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## **GRANT CRITERIA REVIEW**

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### **1. Purpose of report**

To present a review of the grant criteria and seek the Subcommittee's support for new grant criteria to be presented to the Strategy and Policy Committee for approval.

### **2. Executive summary**

The current general criteria were established in 2006 and the focus areas were last updated in 2011. A review found that while the generic grant criteria that are common across all pools work well on the whole, the different communities of interest in each pool means that blanket criteria specifying community benefit do not work well in some circumstances.

It is proposed to remove the generic grant criteria in favour of developing more robust and specific criteria for each grant pools. The flow-on effect of removing generic grant criteria would be the establishment of the four grant pools as separate entities – with their own objectives, tailored criteria, and focus areas.

### **3. Recommendations**

Officers recommend that the Grants Subcommittee:

- 1. Receive the information.*
- 2. Note the review highlighted the need to move away from generic criteria in favour of specific criteria for each grant pool*
- 3. Agree that the findings of the review and proposed move from grant pools to grant funds (with separate objectives, criteria, and focus areas) be presented to the Strategy and Policy Committee for approval*

### **4. Background**

The current general criteria were established in 2006 and the focus areas were last updated in 2011. It is timely to review the criteria given we have a new strategic framework in the Wellington Towards 2040: Smart Capital strategy, a host of policy and strategy reviews, and changes in the purpose of local government.

This review is also undertaken at a time where we are on the cusp of profound changes in how communities support each other. A combination of factors including advances in information communication technology driving use of social media and the emergence of virtual communities, a movement from organisational to project-

based volunteering, the emergence of social enterprise, baby boomers changing the face of retirement, and a challenging economic climate as the impact of the Global Financial Crisis lingers point to the need to look at how best deploy Council's grants funding to support active, vibrant, and healthy communities.

The current criteria framework can be found in Appendix 1. It consists of a set of generic grant criteria applicable to all applications across the four grant pools as well as each pool having specific criteria that reflects Council's priorities. The current pools are based on the four well-beings from the LGA02 – Cultural, Social, Economic and Environmental. The generic grant criteria are also used for other funds such as the Betty Campbell Accommodation Assistance fund.

## **5. Discussion**

### ***5.1 Key findings from the review***

The review involved an analysis of Council's strategic drivers, trends in grant allocations, and interviews with officers about their experiences in using the generic and specific grant criteria and related focus areas. A summary of the review of the general criteria can be found in Appendix 2

The key finding from the review is that while the generic grant criteria that are common across all pools work well on the whole, they can create barriers for considering worthwhile proposals in specific pools. The different communities of interest in each pool means that blanket criteria specifying community benefit do not work well in some circumstances. For example, the current criteria preclude applications where benefits accrue to households and businesses and while this makes sense for the Social and Cultural pools, it doesn't work as well for Economic Pool or the Environmental Pool (outside of community initiatives such as community gardens and volunteer planting programmes) because households or businesses often directly benefit from proposals that have a flow-on benefit to the community.

The review highlighted the need to move away from generic criteria in favour of specific criteria for each grant pool. While each pool may share a number of criteria, others would be tailored to suit the particular demands of that community of interest and relevant Council outcomes.

### ***5.2 Proposed approach***

It is proposed to remove the generic grant criteria in favour of developing more robust and specific criteria for each grant pools. The flow-on effect of removing generic grant criteria would be establish the four grant pools as separate entities – with their own objectives, tailored criteria, and focus areas - as outlined in Diagram One.

