

# SOUTH WAIRARAPA DISTRICT COUNCIL

3 JUNE 2020

## AGENDA ITEM B3

### RECOMMENDATIONS FROM COMMITTEES

#### Purpose of Report

To provide an opportunity for members to consider recommendations received from other committees.

#### Recommendations

Officers recommend that the Council:

1. *Receive the Recommendations from Other Committees Report.*
2. *That the following recommendations from Committees be considered:*

<b>Recommendations from Finance, Audit and Risk Committee</b>	<b>Resolution Number</b>
<ol style="list-style-type: none"><li>1. To recommend to Council to endorse the amendments to the Grant Policy with changes as agreed by the Committee.</li><li>2. To recommend to Council that the Grant policy is reviewed and consultation is undertaken as part of the 2021/2031 Long Term Plan.</li></ol>	FAR2020/02
<ol style="list-style-type: none"><li>3. To not recommend to Council to proceed with the proposed NRB survey in the current format for the current financial reporting year of June 2020. .</li><li>4. To recommend to Council to look at other market research companies with a view to completing a satisfaction survey by 31 December 2020.</li></ol>	FAR2020/03
<ol style="list-style-type: none"><li>5. To recommend to Council to change the frequency of meetings of the Finance, Audit and Risk Committee from quarterly to bi-monthly (six times per year).</li><li>6. To recommend to Council that members of the Finance, Audit and Risk Committee receive monthly</li></ol>	FAR2020/04

financial statements for review and should the need arise to hold extraordinary meetings.	
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### **Officers Recommendations**

1. To amend the meeting schedule for the Finance, Audit and Risk Committee for the remainder of 2020, with meetings to be scheduled as follows:
  - 24 June 2020
  - 19 August 2020
  - 21 October 2020
  - 16 December 2020
2. To delegate to the Chief Executive the authority to alter meeting dates as needed following consultation with the Chair.

## **1. Background**

### **1.1 Grants Policy**

The report and associated policy relating to recommendation FAR2020/02 are included in the agenda for the Finance, Audit and Risk Committee meeting held 21 May 2020. Amendments reviewed by the Committee have been accepted with the additional requested changes now shown as tracked changes in Appendix 1.

The Committee have endorsed the key change to the Policy; that is to split the Annual Plan process from the Community and Youth Grant funding process.

The Committee have also endorsed a substantive review of the Policy be undertaken during the Long Term Plan year with a specific focus on eligibility and criteria. Eligibility and criteria cannot be changed without consultation as some organisations that are currently eligible may no longer be eligible.

There is some urgency in adopting this Policy as the community have been advised that a new Policy would be made available in May 2020. If the recommendations are not adopted the August funding round is likely to be delayed.

The original report to the Committee can be found here: [Finance Audit and Risk Committee meeting](#).

### **1.2 Customer Satisfaction Survey 2020**

The report relating to recommendation FAR2020/03 is included in the agenda for the Finance, Audit and Risk Committee meeting held 21 May 2020.

The Committee have recommended that Council not proceed with the NRB Survey, but undertake a satisfaction survey before 31 December 2020.

The Auditor General and Audit NZ have provided their opinion on whether the NRB survey in the current form should proceed, as detailed in the report to the Committee.

Subsequent to that report, Audit NZ gave verbal feedback that they had no concerns if the survey was not conducted. A management audit note on the Annual Report was likely, but governance oversight and justification as to why the survey was not carried out may address any audit concerns.

The Committee identified the following reasons the survey should not proceed in the current form:

- The proposed methodology was inadequate. The National Research Bureau (NRB) had not reached target responder rates for more than one age category bracket with the older age bracket over-represented.
- The opportunity for benchmarking statistics with other Councils should not be a reason for undertaking the NRB survey as proposed as this service has never been used and was only available at an extra cost.
- The survey questions did not provide the information required, and expenditure on something that provided less than meaningful information was not prudent.
- A proposal to Council to redesign the survey and seek customer satisfaction views before the 31 December 2020 would provide information in a timely manner, albeit not in time for inclusion in the Annual Report.

The original report to the Committee can be found here: [Finance Audit and Risk Committee meeting](#).

### **1.3 Chairperson's Report - Additional Meetings to be Scheduled**

The Chairperson's Report relating to recommendation FAR2020/04 is included in the agenda for the Finance, Audit and Risk Committee meeting held 21 May 2020.

The original report to the Committee can be found here: [Finance Audit and Risk Committee meeting](#).

Officers have suggested an altered schedule of meetings for the Committee for the remainder of 2020, and request that Council approve this schedule and allow for their amendment by the Chief Executive, in consultation with the Chair, if required.

