

## 8. COMMUNITY BOARD FUNDING PROCESS 2007/08

<b>General Managers responsible:</b>	General Manager Community Services DDI 841 8534 General Manager Regulation and Democracy Services DDI 941 8549
<b>Officer responsible:</b>	Programme Manager, Strong Communities
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### PURPOSE OF REPORT

1. To determine the scheduling of the community board funding round 2007/08 in the light of the Community Group Grants Review currently in progress.

### EXECUTIVE SUMMARY

2. Community Group Grants are currently being reviewed. It is anticipated that this review will be completed in February/March 2007.
3. The Community Boards' funding round has normally commenced in November/December each year to enable the community boards' decisions to be included in the Draft Annual Plan (as implied by the Discretionary Funding Policy), with grants paid early in the new financial year.
4. Given the timing of the normal funding round and the anticipated completion of the Community Group Grants Review it is not possible to fully implement the outcomes of the review as it applies to community board funding and to carry out the funding round to its normal timeline.
5. The options appear to be either:
  - To carry out the funding round with the normal timeline for 2007/08 using the current funding scheme and to leave implementation of the Community Group Grants Review as it affects Community Board Funding to the 2008/09 round; or
  - To carry out the funding round on a timeline starting in February 2007 using the current funding scheme, as part of transitioning to the funding arrangements likely to result from the Community Groups Grants Review; or
  - To implement the Community Group Grants Review as it affects Community Board funding in the 2007/08 round, but to do so using a later timeline. In this circumstance the funding round might commence at the end of March 2007. This would put pressure on staff and community board members to process applications rapidly to enable payments to be made early in the 2007/08 financial year.
6. The Council's existing Discretionary Funding Policy states:

*"(ii) Providing for up to \$60,000 per Board to be used for unbudgeted expenditure provided it is supported by a resolution of the Community Board. The remainder to be allocated to projects by the Board before the Annual Plan Working party meets to prepare its draft plan (ie by mid-February)."*
7. The second or third options (listed above) contradict the current Discretionary Funding Policy which states that community boards must allocate funding to projects by mid-February. If one of these options is selected the Council will need to either amend the policy or state why it has made a decision that is inconsistent with the policy.
8. Following discussions with the Strong Communities Portfolio Group it is recommended that for the 2007/08 Community Board funding round community boards operate on the same timeline and basis as in previous years.

### FINANCIAL AND LEGAL CONSIDERATIONS

9. The Local Government Act 2002 requires the Council to identify when it makes decisions that are inconsistent with or are anticipated to have consequences that will be significantly inconsistent with any policy.

10. In this circumstance the Council must clearly identify:
  - (a) the inconsistency; and
  - (b) the reasons for the inconsistency; and
  - (c) any intention of the local authority to amend the policy or plan to accommodate the decision
11. If the Council selects an option that is inconsistent with its existing policy and decides not to change the policy at this time, the Council will need to state how its decision is inconsistent with the policy, why it has made a decision that is inconsistent with its policy and whether it intends to review the policy.
12. There are no financial implications. This report focuses on the timing of the funding round rather than the levels of funding involved.

#### **STAFF RECOMMENDATIONS**

It is recommended that the Council:

- (a) Agree to continue with existing Community Board Funding schemes, processes and timelines for 2007/08 funding round.
- (b) Signal its intention to review the Discretionary Funding Policy as part of the Community Group Grants Review.