## Current Framework

Generic General Criteria			
Specific Pool Criteria	Specific Pool Criteria	Specific Pool Criteria	Specific Pool Criteria
Focus Areas	Focus Areas	Focus Areas	Focus Areas
<b>Environmental Pool</b>	<b>Economic Pool</b>	<b>Cultural Pool</b>	<b>Social Pool</b>

## Proposed Framework

Fund Objectives	Fund Objectives	Fund Objectives	Fund Objectives
Specific Fund Criteria (includes tailored generic criteria)	Specific Fund Criteria (includes tailored generic criteria)	Specific Fund Criteria (includes tailored generic criteria)	Specific Fund Criteria (includes tailored generic criteria)
Focus Areas	Focus Areas	Focus Areas	Focus Areas
<b>Our Living City Fund</b>	<b>BID Development Fund</b>	<b>Arts and Culture Fund</b>	<b>Social and Recreation Fund</b>

**Diagram One:** Proposed changes to Grant Criteria framework

It should be noted that removing general grant criteria that specific criteria would also need to be developed for the remaining grant funds and subsidies. It also means that there would be additional work to update online application forms and the application guide.

### 5.3 Details of the four grant funds

Appendix 3 outlines the proposed objectives, criteria, and focus areas for the four grant funds. The following is a summary of the proposed changes:

#### 5.3.1 Environmental Pool becomes the Our Living City Fund

The Council has launched the Our Living City work programme to ensure Wellington grows its urban-nature connections. It is designed to get better outcomes from activities like community gardens and establishing green roofs

and walls. The Environmental Pool has had a pivotal role in supporting community activity to green our city and it makes sense to reinforce this connection by reframing the pool “our living city”.

It is proposed the fund would have criteria based around “growing and enjoying our natural capital” and “reducing our environmental impact” goals of the Our Living City programme. These include activities such as green infrastructure (eg living walls and roofs), resilience to natural events, and emissions reductions from stationary energy, transport, and waste.

Priority would be placed on applications that leverage funding from other organisations or businesses and on projects which foster community action. Applications for greening activities on private property or in other public spaces, such as schools, would be acceptable where there was a quantifiable immediate or flow-on benefit to the wider community. Applications for programmes that support energy conservation, waste reduction, water reduction, and renewable energy in the residential and commercial sector would also be acceptable.

The criteria in this fund would create the possibility of contributing to major capital works, like green roofs and walls. So the application guide would also be updated to place more specific criteria around the funding of capital items, namely the project needs to be visible to the public, leverages substantial investment from private sector or public sector partners, and has a discernible positive environmental impact.

### **5.3.2 Economic Pool becomes the Business Improvement District Development Fund for the next two years**

The Council’s Business Improvement District (BID) policy is designed to support local business communities make local areas more vibrant. The current Economic Pool has the “growth of local emerging business and local economic activity” as one of its two focus areas. This fits neatly with the objectives of the BID policy and by prioritising funding for this activity over the next two years provides additional impetus to achieving the outcomes of the BID policy. A Business Improvement District Development Fund would focus on providing seeding funding for local business organisations to determine the feasibility of establishing a business improvement district in their area or to undertake the strategic planning to establish a business improvement district where the interest has already been established.

The focus of the fund would be reviewed after two years to determine whether a sole focus on Business Improvement Districts is desirable. Widening the criteria to accommodate digital and innovation projects may also be a future option. If it emerges the fund is undersubscribed, it is proposed to reallocate the balance of funding to other projects with a significant economic development component in the final round of the year.

### **5.3.3 Cultural Pool becomes the Arts and Culture Fund**

In recent years, the Council has adopted an Arts and Culture Strategy and a draft Events Policy that provides the strategic framework to establish criteria for an Arts and Culture Fund. In particular, the Arts and Culture Strategy has four focus areas that could be supported through community grants - the city as a hothouse for talent, Wellington as a region of confident identities, active and engaged people, and our creative future through technology.

This fund would take the most advantage of the proposed changes to the generic grant criteria (outlined in Table Two) particularly in relation to modifying how groups establish their credentials. It would also take most advantage of the flow-on amendments in the guidance notes to applicants, such as making catering eligible where it is an integral part of a cultural event or activity.

