

# Community Contracts Contestable Grants Policy 2018

## Executive Summary

The purpose of this policy is to inform the community of Whanganui District Council's Community Contracts funding scheme and outline the application eligibility, criteria and processes. The policy provides clarity on the two funding pools available and the financial information required when submitting an application.

## Introduction

### Why we need a policy

The purpose of Community Contracts Grants is to support organisations and volunteers who serve the community through the delivery of services to have a positive impact on community safety and wellbeing. The Community Contracts Grants are targeted to those organisations whose objectives align with Council's policy direction including, but not limited to, the Leading Edge Strategy and the Safer Whanganui Strategy.

### Who is it prepared for

The policy is prepared for the Council and applies to all current and prospective applicants that wish to apply for a Community Contract Grant.

### Scope of the policy

The primary beneficiaries of Community Contracts Grants will be not for-profit, charitable and voluntary organisations operating in Whanganui for Whanganui residents. Community Contract Grants, as covered by this policy, are not available to:

- Political parties
- Commercial entities
- Internal applicants (for example to fund projects, programmes or facilities run by Council or its employees)
- Other local authorities, government agencies or public sector entities
- Individuals

## Policy Context

Council's Leading Edge Strategy direction is to build a united and thriving community offering abundant opportunities for everyone. Safer Whanganui's vision is a positive place to live, learn, work and play. The purpose of the Community Contracts Grant is to assist the community to contribute to the achievement of these aims, and:

- Strengthen partnerships,
- Pursue initiatives that secure our health, our safety and instil a sense of belonging;
- Demonstrate strong, positive and empowering leadership;
- Improve our image and enhance our reputation as a great place to come, stay and invest; and
- Connect our identity to abundance and community pride.

## Background

The Community Contracts Grant process has been in place for a number of years with annual funding ranging from \$75,000 to \$290,142. In 2010 the funding levelled out at \$150,000 and other than 2012/13 it has remained consistent.

In the Long Term Plan 2015-2-25 (LTP) the Council allocated \$150,000 per year for Community Contracts Grants. In 2014 the fund was split with \$50,000 being set aside for funding two projects of significance that deliver or support LTP outcomes. These projects were funded for up to three years as long as they achieved the agreed performance measures and reporting requirements annually. The remaining \$100,000 is for applications up to a maximum of \$20,000 requiring funding for one year.

In 2015 the Community Contracts Grants process was reviewed. Guidelines were developed and Council moved to an online application system. There have been a number of small changes made to the guidelines and online application process since 2015.

## Objectives and Policies

### 1. Funding Agreement

- 1.1 Any form of funding will be described in a funding agreement. The agreement will contain the responsibilities that both the Council and the organisation receiving support agree upon, and the project, activity or service that the organisation will provide to the community. The contract will vary depending on the amount of support provided and the type of support.

### 2. Eligible Applicants

#### a) Community organisations

- 2.1 The primary beneficiaries of Community Contracts Grants will be not-for-profit, charitable and voluntary organisations operating in Whanganui for Whanganui residents. These groups are often referred to collectively as 'community organisations' because they are established with the primary purpose of providing a benefit to the wider community.
- 2.2 Community organisations will generally display the following characteristics:
  - A not-for-profit organisation, or an association of individuals whose primary aim is providing services and benefits to the community at large;
  - Membership or participation is available to anyone who wishes to join;
  - May be a special interest or advocacy group for a particular section of the community, but the group or organisation should not impose unreasonable restrictions upon membership (such as setting fees at a level that exclude most people who might want to participate).
- 2.3 Most community organisations will have a formal legal structure and founding documents (e.g. a constitution) which set out governance and management arrangements consistent with their charitable mission. Having a recognised structure enables Council to enter into a formal legal agreement with the organisation, and ensures appropriate accountability for how grant funds will be managed.
- 2.4 *Groups with no formal legal structure*  
Groups with no formal legal structure may apply for funding, provided they are able to nominate an 'umbrella' organisation which has agreed to receive and administer the grant on their behalf – the umbrella organisation will be legally accountable to Council for the expenditure of the funding.

### 3. Eligible Expenses for Community Contracts Grant Funding

- 3.1 Applicants will be asked to provide an overall budget for the project, activity or service that will deliver those outcomes. In most cases Council will be one of several sources of funding

for the project, activity or service rather than the sole funder, and this should be reflected in the budget.

- 3.2 The budget for the project, activity or service is likely to include a range of costs. Examples include:
- Salaries, wages, professional fees (e.g. artists' fees) and volunteer expenses
  - Administration and office expenses
  - Accommodation expenses including rent, leases, maintenance, insurances and utilities
  - Costs integral to service delivery (e.g. vehicle expenses for a mobile social service)
  - Marketing, advertising, website and printing costs
  - Programme expenses such as materials, equipment hire, venue hire and tutor's fees
- 3.3 Applicants will need to indicate how they plan to spend their Community Contracts Grant, including details of the project, activity or services and how it will be used to fund specific components of the budget, or to help offset the overall cost.
- 3.4 Appropriate outcomes for the level of funding Council provides will be negotiated with recipients, and any special conditions for how the Community Contracts Grant can be spent will be reflected in the funding agreement.

