contributions

- a) Council sometimes makes "in kind" contributions to organisations in the form of donation of products or other goods.
- b) For the purposes of this policy, "in kind" contributions generally do not require any agreements or reporting from the recipient.
- c) "In kind" contributions are reported to Council in the Annual Report.

12 Loans

- a) Loans are provided from two Funds:
 - i. Reserve Development: for developing community assets for recreation purposes on Council-owned land
 - ii. Recreation Development: for developing community assets for recreation purposes on land that is not Council-owned.
- b) These loans are referred to as Community Loans.

12.1 Recreation Definition

- a) For the purposes of Community Loans, “Recreation” is defined as “activity done for enjoyment when one is not working”.

12.2 Process

- a) Organisations can apply at any time for a Community Loan, by completing the Community Loan application form. This form is available on the WDC website, or from Council customer service counters.
- b) Council staff will initially review the application, and once prepared, present it to a Council committee.
- c) Loan decisions will be made by the appropriate committee of Council and in accordance with their established delegated authority.

12.3 Criteria

- a) Council will support loan applications for the development, improvement or maintenance of recreational facilities.
- b) Council reserves the right to consider loan applications for other projects at their discretion.

12.4 Eligibility

- a) To be eligible to apply for a Community Loan, the applicant group/organisation must be a recreation provider and have an appropriate legal status.
- b) Community Loans are not available for retrospective costs or debt servicing.

12.5 Limits

- a) Applicants must demonstrate a minimum 50% contribution towards the project.
- b) The first \$100,000 will be interest free and any further portion will be interest bearing.
- c) Council reserves the right to consider loan applications outside of these limits.

12.6 Conditions

- a) Conditions that could apply to any loan approvals will be listed in the application form. Council may set additional terms and conditions for any loan approved at their discretion.
- b) The following conditions apply to any loan approvals:
 - i. loans will only be made to recreation providers
 - ii. applicants must generally demonstrate a minimum 50% contribution towards the project
 - iii. generally, the first \$100,000 will be interest free and any further portion will be interest bearing
Council retains the right to vary this policy
 - iv. generally, the maximum repayment period shall be 8 years

- v. frequency of repayments will be negotiated with the borrower
- vi. the ability to meet loan repayments is a critical consideration in approving a loan
- vii. legal expenses will be the responsibility of the applicant, but may be included in the loan
- viii. loans will be formally executed and will be secured as Council deems appropriate
- ix. loans are generally not available to retire or restructure current debt, but Council may consider this in exceptional circumstances, such as where the ongoing viability of an organisation is under threat
- x. loans may be subject to other conditions imposed by Council
- xi. loan draw downs may be by installment at Council's option and Council may require copies of applicant's invoices from suppliers for supplies to which the loan relates
- xii. for GST registered organisations, the GST portion of costs will not be funded by the loan
- xiii. financial Statements must be provided to Council annually during the term of the loan
- xiv. in the case of any default on repayments, Council will work with the organisation and the parent body (if applicable) to remedy the situation as quickly as possible
- xv. if the financial position of an organisation deteriorates to the point that loan repayment is not possible, Council will exercise its rights as specified in the loan agreement
- xvi. any arrears of repayments will be reported to the Community Funding Subcommittee.

13 Adoption

This Policy has been approved for adoption by the Community Services Manager and the Group Manager District Living in May 2015.