

## 9.3 Grants Commission Financial Assistance Grant 2023-24

REPORT BY THE FINANCIAL PLANNING CO-ORDINATOR  
TO 18 OCTOBER 2023 ORDINARY MEETING  
GOV400103, GRA600041

### RECOMMENDATION

#### That Council:

1. **receive the report by the Financial Planning Co-Ordinator on the Grants Commission Financial Assistance Grant 2023-24;**
2. **note the correspondence received from the Local Government Grants Commission attached to this report;**
3. **amend the 2023/24 Budget to recognise a transfer from other internal restrictions due to the advance payment of part of the 2023/24 financial assistance grant being a general purpose component of \$5,227,865 and local roads component of \$3,085,479 and offset with an equal amount of reduction in grant income;**
4. **amend the 2023/24 Budget to increase grant income for the general purpose component by \$673,734 and the roads component by \$328,303; and**
5. **amend the 2023/24 Budget to increase the Rural Sealed Extension program budget expenditure by the increased roads component grant amount of \$328,303, with the balance of funds to increase General Fund unrestricted cash by \$673,734.**

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### Executive summary

Council has received the attached letter from the Local Government Grants Commission regarding financial assistance grants (FAGs). The letter advises that Mid-Western Regional Council's 2023/24 financial assistance grant estimated entitlement is an increase of 5.4% compared to the 2022/23 final entitlement. Based on this advice it is recommended to amend Council's 2023/24 budget to recognise the carry forward of the advance payment made in 2022/23 financial year to 2023/24 and to recognise the higher than budgeted grant income for the 2023/24 allocation. This is a net increase of grant funding by \$1,002,037.

### Disclosure of Interest

Nil

### Detailed report

The Council's 2023/24 financial assistance grant estimated entitlement compared to 2022/23 final entitlement is as follows:

**Council’s Financial Assistance Grants Entitlement:**

Year	General Purpose	Local Roads	Total
2022/23 Payments	\$4,790,305	\$2,797,848	\$7,588,153
2022/23 CPI/Population Adjustment	\$243,692	\$133,439	\$377,131
<b>2022/23 final</b>	<b>\$5,033,997</b>	<b>\$2,931,287</b>	<b>\$7,965,284</b>
<b>2023/24 estimate</b>	<b>\$5,319,549</b>	<b>\$3,077,246</b>	<b>\$8,396,795</b>

**Council’s 2022/23 Financial Assistance Grants Payments Due:**

Year	General Purpose	Local Roads	Total
2023/24 estimate	\$5,319,549	\$3,077,246	\$8,396,795
2022/23 CPI/Population Adjustment	\$243,692	\$133,439	\$377,131
<b>2023/24 entitlement</b>	<b>\$5,563,241</b>	<b>\$3,210,685</b>	<b>\$8,773,926</b>
2023/24 Advance Payment (Paid in June 2023)	\$5,227,865	\$3,085,479	\$8,313,344
2023/24 Anticipated Payments	\$335,376	\$125,208	\$460,584
<b>Total Payments</b>	<b>\$5,563,241</b>	<b>\$3,210,687</b>	<b>\$8,773,928</b>

Council’s current FAGs entitlement includes \$5,563,241 for the General Purpose component and \$3,210,685 for the Local Roads component, a total of \$8,773,926 after CPI/Population adjustment for the prior year.

Councils received approximately 94.75 percent of their estimated 2023/24 FAGs on 23 June 2023. Mid-Western Regional Council received a total of \$8,313,344 in advance and have accounted for this as internally restricted funds as at 30 June 2023.

**Proposed Budget Variation:**

Budget	General Purpose	Local Roads	Total
2023/24 entitlement	<b>\$5,563,241</b>	<b>\$3,210,685</b>	<b>\$8,773,926</b>
2023/24 Current Budget	\$4,889,507	\$2,882,382	\$7,771,889
<b>2023/24 Proposed Budget Variation</b>	<b>\$673,734</b>	<b>\$328,303</b>	<b>\$1,002,037</b>

Council’s current budget includes \$4,889,507 for the General Purpose component and \$2,882,382 for the Local Roads component, a total of \$7,771,889. Therefore, the budget adjustments required are to increase the General Purpose component by \$673,734 and Local Roads component by \$328,303 a total of \$1,002,037.

The letter also importantly highlights that:

***SPECIAL SUBMISSIONS RELATING TO 2023-24 GRANTS***

*As usual, special submissions from councils will be considered by the Commission.*

*The purpose of a submission is to give council the opportunity to present information on the financial impact of inherent expenditure disadvantages beyond its control that are not generally recognised in the current methodology.*

*This allows the Commission to adequately consider all legitimate factors that affect council's capacity to deliver services.*

It is not anticipated that a Special Submission is required at this time.

## Community Plan implications

<b>Theme</b>	<b>Good Government</b>
Goal	Good communications and engagement
Strategy	Improve communications between Council and the community and create awareness of Council's roles and responsibilities

## Strategic implications

### Council Strategies

Not Applicable

### Council Policies

Not Applicable

### Legislation

Not Applicable

## Financial implications

The total grant funding is not restricted therefore Council's budgeted unrestricted cash will increase by \$2,443,228.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2023/24	✓	✗	✓
Future Years	-	-	-

## Associated Risks

Not Applicable

MYOORAN VINAYAGAMOORTHY  
FINANCIAL PLANNING CO-ORDINATOR

LEONIE VAN OOSTERUM  
DIRECTOR CORPORATE SERVICES

22 September 2023

*Attachments:* Nil

APPROVED FOR SUBMISSION:

BRAD CAM  
GENERAL MANAGER