#### 4. Ineligible Expenses for Community Contracts Grant Funding

- 4.1 The Community Contracts Contestable Grants Policy provides decision-makers with considerable flexibility to determine how best to support their communities to deliver positive outcomes, as outlined above. However, there are some activities that will not be funded. The following activities will not be funded:
- Debt servicing or repayment
  - Legal expenses
  - Activities that promote religious ministry or political purposes and causes
  - Medical expenses
  - Public services that are the responsibility of central government (e.g. core education, primary health care)
  - Physical works – e.g. improvement to community buildings that require consents or permits, prior to the necessary consents or permits being obtained (grants may be awarded in principle but funds will not be released until all conditions are satisfied)
  - Purchase of alcohol

#### 5. Conflicts of Interest

- 5.1 Organisations affiliated in some way to elected members or employees of Council can still be considered for Community Contracts Grant funding. However, organisations in this category should note any possible conflict of interest (or perception of a conflict of interest) in their application to ensure any necessary steps can be taken to mitigate this. Elected members or Council employees involved in funding decisions are also required to note any possible conflict of interest (or perception of a conflict of interest), and will not be involved in any assessment or decision-making related to these applications.

#### 6. Types of grants

- 6.1 The funding is for Community Contracts Grants up to a total of \$150,000. This comprises two elements:
- \$100,000 for the **community fund** grants awarded for a term of one year
  - \$50,000 for up to two **significant projects** for a term of three years comprising \$50,000 for each of the three years

- If applicants apply for a significant project and they are unsuccessful their application may be considered in the community fund.

## 6.2 Community Fund terms

- 6.2.1 Each Community Contracts Grant is awarded for a one year period. They are not awarded as a primary fund. Grants are approved for supplementary funding only, where the primary funding is already in place from another source.
- 6.2.2 There is only one allocation per successful applicant each year.
- 6.2.3 Successful applicants may make further applications in any following year, with the requirement that reporting obligations have been met for any previous projects under the Community Contracts Grant.

## 6.3 Significant Projects terms

- 6.3.1 \$50,000 is set aside each year for **two** significant projects as follows:
- Not for business as usual
  - A specific project – based on a project plan and budget – designed to enhance an organisation’s capacity to deliver a specific project
  - Where primary funding is in place, and / or the application for that is advanced.
- 6.3.2 Reporting requirements are to be submitted annually during the three year term of the Community Contracts Grant.
- 6.3.3 A successful applicant may apply for a further significant project’s grant on the basis that it is not for the same purpose as an earlier grant that was approved; and the reporting requirements for previous grants have been met.
- 6.3.4 The significant project’s grant will provide funding for up to two grants. The rationale is that any grant approved for less than \$20,000 would not trigger consideration as a significant project. This is based on the comparison with the community fund granted up to \$10,000 for an annual term.
- 6.3.5 It is Council’s intention to acknowledge the positive impact already being demonstrated by the leadership of key community organisations, especially those whose funding is consistently insufficient from both central government and other funders, to meet the demands of social deprivation including - violence in all its forms; as well as activities and events delivering services for positive reinforcement of social wellbeing and community pride.

## 7. Payment process

- 7.1 Funding will be distributed on the following basis:
- Agreement of the milestones required for reporting
  - Signing of a contract outlaying the reporting requirements
  - On presentation of an invoice

## 8. Funding timetable

- 8.1 Applications open on 1 July and close 31 July each year.

## 9. Reporting requirements

- 9.1 Successful applicants are expected to meet reporting requirements during the term of a Community Contracts Grant to remain eligible for the approved funding. Failure to comply with the reporting requirements will jeopardise the success of any future applications for a grantee who fails to meet this requirement. Grants under \$5000 will only be required to complete an annual report in July and grants of \$5000 or more will be required to complete

a progress report in January and an annual report in July. Reporting templates are supplied online for progress and annual reporting.

## 10. Application criteria

- 10.1 The intention of the scheme is to respond to the needs of communities through an application, assessment and decision-making process.
- 10.2 Applicants are required to meet the following criteria:
- Provide an express statement of intent and capacity to deliver a positive impact on the community with clear outcomes aligned to strategic priorities
  - A budget for the project
  - Provide a certificate of incorporation under the Companies Act as a charitable trust.
  - Evidence of primary funding from another source, and any other supplementary funding.
  - Provide reviewed accounts for the last financial year.

## 11. Financial Considerations

- 11.1 Council's Community Contracts Grants are consistently oversubscribed, and it is not possible for Council to meet all requests for funding. In making decisions Council will take an applicant's overall financial situation into consideration. Council will ask all grant applicants what they (or others) will contribute to the cost of their proposed project, activity, or service. An applicant's own contribution may include volunteer labour, donated materials, donated professional services and/or their own cash reserves. When assessing and prioritising applications, Council may consider any or all of the following:
- The applicant's overall financial position, including their ability to support the project, activity or service from their own resources and/or to access grants from other sources;
  - Whether the applicant has accessed, or made reasonable attempts to access, other sources of financial support for their project, activity or service, including grants from other funders, or fundraising within their community; and
  - Whether the applicant has received, or is receiving, any other grants, contracts, subsidised accommodation or other financial assistance from Council.

## 12. Assessment criteria

- 12.1 Applicants will complete an online application form. An allocation panel of Council staff will assess the applications and may seek advice on aspects of the application from independent experts before determining the funding allocation. The allocation panel will then put funding recommendations to Council for decision making. Council will apply the 'proportionality principle' in evaluating the applications. Applicants seeking larger grants will be expected to answer in more detail and provide additional evidence compared with applicants seeking smaller grants, this may include:
- Capacity and capability to deliver;
  - Demonstrated alignment with Council's strategic direction and priorities;
  - Clear outcomes; and
  - A demonstrated approach to collaboration or partnership.

## Review

The Policy's processes will be monitored through Council reports to ensure that they are working efficiently and effectively. The Policy will be reviewed within five years of adoption.