

Mayor and Councillors
COUNCIL

7 DECEMBER 2017

Meeting Status: **Public**

Purpose of Report: For Decision

COMMUNITY CONTRACTS FUNDING FROM 2018/19

PURPOSE OF REPORT

1 This report seeks a decision on the recommendations of the Social Investment Advisory Group for the community contracts contestable funding model.

2 It also seeks a decision on funding models for beach lifeguard and emergency transport services currently funded from community contracts funding.

DELEGATION

3 Council may consider this matter.

BACKGROUND

Community Contracts 2017/18

4 Council has provided 'community contracts' to not-for-profit organisations through Community Support Activity. These contracts delivered a range of activities across the district from surf lifesaving through to crime prevention for up to 17 years until 2017/18. The current investment is \$433,206.

5 For 2017/18, all current providers have received a one year contract. This provides these organisations with additional time to consider alternative income streams in the event they are not awarded a Council contract under the new contestable community contracts funding model.

6 Of this funding, \$87,946 is spent on the following emergency transport and beach lifeguard services:

Provider	Amount funded in 2017/18	Services Provided	Comment
Wellington Free Ambulance	\$25,657	The Council's contract with WFA is a contribution to acknowledge their provision of emergency transport and paramedic services to Kāpiti residents living between Paekākāriki and Peka Peka.	Residents north of Peka Peka come under the MidCentral District Health Board and do not receive free ambulance services.
Surf Life Saving NZ (Two contracts)	\$55,566	Surf Lifesaving NZ provides beach lifeguard services in Ōtaki and Paekākāriki on week days over six weeks of summer holidays.	The local surf life saving clubs provide volunteer service provision for the weekends during this peak period and beyond.

Provider	Amount funded in 2017/18	Services Provided	Comment
Life Flight Trust	\$6723	The Council has provided the Life Flight Trust with an annual grant of around \$7000 as a contribution to their air transport emergency service across the district.	
Total	\$87,946		

Contestable Outcome Focused Funding

- 10 In 2014, an independent review recommended Council shift community contract funding into a fully contestable process every three years to:
- allow for better alignment with Long Term Plan outcomes
 - increase the transparency and impact of this investment
 - ensure equitable and uniform processes for awarding contract funding.
- 11 The Community Financial Support Review 2014 is available on request.
- 12 The purpose of the community contracts contestable funding model (contestable funding model) is to strengthen the impact and effectiveness of Council's investment in our community so it is strategic, strongly aligned with Long Term Plan outcomes and responds to identified community priorities. In September 2016, Council decided to implement an outcome-focused contestable funding model for the community contracts spend, aligned with Long Term Plan outcomes.
- 13 A robust contestable procurement process will be implemented in 2018 with new contracts starting 1 July 2018.
- 14 A Social Investment Advisory Group was set up to make recommendations to Council on priorities for the contestable funding model. The Advisory Group of nine members brought a range of expertise in Kāpiti communities and the not for profit sector. The advisory group members were Councillor Holborow, Councillor Cootes, Councillor Howson, Councillor Benton, Jeff Brown, Adrian Gregory, Amanda Reid, Barbara Rudd and John Hayes.

ISSUES AND OPTIONS

Social Investment Advisory Group Recommendations

- 15 The findings from social and community sector engagement, analysis of a range of information about our district and wider environment and trends formed the basis of the Advisory Group's deliberations have informed the following recommendations.
- 16 The Social Investment Advisory Group recommendations are as follows:
- That the following priorities and their supporting outcomes are used for the social investment funding
 - That the following guiding principles underpin the social investment funding process

- That a strategic funding response is required
- That key elements of implementation are considered.

17 The Advisory Group has sought to recommend funding priorities that provide the best possible public benefit for our district and which are strongly aligned with the current and emerging Long Term Plan. The recommended priorities are as follows:

Connected communities

Our people are connected, empowered and feel part of a community

Safe communities

Our communities are safe places and community and neighbourhood safety is strategic and joined up

Capable sector

Our community and social sector is capable, effective and resilient.