## **2. Appendices**

Appendix 1 – Grants Policy

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Karen Yates, Policy and Governance Manager

# **Appendix 1 – Grants Policy**

# GRANTS POLICY

## 1. Introduction

The purpose of the Grants Policy is to outline a clear transparent process, to guide consistent allocation and management of discretionary grant funding, and to provide a framework to ensure fairness to all. South Wairarapa District Council grants support the delivery of a wide range of outcomes identified in the South Wairarapa Long Term Plan, Annual Plan, and other key strategic documents. .

Council's commitment to the provision of grants is one aspect of the Council's overall support function within the community. The total amount of annual funding to be allocated for the purpose of Community and Youth grants will be decided upon through the Council's Long Term Plan (LTP) and subsequent Annual Plans (APs). The Community and Youth Grants are a 100% rate-funded form of donation to a not-for-profit organisation.

It is recognised that Local Authorities are one of the few organisations that can levy a tax, and in this context we are receiving revenue from the ratepayer who has little choice and transferring it to another person or group.

Council's policy seeks to support and resource initiatives that meet identified community needs, which contribute to community empowerment and strengthen communities. Community and Youth grants are primarily for the benefit of the district's residents. .

## 2. Discretionary Grants

The South Wairarapa District Council will award grants to not-for-profit, charitable and voluntary organisations for the purposes of those groups providing services, events and activities that benefit residents in the South Wairarapa. These groups are often referred to collectively as 'community organisations' because they are established with the primary purpose of providing a benefit to the communities they serve.

South Wairarapa District Council has funding programmes as follows:

### 2.1. Community Grants

Grants will be allocated to organisations which contribute to the community in at least one of the following areas. The funding categories are aligned to the five community outcomes as outlined in the Long Term Plan (LTP).

### Funding Categories

- » Arts, museums, heritage and culture (including Māoritanga)
- » Environment
- » Events
- » Sport and Recreation
  
- » Social and Educational Services
  
- » Economic Development

### Linked to LTP community outcome

- Vibrant and Strong Communities
- Sustainable South Wairarapa
- Vibrant and Strong Communities
- Accessible Communities, Vibrant and Strong Communities, Healthy and Economically Secure
- Educated and Knowledgeable, Healthy and Economically Secure, Vibrant and Strong Communities
- Healthy and Economically Secure, Accessible Communities

The activities must benefit the South Wairarapa district, or, at the discretion of the Council, the Wairarapa region. Regional funding will be considered on a per capita basis and must show a tangible direct or indirect benefit to South Wairarapa.

## 2.2. Youth Grants (a subset of community grants)

Targeted funding to support activities that encourage development and enable participation of young people in the South Wairarapa.

## 3. Allocation Decisions

Allocation decisions will be made by a Grants Subcommittee, a subcommittee of the Finance, Audit and Risk Committee. The Finance, Audit and Risk Committee will establish a Grants Subcommittee with Terms of Reference that will include the following:

- » Membership to include the Mayor and two councillor/s from each ward, selected from members of the Finance, Audit and Risk Committee in the first instance with other councillors appointed in order to achieve balance.
- » Delegation to make a decision on the distribution of the Community and Youth Grants.
- » The Mayor will be the chairperson.
- » Standing orders apply.

The Grants Subcommittee will meet once a year to make the allocation decisions, generally this meeting will be held in August of each year. If funds remain unallocated a second funding round will be held in February of the following year.

Applications for funding outside of this process and budget allocation will not be received by the Subcommittee or other committees. Council may receive applications for funding of an urgent nature or where exceptional circumstances apply on approval of the Mayor and Chief Executive.

## 4. Eligibility

- 4.1. Organisations and groups making an application must be not-for-profit, and not involved with any commercial activity. They must be South Wairarapa based or with a distinct activity in the district and be in line with the objectives and community outcomes of the South Wairarapa District Council.
- 4.2. They should preferably be incorporated in their own right or directly linked to another incorporated organisation.
- 4.3. Individuals may not apply.
- 4.4. Applicants may not be in receipt of any other Council concessionary or financial support, approved or given for the same financial year. Not-for-profits may apply for Community Board, Maori Standing Committee, Creative Communities Scheme, or Sport NZ Rural Travel grants in addition to Community or Youth grants.

## 5. The Process

- 5.1. All completed community and youth grant applications will be submitted to Council by a date determined by Council officers that enables allocation decisions to be made in August. Where the fund is not fully allocated in August, an additional funding round will be held to enable allocation decisions to be made in February of the following year.
- 5.2. Applications will not be considered by the Subcommittee if the fund has been fully allocated or outside of a grant funding round.
- 5.3. A report will be provided to the Subcommittee detailing:
  - » The total amount available for allocation and the total amount requested.
  - » A copy of the grant criteria so that the Subcommittee can assess if the application meets the criteria and how the application relates to the community outcomes.
  - » The organisations requesting a grant, a brief summary of the project, how much they are requesting, what category they are applying under, and the amount given to each organisation for the last three years (if applicable).
  - » Any applications that do not meet the policy, with the reasons why.
  - » Any other information required that will assist the Subcommittee in their deliberation.
- 5.4. The Subcommittee will meet to consider applications. The meeting will be in public, unless there are reasons under the Local Government Official Information and Meetings Act that justify conducting the meeting with the exclusion of the public.

