

QLDC Council
25 September 2014

Report for Agenda Item: 8

Department:

CEO Office

Annual Grants – Review

Purpose

- 1 To report to Council on accountability associated with the issuing of annual grants.

Recommendation

- 2 That Council **note** the contents of this report.

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5/09/2014

Reviewed and Authorised by:



Meaghan Miller
Director of Chief Executive's Office

11/09/2014

Background

- 3 Council annually funds a total of \$686,670.00 in grants to 30 groups.
- 4 Of the 30 groups currently supported, 28 are either set up as trusts or registered incorporated societies. They are required under their trust deed or rules of the society to have in place financial reporting processes. The two exceptions to this are the Ruby Island Voluntary Group which is funded on invoicing and the funding arrangement (Memorandum of Understanding) with LINZ and ORC in relation to Lagarosiphon (lake weed) management in Lake Wanaka.
- 5 Nine of the funded groups applied for and use their grant to cover operational costs i.e. rent. These broadly fall within the category of 'social welfare'. Another three of these groups use the grant for specific projects each year eg. track maintenance.

- 6 Council has in place Memoranda of Understanding (MOU's) with three of these groups: Sport Otago (2005), Queenstown Housing Trust (2011), and Te Ao Marama (2000).
- 7 Seven of the groups support our community through social and sporting services and provide the only community link to government social services.

Smaller Community Associations

- 8 14 of the groups are smaller community associations which receive an annual grant each of \$5k per annum.
- 9 The smaller community grant process allows Council to work with smaller community associations to enable these communities to prioritise and deliver small, local projects.
- 10 After the review last year all 14 smaller community associations now have a MOU with Council, and provide copies of their annual financial reports and project proposals. Based on the agreed project the groups then uplift the funds up to the amount of \$5k on provision of invoice.
- 11 The smaller communities grant process is now clear and consistent. The invoices can be processed in a timely manner and, as outlined, aligned with the purpose of the grant as agreed.

Comment

- 12 Prior to the 2014 Annual Plan process and in line with a budgetary change to place all grants within one financial cost centre under the Office of the Chief Executive, that department undertook a comprehensive review of all grants.
- 13 Grant recipients were advised that Council was looking to introduce better accountability and reporting processes around the funding of grants.
- 14 All grants are revisited annually through the Ten Year/Annual Plan.
- 15 In order to administer the grant process more efficiently and with clearer accountability all grant recipients must provide Council with annual financial report (where relevant), project proposals (where relevant) and an invoice in order to uplift their grant.
- 16 All grant recipients must detail the purpose of the grant and demonstrate that the grant has been used as outlined (on invoicing or prior to the funding round).
- 17 A number of MOU's are scheduled to be revisited and reviewed with stakeholders.

Reporting to Council

- 18 Two of the grant recipients have an agreement to report directly to Council being the Film Office and Shaping Our Future.

Film Office

- 19 The Film Office is managed by the Film Otago Southland Film Trust, which promotes the film and screen industry in the Otago Southland Region. QLDC funds a total of \$84k (split between salary \$50k and \$34 operational) towards a total budget of \$137k (which includes funding from Dunedin City Council, Central Otago District Council and Venture Southland).
- 20 The Film Office produces an Annual Report, which is currently in draft form. The draft indicates the following summary of performance of production.

Summary of production activity for 2013/14

- 21 Figures released through Statistics New Zealand's annual Screen Industry Survey show 84 businesses spent a total of \$31 million on production and post-production in the Otago and Southland regions in the 2013 financial year.
- 22 There were 235 productions as compared to 174 in the previous year, a change of 35%. Note that this number also tracks tourism and web based content. There were 527 shoot days as compared to 577 in the previous year, a decrease of 9%.
- 23 Members on the website database increased from 232 to 289, an increase of 25%.

Film Office Review

- 24 The existing structure for the Film Office has been flagged for review in the QLDC Business Plan. The development of terms of reference for the review will be developed in consultation with elected members.

Shaping Our Future ('SOF')

- 25 The Council has committed funding of \$50,000 and has a MOU designed to establish clear expectations between both SOF and the Council in terms of the uplifting and expenditure of this funding.
- 26 The Council requires six monthly reporting by SOF to the Council to outline the following:
- annual objectives
 - proposed forums
 - administration cost allocation
 - organisation structure/membership/attendance etc.
 - outcomes/key achievements

This report is to be provided to Council by 1 March (annually). See Appendix B.

27 SOF is also required to report back on delivery against proposal for funding (commencing December 2013 and then September 2014 (annually)).

28 Payment will be made on receipt of invoice at commencement of financial year (1 July). The amount will be subject to consideration of the Proposal for Funding and annual consideration of funding (10 Year Plan) by the Council.