18 The Advisory Group recommends six principles underpin the contestable funding model. These principles align with the Council's wider outcomes and are consistent with accepted social strategy concepts. The principles would be used to assist Council decision-making, the implementation of the new funding process and community contracts from 2018.

19 The principles are:

- Sustainability
- Equity
- Treaty of Waitangi
- Iwi prosperity
- Valuing community and volunteer contributions
- Partnership and collaboration.

20 The Advisory Group's detailed recommendations are found in Appendix 1.

21 The inclusion of emergency services has not been part of the advisory group's deliberations. The advisory group acknowledges that these are valuable services but that they sit outside the community contract model recommended.

Procurement for contestable funding

22 A robust contestable procurement process will be implemented in 2018 with new contracts starting 1 July 2018.

23 National and local expertise has informed the development of the contestable funding model. Guidance on funding and community procurement has come from a wide range of government funding experts including; the Department of Internal Affairs, Ministry of Social Development, the Social Investment Agency and the Ministry of Business, Innovation & Employment.

24 Advice was sought on best practice funding models from leaders in the philanthropic sector in New Zealand including Philanthropy NZ, Wellington CommunityTrust and JR McKenzie Trust. The funding models of other councils in the Wellington region and beyond were investigated.

- 25 Expressions of interest will be invited from late January through February 2018, with a focus on ensuring a robust and simple process. A procurement panel will make recommendations to Council with invitations for selected organisations to move into a closed proposal development phase. A panel will evaluate the proposals and recommend what contracts should be developed. New contracts will be in place from 1 July 2018.

Support for the Sector

- 26 The contestable funding model is being reinforced with training and development opportunities for the community and social service not-for-profit sector. Since September 2016, ten capacity building workshops on a range of topics including sustainable funding and good governance have been attended by over 270 participants from the sector.
- 27 Those organisations not invited to move forward into the closed proposal stage of procurement will have opportunities to access information resources, training and workshops to build their capacity. This support will also help strengthen overall sector sustainability in a shifting funding landscape.
- 28 Specific support will be available to organisations currently funded; including assistance in pursuing alternative income streams if they are not awarded a new contract or their level of funding is significantly reduced.

OPTIONS

Beach Lifeguard and Emergency Transport Services Funding from 2018/19

- 29 The beach lifeguard and emergency transport services are not compatible with the recommended funding priorities and process for the community contracts contestable funding model going forward. A decision needs to be made on whether Council funds these services outside of the community contracts contestable funding model.
- 30 It is important to note, that this decision will allow the community contracts contestable funding model to move forward with an identified funding allocation. This is essential as Expressions of Interest for this fund will open in late January.
- 31 The options for emergency services and beach life guard service funding are:

Options for funding these services				Total = \$88,000
Option 1: Fund services from community contracts pool	Option 2: Fund services from outside community contracts pool	Option 3: Decrease funding for these services	Option 4: Cease finding these services	

Option One: Fund services from funding allocated to the community contracts contestable funding pool

- 32 From 2018/19, Council removes the current budgeted amount of \$87,946 per annum allocated to beach lifeguard and emergency transport services from the community contracts contestable funding model. As a result, the funding allocation available for the community contracts contestable funding model would be reduced to \$345,260.
- 33 An investigation would be undertaken to look at the funding model for beach lifeguard and emergency transport services with a report to Council for decision-making in early 2018. Options would focus on the services provided rather than organisations currently funded.
- 34 This is the recommended option.

Option Two: Fund services from outside the contestable funding pool – from the wider Community Support budget

- 35 From 2018/19, Council repurposes up to \$87,946 per annum of funding for beach lifeguard and emergency transport services from Community Support. This would result in removal or decrease of other Community Support work streams. Under this option, the proposed social investment contestable funding allocation would remain at around \$433,206. An investigation of options would also be undertaken with this option.

