

REVIEW OF THREE YEAR CONTRACTS

1. Purpose of Report

To seek the Committee's agreement for the changes to either the level of funding or to the recipient organisations for three-year contracts.

2. Recommendations

It is recommended that the Grants Subcommittee:

1. *Receive the information.*
2. *Consider Officers' recommendations (appendix 3) and decide whether or not it is appropriate to fund the applicants and at what level.*

3. Background

Grants are included in the Annual Plan to provide an appropriate mechanism for the Council to respond to community groups that are undertaking projects that:

- Meet a need identified by the community.
- Align with council's strategic goals and community outcomes.
- Rely to some extent on participation and engagement by community organisations.

Organisations and projects are funded through contracts and contestable grants pools. The contestable pools provide grants that are discretionary, short term and project based in nature. The Council also enters into three year contracts when it has an interest in ensuring particular activities occur that contribute to the Towards 2040: Smart Capital vision and the Council's strategies or policies. For example, community centres are seen as an important part of community infrastructure and their activities are important in building strong communities (Social and Recreation Strategy and Community Facilities Policy).

The Strategy and Policy Committee agreed to a re-configured grants framework (April 2005) in which organisations whose activities directly contribute to Council's strategic or policy goals would be funded through a detailed contractual arrangement with three-year reviews of the funding.

Three-year funding support is of particular benefit for community and cultural organisations working towards building strong communities by strengthening capacity in Wellington's Social and Cultural sectors.

There are some organisations that are critical to Wellington, contribute to Wellington's sense of place and are part of the city's infrastructure. These are organisations that are sustainable in the long term but need some financial support and some certainty.

- Organisations funded by the Council through three year contracts need to meet the general grants criteria and also that:
- The organisation is well-established and with some Council funding is sustainable in the long-term.
- The organisation is generally regarded as a feature of Wellington's infrastructure or unique sense of place.
- The Council does not wish to influence its day to day activities but has a strong interest in the outcomes of the organisation.
- A partner relationship is beneficial.

As part of the implementation of the grants framework these funding contracts are fully reviewed every three years. It was also agreed that in some cases a long term project that is facing serious financial or governance challenges would be moved to the contestable pool while solutions are found.

There are currently 52 organisations that are funded through contracts for service (this includes 15 community centres). 24 organisations are currently being reviewed as their contracts for funding expire on 30 June 2012 and are listed in Appendix 3.

Four organisations are seeking contract funding for the first time; The Orpheus Choir, Wellington Jazz Orchestra, Kaibosh and Be. Accessible Inc.

This paper makes recommendations as to which organisations should be funded through negotiated agreements for 2012/13-2014/15 financial years

4. Discussion

4.1 Rationale for decision making

In November 2005, Council reviewed and made changes to its Grants Framework. One of those changes was to establish the provision to fund organisations on the basis of a three-year contract. The following principles and criteria have been derived from the grants framework and its rationale.

They have been developed as a guide for the recommendations contained in this paper (as appendix 3), Officers applied the following rationale in their decision making.

The organisations completed a self-assessed health check as part of the application process. Officers ratified this self-assessment by reviewing the supporting documentation provided by the applicants. Before recommending an organisation for contract funding, officers satisfied themselves that each organisation scored a rating of at least '3' in each assessment area. Officers also looked to see that organisations were addressing any areas that they had identified as weaknesses.

Under the Grants Framework, the rationale for funding an organisation on a three-year contract centres on the following two criteria:

- Activities that represent core business of the Council or directly contribute to Council's strategic or policy goals.
- This includes activities that the Council has an interest in influencing

4.2 Application Assessment

Officer's recommendations (Appendix 3) are based on evidence of need, alignment with the Council's strategic goals, the grants criteria and focus area (Appendix 1 and 3). Officers also take into account the management of previous funding from Council (through six-monthly and annual reports).

The assessment process may include consultation with; the applicant, persons or organisations referred to in the application, Council officers, and persons operating or knowledgeable about similar services to that of the applicant. Applicants are given ten working days where possible to respond to a request for more information, so some recommendations may be subject to change depending on responses received after this report has been written.

