



**PAPAIOEA**  
PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **COUNCIL SUPPLEMENTARY ITEM**

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9AM - DELIBERATIONS ANNUAL BUDGET 2023/24,  
WEDNESDAY 31 MAY 2023

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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<b>Grant Smith (Mayor)</b>	
<b>Debi Marshall-Lobb (Deputy Mayor)</b>	
<b>Mark Arnott</b>	<b>Leonie Hapeta</b>
<b>Brent Barrett</b>	<b>Lorna Johnson</b>
<b>Rachel Bowen</b>	<b>Billy Meehan</b>
<b>Vaughan Dennison</b>	<b>Orphée Mickalad</b>
<b>Lew Findlay (QSM)</b>	<b>Karen Naylor</b>
<b>Roly Fitzgerald</b>	<b>William Wood</b>
<b>Patrick Handcock (ONZM)</b>	<b>Kaydee Zabelin</b>

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
[pncc.govt.nz](http://pncc.govt.nz)

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## **COUNCIL MEETING**

31 May 2023

## **ORDER OF BUSINESS**

### **SUPPLEMENTARY ITEM**

#### **Item 8 – Attachment 4G**

**Supporting information for consideration of funding request from  
Niuvaka Trust**

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## MEMORANDUM

**TO:** Council

**MEETING DATE:** 31 May 2023

**TITLE:** Supporting information for consideration of funding request from Niuvaka Trust

**PRESENTED BY:** Stephanie Velvin, Community Development Manager

**APPROVED BY:** Kerry-Lee Probert, Acting Chief Customer Officer

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### 1. ISSUE

- 1.1 Niuvaka Trust presented to the Community Committee on 24 May 2023. In their presentation, they requested funding support of \$235,000 for operational costs and towards an annual Vaka Festival event.
- 1.2 As a result, the Committee resolved that the request for funding for \$235,000 be referred to the Annual Budget deliberations.
- 1.3 At the Committee, Councillors also requested further information and advice be provided by staff to support the consideration of this request.
- 1.4 Subsequently, staff requested Niuvaka submit additional documentation for assessment. The information requested was equivalent to that which is required for a Strategic Priority Grants application.
- 1.5 Staff have conducted an assessment against the Strategic Priority Grants guidelines, given the nature and size of their request, in order to provide advice consistent with policy and recent equivalent decisions.
- 1.6 It is noted that, due to time constraints, the standard process for a Strategic Priority Grants assessment, which includes an individual assessment, small group moderation, and full panel review, ranking and moderation, was not able to be conducted. Instead, this assessment process has included two staff assessments, and a peer review.
- 1.7 It is also noted that, in submitting their additional documentation for assessment, Niuvaka have removed the request for funds for the annual Vaka Festival, as they have established that they can access other avenues of support for this.

## 2. BACKGROUND

### 2.1 Relevant Funding Policy and Programmes

2.2 Council's community funding is guided by the [Support And Funding Policy 2022](#).

### 2.3 Strategic Priority Grants

2.4 The purpose of the Strategic Priority Grants (SPG) programme is to activate the potential of the community sector to deliver on Council's strategic direction, specifically Goals 2, 3 and 4, through three-year funding agreements.

2.5 The Strategic Priority Grants programme is Council's largest funding stream available for the for-purpose sector. With three-year funding agreements, it provides organisations a higher level of certainty in their operations than annual or project-specific funding. It is also one of the few funding programmes available for back office costs, and many SPG recipients rely on this funding to contribute to staff salaries and overheads.

2.6 The current SPG period is from 1 July 2022 – 30 June 2025, meaning we are about to enter Year 2. Applications for the next period will open again in late 2024.

2.7 For this current SPG period, 67 applications were received, and 43 groups were funded. Those 67 applicants applied for over \$3.8 million per annum, against the \$1.4 million per annum available. The full \$1.4 million was allocated. The average grant allocated across all the groups was \$35,583. The average grant allocated across new recipients (i.e. groups who had not previously received SPG or equivalent funding) was \$24,000.

### 2.8 Community-Led Initiatives Fund

2.9 Towards the achievement of Goals 2, 3 and 4, Council also has the Community-Led Initiatives Fund, which is open year-round and provides communities with the resources to deliver their own small-scale community-led initiatives, including events and projects, that will primarily benefit Palmerston North communities of identity, place, or interest. This fund is to support initiatives provided by the community for the community. It gives Council flexibility to support community-led initiatives as they emerge.

2.10 The typical grant range for the Community-led Initiatives Fund is from \$500 - \$20,000.

### 2.11 Community Development Small Grants Fund

2.12 The purpose of this grants programme is to provide funding for essential administration expenses to enable local not-for-profit community groups to operate. Groups may apply for grants up to \$5000 to cover costs related to audit or financial review, communication, energy, insurance, volunteer

expenses, rent or stationery. Organisations seeking funding must contribute to either Goal 2, 3 or 4.

2.13 Grants are allocated through a contestable process once a year, administered by the Palmerston North Community Services Council (based on an administration agreement between PNCC and PNCSC).

