
GRANTS FRAMEWORK - IMPLEMENTATION

1. Purpose of Report

To seek the Committee's agreement to change the funding mechanism for some current grants recipients to either a negotiated agreement specifying services or to the Annual Plan/LTCCP.

2. Executive Summary

Strategy and Policy Committee agreed to a re-configured grants framework (attached as appendix 1) at its meeting of 21 April 2005. The framework refines the focus of the grants pool to grants that are short term and project based in nature. The framework aims to focus grants on short term projects by organisations and that accountability arrangements are likely to focus on a report that confirms the project was undertaken and some indication of the success of it (for example the number of people benefiting from it).

Organisations that have longer term funding for activities that directly contribute to Council's strategic or policy goals are more appropriately funded through a more detailed contractual arrangement. Both parties to such an agreement will negotiate the purpose of the funding based on agreed outputs for the city. Negotiated agreements are appropriate where the Council has an ownership interest in the land or buildings and an interest in how the services or outputs are delivered. In the main the agreements will be for a period of three years, although there are some organisations for which officers recommend that, in the first instance, a one year contract is more appropriate. Officers will review those organisations' funding for the longer term and report back to the subcommittee.

The framework suggests some organisations should be resourced through the Annual Plan/LTCCP - in particular, organisations that are generally regarded as a feature of Wellington and its unique sense of place. The funding is likely to be of a magnitude that justifies its inclusion in the Annual Plan consultation process. The Council would not wish to influence the day to day operations of the organisation but is interested in ensuring the outcomes contribute to the strategic goals and vision of the city.

This paper makes recommendations as to which organisations should be funded through negotiated agreements or the Annual Plan/LTCCP. All other community organisations will continue to be eligible to apply for funding through the grants scheme. The new funding arrangements will come into effect in the 2006/07 financial year.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Agree to recommend to Strategy and Policy Committee to amend the grants framework by inserting “economic” into the sentence “Consider split between social, cultural and environmental well-being” in the Project/ Other Support column of the grants framework.*
3. *Agree to recommend to Strategy and Policy Committee that it agrees that for the 2006/07 financial year the funding arrangements for the following organisations are as shown below:*

LTCCP/ Annual plan funding	Three year contracts negotiated between the organisation and officers	One year contracts with a review
Carter Observatory	Arts Access Aotearoa	Age Concern Wellington
Catacombs	Community Accounts	Christmas Parade Trust
Chapman Tripp Theatre Awards	Mentoring Service	Downtown Community Ministry
Life Flight Trust	Multicultural Services Centre	Fireworks
NGC Sinfonia	Vincent’s Art Workshop	Fringe Festival
NBR Opera	Pablo’s Art Studios Inc	Katherine Mansfield House
Professional Theatres: \$25,000 each to Downstage, Circa, Bats, Taki Rua	Wellington City Mission	Mokai Kainga Maori Centre
Volunteer Wellington	Wellington Social Services Council	Presbyterian Support
Wellington Free Ambulance	Wellington Violence Intervention Programme now WEAV	Wellington Activity Centre
Wellington Night Shelter Trust	Wesley Wellington Mission Inc	Wellington Basketball
Wellington Sculpture Trust ¹		Wellington Community Child Care Association
Wellington Women’s Refuge		Wellington ESOL Home Tutor Service
		Wellington International Jazz Festival
		Wellington People’s

¹ The Sculpture Trust will receive annual funding from the Public Art Fund.

		Centre Wellington Senior Centre ZEAL
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4. *Agree to recommend to Strategy and Policy Committee that it agrees that the grants to six Citizen's Advice Bureaux are combined into a single three year contract with a governance body (yet to be established) for the 2006/07 financial year.*
5. *Agree to recommend to Strategy and Policy Committee that it agrees that funding to Wellington Boys and Girls Institute Inc and their various services are combined into a single one year contract.*
6. *Note that the contracts and Annual Plan/LTCCP funding arrangements will be implemented for the 2006/07 financial year.*
7. *Note that these decisions do not impact on the amount of funding being received by the various organisations. Any increases for the 2006/07 financial year would be the subject of a new initiative for the 2006/07 Long Term Council Community Plan. Any decreases to the amount currently granted to an organisation will be reported to the subcommittee through the review process.*