QLDC Grant funding Accountability

| Name | Entity | Grant | Criteria | Financial Reporting | MOU |
|-------------------------------------|----------------|----------------|--------------------|---------------------|-----|
| Queenstown Lakes Family Centre | Trust | 26,400 | Rent | Yes | NA |
| Wakatipu Youth Trust | Trust | 30,320 | Rent | Yes | NA |
| Kahu Youth Trust | Trust | 23,400 | Rent | Yes | NA |
| Lakes District Museum | Incorp | 80,000 | Operational | Yes | NA |
| Happiness House | Trust | 11,600 | Rent | Yes | NA |
| Alpine Community Trust | Trust | 30,240 | Rent | Yes | NA |
| Ruby Island | Unformed Group | 5,000 | Island projects | paid through QLDC | NA |
| Wakatipu Trails Trust | Trust | 50,000 | Operational | Yes | NA |
| Upper Clutha Tracks Trust (UCTT) | Trust | 25,000 | Track | Yes | NA |
| UCTT – Trail Co-ordinator (one-off) | Trust | 10,000 | Track | Yes | NA |
| Sport Central | Trust | 35,000 | Operational | Yes | Yes |
| Lagarosiphon Project | QLDC | 20,000 | control programme | Yes | NA |
| Aspiring Arts Trust | Trust | 50,000 | Public Artworks | Yes | NA |
| Shaping Our Future | Incorp | 50,000 | Operational | Yes | Yes |
| Affordable Housing Trust | Trust | 50,000 | Operational | Yes | Yes |
| Te O Marama | Incorp | 36,000 | Operational | No | Yes |
| Film Trust | Trust | 83,710 | Operational | Yes | No |
| Total | | 616,670 | | | |
| Smaller Communities Grants | | | | | |
| Arrowtown Village | Incorp | 5000 | Community projects | Yes | Yes |
| Glenorchy | Incorp | 5000 | Community projects | Yes | Yes |
| Kelvin Peninsula | Incorp | 5000 | Community projects | Yes | Yes |
| Kingston | Incorp | 5000 | Community projects | Yes | Yes |
| Gibbston | Incorp | 5000 | Community projects | Yes | Yes |
| Makarora | Incorp | 5000 | Community projects | Yes | Yes |
| Hawea | Incorp | 5000 | Community projects | Yes | Yes |
| Albert Town | Incorp | 5000 | Community projects | Yes | Yes |
| Luggate | Incorp | 5000 | Community projects | Yes | Yes |
| Cardrona | Incorp | 5000 | Community projects | Yes | Yes |
| Fernhill/Sunshine Bay | Incorp | 5000 | Community Projects | Yes | Yes |
| Wanaka | Incorp | 5000 | Community projects | Yes | Yes |
| Frankton | Incorp | 5000 | Community projects | Yes | Yes |
| Lake Hayes Estate | Incorp | 5000 | Community projects | Yes | Yes |
| Total | | 70000 | | | |

Community Association Accountability

| Name | Project | Invoices Received | Journal | Comment/ EOFY |
|-------------------|---------------------------------------|-------------------|---------|---------------|
| Lake Hayes Estate | Seats and picnic table McBride Park | Yes | | June |
| Luggate | Community BBQ | | Yes | December |
| Albert Town | Community BBQ | | Yes | June |
| Kingston | Security camera, welcome sign website | ✱ | | March |
| Kelvin Peninsula | Admin/ track | ✱ | | October |
| Glenorchy | Glenorchy Hall upgrade | Yes | | March |
| Gibbston | Playground project | ✱ | | June |
| Arrowtown | Admin/ security cameras | ✱ | | June |
| Wanaka | Admin/ cemetery arbour project | ✱ | | June |
| Cardrona | Children's Playground | ✱ | | June |
| Fernhill/Sun | Community BBQ | | Yes | June |
| Frankton | Administration Only uplifted \$1K | Yes | | June |
| Hawea | Admin/ community centre costs | ✱ | | July |
| Makarora | Radio costs/insurance/ tennis court | ✱ | | Sept |

✱

These groups are yet to provide invoice copies but have not requested the uplift of their 2014/15 grant. They will not be able to uplift this grant until we receive copies of these invoices to the total value of \$5K.

Financial Implications

29 No financial decision.

Local Government Act 2002 Purpose Provisions

30 The author has reviewed Section 10 of the LGA. This matter gives effect to the purpose of local government because it meets the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

Council Policies

31 The following Council Policies were considered:

- 2012/25 10 Year Plan
- 2013/14 Annual Plan

Consultation

32 All grant recipients have been advised of this paper for noting.

Attachments

- A Shaping Our Future Annual Report 2013/14
- B Grant Recipient Financial Information (*Separate attachment booklet*)