

3. COMMUNITY FUNDING REVIEW

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The purpose of this report is to bring together two issues associated with the Council's community funding. The first is the implementation of the recommendations of the Community Funding Review carried out in 2003 and the second is the resolution of the Council in July 2003 prompted both by the new requirements of the Local Government Act 2002 and relating to the number of grant submissions on the Annual Plan. This report sets out some proposals that will meet these requirements and simplify the range of funds available to community groups and will overcome these issues. This report will be presented to both the Community and Leisure and the Strategy and Finance Committees.

BACKGROUND

Following several seminars and community consultation, the Community Funding Review was adopted by the Council in May 2003. The recommendations adopted by the Council at its May meeting are attached.

The Review recommended some streamlining of the various funds that community groups can apply for. As a result of that work, the main funding streams were to be:

1. Grants to Community Organisations, also known as Major Grants, (to also include Keep Christchurch Beautiful funding) and to be administered through the Metropolitan Funding Subcommittee of the Strategy and Finance Committee.
2. Merging the Metropolitan Community Discretionary Fund, Metropolitan SCAP, Social Initiatives Fund and a range of metropolitan grants set out as line items in the Community Relations Unit budget, into a new Metropolitan Community Fund to be administered through the Community and Leisure Committee.
3. Continuing with the Community Board Project and Discretionary, Community Worker Project and Community SCAP funds administered by Community Boards.

The report identified the need to look at some other grants that appear in other parts of the budget. These are discussed later in this report.

At this year's Annual Plan hearings, there were a significant number of submissions from groups seeking funding, including a number of groups which had been unsuccessful in other Council funding rounds. Councillors were concerned that the Annual Plan process was providing more than one opportunity seek Council support. As a means of addressing this issue the Annual Plan Subcommittee recommended to the Council:

"That \$100,000 be added to the metropolitan grants base funding increase from 2004/05 onwards on the basis that the Metropolitan Fund has a delegated role to examine in detail and prioritise grants and that further funding not be granted during the next Annual Plan around".

The Subcommittee's recommendation was adopted by the Council.

This report sets out an amended process whereby "lumps" of money associated with each output under the Grants to Community Organisation section of the LTCCP and for the Metropolitan Community Fund administered by the Community and Leisure Committee and the Community Board discretionary funds are included in the Annual Plan. These resources would then be allocated by the appropriate assessment committee or process once the LTCCP had been adopted.

PROPOSED GRANTS' ENVELOPE

Following an investigation of the resources that the Council allocates by way of grants, through both unit and the grants budget, the following funds have been identified as appropriate to be included as part of the proposed grants envelope:

1. All grants listed under the various outputs under the heading Grants to Community Organisations including Keep Christchurch Beautiful. (Recommendation 4.12)

2. From the Leisure Unit budget:
 - Growing Sport Fund
 - Major Sports Events and Projects,
 - Community Recreation Initiatives
 - Sports Development (Sport Canterbury)
3. The funding streams from the Community Relations Unit:
 - Metropolitan Community Discretionary Fund
 - Metropolitan SCAP
 - Social Initiatives Fund
 - Metropolitan Funded Projects
 - Child and Youth Advocacy Grants
 - Mayor's Welfare Fund
 - Metropolitan Citywide Funded Projects
4. The Community Board Project and Discretionary Funding, Community Board, Community Worker Projects and Community Board SCAP.
5. From within the Policy Directorate – The Coast to High Country Management Team and Christchurch Environment Centre.

The following grant outputs were excluded from the Grants to Community Organisations envelope:

- **Libraries and Information Management Unit**

The Unit makes regular grants to the voluntary libraries for maintenance, book subsidies and rental. It was considered that these grants were a direct part of the libraries delivering their service and should not be considered in the grants envelope.

- **Leisure Unit**

The Core Funded Events output was considered to be adequately catered for where the envelope of money for events was administered by the Festivals and Events Advisory Subcommittee. Also, the holiday programmes and community events output where funding is given to various organisations to deliver programmes and events was considered part of the direct outputs of the Unit and these were not included as this was seen as similar to the voluntary libraries scenario.

- **City Streets**

Grants paid out for graffiti removal, traffic wardens and road safety etc were considered to be part of the City Streets service delivery and therefore were not included in the proposed Grants To Community Organisations envelope.