4. Background

Strategy and Policy Committee (SPC) agreed to a re-configured grants framework (attached as appendix 1) at its meeting on 21 April 2005. It was also agreed at that meeting that a Councillor workshop would be held to consider the method of funding for organisations that are regularly funded through the grants scheme. That workshop was arranged for 10 June 2005, opened and, because there was no quorum, was closed. At that time, councillors sought to amend the framework by inserting "economic" into the sentence "Consider split between social, cultural and environmental well-being" which is in the Project/ Other Support column.

It is proposed that the Grants subcommittee proceed with the consideration of the funding mechanisms and SPC are asked to confirm those decisions.

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.

The framework refines the focus of the grants pool to grants that are short term and project based in nature, it does not apply to "in-kind" contributions and the concept of non-contestable grants is removed. The framework proposes that:

- organisations that perform activities and provide services either on behalf of the Council or that the Council has an interest in influencing should be funded

through negotiated agreements managed by the relevant business unit (this includes organisations that the Council has an ownership interest in)

- organisations that are critical to the infrastructure of the city and have ongoing significance to the city should be funded through the Annual Plan/LTCCP. These would be organisations where the Council has an interest in the outcomes but not the day to day activities of the organisation
- other organisations that are performing activities and providing services that the Council supports would be eligible to apply for short term grants for projects or to develop capacity (this would include community festivals and awards).

This paper makes recommendations as to which organisations should be funded through negotiated agreements or the Annual Plan/LTCCP. All other organisations will continue to be eligible to apply for a grant through the grants scheme. Consideration was given to organisations that:

- currently receive non-contestable grants
- meet the current criteria for non-contestable grants (but do not receive a non-contestable grant)
- the Council has provided funding to support the organisation rather than for a specific project for at least the last three years.

The organisations that meet those conditions are listed in Appendix 2 with brief details on the grants received.

5. Discussion

5.1 *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 decision making so are necessary but not sufficient conditions, that is, although some organisations may meet one or more of the criteria it does not mean the organisation will be funded in any particular way or funded at all. For example there are some organisations that are critical to Wellington's infra-structure which the Council may not fund at all. Nor should it be inferred that an organisation is more or less important to Wellington because of the funding arrangement it has with the Council.

Principles guiding the distinctions between funding organisations through the **grants, contracts or annual plan** funding mechanisms are as follows:

- Grants should be focussed upon short term projects by organisations that directly or indirectly contribute to the Council's role as community leader or to strategic goals. Usually grants will not be large, will contribute to strategic objectives and accountability arrangements are likely to focus on a report that confirms the project was undertaken and some indication of the success of it (for example the number of people benefiting from it).

- Organisations funded through a contractual arrangement are likely to have longer term funding for activities that represent core business of the Council or directly contribute to Council’s strategic or policy goals. Both parties to the agreement will negotiate the purpose of the funding based on agreed outputs for the city. Negotiated agreements are appropriate where the Council has an ownership interest in the land or buildings and an interest in how the services or outputs are delivered.
- For an organisation to be resourced through the Annual Plan/LTCCP, that organisation should be regarded as a feature of Wellington and its unique sense of place. Its funding is likely to be of a magnitude that justifies its inclusion in the Annual Plan consultation process. Accountability would be managed through an agreed monitoring mechanism. The Council would not wish to influence the day to day operations of the organisation but rather, would be interested in the outcomes it contributes to.

