

# Draft Funding Programs Policy

Strategic Alignment - Our Community

Public

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City Community Services and  
Culture Committee

**Program Contact:**

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Shaping

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## EXECUTIVE SUMMARY

The purpose of this report is to seek Council approval of the Draft Funding Programs Policy (Draft Policy).

On 13 February 2024, Council endorsed the Draft Policy for the purposes of public consultation. Community consultation was undertaken in accordance with the endorsed Engagement Plan and took place over a four-week period between 8 March and 5 April 2024.

Engagement strategies included:

- emails to all previous Grant Applicants registered with Smarty Grants
- emails to Grant Program distribution lists
- online engagement through YourSay Adelaide

This report analyses the 20 survey responses and seven written responses received during the community consultation.

Over two-thirds of survey respondents agreed with the proposed funding principles, eligibility framework and funding management process.

As a result of community and stakeholder feedback, minor amendments are proposed to the Draft Policy, which are detailed in this report.

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## RECOMMENDATION

The following recommendation will be presented to Council on 11 June 2024 for consideration:

THAT THE CITY COMMUNITY SERVICES AND CULTURE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Notes the Draft Funding Programs Policy Consultation Summary contained in Attachment A to Item 7.2 on the Agenda for the meeting of the City Community Services and Culture Committee held on 4 June 2024.
  2. Adopts the Funding Programs Policy, Attachment B to Item 7.2 on the Agenda for the meeting of the City Community Services and Culture Committee held on 4 June 2024.
  3. Authorises the Acting Chief Executive Officer or delegate to make minor, typographical or syntactical updates to Attachment B to Item 7.2 on the Agenda for the meeting of the City Community Services and Culture Committee held on 4 June 2024, for the purposes of finalising the document for publication.
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## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p><b>Strategic Alignment – Our Community</b></p> <p><b>Strategic Alignment – Our Economy</b></p> <ul style="list-style-type: none"> <li>• Support our communities to thrive</li> <li>• Create fun, lively and interesting experiences</li> <li>• Celebrate and honour community and cultures</li> <li>• Continue to grow our economy in alignment with the community</li> <li>• Create strong skilled workforces</li> <li>• Support existing businesses to be agile and responsive to change</li> </ul>
Policy	<p>This report proposes the adoption of a Draft Funding Programs Policy (Draft Policy) to inform City of Adelaide (CoA) and its subsidiaries funding provided to external organisations.</p> <p>Funding is currently informed by Operating Guidelines for each program. These Operating Guidelines will be reviewed to ensure they align with the new Funding Programs Policy.</p>
Consultation	<p>In accordance with the Engagement Plan endorsed by Council on 13 February 2024, as shown at <a href="#">Link 1</a>, community consultation occurred over a four-week period between 8 March and 5 April 2024.</p>
Resource	<p>Existing resources will be utilised to review existing Operating Guidelines of each CoA funding program and to transition all programs to the SmartyGrants platform.</p>
Risk / Legal / Legislative	<p>A 2023/24 Grants Management Internal Audit Report by KPMG found the CoA has a decentralised and inconsistent approach to funding across the organisation, which has a high-risk rating in relation to Council’s reputation. This risk will be mitigated through adherence to the Draft Policy.</p>
Opportunities	<p>This Draft Policy ensures there is a transparent and equitable approach to funding external organisations to co-deliver the CoA Strategic Plan 2024-2028.</p>
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	The quantum of funding allocated to CoA funding programs is determined through the annual Business Plan and Budget process.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

# DISCUSSION

1. Through its various funding programs, the CoA supports a diverse range of initiatives and projects that strengthen the social, cultural, economic, and environmental aspects of the city. This includes partnerships with the community and businesses to realise outcomes aligned with the CoA Strategic Plan 2024-2028.
2. A 2023/24 Grants Management Internal Audit Report (Grants Audit) by KPMG found that the CoA has a decentralised and inconsistent approach to funding across the organisation, which has a high-risk rating in relation to Council's reputation.
3. The development of a Draft Funding Programs Policy (Draft Policy) was informed by a workshop held with Council Members on 7 November 2023 and through internal consultation with staff responsible for managing CoA funding programs.
4. On 10 November 2023, the Audit and Risk Committee noted that the Draft Policy incorporated recommendations from the Grants Audit.
5. The Draft Policy provides a unifying framework for the provision and management of all funding programs across the CoA and its subsidiaries. It informs a collaborative and integrated approach to developing Operating Guidelines for all CoA funding programs and establishes a general eligibility framework for applicants. This is outlined in the Draft Policy through the following sections:
  - 5.1. Funding Priorities
  - 5.2. Funding Program Principles
  - 5.3. Eligibility Framework
  - 5.4. Funding Programs Management Process.
6. The Draft Policy has been designed to be read in conjunction with specific Operating Guidelines for each funding program.
7. On 13 February 2024, Council resolved:

*'That Council*

  1. *Endorses the draft Funding Programs Policy, Attachment A to Item 9.2 on the Agenda for the City Community Services and Culture Committee held on 6 February 2024, for the purpose of public consultation.*
  2. *Endorses the draft Funding Programs Policy High-Level Engagement Plan contained in Attachment B to Item 9.2 on the Agenda for the City Community Services and Culture Committee held on 6 February 2024.*
  3. *Authorises the Acting Chief Executive Officer or delegate to make minor and technical amendments to the documents contained in Attachment A and Attachment B to Item 9.2 on the Agenda for the City Community Services and Culture Committee held on 6 February 2024, for the purposes of finalising the documents for public consultation.'*

## Community Consultation

8. Community consultation on the Draft Policy occurred over a four-week period between 8 March and 5 April 2024.
9. To ensure the community was informed and aware of their opportunities to provide feedback, consultation strategies included:
  - 9.1. emails to all previous grant applicants registered with Smarty Grants (emails were sent in the first and last week of the consultation period to over 2,000 previous grant applicants)
  - 9.2. emails to funding programs distribution lists
  - 9.3. online engagement through YourSay Adelaide
  - 9.4. information to stakeholders via regular grants updates.
10. The Adelaide West End Association promoted community consultation on the Draft Policy through their March 2024 newsletter.

