

Community Funding Subcommittee

Notice of Meeting

A meeting of the Community Funding Subcommittee will be held in the Council Chamber, Forum North, Whangarei on:

**Wednesday
13 March 2013
8.30am**

Subcommittee of:
District Living Committee

Committee
Cr W L Syers (Chairperson)
Cr S J Deeming
Cr G M Martin
Cr M R Williams

1. 2013-14 Annual Operating Fund

Reporting officer Jenny Teeuwen (Community Funding Officer)

Date of meeting 13 March 2013

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as it supports the provision of grants to ensure public services and community facilities are able to operate and meet the needs of our district's communities.

Background

In November 2009, Council's Finance and Support Committee resolved to replace the Three Year Grant Fund to drive efficiencies in community funding approval and administration processes, as well as providing a window for recipient organisations to make financial decisions. The new system was named the Annual Operating Fund and commenced in the 2010-11 financial year.

Under WDC's Community Funding Policy the purpose of this fund is to give "a rolling year over year funding cycle designed to provide ongoing operational support to selected organisations which provide valued services to the district".

The Annual Operating Fund is non-contestable. Each year eligible organisations with a positive history of council funding from the (now obsolete) Three Year Operating Grant Fund or the Operational Support Fund are invited to apply to the fund.

The Process

Each year applicants are invited to apply to the fund in December and applications generally close in February. The application form shows Council's indicated grant amount from the prior year. Applicants generally apply this amount, however, increases in funding are considered. An indicative amount for the following years funding is also provided to grant recipients. This figure is based on the current year's (unconfirmed) indicative amount plus an inflation adjustment as appropriate.

All applications are referred to the Community Funding Subcommittee for consideration. The Community Funding Sub-committee makes decisions for those grant requests that fall within their delegated authority.

For those grant requests that fall outside of the delegated authority of the Community Funding Subcommittee, the Subcommittee will make recommendations for funding and refer these to the District Living Committee for consideration.

Final grant amounts will be confirmed by Council's Annual Plan process.

All grants are subject to the performance of the organisation against the agreed performance measures for the previous funding year.

2013-14 Applications

In December 2012 15 grant recipients, from the 2012-13 Annual Operating Fund, were invited to apply to have their indicative funding levels for 2013-14 year confirmed. An explanation was required for any variance requested to the indicative amount.

Applications closed on Friday 8 February 2013 and applications were received from all 15 organisations.

2012-13 performance measures reporting

Organisations were requested to provide the following information:

- Governance meeting minutes from 1 July 2012
- Latest audited financial accounts
- 2013-14 draft business plan
- 2012-13 budget
- 2013-14 draft budget

- Latest annual report
- 2012-13 events calendar
- At least 2 reports for events held in 2012-13
- Programme/event/activity statistics - with year to year comparisons
- Visitor numbers - with year to year comparisons
- Customer satisfaction survey information
- % of overall customer satisfaction - with year to year comparisons
- Volunteer numbers - with year to year comparisons
- Confirmation of funding from at least 2 other sources
- Evidence of new stakeholder relationships

The following have been received:

Organisation	Meeting Minutes	Financial Accounts	2013-14 draft bus plan	2013-14 draft budget	Latest annual report	2012-13 events calendar	2 event reports	Programme/event/activity stats	Visitor numbers	Satisfaction survey info	% overall satisfaction	Volunteer No's	2 other funding streams	New stakeholders
CHART	x	✓	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓
Hikurangi Museum	✓	✓	x	x	x	x	x	x	✓	✓	✓	✓	x	x
Mangakahia Sports Ground Society	✓	✓	x	x	✓	✓	✓	✓	✓	x	x	✓	✓	✓
Northland Craft Trust (Quarry Arts Centre)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
Northland Society of Arts (Reyburn House)	✓	✓	x	x	x	✓	✓	✓	✓	✓	x	✓	✓	✓
Northland Youth Theatre	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ruakaka Recreation Centre	✓	✓	x	✓	x	x	x	x	x	x	x	✓	x	x
Surf Life Saving Northern Region	✓	✓	x	x	✓	✓	n/a	✓	n/a	n/a	n/a	✓	✓	x
Tornado Youth Community Trust	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	✓	x
Waipu Centennial Trust Board (Waipu Museum)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Whangarei Art Museum Trust	✓	x	x	x	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
Whangarei Citizens Advice Bureau	✓	✓	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓
Whangarei Museum & Heritage Trust (Kiwi North)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Whangarei Quarry Gardens Trust	x	x	x	x	x	x	x	x	✓	x	✓	✓	✓	x
Whangarei Youth One Stop Shop Charitable Trust	✓	✓	x	✓	✓	x	✓	✓	✓	✓	x	✓	✓	✓

Because of these applications occurring half way through the 2012-13 year a number of groups were still waiting for their 2013-14 budgets and business plans to be confirmed by their governing body.

