

Report to the Future Melbourne (People City) Committee

Agenda item 6.4

Community Funding Policy and Neighbourhood House Policy Review

19 November 2013

Presenter: Ian Hicks, Manager Community Strengthening

Purpose and background

1. The purpose of this report is to seek endorsement of the:
 - 1.1. revised Community Funding Policy and guidelines for long term grants (refer Attachment 2 and Attachment 3)
 - 1.2. proposed 2014-17 Neighbourhood House Policy (refer Attachment 4).
2. Council adopted the Community Funding Policy 2013 and the Neighbourhood House (NH) Policy 2009 and agreed that the NH Policy 2009 would be reviewed when the current community funding agreements expire in 2014.
3. In 2009, following a public expression of interest process, Council endorsed the funding of 11 organisations to a total of \$701,055 under the Community Funding Policy (refer Attachment 5). Four organisations that received funding were neighbourhood houses. The funding was in line with the NH Policy 2009.
4. The Community Funding Policy relates to both annual grants and to long term grants. In March 2013 the Future Melbourne Committee adopted the Community Funding Policy 2013–17 and the associated guidelines for annual grants. At that time the existing long term (four year) Community Funding Agreements were extended by 12 months to allow for a separate review of Council's approach to long term grant funding.

Key issues

5. The draft 2014-17 NH Policy retains the key elements of the previous 2009 NH Policy including the proposed intention for Council to support and fund neighbourhood houses. The stated Council intention to fund neighbourhood houses is not consistent with the requirement under the Community Funding Policy for all organisations to go through the public expression of interest process for funding.
6. It is proposed to revise the Community Funding Policy and the long term grants guidelines to introduce two different funding categories and processes being:
 - 6.1. A 'General Community' funding category that provides an opportunity for community agencies and groups to apply to Council for funding of ideas and initiatives that align with the broad objectives of the Community Funding Policy. It would involve a competitive and public application process (ie: expression of interest process) once every four years and applications would be assessed by an external panel.
 - 6.2. A 'Strategic Partnerships' funding category that provides a formalised process whereby Council could enter into specific funding agreements with organisations that have been identified as having the capability to deliver initiatives that align with Council goals. Long term funding of neighbourhood houses would be an example of a 'Strategic Partnership'. A process of directly negotiating community funding agreements with each neighbourhood house would commence immediately with draft agreements being presented to Council in March 2014.
 - 6.3. All organisations, regardless of how they are funded, are still required to enter into a formal funding agreement that makes clear the alignment to Council policy objectives, the key deliverables, the funding costs and the requirement for a formal acquittal process to Council.

Recommendation from management

7. That the Future Melbourne Committee:
 - 7.1. endorses the revised Community Funding Policy and guidelines for long term grants
 - 7.2. endorses the 2014-17 Neighbourhood House Policy including the principle that neighbourhood houses are funded under the Strategic Partnership category

- 7.3. authorises the Director Community Development to make any further minor editorial changes to the Community Funding Policy and guidelines for long term grants and to the 2014-17 Neighbourhood House Policy prior to publication.

Attachments:

1. Supporting Attachment
2. Community Funding Policy 2013 to June 2017
3. Long Term Grants Guidelines
4. Neighbourhood Houses
5. Current Community Funding Agreement Recipients

Supporting Attachment

Legal

1. No direct legal issues arise from the recommendation of management.

Finance

2. There are no financial implications in this report. The 2013-14 Community Development Division Budget has allocated \$703,158 to Community Services Funding Agreements. This report outlines the policy and process Council will use to make a decision for future Community Funding Agreements including those in the 2014-15 budget process. Recommendations for 2014-15 funding will be made in a separate report to Council in March 2014.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

4. Consultation via surveys with the not for profit community sector was undertaken when the Community Funding Policy was initially reviewed. A total of 155 surveys were distributed and 62 surveys returned provided very detailed and extensive feedback on the current program and processes. The main issues identified were around the flexibility and responsiveness of the program, specifically relating to the current timing, the level of funding provided and the restrictive nature of the categories.
5. If Council endorses the principle that Neighbourhood House support is best aligned to a Strategic Partnership, then engagement will be conducted with Neighbourhood Houses. This will allow them to collectively negotiate with Council on the outcomes and activities to be supported, in line with identified outcomes.