## Consultation Findings

11. As part of the consultation activities undertaken, Council received:
  - 11.1. 889 'aware' visitors to the YourSay Adelaide page, and of these, 212 explored the available consultation materials more closely
  - 11.2. 20 survey responses
  - 11.3. seven written responses.
12. 70% of the submissions were provided on behalf of an organisation. 25% identified as City Ratepayers.
13. From the 20 survey responses, Administration heard:
  - 13.1. 75% of respondents agreed with the Funding Program Principles.
  - 13.2. 70% of respondents agreed with the Eligibility Framework.
  - 13.3. 75% of respondents agreed with the Funding Management Process.
14. Of the generic feedback received, Administration heard:
  - 14.1. appreciation of the opportunity to provide feedback
  - 14.2. support for developing the Draft Policy to ensure a more consistent, clear and transparent process
  - 14.3. appreciation for recognising individual sectors such as city communities and small businesses.
15. The primary themes from the feedback received are:

Theme	Context	Administration Comment
Transparency	30% of respondents raised the importance of transparency. Some feedback referred to ensuring transparency in the way the Draft Policy is adopted across different funding programs.	The Draft Policy requires all CoA funding programs to utilise SmartyGrants and set clear funding management processes.
Restrictive Eligibility	30% of respondents indicated funding eligibility was too restrictive or not restrictive enough. One respondent was not supportive of 'for-profit' organisations being eligible to apply for funding, but another felt that core business activities should be supported. Other comments focussed on difficulties in restricting organisations to one successful application per year per program and another did not agree with funding projects focusing on gender, culture, sexuality or religion.	The Draft Policy encompasses CoA distributing funding through a grant, incentive, or sponsorship, and so the eligibility is broad.  Individual funding programs will have specific eligibility conditions within their respective Operating Guidelines.
Clear and Concise	25% of respondents indicated that the Draft Policy was clear and concise, enabling a better understanding of the application process.	Noted
Community Representation	25% of respondents supported funding for community organisations.	Noted
Value for Money	20% of respondents sought more clarity on what 'value for money' or 'good return on investment' looked like from CoA's perspective and questioned how this would be measured.	Grants managers will be required to utilise the SmartyGrants Outcomes Engine to ensure a more consistent approach to managing and reporting on the outcomes of funded projects.

16. The secondary themes from the feedback received are:

Theme	Context
Process Improvements	25% of respondents suggested process improvements to existing CoA funding programs.
Arts and Culture Funding	20% of respondents advocated for more funding support of the arts and culture sector.
Budget	15% of respondents recommended increased grant funding to enable the CoA to support more large multi-year funding requests

17. Consultation feedback has been analysed and the consultation summary is provided in **Attachment A** to this report.

### Amendments to the Draft Policy

18. In response to the feedback received and further review by the Administration, minor amendments are proposed to the Draft Policy. These proposed amendments are shown as tracked changes at [Link 2](#) and summarised below:
- 18.1. Incorporated a definition of ‘value for money’, explaining this is informed by a variety of factors, including:
    - 18.1.1. the quality of the project proposal and activities
    - 18.1.2. the fit for purpose nature of the proposal in contributing to CoA’s objectives
    - 18.1.3. the benefit of the proposal to the city community
    - 18.1.4. the co-contribution of the applicant in the form of cash, volunteer time, donated materials, other funding sources, including fundraising
    - 18.1.5. the applicant’s relevant experience, performance history and financial capacity to deliver.
  - 18.2. Amended the eligibility criteria to enable applicants to apply for multiple grants in the same financial year providing only one of the grants requested is for an amount greater than \$10,000. This supports organisations that access small grants or incentives of between \$2,000 and \$5,000 to apply for larger funding opportunities when they arise. This also supports organisations that only apply for one or two small grants in a year, totalling less than \$10,000.
  - 18.3. Clarified the term ‘core business activities’, being the normal activities and costs of a business that are necessary to maintain its operations including customer service, accounting, rent and utilities, maintenance, stock management, and permanent salary costs, regardless of whether the proposed project would go ahead.
  - 18.4. Amended wording in relation to the equitable distribution of funding to give more weighting to organisations that have not received funding of \$40,000 or more from CoA or its subsidiaries in the same or previous financial year. This supports smaller organisations that apply for several projects per year compared to large organisations delivering major projects in the city.
19. A revised Draft Policy is shown in **Attachment B**.

### Next Steps

20. Subject to Council adopting the Draft Policy in June 2024, Operating Guidelines for all CoA funding programs will be updated before implementing these programs in 2024/25 to ensure consistency with the Draft Policy.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – High Level Engagement Plan

**Link 2** – Draft Funding Programs Policy with tracked changes

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# ATTACHMENTS

**Attachment A** – Draft Funding Programs Policy Consultation Summary

**Attachment B** – Funding Programs Policy

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