

3. ALLOCATION OF PROJECT FUNDING 2006/07

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PURPOSE OF REPORT

1. The purpose of this report is to outline the process for allocation of the Board's Project (and Discretionary) funding for the 2006/07 year, and to seek the Board's final consideration of the funding applications contained in the attached matrix document.

EXECUTIVE SUMMARY

2. The key milestone for allocation of 2006/07 funding is 18 May 2006; the date by when all Boards need to have made their decisions on the allocation of their project funding. This date (which is later than required in previous years) is based on requirements to meet both internal accounting and LTCCP processes and timeframes.
3. Staff have evaluated all applications and completed the **attached** matrix document, which provides the Board with streamlined information to enable efficient and effective decision making. Staff reviewed administrative aspects of the project funding process used for 2005/06. The Council's internal auditor also reviewed those processes and identified some issues that have been reflected in the attached matrix and the process used for 2006/07. Staff evaluation is based on standard criteria and then entered into the matrix for comparative purposes with other applications. All relevant staff have met to agree to priority ratings for the applications which guide the final staff recommendations to the Board. The matrix contains the following information for each application for funding:

Group	The name of the Unit or the Group responsible for the project or service.
Project/Service	A brief description of the project or service.
Amount	The amount of funding requested by the group/unit.
Board Objectives	Board objectives to which the project/service can be linked.
Expected Outcome of the Project	Whether the project/service will have a positive or negative affect on social, economic, environmental or cultural wellbeing.
Policy/Strategy	The policy or strategy to which the project/service can be linked.
Need Supported By	Any relevant research or other evidence that identifies a need for the project/service.
Financial Risk	Assessment of the project's/service's viability and sustainability eg unlikely to be viable as there are insufficient funds available to complete the project.
Delivery Risk	This section reports on an assessment of the unit's/group's ability to complete the project or supply the service.
Funding History	Outlines whether the unit/group has received funding from the Board before or other Council funding; and whether accountability reports are on file.
Staff Recommendation	Describes the precise decisions that staff are recommending.
Priority	<p>Staff have determined a priority rating for each request.</p> <p>The following grading criteria has been used by staff:</p> <ol style="list-style-type: none"> 1. Meet Board objectives/community outcomes – priority to fund: major contribution to social need and development. 2. Meet Board objectives/community outcomes – require a funding contribution. 3. Meet criteria to a lesser degree but more suitable for group to seek funding elsewhere – board funding support not needed or could be funded from another scheme eg Metropolitan. 0. Did not meet any of the above mentioned criteria – staff recommend not to fund.

4. Projects on the matrix have come from community groups and staff. A city-wide, publicly-advertised request for applications was carried out in late 2005/early 2006 for all community boards.
5. At a seminar meeting held on 10 April 2006 to give initial consideration to the attached matrix, the Board referred the applications to its Committees for consideration and recommendation. The reports of those Committees, incorporating recommendations on the applications in the attached matrix, are **attached**. For ease of reference, each Committee recommendation has also been inserted into the matrix alongside the staff recommendation.
6. At that seminar meeting on 10 April, the Board discussed the possibility of not allocating approximately \$100,000 of its 2006/07 funds at this stage, so that the Board's three Committees could allocate that funding throughout the 2006/07 year. The subsequent Committee meetings did not discuss that possibility any further. Staff recommend that the Board does not take this course of action, as:
 - (a) there should, in line with Council policy, only be one discretionary pool of up to \$60,000 for allocation throughout the year at the Board's discretion – unallocated "committee" funds appear to be defacto discretionary funds.
 - (b) details for all project fund allocations by all Community Boards for 2006/07 are required to be incorporated into the final LTCCP, for transparency and accountability purposes – having large sums of unallocated funding that is left as "committee" funds does not best meet the objective of transparency.
 - (c) in recent years, with retention of project funds for allocation by the Board's committees throughout the year, there have been considerable sums of funding being unallocated until towards the end of the financial year – this has often led to advice being sought from staff and decisions being made by the Board under pressure within short timeframes, which is not in the interests of good decision-making.
 - (d) in recent months, considerable staff time and effort has been concentrated on assessing all of the 2006/07 applications received and providing advice on their priority, so that the Board is able to assess the relative merits of each application against the others received.

FINANCIAL AND LEGAL CONSIDERATIONS

7. The Board has funding available of \$390,000 for 2006/07, that comprises:
 - up to \$60,000 discretionary funding to be allocated throughout the year at the Board's discretion
 - up to \$40,000 for strengthening communities funding (SCAP)
 - \$290,000 for allocation to local projects or activities.
8. A total of 53 applications for funding have been received, totalling \$578,500, and it has therefore required considerable staff effort to make recommendations totalling close to the \$390,000 available. Staff have not recommended above the \$390,000 available, and where an application has been assessed as lower than priority one, the staff recommendation is only for the Board to "consider" funding.

STAFF RECOMMENDATIONS

- (a) That the Board considers the attached information, staff recommendations and Committee recommendations regarding applications to its 2006/07 Project and Discretionary Fund.
- (b) That the Board confirms its allocation for its Discretionary Fund for 2006/07.
- (c) That the Board confirms its allocation of all of its Project Fund for 2006/07.