The original information provided by applicants has been forwarded to subcommittee members in a separate book.

Officers assessed whether the each organisation qualified for contract funding using the general grants criteria (Appendix 2) and information provided by applicants. Each organisation was asked to provide a strategic business plan, outline how they measure their effectiveness, evaluate their activities and demonstrate their commitment to the Treaty of Waitangi.

They were also asked:

- To specify the activities that they would deliver with Council funding over the period of the three-year contract and how they would apply the funding
- How does project deliver against the Council's draft Long Term Plan, the Towards 2040: Smart Capital vision, and other specific strategies which included the Social and Recreation, Homelessness and Arts and Cultural Strategies.
- To demonstrate how they do or will work in partnership with other organisations and the Council.

4.3 Allocation of funding

Officer's recommendations are listed in Appendix 3 which describes the name of the organisation, the previous contracted funding (if any) and the level of funding requested.

The recommendations include funding 2 new organisations through contract funding and moving 3 organisations to the annual project funding through the general grants pool. This includes Catacombs and the Wellington Night Shelter Trust where any future funding would be guided by the Homelessness Strategy (currently under review). Both organisations will be considered for contract funding for 2013/14 onwards.

Officers recommended funding levels that they believe was appropriate for each organisation, given the total funding available.

4.4 Consultation and Engagement

Council grants are promoted widely through a range of promotional mechanisms; all information is available via the Wellington City Council website. Officers maintain good networks, engaging with key providers in the social and cultural sectors.

4.5 Financial considerations

The Cultural Grants come under project C661, Environmental grants under project C652 and Social and Recreational Grants under C678.

4.6 Climate change impacts and considerations

One organisation, The Sustainability Trust delivers on environmental as well as social outcomes.

4.7 Long-term plan considerations

Subject to approval through the Long Term Plan process, the contracts funding pool will be inflation adjusted annually and the cultural grants pool be increased by \$150,000 per year.

5. Conclusion

The Subcommittee is asked to consider the applications and decide whether or not it is appropriate to fund the organisations and at what level.

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SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

Wellington City Council grants and contracts are allocated to support outcomes from the Cultural, Social, Environmental and Economic strategic areas.

2) Long-Term Plan/Annual Plan reference and long term financial impact

The Cultural Grants come under project C661, Environmental grants under project C652 and Social and Recreational Grants under C678.

3) Treaty of Waitangi considerations

Grant and contract applications that could have implications for Maori are referred to the Treaty Relations Business Unit for recommendations.

4) Decision-making

This is not a significant decision.

5) Consultation

a) General consultation

City Communities have discussed with the appropriate Council officers prior to the presentation at the Subcommittee. Applicants and persons or organisations referred to in the applications and others have been spoken to for comments where appropriate.

b) Consultation with Maori

No external consultation has occurred

6) Legal implications

N/A

7) Consistency with existing policy

Grants are included in the Annual Plan to provide an appropriate mechanism for the Council to respond to community groups that are undertaking projects that; meet a need identified by the community and align with council's strategic goals and community outcomes.

Appendix 1: Grants Criteria

Generic Grants Criteria:

1. Project makes a positive contribution to achieving the Council's Strategic Outcomes and Points of Difference as listed in the Council's current Annual Plan.
2. Project is Wellington based and primarily benefits the people of Wellington (exceptions may be made for projects based elsewhere in the region but which significantly benefit residents of Wellington City).
3. Applicant is a legally constituted community group or organisation, not an individual or individuals.
4. Applicant group provides evidence of (or, if a new group, systems for): sound financial management, good employment practice (where applicable), clear and detailed planning, clear performance measures, demonstrated ability to report back on past funding as appropriate.
5. Projects will not be funded for the same purpose more than once in any financial year.
6. Failure to report adequately on past Council funding can result in a group being considered ineligible for future funding.
7. Project is physically and financially accessible either by a wide range of persons or by the intended users.
8. Project shows evidence of community support, collaboration and building partnerships with other organisations (e.g. letters of support from other organisations/leaders).
9. Applicant must demonstrate that the project expands the capacity, range or level of similar types of services in the community and that there was user input into identifying the need for the project.
10. The principal intent of the project is not for private or commercial pecuniary gain, though it may be that such gains occur as a side effect of the project.
11. Application demonstrates an awareness of the Treaty of Waitangi, in particular when involving Mana whenua and Taura Here.