Grants	Contracts	Annual Plan /LTCCP
Short term	Medium to long term	Medium to long term
Project based (that is has an end point)	Funding is for on-going support	Funding is for on-going support or administration
Organisation proposes the purpose of the funding	Both parties negotiate the purpose of the funding	Organisation proposes the purpose of the funding
Accountability via confirmation that project has happened and achieved specified outcomes.	Active management by WCC business unit	A partner relationship is more appropriate than a negotiated agreement concerning levels of service delivery. Will be consulted on as part of the Annual Plan consultation
The project will contribute to the organisation’s delivery of its services.	The services performed represent WCC core business WCC may have an ownership interest – in the organisation or its land and buildings	The organisation is generally regarded as a feature of Wellington’s infrastructure or unique sense of place
Negligible influence over specifics of how project is delivered	Potential to influence day to day activities and how service is delivered	Negligible influence over specifics of how project is delivered
Low certainty for recipient	Medium to high certainty for recipient	Medium to high certainty for recipient

5.2 Recommendations

Annual Plan

It is recommended on the basis of the rationale outlined above that the following organisations are resourced through the Annual Plan/LTCCP:

- Carter Observatory
- Catacombs
- Chapman Tripp Theatre Awards
- Life Flight Trust
- NGC Sinfonia
- NBR Opera
- Professional Theatres: \$25,000 each to Downstage, Circa, Bats, Taki Rua
- Volunteer Wellington
- Wellington Free Ambulance
- Wellington Sculpture Trust²
- Wellington Women's Refuge

Contracts

Organisations that are to be funded through contracts will, in the main, be contracted for three years. There are some organisations that conceptually appear to belong in the contracts or "annual plan" component of the framework, but practically there are concerns about:

- Strategic fit between the organisation and Council goals
- The purpose of the funding
- The amount of funding
- The organisation's infrastructure (usually evidenced by its ability to meet accountability requirements).

In these instances, officers recommend that the funding is, in the first instance, managed through a contract on a one year basis and the level of funding and activities will be reviewed and negotiated with the organisation. Any amendments will be reported to this subcommittee and varied as appropriate. Those organisations with a three year contract will be reviewed prior to the expiry of the contract. The contracts will be negotiated and put in place for 2006/07.

² The Sculpture Trust will receive annual funding from the Public Art Fund.

It is recommended that three year contracts are negotiated with the following organisations:

- Arts Access Aotearoa
- Community Accounts Mentoring Service
- Multicultural Services Centre
- Pablo's Art Studios Inc
- Vincent's Art Workshop
- Wellington City Mission
- Wellington Night Shelter Trust
- Wellington Social Services Council
- Wellington Violence Intervention Programme now WEAV
- Wesley Wellington Mission Inc

Six Citizen's Advice Bureaux (CABx) receive individual grants. Currently work is being carried out by the CABx to streamline their governance. By paying one amount rather than six separate grants there is greater flexibility for WCC to respond to CABx governance initiatives. It is recommended that the grants to six Citizen's Advice Bureaux are combined into one three year contract.

It is recommended that one year contracts are negotiated with the following organisations and are reviewed prior to the expiry of the contract taking account of strategic fit, the purpose and amount of funding:

- Age Concern Wellington Inc
- Christmas Parade Trust
- Downtown Community Ministry (taking account of the review of Project Margin)
- Fireworks
- Fringe Festival
- Katherine Mansfield House
- Mokai Kainga Maori Centre
- Presbyterian Support
- Wellington Activity Centre
- Wellington Basketball
- Wellington Community Child Care Association

- Wellington ESOL Home Tutor Service
- Wellington International Jazz Festival
- Wellington People's Centre
- Wellington Senior Centre
- ZEAL

In 2004/05 the Wellington Boys and Girls Institute received grants funding of \$140,000 for a number of projects and services. It is recommended that funding to Wellington Boys and Girls Institute Inc and their various services are combined into one 1 year contract.

Grants

The following organisations have also received funding for several years and it is recommended that they continue to apply to the Grants Subcommittee for grants:

- Awhina Wahine Inc
- Autism New Zealand Inc. (Wellington Branch)
- Birthright
- Manawa Karori
- Mothers' Network (Wellington) Inc.
- Otari-Wilton's Bush Trust
- Pacific Island Budgeting & Family Service Trust
- Parent Help Wellington Inc.
- Parent to Parent Wellington Region
- Pregnancy Help Inc. - Wellington Branch
- Post & Ante Natal Distress Support Group (Wgton)
- Salvation Army Wgtn Youth Services-Transition House
- Stroke Foundation of NZ inc Central
- Wellington Independent Rape Crisis Centre Inc
- Wgtn Prisoners Aid & Rehabilitation Society Inc

Community festivals will continue to be funded by the Grants Subcommittee on a yearly basis.

