
REPORT 1
(1215/52/03/IM)

REVIEW OF THREE YEAR FUNDING CONTRACTS

1. Purpose of Report

To seek the Committee's agreement for the changes to either the level of funding or to the recipient organisation for 3 year contracts currently under review.

2. Recommendations

It is recommended that the Grants Subcommittee:

- 1. Receive the information.*
- 2. Agree to fund the applicants as listed in Appendix Five.*

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 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 (the overarching theme of the Social Strategy). In addition, the Council has an ownership interest in many of the community centres.

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 3 year reviews of the funding.

Three year funding support is of particular benefit for community organisations working towards building strong communities through 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. An example might be Vector Orchestra or Wellington Free Ambulance.

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 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.

Community ICT

In June 2009 the Council decided to change the way it supported community ICT and agreed not to renew the existing contract with the Wellington 2020 Trust (beyond 30 June 2010), for delivery of a web platform (Wellington Community Net). At the same time Council ring-fenced \$50,000 per annum, within the grants pool, to ensure a continued web presence for Wellington City community organisations. The changed funding provision required that alternative models of support be considered and favoured the voluntary sector making more effective use of other providers.

Expressions of interests were sought from organisations (via public notices) to deliver services that would assist Wellington based not for profit community groups to develop and maintain a web presence. (Appendix 3)

A number of expressions of interest were received which translated into three firm applications for funding. These applications are from The Peoples Times, Unlimited Potential and Wellington ICT (Appendix 3)

Applicants for community ICT contract funding were asked to consider how they could provide tools and support for groups to develop and manage their own web presence. In particular they were asked to outline what activities partnerships they already have in place to bring to the project. Activities could include training, workshops, and seminars or web based tools. Officers also considered technical capabilities required and where and for whom the organisations proposed to deliver the programmes. Council officers recommend an allocation of \$35,000 to Wellington ICT to develop and support a Web-rider project and that \$15,000 is available for future ICT projects that support a web presence for community groups.

Community Centres

The Council is proposing (through the draft Annual Plan) to amend the way funding is allocated to community centres during the current contracts review process. (Appendix 4) In this proposal no centre will receive less under the proposed methodology but allocation of funding would be considered on a more equitable basis compared to the current historical adhoc allocations. We currently allocate \$418,192 to 16 community centres through contract funding and are proposing and increase the funding to \$622,058. This proposed allocation also considers operational funding for community facilities in Churton Park and new funding for the New Crossways Trust . The proposed allocation of funding is part of the draft Annual Plan deliberations and will not be confirmed until adoption of the Annual Plan (June 2010)

General Contracts

Overall there are 52 organisations that are funded through contracts for service with 9 organisations being reviewed as their contracts expire 30 June 2010. Three organisations are seeking new funding through the general contracts, (Newtown Festival, Wesley Community Action and Challenge 2000).

Council officers are recommending moving 2 organisations to the contestable pool for consideration as a better fit.

This paper makes recommendations as to which organisations should be funded through negotiated agreements for 2010-2013 financial years (Appendix 5).

4. Discussion

4.1 Rationale for decision making

The following principles and criteria have been derived from the framework and its rationale. They have been developed as a guide for the recommendations contained in this paper, officers applied the following rationale in their decision making.

Health Check

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 and through asking questions at a meeting with each organisation. 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.

Contract funding criteria

In November 2005, Council reviewed and made changes to the Grants Framework. One of those changes was to establish the provision to fund organisations on the basis of a three-year contract. A number of organisations that the Council had an existing funding relationship with were invited to enter into such a contract. These came into effect from July 2007 and would be reviewed in 2010. 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

Officers assessed whether the each organisation qualified for contract funding using the above criteria. (Appendix 2)

Meeting strategic priorities

In the application form, organisations were asked to specify the activities that they would deliver with Council funding over the period of the three year contract. These activities were assessed against the Council's three-year priorities in its' 2009-19 Long Term Council Community Plan.

Other criteria

In the application form, organisations were asked to demonstrate how they do or will work in partnership with other organisations and the Council, how they evaluate their activities and their commitment to the Treaty of Waitangi.

4.3 Allocation of funding

Officer's recommendations are listed in Appendix 5.

There was no increased funding to the contracts pool for distribution in this contract round and significant changes in the level of funding for organisations

were not possible. In distributing the available funds, officers took the following approach:

1. Firstly, organisations needed to pass the health check, meet the criteria of contract funding and be requesting funding for activities that have a strong fit with Council's strategic priorities.
2. Secondly, for the remaining organisations, officers recommended funding levels that they believe was appropriate for each organisation, given the total funding available. In some cases, organisations were funded to the level that they requested. In the case of cultural organisations, it was decided that each qualifying organisation would be offered a 10% increase of their existing funding level.
3. Thirdly, organisations that were invited to apply for funding for the first time were assessed against the above criteria alongside the other organisations. Officers have recommended that several of these organisations do receive contract funding.

Overall there are twenty eight organisation requesting funding through 3 year contracts with \$1,318,091 available for allocation (this includes \$50,000 ring-fences for community ICT and \$680,451 for community centres)

Council officers recommend moving 2 organisations to the contestable pool and to hold \$15,000 for possible future funding bids to support groups to have a web presence.

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

WCC grants are allocated to support outcomes from the Cultural, Social, Economic and Environmental strategic areas.

2) LTCCP/Annual Plan reference and long term financial impact

The Cultural grants come under project C661, the Environmental grants under project C652, the Social & Recreational grants under C678

3) Treaty of Waitangi considerations

Any grants application that could have implications for Maori are referred to WCC Treaty Relations Office for recommendations. The Treaty Relations Office is sent the full list of applicants and projects for comments.

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

The Grants Team have discussed with appropriate Council officers prior to presentation to the Subcommittee. Applicants and persons or organisations referred to in the applications and others may be 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 have been created to assist community initiatives in line with Council strategy.