- 5.5. Applicants will ~~not~~ be invited to speak to their application at the Subcommittee meeting, ~~however an applicant may and could only may~~ be contacted for purposes of clarification prior to the meeting by through Council officers ~~or the Chair of the Subcommittee for purposes of clarification~~.
- 5.6. Where the Subcommittee decides to make a grant it may include conditions. A standard condition should be included requiring completion of an accountability form on the success, or otherwise, of the project or activity, as well as information on how the funds were spent.
- 5.7. The Subcommittee will consider applications on their merit and against criteria and SWDC community outcomes.
- 5.8. Where the Subcommittee decides to decline an application, or to grant less funding than applied for, it will specify its reasons.
- 5.9. Decisions of the Subcommittee will be reported to applicants as soon as possible following the Committee's decisions.
- 5.10. No appeals on the decision of the Subcommittee will be considered.

## 6. Criteria for Community and Youth Grants

- » Organisations must demonstrate the ability to responsibly plan and administer the project.
- » The organisation must be a non-profit organisation, except in relation to economic development and heritage grants.
- » The project must be of economic, environmental, social or cultural good to the community or district, consistent with community priorities established in the current LTP or AP.
- » Grants must support Council's objectives of achieving equity and fairness throughout the district.
- » When considering applications Council will give recognition to funds already approved, including base funding before making allocations from the funding pool.
- » Council may seek comments and recommendations from the Community Board or Maori Standing Committee should it be deemed necessary.
- » Funds must be used only for the purpose for which they were sought and/or approved, and in accordance with any terms or conditions imposed.
- » The level of compliance with the requirements by the applicant on any previous grant from the South Wairarapa District Council or grant distributor.
- » Collaboration or partnerships with other groups or organisations and minimising of duplicated services.
- » The ability of the applicant to successfully deliver the services (demonstrated by the adequacy of the organisation's structures, its financial and management practices and previous track record for services or projects).
- » Other possible sources of funding available to the applicant and its fundraising capabilities.



- » The applicant's compliance with all relevant legislative requirements and standards of good practice.

## 7. Grants will not be distributed for

- » Overseas travel.
- » Reducing debt servicing.
- » Private expenses outside of the agreed project scope.
- » Services or projects seeking to promote commercial, political or religious objectives, including political advocacy projects or commercial enterprises.
- » Costs associated with fundraising events where profits are redistributed to another group.
- » Applications in retrospect.
- » The complete cost of a project.
- » Rates as these are covered under the rates remission policy.

## 8. Applicants' Responsibilities

All applications are required to be completed in full on the correct form and delivered to the South Wairarapa District Council offices physically or by email by the closing time on the closing day as advertised.

- » All applications must be signed; an electronic signature is acceptable.
- » The last set of financial accounts and a full project budget need to be attached to all applications over \$5,000.
- » A completed accountability form must be returned to Council within 12 months of the date of the grant being paid out, or prior to any future grant application being made.
- » Any unspent funds must be returned to SWDC within one year of receipt unless there is prior agreement to carry over such funds.
- » Any discrepancies in funding (e.g. funds spent on other than the intended project) may result in an audit of the organisation's accounts and a request to return the grant funding to SWDC.
- » Organisations receiving a grant over \$5,000 must provide Financial Statements disclosing the grant and the purpose to which the grant was put.

## 9. Payment of Grants

9.1. All applicants will be notified in writing of the outcome of their application for funding.

9.2. Grants are payable upon receipt of the necessary documentation from the applicant:

- » A GST invoice will be required from GST registered organisations.
- » For applicants not GST registered, payment will be made to the account number and organisation as submitted in the application.
- » Evidence of any conditions imposed being fulfilled.

9.3. The recipient is required to inform the grant distributors if any difficulties and/or potential difficulties arise which may compromise the service or project.

## 10. Other Grants

### 10.1. Community Board Grants

Each community board (CB) has their own funds and policy to support the distribution of their funds. These can be found on [www.swdc.govt.nz](http://www.swdc.govt.nz).

### 10.2. Māori Standing Committee Grants

From the 2018/19 financial year, the Maori standing committee (MSC) has been allocated grant funding to be administered in a similar format to that of the CB grants. These will need to meet the grant criteria set by the MSC and application and accountability forms will be required to be completed.