2.14 Applications for the Community Development Small Grants fund round for 2023 close on 31 May 2023.

2.15 ***Discretionary decision-making via the Support and Funding Policy 2022***

2.16 The Policy stipulates that, where a funding proposal is received which does not meet the requirements for support or funding, staff may refer the proposal to a committee of Council for a final decision, if the following circumstances are satisfied:

- a) The proposal cannot reasonably be considered within a scheduled support and funding programme round or established criteria;
- b) Funding would significantly contribute to one or more of Council's strategic goals; and
- c) Non-supply of support would amount to a significant and quantifiable disadvantage to the city and the Council.

2.17 ***Niuvaka's Funding History with Council***

2.18 Niuvaka have previously submitted one application for funding, which was successful.

2.19 Niuvaka was allocated \$6,680 via the Community-Led Initiatives Fund in February 2023 towards the Vaka Festival. Niuvaka delivered the Vaka Festival and met the funding requirements, including reporting.

### **3. ANALYSIS**

3.1 Given the nature and size of the request, following the Community Committee, staff requested Niuvaka provide a similar level of documentation to an SPG application.

3.2 Niuvaka submitted the following:

- 'Application form' information equivalent to the SPG 2022-2025 application form, which provides information on:
  - organisational history, capacity and capability to deliver the proposal
  - a description of the funding proposal activities and intended outcomes
  - description of alignment with Council's goals and priorities
  - a budget for the proposal.
- Most recent financial statement and strategic plan.

- Letters of support and other supporting evidence (copies of flyers for past programmes, etc.)

### 3.3 Staff assessed the proposal against the following criteria:

#### 3.3.1 Viability

- *The applicant has the capability, capacity and experience to deliver the work*
- *The applicant has a relevant track record of successful delivery*
- *The applicant has the necessary experience, networks or profile to give them credible access to the people who will benefit*
- *The applicant has a sound history (if any) of compliance with Council obligations*
- *The application budget is realistic and evidenced-based*
- *Funding would help the applicant to become stronger or more sustainable in future*
- *The applicant is in a strong financial position*

#### 3.3.2 Outcomes

- *The applicant understands the difference they are trying to make in the community*
- *The applicant has clearly defined the expected outcomes of their work*
- *The expected outcomes are important to the Palmerston North community*
- *The project, activity or service described is likely to achieve the expected outcomes*
- *The applicant has given thought to how they will show the grant has benefited the community (or for larger grants, how they will evaluate the success of the work)*

#### 3.3.3 Alignment with funding priorities

- *The expected outcomes clearly align with the Council's funding priorities.*
- *Funding this applicant will help Council achieve its goals.*
- *Evidence of collaboration with other organisations.*

- 3.4 The result of the staff assessment process was a total score of 50%. This included criteria level scores of 20% for viability, 60% for outcomes and 70% for alignment with funding priorities. (Note for context, the lowest score allocated funding in the 2022 SPG assessments was 73%. There were several groups who were unsuccessful in that round who received scores between 50% and 73%).
- 3.5 While staff felt there is alignment with Council's funding priorities, and there is evidence of collaboration with other organisations, the viability criteria are not sufficiently met, with a lack of clarity around their future structure and post-Covid plans, and only a short track record of delivery. In particular, the budget provided does not appear to be viable, and the proposal presents financial and reputational risk to a funder.
- 3.6 Staff therefore conclude that Niuvaka Trust does not sufficiently meet the criteria for SPG or SPG equivalent grant funding at this time.
- 3.7 Given this assessment, staff have also reviewed the proposal against the three criteria for discretionary decision-making via the Support and Funding Policy 2022.
  - a) The proposal cannot reasonably be considered within a scheduled support and funding programme round or established criteria;
- 3.7.1 While the size and nature of the request align most strongly with the SPG funding which is fully allocated, a scaled down request could be considered for support via the Community-Led Initiatives Fund and/or the Community Development Small Grants fund.
  - b) Funding would significantly contribute to one or more of Council's strategic goals;
- 3.7.2 Staff assess that the proposal does align with Council's Goal 3, Priority 1,2 and 3; however, it is unclear based on the information provided if the contribution will be significant, due to the concerns with the viability of the organisation.
  - c) Non-supply of support would amount to a significant and quantifiable disadvantage to the city and the Council.
- 3.7.3 Staff view that the non-supply of support would disadvantage members of the community, though this is difficult to quantify based on the information provided.

**4. NEXT STEPS**

- 4.1 Given the above, it is recommended that staff work alongside Niuvaka to develop a proposal within the scope of the Community-Led Initiatives fund. This will allow them to build a track record of service delivery and strengthen their evidence base for their service model in a post-Covid environment. The Community-Led initiatives fund is open all year-round, therefore once the application is completed, Niuvaka will be able to submit to the fund, which will then be assessed by staff.

- 4.2 If Council wishes to proceed with funding for Niuvaka Trust through the 2023/2024 Annual Budget, staff will develop an agreement with activities, outcomes and reporting requirements similar to the current SPG agreements.