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## **REVIEW OF THREE YEAR CONTRACTS**

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### **1. Purpose of Report**

To seek Strategy and Policy Committee's approval for the allocation of three year contract funding contracts assessed by the Grants Subcommittee at its meeting on 31 May 2012. The Grants Subcommittee considered the levels of funding to applicant organisations for three year contracts and the recommendations are attached as Appendix 3.

### **2. Recommendations**

It is recommended that the Strategy and Policy Committee:

1. *Receive the information.*

The Grants Subcommittee recommend that the Strategy and Policy Committee:

2. *Approve the allocation of the three year grant funding contracts as attached in Appendix 3.*

### **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; and
- 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 Council strategies or policies.

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 mutually beneficial.

As part of the implementation of the grants framework these funding contracts are reviewed every three years.

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; Orpheus Choir, Wellington Jazz Orchestra, Kaibosh and Be. Institute Charitable Trust.

This paper outlines the recommendations of the Grants Subcommittee as to which organisations should be funded through negotiated agreements for 2012/13 to 2014/15 financial years.

## **4. Discussion**

### ***4.1 Allocation of funding***

The Grants Subcommittee's recommendations are listed in Appendix 3 which describes the name of the organisation, the previous contracted funding (if any), the level of funding requested and the amount recommended by the Grants Subcommittee.

The Cultural contract funding recommendations includes the proposed Long Term Plan increase of \$150,000 funding for cultural grants. A second set of

recommendations from the Grant Subcommittee are shown in column D should the increased funding not be approved in the Long Term Plan.

The recommendations include funding two new organisations (Be. Institute Charitable Trust and Kaibosh) through Social contract funding and one organisation (Orpheus Choir) through Cultural contract funding. Three organisations will be moved to the annual project funding through the general grants pool (Catacombs, Community Accounts Mentoring Service and Wellington Night Shelter Trust).

Future contract funding for Catacombs and the Wellington Night Shelter Trust will be guided by the Homelessness Strategy (currently under review). Both of these organisations will be considered for contract funding for 2013/14 onwards.

#### **4.2 Rationale for decision making**

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

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 and complete a self-assessed health check as part of the application process.

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 to deliver against:

- Council's draft Long Term Plan
- Towards 2040: Smart Capital
- Other specific strategies; Social and Recreation, Homelessness and Arts and Cultural Strategies.

#### **4.3 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.

#### **4.4 Financial considerations**

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

#### ***4.5 Climate change impacts and considerations***

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

#### ***4.6 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 increased by \$150,000 per year.

### **5. Conclusion**

The Strategy and Policy Committee are asked to approve the decisions of the Grants Subcommittee in the allocation of three year grant funding contracts by Wellington City Council.

Contact: *Councillor Stephanie Cook, Chair of the Grants Subcommittee*

Contact Officer: *Mark Farrar, Grants Team Leader*

## 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) LTP/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"> <li>▪ Encourage or increases youth participation in the arts</li> <li>▪ Acknowledge community diversity and civic pride</li> </ul>
For specific projects, exhibitions or other groups	<ul style="list-style-type: none"> <li>▪ Preserve and enhance Wellington's role as arts and cultural capital of New Zealand</li> <li>▪ Attract visitors to Wellington and has a positive economic benefit for the city</li> <li>▪ Be a specific project for an exhibition or event</li> </ul>
Maori art	<ul style="list-style-type: none"> <li>▪ Demonstrate an emphasis on traditional or contemporary Maori cultural influences</li> </ul>
Significant community festivals and events	<ul style="list-style-type: none"> <li>▪ 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</li> </ul>

### 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"> <li>▪ Encourage composting of organic waste</li> <li>▪ Facilitate and support recycling, composting and waste reduction</li> </ul>
Energy and climate change	<ul style="list-style-type: none"> <li>▪ Support reduced energy consumption and/or promotion of renewable energy</li> <li>▪ Encourage change in travel behaviour</li> <li>▪ Improve energy efficiency and conservation</li> </ul>
Biodiversity and stream protection	<ul style="list-style-type: none"> <li>▪ Restore and protect natural biodiversity</li> <li>▪ Increase awareness of biodiversity stream protection</li> <li>▪ Support clean ups that have a direct impact on biodiversity value</li> </ul>
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"> <li>▪ Support local economic development activity and capacity building</li> <li>▪ Feature strong partnerships with tertiary education institutions</li> <li>▪ Attract and retain skilled migrants</li> <li>▪ Strengthen the city's status as a centre of creativity, ideas and innovation</li> </ul>
Growth of local emerging business and local economic activity	<ul style="list-style-type: none"> <li>▪ Promote new ideas, businesses, products or partnerships –including creative/digital, clean technologies, innovative design and tourism</li> </ul>

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