5.3 Further Work

The decisions on the funding mechanisms for various organisations do not impact on the amount of funding being received by the organisations. Any alterations for the 2006/07 financial year will be the subject of a new initiative for the 2006/07 Long Term

Council Community Plan (if an increase is sought). Any decreases to the amount currently granted to an organisation will be reported to the subcommittee through the review process.

Once decisions have been taken on the funding mechanisms for different organisations, officers will prepare advice on priorities for the remaining grants pool for the 2006/07 year. Those priorities will signal the areas and amounts that the Council intends grants to be spent on. The priorities will be grouped on the basis of the four well beings and will take account of emerging issues and previous spending. This will give flexibility in the longer term on how grants money is spent and will also allow some operational flexibility in relation to out of time applications. The priorities will take account of:

- The 4 well-beings
- Strategic goals
- Current spend
- ding by the Council on particular areas.

Further work is to address operational processes for accountability and monitoring. As noted above some grants are to be reviewed.

In the future, every three years there will be a full review of where organisations are placed on the framework and also of grant priorities aligned to the three year LTCCP process. Advice on annual priorities and recommendations for minor amendments will take place yearly.

The Grants Subcommittee Terms of Reference may need some amendment to reflect changes to the framework. Once any issues have been identified, amendments will be referred to SPC.

6. Conclusion

This paper makes recommendations about the funding mechanisms to be used in the future for grants recipients. It is the first step in implementing the grants framework agreed to by Strategy and Policy Committee.

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Supporting Information

1) Strategic Fit / Strategic Outcome

This paper is concerned with implementing a policy that has been developed to ensure there is greater alignment between the grants scheme and the Council's strategic direction.

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

Agreement to this proposal has implications for the annual plan and LTCCP in terms of how grants are managed however the proposal has been developed on the basis that the funds for grants remain at the same level.

3) Treaty of Waitangi considerations

Not applicable

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

At this stage consultation has not been carried out as the proposal is in its early stages. Once the funding arrangements for groups are known a consultation process will be carried out to ensure their needs are taken into account.

b) Consultation with Maori

Not applicable at this stage.

6) Legal Implications

Not applicable at this stage.

7) Consistency with existing policy

There is no inconsistency with existing policy.

APPENDIX ONE

GRANTS FRAMEWORK

	Strategic Partners	Project/ Other Support		Contract Management
		One-off projects	Civic Leadership	
Characteristics/ Council Interest	On-going significance to Wellington City Critical to social, cultural or environmental infrastructure. Sustainable with funding contribution. Long-standing Not-for-profit Partial funding only	Supporting organisations to realise potential Support to organisations to develop Projects or organisations that contribute to a strategic or policy goal on a short term basis Enables WCC to react to emerging issues Not-for-profit Community based Partial funding only	Ratepayers expectation that WCC will acknowledge achievements (as part of WCC leadership role) Community support	Council ownership of land/buildings (asset management plan to reflect investment strategy) Groups delivering services on our behalf Core business of WCC
Governance	Through LTCCP/ annual plan as line items Three yearly review Memorandum of Understanding may be appropriate	Annually Councillors determine the split and priority areas (prior to DAP). Grants subcommittee determine the priorities for the next round to reflect the spend and priorities to date Consider split between social, cultural and environmental well-being.		Contract negotiated and actively managed by business unit Memorandum of Understanding may be appropriate Some contracts will focus on deliverables, others on services
Certainty for recipient	High	Low	Low - Medium	High

Accountability	Audited accounts. Business plan. Review through the annual plan. In-depth review 3 yearly	Report back on achievements Part funding delivered with balance on attaining milestones Unlikely to have more than one year funding for a project Processes to ensure appropriate internal controls	Processes to ensure appropriate internal controls	Ongoing monitoring Contractual relationship Processes to ensure appropriate internal controls
Council influence on operations	Low	Low to Medium	Low	Medium – High