## BACKGROUND ON COMMUNITY BOARD FUNDING ROUND

13. Community Boards allocate funding to community organisations through the following schemes:
  - Project fund \$290,000
  - Strengthening Communities Action fund \$40,000
  - Discretionary fund \$60,000
14. Applications are normally invited for applications to the project fund and SCAF fund in November/December, with decisions being made on grants in February and grants being payable in July shortly after the LTCCP or Annual Plan has been finalised. The boards do not have delegated authority over these funds. However, the boards do have delegated authority over up to \$60,000 discretionary funding. As part of this process the grant decisions made by community boards have been published in the Draft Annual Plan in accordance with the Discretionary Funding Policy (see below).
15. With this timing, the community board funding round commences six months before the year in which the funding is available and before the Council has confirmed the total amount of funding available to community boards through the Annual Plan. This sort of timing is out of step with the annual grants rounds within the Council which commence in February with decisions normally made in late June and payments being made in July.
16. The process is underway to review the Council's grant schemes to community organisations. This review incorporates the following schemes:
  - Metropolitan Community Discretionary Fund
  - Community Development Scheme
  - Community Organisations Loan Scheme
  - Major Grants to Community Organisations
  - Metropolitan and Citywide Projects
  - Social Initiatives Fund
  - Community Board Project, SCAP and Community Worker Funding
17. The Community Group Grants Review is being developed in parallel with the Community Development Strategy. It is anticipated that the Community Group Grants Review will be completed in February/March 2007.
18. The Discretionary Funding Policy, incorporating both project and discretionary funds (attached as Appendix 1) was introduced in April 1991 and amended in March 2000. This policy covers a number of aspects of funding processes for community boards discretionary funding. The policy increased the total funding to community boards (including SCAP) to \$380,000 per (city) board. The policy makes provision for each board to use up to \$60,000 as unbudgeted expenditure (provided it is supported by a resolution to the community board) and that the remainder of the funds to be allocated to projects by the Board before the Annual Plan Working Party meets to prepare its draft plan (ie by mid February).
19. The allocation of community board funding, including any grants to community organisations, has normally been included in the Draft Annual Plan.
20. The Discretionary Funding Policy was developed prior to the introduction of the Local Government Act 2002 and may not be fully appropriate in the context of the LTCCP/Annual Plan process under the Act.
21. It is unclear why the policy specifically requires community board funding to be allocated prior to mid-February, however given the reference in the policy to the decisions needing to be made before the Annual Plan Working Party meets to prepare the draft plan, the reason is probably to enable the allocations to be included in the Draft Annual Plan.
22. Inclusion of the boards' decisions on the allocation of funding to projects in the Draft Annual Plan (a document for public consultation) appears unnecessary under the LTCCP/Annual Plan arrangements in the Local Government Act 2002 environment.

23. Given the normal dates of the community board funding round and the anticipated completion of the Community Group Grants Review, it is not possible to introduce the reviewed grant scheme processes for community board funding to the normal timeline (ie commencing in November/December) and in accordance with the Discretionary Funding Policy. The current process for the allocation of project funding is rigorous and requires time to implement.

**OPTIONS**

24. For the 2007/08 Community Board funding round community boards operate on the same timeline and basis as in previous years (ie not encompassing any changes that may result from the Community Group Grants Review). Changes to the grants schemes, timelines and processes emanating from the Review could be introduced for the community board funding round in 2008/09.
25. For 2007/08 the Community Board Funding round operates using the existing schemes but does so on a shorter timeline starting in February 2007, as part of transitioning to the new arrangements likely as a result of the Community Group Grants Review. This option will bring the timing of the Community Board funding round in line with the Annual Grants round. This approach is inconsistent with the Discretionary Funding Policy. Given that the arrangements for Community Board funding could potentially be significantly different than for previous occasions, there is a high likelihood that the Discretionary Funding Policy will need to be reviewed or revoked as an outcome of the Community Group Grants Review.
26. Await completion of the Community Group Grants Review and use the reviewed schemes and processes emanating from this Review, but do so at a later timeline than normal. In this option it is likely that applications would not be requested until late March 2007. To still enable payments to be made in July there will be significant pressure on staff and community boards to process and decide on applications in a short timeframe. This approach is clearly not consistent with the Discretionary Funding Policy. However given that the arrangements for Community Board funding could potentially be significantly different than for previous occasions, there is a high likelihood that the Discretionary Funding Policy will need to be reviewed or revoked as an outcome of the Community Group Grants Review.

**PREFERRED OPTION**

27. Option 1 - Continue with existing Community Board Funding schemes, processes and timelines for 2007/08 funding round

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Limits disruption to community organisations applying to community boards for funding.	Any improvements to the community board funding schemes and processes will not come in to effect until the 2008/09 round. There will be no attempt to commence transition to revised arrangements as part of the 2007/08 round.
<b>Cultural</b>	Limits disruption to any cultural organisations applying to community boards for funding.	Any improvements to the community board funding schemes and processes will not come in to effect until the 2008/09 round. There will be no attempt to commence transition in to revised arrangements as part of the 2007/08 round.
<b>Environmental</b>	Limits disruption to any environmental organisations applying to community boards for funding.	Any improvements to the community board funding schemes and processes will not come in to effect until the 2008/09 round. There will be no attempt to commence transition to revised arrangements as part of the 2007/08 round.
<b>Economic</b>		

**Extent to which community outcomes are achieved:**

Given the scope of the community board funding the primary alignment is to several Community Outcomes, namely: A Safe City, A City of Inclusive and Diverse Communities, A Well-Governed City, A Healthy City, A City of Recreation, Fun and Creativity and A City of Life Long Learning.

Also contributes to A City of People who Value and Protect the Natural Environment, A Prosperous City and An Attractive and Well-Designed City.

