

## 2. 2006/07 ANNUAL GRANTS TO COMMUNITY ORGANISATIONS AND COMMUNITY ORGANISATION LOANS POOL

<b>General Manager responsible:</b>	General Manager Community Services, DDI 941-8534
<b>Officer responsible:</b>	Recreation and Sports Unit Manager
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### 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 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 the City's Community Outcomes and the Council's Strategic Directions.
  - Appendix 2: Spreadsheet of applicants' Annual Grants funding history – last 5 years.
  - Appendix 3: Key to references to Council LTCCP Community Outcomes and Strategic Directions.

### 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 Recreation and Sports Unit Manager. The Recreation and Sports Unit 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 26 May 2006. All previous year's recipients were sent letters of reminder of this date and requested to have accountability reports and their 2006/07 applications lodged with Council Funding Advisers by this time.
6. Where known, all relevant requests for grants made as submissions to the 2006-16 draft LTCCP have also been forwarded to the Metropolitan Funding Subcommittee for consideration.
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). This report also includes a staff recommendation on the funding level for each application.

## **ASSESSMENT AND ALLOCATION**

### **Assessment Context - Funding Review and 2006-16 LTCCP considerations.**

9. The Council is currently undertaking a review of its funding schemes and policies which is expected to be complete in early 2007. The applicants presented in this report applied and were assessed using the existing funding criteria and procedures but have been matched to the 2006-16 Community Outcomes and Strategic Directions.
10. As part of the deliberations on the 2006-16 Community Plan the Council resolved to retain the overall grants budget at existing levels (a total of approximately M\$8.2 of which the Annual Grants Scheme consists of M\$4) for the 2006/07 financial year pending the results of the Grants review at the end of the year.

### **Funding Criteria**

11. Annual grants are for organisations that contribute in a significant way to the city as a whole.
12. 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.
13. Due to the current review of the Council's Grants Funding and the potential for changes in direction or priority for funding, no new long-term commitments have been recommended at this stage.
14. 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 LTCCP Community Outcomes and with Council Strategic Directions. A key to the references for the Outcomes and Strategic Directions is listed in Appendix 3.
15. 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**

16. 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.
17. Within the Community Services Category, the total funding available has been recommended to the Priority 1 applicants only. Should the Committee 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.

18. Funding Advisory staff will also be available at the meeting to answer any further queries the Subcommittee may have regarding the applications.

#### ACCOUNTABILITY

19. A monitoring and evaluation framework been developed and will be applied to all grant recipients as has been done in the past.
20. 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

21. The Metropolitan Funding Subcommittee has \$4,062,029 available for distribution including the income from the Creative Communities Scheme of \$200,000 and the funding set aside for management reviews (\$15,000) but not including overheads and administration.
22. For the 2006/07 budget the grants have been categorised into the following categories:
  1. Community Services (A City of Inclusive and Diverse Communities and A Healthy City)
  2. Economic Development (A Prosperous City)
  3. Arts and Heritage (A City of Inclusive and Diverse Communities and A City for Recreation, Fun and Creativity)
  4. Recreation and Sport (A City of Inclusive and Diverse Communities and A City for Recreation, Fun and Creativity)
  5. Environment and Parks (A City of People who Value and Protect the Natural Environment)
  6. Corporate Services.
  7. Community Organisation Loans Scheme (A City of Inclusive and Diverse Communities and A City for Recreation, Fun and Creativity).
23. **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.**
24. The amounts recommended by the Funding Advisory staff are based on getting maximum value for the grants 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 ORGANISATIONS LOANS SCHEME

25. 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 approximately \$500,000 available for lending and this figure is dependant on the level of repayment back into the scheme during the previous period.
26. Staff have received and assessed five community loans for consideration and these are listed in Appendix 1.

#### STAFF RECOMMENDATION

1. That the Subcommittee receive this report and make allocations from the Annual Grants to Community Organisations fund as attached in Appendix 1.
2. That the Subcommittee make allocations from the Community Organisations Loans Scheme as attached in Appendix 1.