Relation to Council policy

6. The Community Funding Policy most closely aligns to outcomes identified in City for People and Knowledge City goals in the Council Plan. In addition, the Community Funding Policy outlines the mechanisms used to support community organisations so they can work with Council to achieve shared outcomes identified in our strategic documents.

Environmental sustainability

7. The Community Funding Policy has a focus on improving the quality of life for local and vulnerable communities and targeting areas of disadvantage. Social, economic and environmental sustainability of our city are principles that guides which projects will be prioritised for funding.
8. Applicants are requested to outline in their submissions how they will ensure their projects support environmental sustainability.

CITY OF MELBOURNE

Community Funding Policy

2013 - 2017

Introduction

The City of Melbourne is a dynamic and vibrant place, home to 93,617 people¹ and hundreds of community organisations, all striving to make Melbourne a great place to be. Council recognises that the local not for profit community sector plays a critical role in empowering people to have an active role in shaping their own future and achieving their aspirations.

Policy purpose

The Community Funding Policy outlines how the City of Melbourne provides funding to not for profit community organisations whose work in the community enriches the municipality and aligns with the outcomes City of Melbourne aims to achieve.

Context - community funding and delivery structure

The community funding and delivery structure provides the operating framework used by the City of Melbourne in order to fund and deliver its services and outcomes. The structure has four streams:

- **Direct service provision** - services that are delivered directly by City of Melbourne staff (e.g. libraries, City of Melbourne operated children's centres).
- **Contracted procurement** - (as defined in section 186 of the Local Government Act). This relates to services and goods that City of Melbourne has contracted to another organisation to provide on its behalf (e.g. syringe disposal, home care services). It includes services where Council has a legislative or contractual responsibility to deliver but where Council has decided to engage a third party, or for services Council has determined are part of their core business. Contract arrangements allow for specificity in the type of service purchased.
- **Long Term Funding** - multiple year funding agreements for the provision of community programs that are not part of Council's core business but support the Council Plan. They can include community determined programs and activities that respond to Council determined outcomes or to identified strategic partnerships that support Council Plan.

Long term funding responds to development outcomes that may require extended time frames to be achieved and longer term operation to maximise community engagement. They are informed by a strong evidence base of need. These types of agreements do not have the same level of specificity as contracts however must be accountable, transparent and equitable in their allocation.

- **Annual funding** - for community determined programs and activities that respond to Council determined outcomes and are informed by an evidence base of need. They are time limited and project-based activities undertaken over a 12 month period and are valuable for testing and piloting new ideas. Programs and activities funded under this program generate participation and have an impact on short term immediate outcomes.

Services, programs and activities may shift across streams within this structure over time.

Definitions

In the context of the Community Funding Policy, the following definitions are applied:

Grant: a sum of money provided to an organisation or individual following a competitive, open and transparent application process. The grant is given to deliver community determined programs and activities that achieve particular outcomes supported by City of Melbourne. The programs that come under the umbrella of the community funding policy provide grants, not sponsorship. Whilst there is the requirement for all grant recipients to include City of Melbourne branding on their promotional materials, this is not the primary purpose of grants and is therefore not considered sponsorship.

¹ Source – Australian Bureau of Statistics – Census 2011

Strategic partnership: A partnership that has been entered into between Council and a community organisation so they can work collaboratively to achieve common outcomes. Strategic Partnerships include the provision of a sum of money to deliver on an idea or initiative that will improve people’s quality of life and aligns with Council strategic priorities.

Sponsorship: providing goods, services, money or in kind (e.g. fee waiver) contribution to an entity in return for commercial leverage, promotion, activation or exposure by another entity to achieve defined objectives.

In kind: a situation whereby the provider facilitates the grant or sponsorship funding in other than a cash payment, for example fee waiver for use of public space. The Community Use of Town Hall Scheme is an in kind contribution with the City of Melbourne making a payment on behalf of the successful applicant.

Not for profit: an entity that does not return profits or surplus to members, owners, directors or committees and is not primarily guided by commercial goals. Any funds raised or profits made within a not for profit community organisation are held and/or invested back into the organisation.

Community organisation: Not for profit organisations and groups that encompass a wide range of activities, programs and services aimed at improving people’s quality of life. The community sector varies significantly in size and can range from small volunteer run and locally based groups to large national organisations with many staff (also known as community sector, not for profit organisations, the third sector, civic sector, community service sector, community service providers). The funding programs outlined within the Community Funding Policy only fund schools and not for profit community organisations that are legal entities.