- **City Development Group**

The resources used for the maintenance and restoration of historic buildings and for inner city projects were also not considered as part of the Grants to Community Organisations envelopes but were considered part of the City Developments Group service delivery.

PROPOSED GRANTS TO COMMUNITY ORGANISATIONS

The Grants to Community Organisations section of the LTCCP taking into account the above recommendations and information would be made up as follows:

1.	Community Services Output	\$1,251,500
	From the Community Relations Unit	
	Grants to the Mayors Welfare Fund	200,000
	Child and Youth Advocacy Grants	<u>131,000</u>
	<i>Total</i>	\$1,582,500
2.	Economic Development Output	<i>Total</i> \$720,000

3.	Arts and Heritage Output		\$1,184,500
	Minus Creative New Zealand (revenue).		- \$200,000
		<i>Total</i>	\$984,500
4.	Recreation and Sport Output	<i>Total</i>	286,970
5.	Parks and Environment Output		101,000
	Plus from the Policy Directorate		
	Coast to High Country Grant		10,000
	Christchurch Environment Centre		5,000
	Keep Christchurch Beautiful		24,000
		<i>Total</i>	\$140,000
6.	Corporate Services	<i>Total</i>	\$15,000
	This excludes allocated costs and overheads.		
	Grants to Community Organisations envelope.	<i>Total</i>	<u>\$3,728,970</u>

PROPOSED SOCIAL INITIATIVES AND DEVELOPMENT FUND

Recommendation 4.7 in the Community Funding Review indicated that the Council should combine several streams of funding to make up the Metropolitan Community Discretionary Fund. It is suggested that this could be renamed the Social Initiatives and Development Fund and would be made up of the following.

Metropolitan Community Discretionary Fund	\$150,000
Metropolitan SCAP	40,000
Social Initiatives Fund	1,100,000
Metropolitan and City Wide Funded Projects	<u>1,100,000</u>
	<i>Total</i>
	\$2,390,000

Criteria for this proposed Social Initiatives and Development Fund are still to be finalised and as an alternative will be presented to the Council next year prior to the allocation of resources from this fund.

The fund could be included under the Community Services output in the Grants to Community Organisations section of the LTCCP or it could remain as a line item under the Community Relations Unit.

PROPOSED SPORT, RECREATION AND LEISURE DEVELOPMENT FUND

There are four grant funding streams within the Leisure Unit that could be included within the Recreation and Sport output of the Grants to Community Organisations section of the LTCCP or they could remain as line items within the Leisure Unit budget.

Growing Sport Fund	40,000
Major Sports Events and Projects	550,000
Community recreation Initiatives	62,500
Sports Development (Sport Canterbury)	25,000
	<i>Total</i>
	\$677,500

It should be noted that all above figures are based on the 2003/2004 financial year.

It would seem appropriate that the Community and Leisure Committee approve the criteria and guidelines for the allocation of Growing Sport Fund, Major Sports Events and Projects, Community Recreation Initiatives and Sports Development (Sports Canterbury).

Implications

As a result of the recent Council decisions on community funding changes are needed to the way that the Grants to Community Organisations are processed/allocated. The major change will be that the LTCCP will no longer list the individual grants. The total resources under each section will be included, but the allocation to the various organisations will not take place until after the LTCCP has been adopted.

ROLE AND MAKEUP OF THE METROPOLITAN FUNDING SUBCOMMITTEE

Recommendation 4.5 from the Funding Review provided that the Funding Subcommittee should be made up of appropriate Standing Committee Chairs. The current Subcommittee membership does not reflect this recommendation. The Council needs to determine whether the current Metropolitan Funding Subcommittee should allocate or make allocations under each of the outputs for the Grants to Community Organisations or whether it feels it is appropriate to change the membership of the Subcommittee to represent recommendation 4.5.

A further issue that requires clarification is whether the Metropolitan Funding Subcommittee has power to make decisions in respect of all Grants to Community Organisations. Currently that authority is limited to the Community Development Scheme, Events Seeding Fund, Management Reviews and Conference and Similar Events Bridging Loan Funds. In the past the Metropolitan Funding Subcommittee has made recommendations to the Annual Plan Subcommittee on line items under each of the Grants to Community Organisations outputs.