Requests for funding increases

Five organisations have requested an increase in funding as follows:

1 Ruakaka Recreation Centre

Request increase of \$5,900 to increase wages of Secretary to better reflect the number of hours worked.

2 Surf Life Saving Northern Region

Request increase of \$39,690 to reflect the actual cost of providing lifeguard services at Whangarei Heads, Ruakaka and Waipu Cove beaches during the week for 7 weeks over the summer holiday period.

3 Tornado Youth Community Trust

Request increase of \$9,600 to cover the shortfall in operating costs due to the reduction in funding from MSD's Community Response Fund.

4 Waipu Centennial Trust Board (Waipu Museum)

Request increase of \$2,800 to increase the salaries of admin staff to better reflect the number of hours worked.

5 Whangarei Art Museum Trust

Request increase of \$13,500 - \$3,500 as one-off grant for a Webb's valuation of the WAM collection and a \$10,000 increase to salary budget.

6 Whangarei Museum and Heritage Trust

Request increase of \$40,000 – as one-off grant towards the cost of building and furnishing a central toilet block.

Financial consideration

The total indicative figure for the 2013-14 year was \$1,173,300. At present, the organisation has to consider all of its expenditure in order to achieve its LTP targets. As part of this consideration the Community Services Department recommends maintaining the 2012-13 budget figure and not accommodating an inflation adjustment for the grants provided in the 2013-14 year. This will provide a total saving of \$22,900.

Furthermore it is recommended that a further 3% saving be made from the following 2014-15 financial year's indicative figures to ensure we achieve our LTP targets.

Summary of funding requests

In summary, six organisations have requested in total \$111,490 more than the 2013-14 indicative amounts already set into the draft 2013-14 Community Funding budget.

The total amount recommended for disbursement for 2013-14 is \$1,150,400.

Grants are summarised in the table below:

Organisation	2013-14 \$ indicated	2013-14 \$ requested	2013-14 \$ recommended	\$ Increase/ Decrease
CHART	194,400	194,400	190,600	-3,800
Hikurangi Museum	5,300	5,300	5,200	-100
Mangakahia Sports Ground	27,300	27,300	26,800	-500
Northland Craft Trust	39,000	39,000	38,200	-800
Northland Society of Arts	10,200	10,200	10,000	-200
Northland Youth Theatre	10,200	10,200	10,000	-200

Organisation	2013-14 \$ indicated	2013-14 \$ requested	2013-14 \$ recommended	\$ Increase/ Decrease
Ruakaka Recreation Centre	34,100	40,000	33,400	-700
Surf Life Saving Nth Region	20,300	59,990	20,000	-300
Tornado Youth	20,400	30,000	20,000	-400
Waipu Museum	59,200	62,000	58,000	-1,200
Whg Art Museum	285,600	299,100	280,000	-5,600
Whg CAB	46,500	46,500	45,600	-900
Whg Museum & Heritage Park	372,300	412,300	365,000	-7,300
Whg Quarry Gardens	37,200	37,200	36,500	-700
Whg Youth One Stop Shop	11,300	11,300	11,100	-200
TOTALS	1,173,300	1,244,790	1,150,400	-22,900

It is recommended that indicative amounts for 2014-15 are based on the 2013-14 recommended amounts less 3% (figures have been rounded down to nearest hundred dollars).

Organisation	2013-14 \$ recommended	2014-15 \$ indicated
CHART	190,600	184,800
Hikurangi Museum	5,200	5,000
Mangakahia Sports Ground	26,800	25,900
Northland Craft Trust	38,200	37,000
Northland Society of Arts	10,000	9,700
Northland Youth Theatre	10,000	9,700
Ruakaka Recreation Centre	33,400	32,300
Surf Life Saving Nth Region	20,000	19,400
Tornado Youth	20,000	19,400
Waipu Museum	58,000	56,200
Whg Art Museum	280,000	271,600
Whg CAB	45,600	44,200
Whg Museum & Heritage Park	365,000	354,000
Whg Quarry Gardens	36,500	35,400
Whg Youth One Stop Shop	11,100	10,700
TOTALS	1,150,400	1,115,300

Local Government Act 2002 Amendment Act 2012

The amendments to the local government act gained royal assent on 4 December 2012 and have changed the purpose of local government. Previously the impetus for Councils decisions lay with the four well-beings; however, the 2012 amendment act requires us to consider the following:

- Are we providing local infrastructure, local public services or regulatory functions?
- Are we helping meet the current and future needs of our communities?
- Are these activities “good-quality”?
- Are these activities cost effective for households and businesses?