Option Three: Decrease funding for these services

- 36 From 2018/19, Council decreases the funding contribution of \$87,946 per annum allocated to beach life guards and emergency transport services. Depending on the level of funding allocated, support would be provided to those organisations to obtain funding from other sources. These are reputational risks for Council as a result of this Option.

Option Four: Cease funding these services

- 37 From 2018/19, Council does not provide any funding allocation for beach lifeguard and emergency transport services but does provide support to those organisations to obtain funding from other sources. The community contracts contestable funding allocation would be remain \$433,206. These are reputational risks for Council as a result of this Option.

CONSIDERATIONS

Policy considerations

- 38 The priorities recommended by the advisory group align with the draft strategic direction in the emerging Long Term Plan. The overall funding will be consulted on as part of the draft Long Term Plan in early 2018. The commencement of the new contracts from 1 July 2018 is timed to coincide with the adoption of the new Long Term Plan.

Legal considerations

- 39 Legal advice is being sought in the development of the procurement process and contract development.

Financial considerations

- 40 Provision for community contracts is unchanged; \$433,206,000 per annum (plus CPI) is available under the Community Support Activity in the Long Term Plan 2015-35.
- 41 If Council decides on the recommended option, funding of \$87,946 would be put aside for emergency transport and beach lifeguard services from 2018/19 with a funding process to be determined by June 2018.

Tāngata whenua considerations

- 42 The principles recommended by the advisory group sit are consistent with the Memorandum of Partnership with Te Whakaminenga o Kāpiti. Iwi prosperity and the Treaty of Waitangi are two of the six guiding principles of the new community contracts funding model. Work will be undertaken to support community organisations to understand how these principles work in practice and to apply them.
- 43 Advice from Te Whakaminenga o Kāpiti will be sought during stakeholder engagement processes. A briefing on this project is being undertaken with Te Whakaminenga o Kāpiti in December 2017.

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 44 This matter has a low level of significance under Council's Significance and Engagement policy.

Consultation already undertaken

- 45 Consultation took place as a part of the Long Term Plan 2015.

Engagement planning

- 46 The engagement approach includes the availability of on-going support for current contracted organisations including assistance with sourcing alternative funding in the event that they do not receive contracts in the new process.
- 47 A special forum was held for the sector to provide input to the development of the priorities and informed the deliberations of the social investment advisory group.

Publicity

- 48 A communications plan is being implemented to provide information to the wider community about the Council's decisions on priorities and the transition to contestable funding from July 2018.

RECOMMENDATIONS

- 49 That the Council acknowledge the work of the Social Investment Advisory Group and thanks the members for their dedication, expertise and knowledge to take the Kāpiti social investment programme forward.
- 50 That the Council adopts the Social Investment Advisory Group's:
- a) Recommended outcomes for the community contestable funding:
 - Connected communities
 - Safe communities
 - Capable sector
 - b) Recommended guiding principles to underpin the community contestable funding model:
 - Sustainability
 - Equity
 - Treaty of Waitangi
 - Iwi prosperity
 - Valuing community and volunteer contributions
 - Partnership and collaboration
- 51 That the Council notes the community contracts contestable funding will be awarded by 1 July 2018 with a three year funding term.
- 52 That the Council approves the removal of \$87,000 from the proposed contestable investment funding model for beach lifeguard and emergency transport services funding from 2018/19.
- 53 That the Council notes that a report outlining funding options for beach lifeguard and emergency services will be provided to Council in 2018.

Report prepared by	Approved for submission	Approved for submission
Emma Haxton	Wayne Maxwell	Sarah Stevenson
Senior Programme Advisor Programme Delivery and Design	Group Manager Corporate Services	Group Manager Strategy and Planning

ATTACHMENT

- Appendix 1 Summary recommendations report of Social Investment Advisory Group 2017

Appendix One

Summary of Social Investment Advisory Group recommendations

Overview

The Social Investment Advisory Group is recommending to Council three priority outcomes for Council's annual social investment of \$400,000. Council has previously agreed that this funding will be contestable from 2018.