**Impact on Council's capacity and responsibilities:**

This option has the least impact on the Council's capacity as it enables existing processes to be used for the 2007/08 funding round and any new processes emanating from the review to be introduced in a measured way for the 2008/09 funding round.

**Effects on Maori:**

Maori community organisations are included in the applicants/potential applicants for community board funding and will be effected in a similar way to other community organisations through any changes to the timing, structure and processes of funding schemes.

**Consistency with existing Council policies:**

This option is consistent with the Council's existing Discretionary Funding Policy.

**Views and preferences of persons affected or likely to have an interest:**

Affected and interested parties have expressed views about the Council's funding schemes in general, rather than about the community board scheme in particular. These views have been canvassed at meetings of an external reference group established to assist with the Community Development Strategy, Community Group Grants Review and Community Facilities Plan. A summary of the views expressed by this group in relation to the Council's community group grants activity is attached as Appendix 2.

**Other relevant matters:**

This option will enable the Council to comply with its existing, albeit perhaps out of date, policy in relation to discretionary funding. This policy will need revoking or reviewing as a consequence of the Community Group Grants Review when completed. However, doing so now, prior to the Community Group Grants Review being completed may result in further changes to the policy being required subsequently.

It is likely that the changes to grants schemes, criteria and processes resulting from the Community Group Grants Review will have to be phased in over a period of time, rather than all take immediate effect. The timeframe between the scheduled completion of the review and the latest possible time for community board funding rounds to commence to allow payment of grants in early July 2007 is tight. Some difficulties may be experienced in developing the processes, forms etc in good time for the 2007/08 community board funding round under this scenario. For this reason it may be helpful to retain the existing arrangements for community board funding for 2007/08 and introduce any changes emanating from the Community Group Grants Review in 2008/09. The changes to metropolitan grants emanating from the review could begin to be introduced in the 2007/08 round.

## ASSESSMENT OF OPTIONS

28. Option 2 - Continue with existing Community Board Funding schemes and processes for 2007/08 funding round but operate them on a shorter timeline as part of transitioning to the arrangements likely following the Community Group Grants Review.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Limits the extent of disruption to community organisations applying to community boards for funding. Allows the changes in community group funding likely to emanate from the Community Group Grants Review to be signalled and start the transition to new arrangements.	Any improvements to the community board funding schemes and processes will not come fully in to effect until the 2008/09 round.
<b>Cultural</b>	Limits the extent of disruption to any cultural organisations applying to community boards for funding. Allows the changes in community group funding likely to emanate from the Community Group Grants Review to be signalled and start the transition to new arrangements.	Any improvements to the community board funding schemes and processes will not come fully in to effect until the 2008/09 round.
<b>Environmental</b>	Limits the extent of disruption to any environmental organisations applying to community boards for funding. Allows the changes in community group funding likely to emanate from the Review of Community Group Funding to be signalled and start the transition to new arrangements.	Any improvements to the community board funding schemes and processes will not come fully in to effect until the 2008/09 round.
<b>Economic</b>		
<p><b>Extent to which community outcomes are achieved:</b></p> <p>Given the scope of the community board funding the primary alignment is to several Community Outcomes, namely: A Safe City, A City of Inclusive and Diverse Communities, A Well-Governed City, A Healthy City, A City of Recreation, Fun and Creativity and A City of Life Long Learning.</p> <p>Also contributes to A City of People who Value and Protect the Natural Environment, A Prosperous City and An Attractive and Well-Designed City.</p> <p><b>Impact on Council's capacity and responsibilities:</b></p> <p>Introducing changes to the timeframes whilst retaining the existing schemes for community board funding schemes will have the effect of helping staff and community groups to transition from one set of arrangements to the next. This option will put staff and community boards under time pressure in adjusting to the shorter timeframes, but this is mitigated to some degree by operating grants schemes they are familiar with. Other grant schemes within the Council, such as the Annual Grants, currently operate successfully within these timeframes.</p> <p><b>Effects on Maori:</b></p> <p>Maori community organisations are included in the applicants/potential applicants for community board funding and will be affected in a similar way to other community organisations through any changes to the timing, structure and processes of funding schemes.</p> <p><b>Consistency with existing Council policies:</b></p> <p>This option is consistent with the Council's Strategic Directions but not consistent with clauses in the Discretionary Funding Policy relating to the timing of community board funding decisions.</p> <p><b>Views and preferences of persons affected or likely to have an interest:</b></p> <p>Affected and interested parties have expressed views about the Council's funding schemes in general, rather than about the community board scheme in particular. These views have been canvassed at meetings of an external reference group established to assist with the Community Development Strategy, Community Group Grants Review and Community Facilities Plan. A summary of the views expressed by this group in relation to the Council's community group grants activity is attached as Appendix 2.</p>		

**Other relevant matters:**

Under this option it is recommended that the Council:

- acknowledge that the decision is inconsistent with the Discretionary Funding Policy
- state the reason for making a decision that is inconsistent with this policy is to assist with the transition to new grants arrangements emanating from the Community Group Grants Review
- identify that the Discretionary Funding Policy will be reviewed as part of the Community Group Grants Review.