Local infrastructure and public service

Local infrastructure is not defined in the act but section 197 offers a comprehensive interpretation of what it could comprise of. Fundamentally this section refers to community facilities, community infrastructure and network infrastructure; these would be deemed local if they occurred within the district’s boundaries. A number of our grant recipients provide community facilities and community infrastructure, all of which are ‘local’.

Public service is not defined in the act either but there are a couple of sections that provide clarity in the context of this agenda item. Section 11 A (e) states that libraries, museums, reserves, recreational facilities and other community infrastructure are core services to be considered by Council in performing its role; and Section 5 1 (b) identifies the provision of grants as an activity of Council.

With this information, due consideration can be given to all of these grant recipients and that Council is ensuring the provision of local infrastructure and public service.

Current and future needs of communities

All of these grant recipients contribute to meeting our district’s needs; whether these are cultural and heritage needs, through the provision of art centres and museums; social needs, by providing youth services, community and recreation centres; or environmental needs, through community activities and places such as the quarry gardens. All of our ward councillors are aware of the needs of their local communities and are knowledgeable of the contributions these grant recipients make to address these needs.

Good quality and cost effective service

Section 10 (2) defines what this means as the following:

- a) efficient; and
- b) effective; and
- c) appropriate to present and anticipated future circumstances.

Sections 5 and 11 highlight the provision of grants for the delivery of public services and infrastructure as council activities. The contribution to these must be appropriate and cost effective. The provision of annual operating grants is both significant and consistent to ensure these services are sustainable and able to provide services and facilities to meet the needs of our district’s communities. The level of Council’s contribution to each of these grant recipients is broad ranging. The grant provided range from 4% of total revenue to 66% (Hikurangi Museum and Ruakaka Recreation Centre).

At no stage is council providing all of an organisation’s revenue and as such these grant recipients are able to secure additional investment and funding outside of local government. This an effective community partnership where council’s contribution is significant but limited and whereby grant recipients can grow their services through funds other than rates. This type of model shows an appropriate and cost effective approach for council to ensure public service delivery and provision of community infrastructure.

Conclusion

The adoption of the following funding recommendations for 2013-14 will require expenditure of \$1,150,400 for the 2013-14 Operational budget of the Community Services Department.

Recommendations

1. That the information be received.
2. That the following grants from the Annual Operating Fund for the 2013-14 financial year, recommended by the Community Funding SubCommittee, to be confirmed by that year's Annual Plan process, be referred to the 10 April 2013 District Living Committee:

a)	CHART	\$ 190,600
a)	Hikurangi Historical Museum Society	\$ 5,200
b)	Mangakahia Sports Ground Society	\$ 26,800
c)	Northland Craft Trust	\$ 38,200
b)	Northland Society of Arts	\$ 10,000
c)	Northland Youth Theatre	\$ 10,000
d)	Ruakaka Recreation Centre	\$ 33,400
e)	Surf Life Saving Northern Region	\$ 20,000
f)	Tornado Youth Community Trust	\$ 20,000
g)	Waipu Centennial Trust Board	\$ 58,000
h)	Whangarei Art Museum Trust	\$ 280,000
i)	Whangarei Citizens Advice Bureau	\$ 45,600
j)	Whangarei Museum and Heritage Trust	\$ 365,000
k)	Whangarei Quarry Gardens Trust	\$ 36,500
l)	Whangarei Youth One Stop Shop Charitable Trust	\$ 11,100
3. That the following indicative figures for the 2014-15 Annual Operating Fund recommended by the Community Funding SubCommittee, to be confirmed by that year's Annual Plan process, be referred to the 10 April 2013 District Living Committee:

a)	CHART	\$ 184,800
b)	Hikurangi Historical Museum Society	\$ 5,000
c)	Mangakahia Sports Ground Society	\$ 25,900
d)	Northland Craft Trust	\$ 37,000
e)	Northland Society of Arts	\$ 9,700
f)	Northland Youth Theatre	\$ 9,700
g)	Ruakaka Recreation Centre	\$ 32,300
h)	Surf Life Saving Northern Region	\$ 19,400
i)	Tornado Youth Community Trust	\$ 19,400
j)	Waipu Centennial Trust Board	\$ 56,200
k)	Whangarei Art Museum Trust	\$ 271,600
l)	Whangarei Citizens Advice Bureau	\$ 44,200
m)	Whangarei Museum and Heritage Trust	\$ 354,000
n)	Whangarei Quarry Gardens Trust	\$ 35,400
o)	Whangarei Youth One Stop Shop Charitable Trust	\$ 10,700