

# Grants Policy

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## Purpose

To provide a clear framework for the operation of the Central Otago District Council (Council) grants programme.

## Principles and Objectives

To provide a fair, transparent and robust funding mechanism to support community-led initiatives in the district. The grants programme will:

- enhance well-being in the district (social, economic, environmental and cultural)
- promote our regional identity – A World of Difference
- empower local communities
- facilitate the delivery of community outcomes.

## Scope

All rate-payer funded grants are covered by this policy. Currently, Council and Community Boards operate two types of grants (subject to change):

- Promotions grants – these support the experience of locals and/or visitors by helping fund a wide range of activities in the district, including one-off events. These grants are funded from targeted rates in each ward.
- Community grants – these support community-driven initiatives which enhance the well-being of residents. These grants fund projects which fall outside of the promotions criteria, and demonstrate a clear connection to one or more aspect of community well-being (social, economic, environmental and cultural) and deliver on objectives outlined in the Long Term Plan and Council's other key strategic documents. These grants are funded from targeted rates in each ward.

Council administers two external grants and as their criteria and funding are set externally they fall outside the scope of this policy:

- Creative Communities grants – these encourage the promotion of arts within the district. The funding and criteria is set by Creative New Zealand.
- Sport NZ grants – these support rural travel for junior sports teams to allow them to participate in more local sporting competitions. The funding and criteria is set by Sport New Zealand.

## Definitions

### What is a grant?

Grants are a means of financially supporting community-driven initiatives and fundamentally differ from procurement arrangements. Grant funding is not to be used as a mechanism to fund services that the Council needs to provide. By contrast, the initiatives supported by grants are both devised and delivered by the community. The community sets the level of service and this distinction will be reflected in the grants programme.

## Social well-being

Social well-being encompasses aspects that society collectively agrees are important for a person's happiness, quality of life and welfare.

## Cultural well-being

Cultural well-being broadly encompasses values, shared beliefs, customs and identity. These sometimes intangible qualities help shape who we are as people of New Zealand and Central Otago and are what makes our place unique.

## Environmental well-being

Environmental well-being concerns the health of our natural environment and encompasses such aspects as climate change, waste minimisation, ecosystem regeneration, and sustainability.

## Economic well-being

Economic well-being concerns aspects such as poverty, household incomes, district growth, thriving business and industry, reducing income inequality and financial prosperity.

# Policy

## Principles

Six principles under-pin this policy to guide decision making and the operation of the policy:

Transparency	The grants programme will operate transparently in all respects and at all stages of the process. Council will publish information about all of the grants allocated - who has received them and for what purpose. Feedback will be provided to unsuccessful applicants.
Fairness and equal opportunity	Council and Community Boards value all of Central Otago's diverse communities, and welcomes grant applications from people of all ages, identities, abilities, cultures and ethnicities, wherever in the district they reside. All applicants will be treated equally and fairly in all aspects of the process.
Partnership	Council and Community Boards recognise the critical contribution that the community and voluntary sector makes in building a more liveable district. Council and Community Boards will use a partnership based approach with applicants and value applications that partner with other entities in the community.
Effectiveness	Council and Community Boards support applications that demonstrate an effective use of resources (e.g promote sustainability practices). Where possible, projects and events seeking funding should demonstrate a capacity to be self-sustaining over the long term. Council encourages projects which can show a clear plan for being able to remove reliance from Council grants and provide for an initiative to grow organically.
Accessibility	Council will make all reasonable efforts to ensure that the general public are well informed on what funding opportunities are available and that all information about grants is easily accessible. Council will provide clear guidance on what is required from those applying for funding and will take all reasonable steps to provide assistance to those completing applications.
Efficiency	Council will handle the applications efficiently without placing undue burden on the applicants. Council will balance the need for efficiency against the need for transparency and accountability, with larger grant awards having more robust reporting and accountability requirements.

