

### 3. 2005/06 ANNUAL GRANTS TO COMMUNITY ORGANISATIONS AND COMMUNITY ORGANISATION LOANS POOL

<b>General Manager responsible:</b>	General Manager Community Services
<b>Officer responsible:</b>	Community and Recreation Manager
<b>Author:</b>	Kevin Collier, Sport and Funding Adviser, DDI 941-8977

#### PURPOSE OF REPORT

1. The purpose of this report is to provide information to the Metropolitan Funding Subcommittee to assist in its allocation of annual grants and loans to community organisations.

#### INTRODUCTION

2. This report provides a brief overview of the funding process for applications to Metropolitan Funding Subcommittee.

3. The report should be read in conjunction with the three appendices:

Appendix 1: Summary of Applications to Metropolitan Funding Subcommittee including staff comments and priorities and analysis of alignment to Council Community Outcomes.

Appendix 2: Spreadsheet of applicants' funding history.

Appendix 3: Key to references to Council LTCCP Community Outcomes, Strategic Directions and Council Policies.

#### STAFF RECOMMENDATIONS

It is recommended:

- (a) That the Subcommittee receive this report and make allocations from the Annual Grants to Community Organisations fund as attached in Appendix 1.
- (b) That the Subcommittee make allocations from the Community Organisation Loans Pool as attached in Appendix 1.

#### BACKGROUND

##### Committee Structure and Delegations

4. On Tuesday 24 February 2005 the Council resolved the following with respect to the Metropolitan Funding Subcommittee and its roles and delegations:
  - That the Metropolitan Funding Subcommittee be appointed and that membership be the Mayor and all Councillors.
  - That the Metropolitan Funding Subcommittee be delegated the role:
    - to allocate the *Annual Grants to Community Organisations* funding consistent with the Long Term Council Community Plan.
    - to review applications for *Events Seeding* grants for amounts between \$5,000-\$10,000, prior to approval of such applications by the Community and Recreation Manager (the Community and Recreation Manager having delegated power to approve events seeding grants up to \$5,000).
    - to make allocations from the *Events Seeding* Fund for applications in excess of \$10,000.
    - to allocate the *Community Organisation Loans Scheme* funding consistent with the Council's Long Term Council Community Plan.
  - That the Subcommittee be empowered to appoint its own Chairperson.

## **APPLICATION PROCESS**

5. The annual grants funding round closed on 27 May 2005. All previous years' recipients were sent letters of reminder of this date and requested to have accountability reports and their 2005/06 applications lodged with Council Funding Advisers by this time.
6. All requests for grants made as submissions to the 2005/06 draft Annual Plan have been forwarded to the Metropolitan Funding Subcommittee for consideration. This included four applications to the unallocated unspecified funding available in the Capital Endowment Fund which have been included in the Community Services Output of the Annual Grants Applications in Appendix 1 (Numbers 1.39, 1.46, 1.67 and 1.81) (attached). The level of unallocated/unspecified funds available for community and civic projects from this fund will be tabled at the meeting.
7. All requests have been made in writing and applications included the following information:
  - History and rationale of project;
  - Objectives of the project;
  - Programme of activities for coming year;
  - A budget for the project;
  - Latest audited accounts; and
  - Annual reports.
8. Funding Advisory staff have reviewed each of the applications and prepared a summary on each request (see Appendix 1 - attached). This report also includes a staff recommendation on the funding level for each application.

## **ASSESSMENT AND ALLOCATION**

9. Annual grants are for organisations that contribute in a significant way to the city as a whole.
10. The Council's support for major community organisations in the past has fallen into three categories:
  1. Those organisations who have been granted a set level of support for a set period of time.
  2. Those organisations whose support is reviewed each year at budget time including new applications.
  3. One-off support for specific projects or organisations.
11. All applications have been reviewed by Funding Advisory staff and where necessary additional information sought and the applicant contacted for further comment. Staff have assessed whether applications align with the Council Strategic Directions and contribute to the LTCCP Community Outcomes. A key to the references for the Outcomes, Strategic Directions and Council Policies is listed in Appendix 3 (attached).
12. Also taken into account are access to other sources of funding and the current funding climate, as well as the financial situation of the applicant including levels of current assets including cash and investments.