Policy context

All councils have a responsibility to *improve the overall quality of life of people in the local community* and have a role in *fostering community cohesion and encouraging active participation in civic life*².

The City of Melbourne is guided by the Future Melbourne Community Plan. Future Melbourne has a vision for a bold, inspirational and sustainable city and it provides the overarching structure for the Council Plan.

The Council Plan is adopted by each new Council and sets the priorities for their term at Council. Council’s strategic documents provide more detailed response on Council’s priorities and how it is the Council will deliver the Council Plan.

The Community Funding Policy outlines how it is that community organisations may be funded to deliver on common quality of life outcomes.

Funding objectives

In providing funding to not for profit community organisations, Council aims to achieve the following objectives:

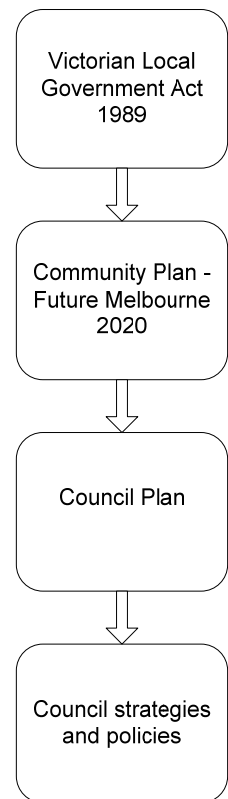
- provide a mechanism that allows Council to work with community to support shared outcomes
- provide the opportunity for community to identify and respond to local issues, concerns and priorities that link with Council priorities
- build community capacity and empower the community to take an active role in improving their quality of life
- foster community involvement and participation
- provide a cost effective means to deliver community outcomes.

Principles

The Community Funding Policy has a focus on the people of the City of Melbourne. Community strengthening principles underpin the approach taken to grant making. These principles guide both how we work with the community and the projects that will be prioritised for funding.

These principles include:

- asset based thinking and building on the strengths that exist within community



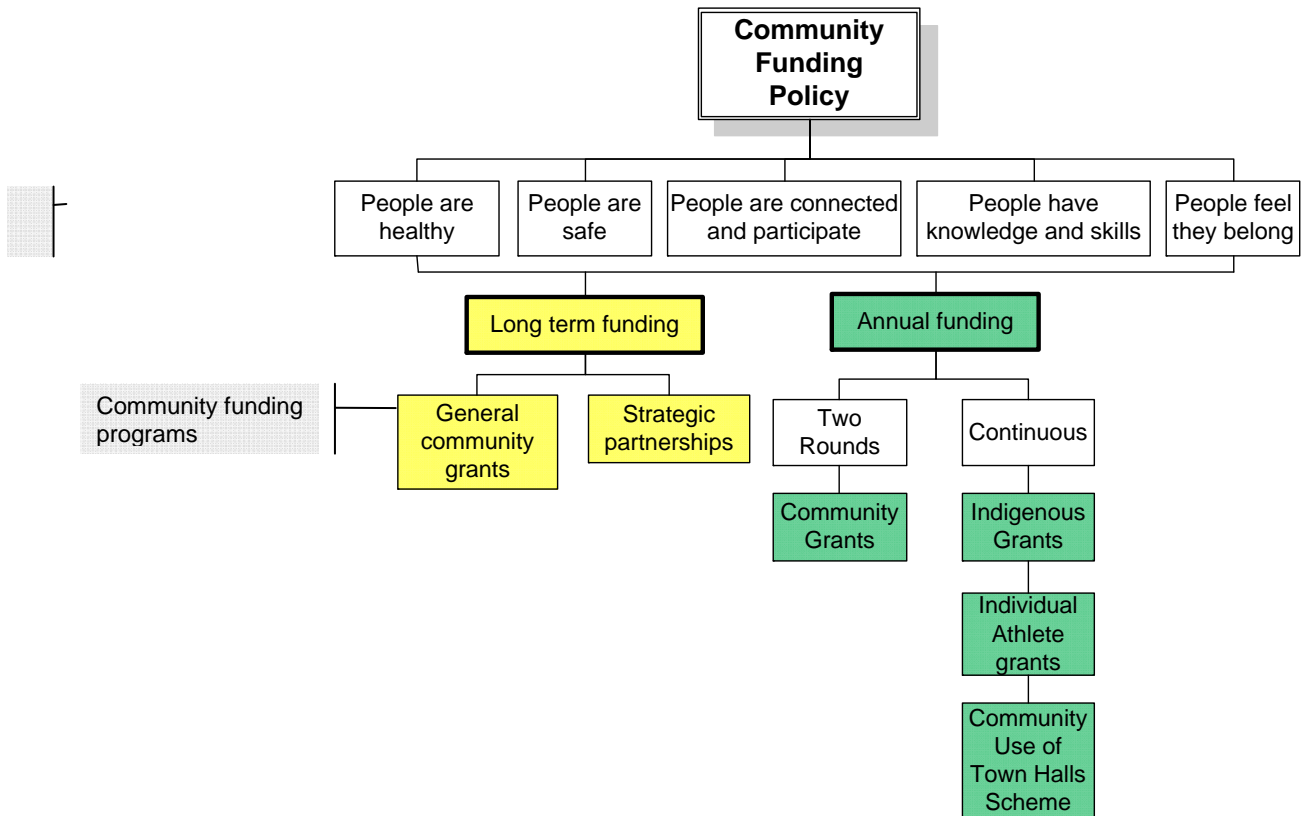
² As outlined in the Victorian Local Government Act 1989