APPENDIX 2

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Organisation Name	2001-02	2002-03	2003-04	2004-05	Comments
Asia 2000 Foundation of NZ	\$ 12,000.00	\$ 18,800.00	\$ 26,800.00	\$ 26,800.00	Venue sub incl
Birthright Wellington	\$ 14,500.00	\$ 10,000.00	\$ 10,000.00	\$ 9,000.00	Generally 2 grants annually - community & safer
Chapman Tripp Theatre Awards	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	5k venue sub p.a. Note - doesn't show 5k annually ex professional theatre grant
Cuba St Carnival Collective	\$ 40,000.00	\$ 10,000.00	\$ -	\$ 30,000.00	No clear pattern as reduced in size and missed a year. 01/02 = 2 x 20k. Max given 30k in '04
Ethnic Council Wellington	\$ 12,875.00	\$ 12,000.00	\$ 11,000.00	\$ 8,000.00	8k grant each year + venue sub varies. \$1800 set aside for 04/05 venue sub
Manawa Karioi Society	\$ 3,295.73	\$ -	\$ 5,000.00	\$ 2,000.00	
Newtown Festival (under Newtown Residents Assn)	\$ 4,000.00	\$ 7,000.00	\$ 8,000.00	\$ 8,000.00	
Otari Wilton's Bush Trust	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00	\$ 8,000.00	
Pacific Budgeting Family Services Trust	\$ -	\$ -	\$ -	\$ 10,800.00	New group - Salary 7k & Youth Initiative \$3800
Wellington City Centre for the Elderly	\$ 15,908.00	\$ 14,908.00	\$ 14,908.00	\$ 15,408.00	Non-cont funding - Creative Communities grants not included
Wellington Community Child Care Association	\$ 14,508.00	\$ 16,508.00	\$ 14,508.00	\$ 15,408.00	Non-cont funding
Wellington Council of Social Services	\$ 19,308.00	\$ 14,508.00	\$ 14,508.00	\$ 15,408.00	Non-cont funding plus 01/02 comm. grant 4k; Also got \$3605 in 03/04 from Izard
Wellington Irish Festival Trust	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
Wellington Secondary Schools Choral Festival (NZCF)	\$ 8,000.00	\$ 12,800.00	\$ 8,000.00	\$ 6,000.00	Venue sub incl - 2k each last 2 years
Work & Age Trust NZ Inc	\$ 3,500.00	\$ -	\$ 3,500.00	\$ 3,500.00	
Young & Hungry Arts Trust	\$ 4,000.00	\$ 4,300.00	\$ 11,500.00	\$ 9,000.00	Last 2 years - Youth grant + A & C