The Group examined the wide range of community needs and social challenges facing our district and emerging and potential issues and opportunities. The Group has recommended outcomes it considers will provide the best possible public benefit. These outcomes reflect the sector's input and are strongly aligned with the emerging Council outcomes for the draft Long Term Plan.

The Group is also recommending a principle based, strategic approach to implementation. This too reflects the sector's input.

The Advisory Group notes that some emergency services have historically received community contracts, however, inclusion of emergency services has not been part of the Group's deliberations. The Group acknowledges that these are valuable services but that they sit outside the model for social investment.

Recommendations

That Council adopt three priority outcomes

1. CONNECTED COMMUNITIES: Our people are connected, empowered and feel part of a community

This priority is about building cohesion and celebrating the richness of our different identities and cultures within our shared communities. In a resilient community, people can respond to challenges and thrive. A supportive community means people help each other in times of need and feel cared about. Under this priority, we would seek to support activities that build the capacity for our communities to maximise their strengths, address local needs and enhance wellbeing.

Outcomes we recommend are sought under this priority:

- More people in diverse communities experience neighbourhood connection
- Māori communities are strong and resilient
- Vulnerable people (groups, families and individuals) benefit from participation in their community and get support
- Communities work together to solve complex problems and learn together
- Communities have greater social cohesion
- Community health and wellbeing is increased with people feeling valued, worthwhile and cared for
- Communities, and the people in them, exemplify a 'can do' attitude
- Community resources are leveraged and local assets are enabled to be of service to local people
- Communities that can adapt and respond creatively to change and develop solutions.

2. SAFE COMMUNITIES: Our communities are safe places and community and neighbourhood safety is strategic and joined up

The focus for this priority is on strategic partnerships and the development of a districtwide strategic plan for community safety and crime prevention. In the future, funding would be able to be directed into development and implementation of community safety and crime prevention initiatives.

Outcomes we recommend are sought under this priority:

- Safety and crime prevention initiatives are coordinated and there is collective vision about what needs to be achieved
- People feel safe in their neighbourhoods
- Crime in public spaces is reduced
- Communities lead their own initiatives to reduce crime and increase public safety
- We have strong social capital that builds a feeling of safety in neighbourhoods
- Neighbourhoods and public spaces are safe, welcoming and promote social interaction.

3. A CAPABLE SECTOR: Our community and social sector is capable, effective and resilient

This priority is focused on capacity-building support to assist organisations to build their resilience, sustainability and effectiveness. A more resilient and effective sector will mean greater capacity to meet the social and community needs and attract central government funding to ensure service provision is locally driven.

Outcomes we recommend are sought under this priority:

- Community organisations are more resilient and financially sustainable
- A sector that is responsive to social change and able to address the changing needs of our district
- More people with a wide range of skills, including specialist skills, are involved in volunteering
- Local not-for-profits share knowledge with others
- Community organisations are more effective in their decision making and act strategically
- Increased collaboration and partnership brings joined-up opportunities
- Community organisations are more resilient and financially sustainable
- More social enterprises are developed with increased local social impact.

That guiding principles underpin the social investment funding process

- Sustainability
- Equity
- Treaty of Waitangi
- Iwi prosperity
- Valuing community and volunteer contributions
- Partnership and collaboration.

That Council implements a strategic approach for this funding

For the social investment funding pool to have the best impact in our district, a strategic approach is required. We have many social and community needs in our district and not all community needs can be met with this funding.

It is also important to acknowledge that the focus for social investment decisions is on identifying outcomes rather than solutions. Council's role is to define outcomes; providers will propose initiatives that contribute to the outcomes.

That key elements of implementation are considered

The Group identified the importance of comprehensive implementation:

- Building on our strengths – emphasising strengths in our communities and community-led initiatives
- Ensuring good processes - providing clear information about the outcomes and funding process and supporting current contract holders
- Supporting the sector – gathering and sharing information and using Council's other functions to support community initiatives.