## **Priority Ranking**

13. To assist the Subcommittee with the decision-making process, the applications have also been given a priority ranking (1 for high priority through to 3 for low priority) based on the following aspects:
  - information gathered by recent Council, city-wide and national findings of the impact on the community's health and well-being through social deprivation as a consequence of low incomes; social exclusion; child and family neglect and abuse; inadequate housing and accommodation; poor literacy and numeracy skills and mental health;

- whether the applicant organisation is:
    - a metropolitan/city-wide organisation or a local “suburban” group/project
    - already receiving a CCC annual grant through another fund
    - a new request in a social sector where the Council is already allocating an annual grant to a community organisation for a “similar” service;
  - what impact a decline decision would have, if any, on the applicant organisation or project.
14. Within the Community Services Category, the total funding available has been recommended to the Priority 1 applicants only. Should the Subcommittee wish to support any priority 2 applicants the top 10 within this section have been indicated with a second number (eg: 2/5) to give some guidance on which ones might be considered before the others.
15. Funding Advisory staff will also be available at the meeting to answer any further queries the Subcommittee may have regarding the applications.

#### ACCOUNTABILITY

16. A monitoring and evaluation framework been developed and will be applied to all grant recipients as has been done in the past.
17. The level of investment in monitoring each group will reflect both the level of Council grant and the relative significance of the group but may involve such things as:
- ongoing contact with the group throughout the year
  - regular formal meetings and communication
  - receipt of newsletters, annual reports and results of any independent reviews
  - undertaking formal management reviews or audits in some circumstances
  - receipt of an annual accountability report including the groups annual report, financial accounts and summary of how the Council grant was applied and what impact this has had.

#### FUNDS AVAILABLE

18. The Metropolitan Funding Subcommittee has \$4,206,436 available for distribution.
19. For the 2005/06 budget the grants have been categorised into the following categories:
1. Community Services (Creating Strong Communities and Creating a Liveable City)
  2. Economic Development (Creating Economic Prosperity)
  3. Arts and Heritage (Creating Strong Communities)
  4. Recreation and Sport (Creating Strong Communities)
  5. Environment and Parks (Creating a Healthy Environment)
  6. Corporate Services
  7. Community Organisation Loans Scheme (Creating Strong Communities).
20. Each year there is significant pressure on the grants budget and this year is no exception, with most organisations seeking increases in funding and some new groups applying.

Funding Area	Amount Available *	Amount Requested	Amount Recommended
Community Services	\$1,444,830	\$4,100,000	\$1,446,176
Economic Development	\$1,118,807	\$1,076,000	\$850,000
Arts and Heritage	\$1,091,990	\$1,584,000	\$1,116,000
Recreation and Sport	\$292,709	\$1,052,000	\$528,364
Environment and Parks	\$142,800	\$191,000	\$144,000
Corporate Services (inc Mgt Reviews)	\$115,300	\$115,000	\$115,300
<b>Total</b>	<b>\$4,206,436</b>	<b>\$8,118,000</b>	<b>\$4,199,840</b>

\* Each category does not have its own set budget. This is dependent upon what was allocated last year and each category may be over/under allocated as long as the total budget is met.

21. It should be noted that once again the fund is well over-subscribed and particularly in the Community Services and Recreation and Sport areas and there is strong demand for further support from the Council for these groups.

22. The amounts recommended by the Funding Advisory staff are based on providing as much support as possible for as many key groups as possible within the constraints of the existing budget. The allocated amounts are often well below the requested amounts and will require many of the applicants to scale back their operations and objectives and provide a lower level of service.

#### **COMMUNITY ORGANISATION LOANS SCHEME**

23. The Community Organisation Loans Scheme is a low interest loans facility primarily for capital development. Loan interest is currently set at 2% and terms are over 5-10 years. There is currently \$616,000 available for lending and this figure is dependant on the level of repayment back into the scheme during the previous period.
24. Staff have received and assessed eight community loans for consideration and these are listed in Appendix 1 (attached).