It is likely that the changes to grants schemes, criteria and processes resulting from the Community Group Grants Review will have to be phased in over a period of time, rather than all take immediate effect. This option allows the Council to signal to community organisations that changes to community board funding processes are coming through the Community Group Grants Review and for staff to get used to the shorter timeframe whilst working on funding schemes they are familiar with. In addition it brings the timing of the community board funding round in to line with the Annual Grants Round.

This approach may help in the transitioning to any changes emanating from the Community Group Grants Review in 2008/09.

29. Option 3 - Delay the 2007/08 Community Board Funding Round to enable changes to the schemes and processes emanating from the Community Group Grants Review to be implemented.

	<b>Benefits (current and future)</b>	<b>Costs (current and future)</b>
<b>Social</b>	Improvements to the social outcomes resulting emanating from the Community Group Grants Review start to take effect at the earliest possible opportunity.	The processes around the reviewed community board funding scheme may not receive the full time and attention they require in order for them to work well the first time. Community organisations applying to the funding community board funding schemes will have very limited time to adjust to the new arrangements.
<b>Cultural</b>	Improvements to the cultural outcomes resulting emanating from the Community Group Grants Review start to take effect at the earliest possible opportunity.	The processes around the reviewed community board funding scheme may not receive the full time and attention they require in order for them to work well the first time. Cultural organisations applying to the funding community board funding schemes will have very limited time to adjust to the new arrangements.
<b>Environmental</b>	Improvements to the environmental outcomes resulting emanating from the of Community Group Grants Review start to take effect at the earliest possible opportunity.	The processes around the reviewed community board funding scheme may not receive the full time and attention they require in order for them to work well the first time. Environmental organisations applying to the funding community board funding schemes will have very limited time to adjust to the new arrangements.
<b>Economic</b>		

**Extent to which community outcomes are achieved:**

Given the scope of the community board funding the primary alignment is to several Community Outcomes, namely: A Safe City, A City of Inclusive and Diverse Communities, A Well-Governed City, A Healthy City, A City of Recreation, Fun and Creativity and A City of Life Long Learning.

Also contributes to A City of People who Value and Protect the Natural Environment, A Prosperous City and An Attractive and Well-Designed City.

**Impact on Council's capacity and responsibilities:**

Introducing any changes to the community board funding schemes in a short timeframe following the review and in time for a delayed 2007/08 funding round will severely stretch the Council's staff resources and potentially divert staff from other work.

**Effects on Maori:**

Maori community organisations are included in the applicants/potential applicants for community board funding and will be affected in a similar way to other community organisations through any changes to the timing, structure and processes of funding schemes.

**Consistency with existing Council policies:**

This option is consistent with the Council's Strategic Directions but not consistent with clauses in the Discretionary Funding Policy relating to the timing of community board funding decisions.

**Views and preferences of persons affected or likely to have an interest:**

Affected and interested parties have expressed views about the Council's funding schemes in general, rather than about the community board scheme in particular. These views have been canvassed at meetings of an external reference group established to assist with the Community Development Strategy, Community Group Grants Review and Community Facilities Plan. A summary of the views expressed by this group in relation to the Council's community group grants activity is attached as Appendix 2.

**Other relevant matters:**

Under this option it is recommended that the Council:

- acknowledge that the decision is inconsistent with the Discretionary Funding Policy
- state the reason for making a decision that is inconsistent with this policy is to assist with the transition to new grants arrangements emanating from the Community Group Grants Review
- identify that the Discretionary Funding Policy will be reviewed as part of the Community Group Grants Review.

The timeframes to implement the changes to funding schemes and process emanating from the Review of Community Group Grants will be very tight and potentially the changeover from the former ways of working to the new ones may not be as smooth as they could be due to the tight timeframes. Developing the new documentation and processes for revised funding schemes emanating from the Community Group Grants Review will require staff time. It will be necessary to provide clear and full communication to community group about the changes in the processes to enable them to understand the new arrangements. The ability of staff to develop the new documentation and processes, communicate with community organisations and enable them to adjust to the new arrangements will be difficult in the time available.