Appendix 2: Focus Areas

Cultural Grants

The focus areas and associated criteria recognise the importance of sense of place, diversity, partnerships with arts organisations, festival groups and youth participation in arts and cultural activities.

Focus areas	Specific criteria
Grassroots organisations (particularly those with a focus on youth)	<ul style="list-style-type: none"> ▪ Encourage or increases youth participation in the arts ▪ Acknowledge community diversity and civic pride
For specific projects, exhibitions or other groups	<ul style="list-style-type: none"> ▪ Preserve and enhance Wellington's role as arts and cultural capital of New Zealand ▪ Attract visitors to Wellington and has a positive economic benefit for the city ▪ Be a specific project for an exhibition or event
Maori art	<ul style="list-style-type: none"> ▪ Demonstrate an emphasis on traditional or contemporary Maori cultural influences
Significant community festivals and events	<ul style="list-style-type: none"> ▪ Group is based in a geographic community (such as a suburb) or a community of interest (such as an ethnicity) and proposes a festival or event that reflects a community need

Environmental Grants

Focus areas reflect the current priorities which include delivering on the Climate Change Action Plan and promoting opportunities for initiatives that promote the city's natural environment.

Focus areas	Specific criteria
Waste	<ul style="list-style-type: none"> ▪ Encourage composting of organic waste ▪ Facilitate and support recycling, composting and waste reduction
Energy and climate change	<ul style="list-style-type: none"> ▪ Support reduced energy consumption and/or promotion of renewable energy ▪ Encourage change in travel behaviour ▪ Improve energy efficiency and conservation
Biodiversity and stream protection	<ul style="list-style-type: none"> ▪ Restore and protect natural biodiversity ▪ Increase awareness of biodiversity stream protection ▪ Support clean ups that have a direct impact on biodiversity value
Water	Encourage reduced water consumption, Increased water efficiency / resilience

Economic Grants

Focus areas support the development projects of economic benefit to Wellington. The projects must benefit the wider community (local or city wide) not individuals or businesses. Applicants should not be government agencies

Focus areas	Specific criteria
Retain core economic activity	<ul style="list-style-type: none"> ▪ Support local economic development activity and capacity building ▪ Feature strong partnerships with tertiary education institutions ▪ Attract and retain skilled migrants ▪ Strengthen the city's status as a centre of creativity, ideas and innovation
Growth of local emerging business and local economic activity	<ul style="list-style-type: none"> ▪ Promote new ideas, businesses, products or partnerships –including creative/digital, clean technologies, innovative design and tourism

Social Grants

The focus areas recognise the importance of strong, sustainable communities and the need for building capacity in the community

Focus area	Specific criteria
Capability and capacity	<ul style="list-style-type: none"> ▪ Encourage growth of communities and participation in community life ▪ Strengthen the local community, address local issues, strengthen and contribute to social wellbeing ▪ Encourage and support volunteers and foster skill development and training for the community
Safety	<ul style="list-style-type: none"> ▪ Build a safe community and/or environment ▪ Promote personal safety
Physically active	<ul style="list-style-type: none"> ▪ Encourage and support health and wellbeing ▪ Target communities of interest, including youth and seniors
Youth	<ul style="list-style-type: none"> ▪ Involve young people in the development and delivery of the project ▪ Encourage constructive use of leisure time ▪ Help young people gain a better understanding of community, an increased sense of belonging as active citizens and positive contributors to society ▪ Promote volunteer opportunities for young people