#### **5.3.4 Social Pool becomes the Social and Recreation Fund**

The current generic grant criteria are best suited to the Social Pool. While key social policies have been reviewed, such as the Positive Ageing Policy, Accessible Wellington Action Plan and Te Mahana, there hasn't been an update of the strategic framework in the social and recreation area, outside of amendments made through the long term plan process, since the last grant criteria review in 2006. Therefore the proposed changes to the criteria for a Social and Recreation fund are more about updating the current focus areas to ensure they best contribute to our strategic direction.

On the whole, the current focus areas are very robust and are effective in prioritising across a diverse range of outcomes. The biggest challenge in the future is that we expect demand on the pool to increase as wider funding environment becomes increasingly challenging. The proposed amendments are designed to align the criteria to our new strategic outcomes and include providing scope to support social entrepreneurialism, prioritising neighbourhood activity, and supporting the strategic planning of sports codes.

#### **5.4 Supporting emergent and innovative community projects**

The review found that the accountability and organisational credential criteria could give applicants the impression that emergent and innovative projects are not eligible. It is recommended that the Arts and Culture and the Social and Recreation funds include a specific criterion that prioritises innovative projects involving new technologies or approaches that have the potential to transform our sense of community. The proposed criterion highlights that the Council is fully cognisant that there is greater risk in supporting new and emergent ideas and as such, sets a lower threshold for establishing the credentials of applicants and the achievement of outcomes. There would still be controls in place to ensure the funds are spent on their intended purpose.

#### **5.5 The mechanics of establishing focus areas for each fund**

The proposed approach involves the removal of a common set of grant criteria across all pools and replace with criteria and focus areas specific to each pool. It is proposed that the focus areas for each fund be reviewed annually to

incorporate priorities emerging from the draft annual plan. The process would involve a paper being presented at the May Grants Subcommittee on annual focus areas based on the Council's priorities outlined in the draft Annual Plan for that year.

#### **5.1 Consultation and Engagement**

There will be a significant engagement exercise to support the proposed changes to the grant criteria.

#### **5.2 Financial considerations**

The review was about generating the best return on investment from the general grant pools. There are no additional financial implications emerging from this report.

#### **5.3 Climate change impacts and considerations**

The establishment of an Our Living City Fund contributes to the achievement of the Council's climate change outcomes, particularly in relation to supporting community activity.

#### **5.4 Long-term plan considerations**

There are no implications for the long term plan emerging from changing the grant criteria.

### **6. Conclusion**

Grants play a pivotal role in mobilising communities to contribute to the Council's strategic outcomes. A review of the grant criteria the need to move away from generic criteria in favour of specific criteria for each grant pool. The proposed establishment of specific funds with criteria explicitly connected to key policies ensures the Council generates best return on investment from providing grants to communities.

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## SUPPORTING INFORMATION

### 1) Strategic fit / Strategic outcome

*Grants are central to supporting communities to deliver on the Council's strategic outcomes. The proposed changes to the grant criteria makes stronger connections between the evaluation for applications and the achievement of these strategic outcomes.*

### 2) LTP/Annual Plan reference and long term financial impact

*The Long Term Plan makes provision for community grants in several places - 2.1.6 - Community environmental initiatives, 3.1.4 - Grants and creative workforce, 4.1.4 - Cultural grants, and 5.2.4 - Grants (Social and Recreation).*

*There are no long term financial impacts emerging from the proposed changes to the grant criteria.*

### 3) Treaty of Waitangi considerations

*The proposed changes to the criteria include a tailored criterion for each fund relating to consideration of the Treaty of Waitangi.*

### 4) Decision-making

*This is not a significant decision. The report outlines the findings from a review of the current grant criteria and recommends changes to the criteria within the existing funding mechanisms and funding parameters.*

### 5) Consultation

#### a) General consultation

*There will be a significant engagement exercise to support the proposed changes to the grant criteria.*

#### b) Consultation with Maori

*The Treaty Relations team were involved in the review and the crafting of tailored Treaty-related criterion for each grant fund.*

### 6) Legal implications

*There are no legal implications emerging from this report.*

### 7) Consistency with existing policy

*The proposed changes to grant criteria strengthen connections to Council's policies.*