

**Chairperson and Committee Members**

ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

4 FEBRUARY 2016

Meeting Status: **Public**

Purpose of Report: For Decision

**COMMUNITY FINANCIAL SUPPORT REVIEW: COMMUNITY CONTRACTS**

**PURPOSE OF REPORT**

- 1 This report presents the recommendations for implementing a new funding model to strategically align long term plan Council outcomes with the Community Support Activity provision of community contracts.
- 2 It seeks a decision from the Committee on the approach for implementing changes to the community contracts. This will include stakeholder engagement processes, with the funding programme in place by 1 July 2017.

**DELEGATION**

- 3 The Environment and Community Development Committee has delegated authority to consider this matter under section 7.1 of the Council's *Governance Structure and Delegations*:

*7.1 Authority to develop (within any wider existing strategic framework) policies and work programmes that support the social, economic, environmental and cultural wellbeing of the community.*

**BACKGROUND**

- 4 Approximately \$370,000 is allocated to 14 organisations in the form of community contracts (including emergency services grants) through the community support activity.
- 5 In 2010, the Council adopted the Community Financial Support Framework, which served as a positive step in prioritising service contracts with identified community need.
- 6 In 2014, an independent review (Appendix One) was undertaken to examine the community financial support disbursed through the Support Social Wellbeing Activity (now known as the Community Support Activity).

**Overview of the new approach**

- 7 The recommendations from the review form the basis of the new approach to funding community contracts. Community contracts need to strategically align with long term plan outcomes and meet an identified community need.
- 8 The review recommended all contracts for service are contestable every three years. In this way, the contracts can accurately reflect the service outcomes articulated in each long term plan.
- 9 Robust and specific evaluative criteria and measurable outcomes will be developed for all contracts.

- 10 Programme briefs will inform the procurement and contract development process for the new contestable 3 year contracts starting from July 2017. This will increase transparency and uniform processes for awarding contract funding. Each brief will contain detailed monitoring and reporting requirements that link with Council Outcomes.
- 11 Council will liaise with community organisations in collaboratively determining what level of Council support might be required to ensure that community projects meet their activity performance outcomes.

## ISSUES AND OPTIONS

### Overview of the options

- 12 The purpose of local government is to 'meet the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses' [clause 10(1)(b) of the Local Government Act 2002]. In so doing, Council must take a sustainable development approach, taking into account the social, economic, and cultural interests of people and communities.
- 13 There are two community funding investment models to consider:

#### Option A: Status quo

Council continues to operate within the existing funding structure and processes.

#### Option B: Outcome focused funding

Council initiates outcome focused funding strategically aligned with the Long term plan Council Outcomes.

### Option A: Status Quo

#### 14 Advantages

- Existing contract holders continue to receive the same level of funding
- Administrative processes remain the same

#### 15 Disadvantages

- Lack of connectedness to Long term plan outcomes
- Funding processes are not considerate of the Local Government Amendment Act 2012 [clause 10(1)(b)]
- Continued dependence on Council funding
- Difficult to evaluate the impact and effectiveness of the contracted services
- Lack of available funds to be responsive to emergent community needs
- Lack of transparency and contestability
- Lack of detailed monitoring and reporting
- Inability to be responsive to opportunities for new and innovative solution focused service delivery
- Increase risk of contract holders developing a sense of entitlement to continued Council funding

## Option B: Outcome focused funding

### 16 Advantages

- Strategic alignment with Long term plan Council outcomes
- Council's expectations and reporting outcomes are clear and achievable
- Community organisations receive appropriate levels of Council support in meeting reporting and monitoring expectations
- The measurable outcomes can be measured
- Transparency and contestability for community funding investment
- Opportunities for new initiatives can be explored
- Council can be responsive to emergent community needs
- Funding will be available for seeding programmes and 3-year projects
- Council can support organisations in becoming more sustainable

### 17 Disadvantages

- Some organisations may not favour contestability of programme funding
- Some desirable programmes of service may not align with long term plan Council outcomes

18 As an interim measure, council staff will extend current community contracts until 30 June 2017. This would enable a seamless transition from the existing model to a new outcomes focussed funding model. An extension would provide security for current contract holders while officers implement the new funding model.

## CONSIDERATIONS

### Policy considerations

19 In 2010, the Council adopted the Community Financial Support Framework. The new funding model will replace this existing financial support framework.

### Legal considerations

20 There are no legal considerations.

### Financial considerations

21 The provision for community contracts is unchanged; \$370,000 per annum (plus CPI) is available under the Community Support Activity in the Long term Plan 2015-35.

### Tāngata whenua considerations

22 Representation from Te Whakaminenga o Kāpiti will be sought during stakeholder engagement processes.

## SIGNIFICANCE AND ENGAGEMENT

### Degree of significance

23 This matter has a moderate degree of significance under Council policy. This is related to the public interest in the project and previous community concerns.

### Consultation already undertaken

24 Consultation with regard to Council outcomes was undertaken as part of the 2015-2018 long term plan public consultation process.

### Engagement planning

25 An engagement plan will focus on advising existing contract holders and other community organisations about the new funding model.

26 Community engagement will be undertaken via workshops, where community organisations will be invited to discuss their strategic organisational goals in relation to long term plan Council outcomes.

27 Further discussions with community organisations will be undertaken to explore the likely reporting and monitoring requirements associated with each contestable project.

### Publicity

28 A communications plan will be developed to manage the next stages of the project.

## RECOMMENDATIONS

29 That the Environment and Community Development Committee approves the recommendation of Option B: Outcome Focused Funding as the community funding investment model, that:

- a) allows programme funding to align with long term plan Council outcomes;
- b) funding priority for contracts is determined via a transparent and objective evaluative process;
- c) Council support is offered to contract holders to guide the successful delivery of reporting against Long term plan Council outcomes.

30 That the Environment and Community Development Committee approves the option preferred by staff, which is to, extend current community contracts until 30 June 2017 to align with the new funding programme that will be in place on 1 July 2017.

<b>Report prepared by</b>	<b>Approved for submission</b>	<b>Approved for submission</b>
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**ATTACHMENT**

Appendix 1: Kapiti Coast District Council Community Financial Support Review  
Report 2014