## Objectives

These six objectives outline what the grant programme seeks to achieve:

Outcome focus	Council and Community Boards will prioritise projects that clearly articulate the value to the community, that deliver on the community outcomes identified in the Long Term Plan and improve well-being in the district.
Value for ratepayers	Council and Community Boards will deliver value for the ratepayer's investment by supporting high impact initiatives that are effective, and produce clear benefits to our communities. Assessment will be based on a proposal's individual merits and how well they align with Council's funding priorities.
Growth oriented	Council and Community Boards will seek to support projects that have the potential to drive economic development and grow community infrastructure.
Strong community organisations	Council and Community Boards supports the building of strong, inclusive and effective community organisations. Council will assist community groups by allowing them to apply for grant funding to build organisational capacity.
Proud to be local	Council and Community Boards recognises that Central Otago has a unique sense of people and place that is important in fostering local identity. Council will support projects that are consistent with the A World of Difference values as well as those which are authentic and accord with local identity.
Strategic alignment	Applications must be consistent with Council's published priorities and strategy documents and assist on the delivery of well-being priorities in the community.

### General criteria

Council supports applications from organisations and individuals that:

- have a potential to become self-sustaining and have a plan to deliver on this
- have appropriate financial management, planning and governance, and demonstrate readiness for the receipt of funding and its appropriate use
- have a positive track record of using Council funding and are up to date with required reporting (if previously funded).

Applications for projects with the following attributes will not be supported:

- where the primary purpose is to promote religious or political activity
- the project is part of the core business of another organisation or service provider.

### Excluded activities

The following activities in projects will not be funded:

- debt servicing or repayment
- legal expenses
- medical expenses
- physical works that have not received the required consents or permits
- purchase of alcohol.

### Retrospective expenses

Where the project or activity has already taken place, funding will not usually be awarded in retrospect. Retrospective costs will only be awarded in exceptional circumstances (e.g., unforeseen circumstances which have resulted in a change in the financial situation of the applicant since they had paid these expenses, and will result in the project not proceeding).

## Contestable grant process

All Council and Community Board grants will be awarded through a contestable process to enable decision makers to compare the relative merits of the funding proposals and allocate grants as fairly as possible.

In this context, contestable means:

- applications are invited during scheduled funding rounds, with publicly advertised opening and closing dates
- every eligible organisation and individual has an equal opportunity to be considered for a grant
- final allocation decisions are made in a public forum.

## Allocation of funding

The funding pool available for grants will be set by Council in collaboration with Community Boards every three years through the Long Term Plan process. No individual grant applications will be accepted during the Long Term Plan process. The funding available for each different grant type will be advertised when applications are publicly called for.

All grants will need to be spent within one year of being awarded. Where funds remain unspent following project completion, these must be returned to Council. If the project does not proceed, funding must be returned to Council.

## Annual grants

Council and Community Boards have the discretion to allocate funding on a recurring basis for up to three financial years. If a grant is to be awarded for the maximum term of three financial years, this must be done during year one of the relevant Long Term Plan.

For two or three year grant awards the recipient is not required to re-apply each year. Recipients must report on the progress and the outcomes delivered from the grant money already received. Satisfactory progress must be demonstrated before funds will be released for the following year.

## Awarding of partial grants

In the event a grant is awarded for less than what was requested, Council and Community Board members will stipulate what part of the project or activity the grant is to be used for. Recipients cannot use the funding for any purpose other than that is stipulated.

## Accountability requirements and proportionality

All recipients are required to complete and submit a monitoring and evaluation form. Failure to submit this form will impact on the ability of the recipient to receive future funding from the Council.

A tiered approach to accountability and application requirements will be taken. The processes and documentation that applicants are asked to complete will be proportionate to the size of the grant, with higher dollar value grants having greater accountability requirements. Grants are divided into three tiers based on dollar value:

- Tier 1 - \$10,000 and above
- Tier 2 - \$1,000 to \$10,000
- Tier 3 - Up to \$1,000.

## Funding rounds

Funding rounds will occur twice per year and opening and closing dates for the applications will be publicly notified. Applications outside the funding cycle will only be considered in exceptional circumstances.

## Relevant Legislation

### Local Government Act

The purpose of local government is to:

*“Enable democratic local decision-making and action by, and on behalf of, communities and promote the social, economic, environmental and cultural well-being of communities in the present and for the future.”*

This policy gives effect to this by:

- enabling local decision making and empowering communities to work alongside Council to meet their current and future needs.
- awarding grants primarily for ‘local community infrastructure’ and ‘local services’ as these are interpreted in the Central Otago context, that deliver on social, cultural, economic and environmental priorities in the community.