

5. BERTELSMANN AWARD FUND

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The purpose of this report is to review the Bertelsmann Award Scheme and to recommend that its purpose be changed.

BACKGROUND

In 1993 the Council was awarded the Bertelsmann Foundation's award (jointly with Phoenix, Arizona) for "Excellence in Local Government".

The Bertelsmann Foundation is funded by a publishing conglomerate in Germany and each year focuses good practice in a different area of business/industry. In 1993, the overall purpose for the Bertelsmann Prize was summed up in the following statement:

" – for exemplary achievements and efficient, effective management of municipal duties".

The prize money available to Christchurch amounted to approximately \$70,000.

After considering a wide range of options, the Council resolved that the money be applied more or less equally toward the following purposes:

- "1. The funding of awards designed to recognise individual effort in, or assist in, study directed to facilitating improvement in the Council's processes, with specific provision for this item to be made in the Council's future annual plans and budgets, to enable it to continue once the prize money has been exhausted; and
2. A facility located in a prominent position in the City Mall, or other central city location, designed to appeal to young children and their parents and which is interesting, useful, and lasting in nature."

The initial year for hosting the awards was 1994 and throughout the following years the criteria have been extended and amended. Recently the method of allocating funding has moved more to a "seeding" approach so that more people could benefit and other funding has generally been provided by the individual themselves, from external sponsorship or by a sponsoring unit. Many applications have been aimed at examining "best practices" elsewhere – generally overseas – and there have been flow on effects benefiting the Council overall. Recipients of the awards have been primarily staff but some Councillors have also received awards.

The awards have generally been made from the interest on the fund and there has been an outcome for funding only to a level of \$6,000 to \$9,000 per year. This, together with the odd venture not being pursued, has meant that the fund has remained intact and has in fact built up over the years to approximately \$85,000.

DISCUSSION

In an endeavour to spread the benefit of the awards reasonably widely the awards have generally been for small amounts ranging from \$1,000 to \$3,000 and often additional funding has come from business units to help the recipients undertake their work. This has been appropriate since it has been a practice that activities directly related to current "themes" or "priorities" of the Council have been accorded higher rankings. Some typical proposals in recent years have reflected the Council's interest in "emergency management", "sustainability", "creative clusters" and, most recently, the issue of the recycling of "dirty/waste water" and the opportunities related to this.

While the overall aim of the award process has been to identify and encourage opportunities for continuous improvement and issues of efficiency and effectiveness this is a reasonable expectation for the normal operations of the Council and does not necessarily require special external funding for small portions of such training/information gathering. The 10 year period for the awards to date has served to assist the Council and individuals to achieve objectives related to this and their own special interests, but it should not be seen to be the only source for such learning.

The 10 year period which has now been completed since the award was received is also probably a reasonable term over which the Bertelsmann prize needs to be recognised. If the original intention to run down the fund had been pursued then it would have been concluded some years ago.

It now seems appropriate to take stock of the way these funds are being applied and to assess whether there are better alternatives.

PROPOSED REVISED PURPOSE

The Executive Team has given consideration to this issue and has concluded that there would be a much greater benefit to the organisation and the community as a whole if the accumulated fund could be used for a significant in-house training programme designed to increase excellence for a wide range of staff. If applied in this way, many more staff would benefit and the collective result would be more effective for the organisation as a whole.

ADDITIONAL FUNDS

There is a further fund known as the City Manager's Bertelsmann Fund with a balance of approximately \$26,000. This was derived several years ago from a surplus on a project which Council staff undertook under contract to the Bertelsmann Foundation and was put aside to fund other similar and related projects at the discretion of the City Manager at the time. No specific use of this fund has been identified to date and it is recommended that it be amalgamated with the Bertelsmann Prize Fund.

CONCLUSION

The Bertelsmann Prize Fund has been in place for 10 years in recognition of the prize received by the Council for "excellence in local government" in 1993. A more beneficial use could now be achieved by reassigning the fund for a corporate-wide training programme with an emphasis on improving excellence in local government.

Committee

Recommendation: That the City Manager's Bertelsmann Fund be amalgamated with the Bertelsmann Prize Fund and the purpose of the fund be changed to the provision of in-house training programmes for elected members and staff which have an emphasis on improving excellence within the Council generally.