

4. MAYOR'S WELFARE FUND

General Manager responsible:	General Manager Community Services
Officer responsible:	Community and Recreation Manager
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PURPOSE OF REPORT

1. The purpose of this report is to provide information to the Metropolitan Funding Subcommittee on the funding status of the Mayor's Welfare Fund.

STAFF RECOMMENDATIONS

It is recommended:

- (a) That the \$200,000 allocated for the Mayor's Welfare Fund be transferred to a line item in the annual budget, reducing the overall grants budget by \$200,000.
- (b) That the amount allocated to the fund be assessed by the Council as part of the annual grants allocation process depending on the status of the cash reserves being held by the Mayor's Welfare Fund.
- (c) That if the full \$200,000 is not allocated to the fund then the Metropolitan Funding Subcommittee decides whether to make it available for other grants or not.
- (d) That the fund present an annual report, a set of audited accounts, an annual budget and Committee meeting minutes to the Council as part of normal accountability procedures.

BACKGROUND

2. The Mayor's Welfare Fund was established in 1973, though its history dates back to its beginnings in 1897 as the Mayor's Coal and Blanket Fund following a charitable bequest from the estate of Hyman Marks. The Hyman Marks Trust continues to make annual grants to the fund. The fund provides assistance to individuals and families through three separate funds. Such assistance includes rent/emergency accommodation, power and heating, clothing, rates, funerals/tangi, telephone, health/medical, household furnishings, childcare subsidies, school activities, sporting involvements and training opportunities within employment, sport and cultural development.
3. The Mayor's Welfare Fund obtained tax exempt status with Inland Revenue in 1995 for its charitable purposes. The fund does not have incorporation status as a legal entity in its own right though has legal status through being part of the Christchurch City Council's local authority status. Currently chaired by the Mayoress Pam Sharpe, the fund's Committee meets quarterly and is made up of representatives from many of the city's major social service agencies including Home and Family, Presbyterian Support, Methodist Mission, St Vincent de Paul, Christchurch City Mission, Red Cross, Age Concern, Salvation Army, Catholic Social Services and WINZ.
4. The fund works collaboratively with other social service agencies in addressing the financial and social poverty being experienced by individuals and families. It does this in a variety of ways including immediate cash grants; advocating on behalf of clients with landlords, creditors, retailers, household utility suppliers; and a political level with local and central government.

FUND'S INCOME AND FINANCIAL STATUS

5. Since the 1997/98 financial year the Council has allocated the fund \$200,000 per year. (See Appendix 1 - attached).
6. In the 1999/2000 financial year the grant was increased to \$245,000 to cover a drop in cash reserves and to meet increased demand on the fund. Although demand dropped in 2000/01 and 2001/2002 the Council grant remained at \$245,000.
7. For the 2002/03 and 2003/04 financial years the grant was reduced to \$200,000 due to cash reserves (as at 30 June 2002) of \$373,750 plus \$556,000 (Philpot Bequest).

8. No grant was allocated for the 2004/05 financial year due to the high level of cash reserves being held/invested by the fund. (The fund's June 2003 accounts showed a closing balance/funds on hand of just over \$1 million.)
9. Over the years this "annual grant" allocation by the Council to the fund has varied from being allocated annually by the Metropolitan Funding Subcommittee from the major grants budget, through to being an individual line item budget.
10. The fund has received annual community grants from the Canterbury Community Trust (specifically for the Child Enrichment Fund); private and philanthropic trusts and from electricity supply companies. The fund has earned \$120,000 in interest income on its investments during the past two years. For the year ending 30 June 2005 the fund is holding an investment of \$300,000 with the National Bank (a reduction of \$200,000 since 30 June 2004) and the Philpot Bequest of \$556,000 in local authority stock.
11. 30 June 2005 financial statements show a further \$94,284 in current cash assets with a combined total asset figure of \$950,284.
12. The Council meets the fund's advisory and administration staff costs (Community and Recreation Unit budget \$104,859 – 2004/05 financial year).

GRANT ALLOCATIONS FROM THE MAYOR'S WELFARE FUND

13. From an allocation peak of \$392,053 in 1998/1999 average annual allocations have been around \$220,000 (see Appendix 2 - attached).
14. For the financial year ending 30 June 2005 a total of \$301,533 has been allocated. Thirty per cent of this total was to meet household rent and rate costs and 28% for electricity costs.
15. The increase in demand has been created by a change in policy by the Mayor's Welfare Fund Trust which has allowed it to assist families more than once per annum. This is particularly focused on the home heating area (electricity, firewood, etc).
16. In the 12 month period ending 31 March 2005 the fund received 2,027 requests resulting in 1,327 grants being approved.