Organisation Name

Age Concern Wellington Inc	\$	-	\$ 3,500.00	\$ 3,500.00	\$ 4,790.05	\$3500 salary; 04/05 includes rental subsidy
Autism New Zealand Inc. (Wellington Branch)	\$	-	\$ 5,055.00	\$ 3,000.00	\$ 3,000.00	3k salary; 02/03 included 2k for special project
Awhina Wahine Inc	\$	-	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00	
Catacombs	\$	12,605.00	\$ 11,960.00	\$ 30,960.00	\$ 16,350.00	Incl. 19k in 03/04 for relocation, 3350 in 04/05 for laundry
Challenge 2000	\$	25,105.00	\$ 24,000.00	\$ 34,000.00	\$ 31,000.00	Salary & Youth projects
Community Accounts Mentoring Service	\$	15,000.00	\$ -	\$ -	\$ 14,000.00	See also Wgtn Council of Social Services - non salary grants are for CAMS. Also 2k 03/04 from Newton Bequest
Mothers' Network (Wellington) Inc.	\$	6,305.00	\$ 6,985.00	\$ 7,000.00	\$ 3,500.00	Incl. 680 from Izard 02/03
Multicultural Services Centre	\$	6,305.00	\$ 7,000.00	\$ 50,000.00	\$ 10,000.00	Incl. 40k in 03/04 for Centre fit-out
Ngati Kahungunu Ki Poneke Community Services Inc	\$	-	\$ 2,000.00	\$ 11,600.00	\$ 7,000.00	
Pablos Art Studios Inc	\$	3,150.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	Also got Creative Communities, Newton Bequest - 2000-2500 p.a.
Parent Help Wellington Inc.	\$	9,305.00	\$ 10,000.00	\$ 7,600.00	\$ 11,000.00	Salary & Safer Comm. programmes
Parent to Parent Wellington Region	\$	4,500.00	\$ 3,500.00	\$ 3,000.00	\$ 8,800.00	Salary & Comm. Grants. Also got Izard - 3k 03/04
Post & Ante Natal Distress Support Group (Wgton)	\$	6,305.00	\$ 5,100.00	\$ 5,000.00	\$ 3,500.00	
Pregnancy Help Inc. - Wellington Branch	\$	6,305.00	\$ 7,000.00	\$ 5,000.00	\$ 5,000.00	
Presbyterian Support (Central)	\$	17,700.00	\$ 31,000.00	\$ 31,400.00	\$ 25,900.00	Creative Communities not included
Salvation Army Wgtn Youth Services-Transition Hse	\$	-	\$ -	\$ -	\$ 10,000.00	New. Also got \$1000 from Izard 03/04
Stroke Foundation NZ Inc - Wgtn Sub-region	\$	-	\$ -	\$ 3,000.00	\$ -	Community grant
Stroke Foundation of NZ Inc Central	\$	6,305.00	\$ -	\$ 3,000.00	\$ 3,000.00	Salaries
Tawa Futures (Tawa Resource Centre)	\$	12,605.00	\$ 18,155.00	\$ -	\$ -	Also got 8k May '05 under BGI
Vincents Art Workshop	\$	21,561.00	\$ 15,000.00	\$ 7,000.00	\$ 17,000.00	7k salary p.a. Creative Communities not included, also got 3k from Izard 04/05.
Volunteer Wellington	\$	18,755.00	\$ 11,500.00	\$ 12,000.00	\$ 12,000.00	7k salary p.a. plus projects. Also got 3k Izard 02/03.

Wellington Activity Centre	\$ 9,455.00	\$ 9,455.00	\$ 9,500.00	\$ 7,000.00	Salary only
Wellington Boys and Girls Institute Inc	\$ -	\$ 118,200.00	\$ 116,124.00	\$ 140,600.00	36k in June '04 counted as 04/05; Also 5k from Izard 03/04
Wellington City Mission	\$ -	\$ 5,000.00	\$ 30,000.00	\$ 29,660.00	Incl 20k Mayoral Relief 03/04, 04/05
Wellington Ending Abuse & Violence Inc	\$ 6,305.00	\$ 8,000.00	\$ 18,300.00	\$ 17,000.00	Also 3k from Izard 02/03
Wellington ESOL Home Tutor Service	\$ 10,755.00	\$ 9,455.00	\$ 11,000.00	\$ 11,000.00	Also got Creative Communities, Newton Bequest, Izard - 1 grant each 03-05
Wellington Independent Rape Crisis Centre Inc	\$ 24,805.00	\$ 10,000.00	\$ 6,000.00	\$ 8,300.00	Also got \$1000 Izard 02/03
Wellington Night Shelter Trust	\$ 42,605.00	\$ 41,680.00	\$ 30,000.00	\$ 31,320.00	Salary 20k & Safer, Community grants.
Wellington People's Centre Inc	\$ 19,355.00	\$ 14,000.00	\$ 23,000.00	\$ 13,000.00	Salary 13k; Emergency grant 10k in 03/04
Wellington Womens Refuge	\$ 9,455.00	\$ 16,000.00	\$ 26,465.00	\$ 20,000.00	Salary 10k & Safer, Community grants.
Wesley Wellington Mission Inc	\$ 8,000.00	\$ 6,200.00	\$ 15,500.00	\$ 13,500.00	Counselling Service - 3k p.a. for 3 yrs, plus salary, other projects
Wgtn Prisoners Aid & Rehabilitation Society Inc	\$ 6,305.00	\$ 7,000.00	\$ 3,000.00	\$ 3,000.00	Salary only
ZEAL (Under Body & Soul Trust)	\$ 35,885.00	\$ 114,505.50	\$ 26,300.00	\$ 30,900.00	