METROPOLITAN COMMUNITY DEVELOPMENT SCHEME

In the past the Metropolitan Community Development Scheme funding has been allocated by the Metropolitan Funding Subcommittee augmented by community representatives. In line with the decisions made relating to community funding the Council representatives should be drawn from the Community and Leisure Committee. Note recommendation 5.3 and 5.4.

OTHER FACTORS

Evaluation and accountability processes are currently being worked on and will be in place prior to the allocation of resources under this proposed process. Note recommendations 6.7 and 6.8 (attached).

COMMUNITY AND LEISURE COMMITTEE

The above report was referred to the Community and Leisure Committee, with the following recommendations:

1. That the Community and Leisure Committee be requested to appoint four to six Council representatives to be involved with the community representatives in the allocation of the Metropolitan Community Development Scheme resources.
2. That the Community and Leisure Committee be given delegated authority to approve processes for the allocation of resources under the Social Initiatives and Development Fund, Child and Youth Advocacy Grants, Sport, Recreation and Leisure Development Fund. Note: Some of these funding streams already have existing processes in place to allocate the resources.
3. That the Community and Recreation Department develop criteria and guidelines for the operation of the Social Development Fund for the approval of the Community and Leisure Committee prior to any allocations taking place.
4. That the Community and Recreation Department develop criteria and guidelines for the operation of the Sports, Recreation and Leisure Development Fund for the approval of the Community and Leisure Committee prior to any allocations taking place.

At its meeting on 24 November 2003 the Community and Leisure Committee supported the above recommendations.

However, the Committee did not support the proposal contained in recommendation 6 of the staff recommendations to this Committee ie to adjust the grant for inflation annual rather than increase the base fund by \$100,000 pa. The Committee considered that the base funding should be both inflation adjusted and increased by \$100,000 per year.

Accordingly, the Community and Leisure Committee decided to recommend to this Committee that the note in recommendation 6 be amended to read:

"Note: The Council on 15 July 2003 resolved that \$100,000 be added to the Metropolitan Grants - base funding from 2004/05 onwards on the basis that the Metropolitan fund has a delegated role to examine in detail and prioritise grants and that further funding not be granted during the next Annual Plan round."

Staff

- Recommendation:**
1. That the total resources available under each of the Grants to Community Organisations outputs be included in the LTCCP.
 2. That the changes to the Grants to Community Organisations output as proposed in this report be included in these output totals based on the 2003/04 figures.
 3. That applications for grants (other than those that close throughout the year or have a set closing date ie: Creative Communities, Community Development Scheme), under the Grants to Community Organisations now close at the end of the financial year (30 June) and have decisions made by the end of August.
 4. That the Metropolitan Funding Subcommittee be given delegated authority to allocate the Grants to Community Organisations resources following the Council's adoption of the Annual Plan.
 5. That the Metropolitan Funding Subcommittee be formed inline with the recommendation (4.5 attached) following the next Council elections.
 6. That the total grants envelope under Grants to Community Organisations in the LTCCP be inflation adjusted annually with the Metropolitan Funding Subcommittee to allocate these increased resources to the appropriate area of the grants budget. (Note: This would replace the Annual Plan Subcommittee recommendation that \$100,000 be added each year to the grants budget.)
 7. That the Social Initiatives and Development Fund and the Sport, Recreation and Leisure Development Fund be inflation adjusted each year.
 8. That the Metropolitan Funding Subcommittee retain delegated authority to allocate Event Seeding Funds, Community Organisation Loan Scheme, Conference and Similar Events Bridging Loan Fund and Management Review Resources.
 9. That the Community Boards grant funding be reviewed once the new ward boundaries have been finalised.
 10. That the Social Initiatives and Development Fund and the Sport, Recreation and Leisure Development Fund remain as line items in the appropriate Unit budgets.

The Chair's comments:

It will be noted that in July 2003 the Council increased the Metropolitan grants base funding by \$100,000. It was not intended that this would be an annual increase nor would the grants base funding be automatically inflation-adjusted. However, it would be reasonable for the Annual Plan Subcommittee to consider this request each year on its merits to be consistent with other Council budget practices.

Chair's

Recommendation: That recommendations 1-5 and 7-10 be adopted.