- evidence based approach that acknowledges the needs and aspirations of our community
- access and equity to ensure a socially inclusive community
- collaborations and partnerships
- valuing the social, economic and environmental sustainability of our City.

In addition, Council is committed to the principles of:

- efficient and effective delivery of the program
- transparency and accountability in decision making.

Community funding model



Community funding outcomes

Aim: To contribute towards Council's vision for the City, the community grants provide funding to not for profit community organisations and schools to improve people's quality of life. Community grants have a focus on local and / or vulnerable people. Council will consider proposals that can contribute to the following broad outcomes:

People are healthy: Relates to people's physical and mental health and wellbeing and to increasing opportunities for physical activity.

People are safe: Relates to people's perceptions of feeling safe within their community and their knowledge of how to reduce personal injury and harm.

People are connected and participate: Relates to people's connections to their community. Community often relates to geographic locations but can also relate to family networks, support networks, people with common or shared beliefs, values, friendships, interests and activities. Participation relates to people volunteering, participating in civic life, being engaged in decisions and involved in planning, developing and delivering solutions.

People have knowledge and skills: Relates to people having the opportunity for life long learning and gaining the knowledge and skills required to participate in education, employment and their community.

People feel they belong: Relates to people having the opportunity to freely express and celebrate who they are, regardless of culture or identity. People feel they belong and have an understanding of other people, their culture and identify.

Whilst the grants aim to improve the quality of life of all people, priority is placed on proposals that:

- target sectors of the community that face barriers and are excluded from participating
- focus on addressing disadvantage.

Community Funding Programs

The specific conditions and processes of each community funding program are outlined within the respective program guidelines that sit alongside this policy and are stand alone documents.

Eligibility criteria

To be eligible for funding within the Community Funding Policy, organisations must meet the following criteria:

- Organisations must be:
 - a not-for-profit constituted body such as an incorporated association, or
 - sponsored or auspiced by a not-for-profit organisation, or
 - a school.
- Organisations must be located within, or offer a project within, the City of Melbourne municipality.
- Organisations must have fully acquitted previous completed applications and have no outstanding debts to the City of Melbourne.

A single project, event, activity or program will only be considered for one City of Melbourne grant program at a time. Applications must have a focus on local and / or vulnerable communities.

Long Term Funding

Long term funding has two mechanisms that allow Council to provide funding to community organisations and schools either via a competitive or a non-competitive process. A description of the characteristics of each mechanism follows.

General community grants

- A competitive application process to fund community organisations to deliver community identified initiatives.
- These initiatives support Community Funding Outcomes and may support Council strategic documents.
- General community grants have an impact on long term development outcomes and are informed by a strong evidence base of need.
- Minimum funding of \$20,000 per year with no maximum per year.
- The term of general community grants is two years with the option to extend a further two years, subject to compliance with requirements.
- Organisations are eligible to apply for one general community grant.
- Wherever possible, City of Melbourne will be a co-funder of initiatives, in order to foster sustainability, non-dependency and to demonstrate organisational viability.
- General community grant recipients enter into a Community Funding Agreement (CFA) with Council. The CFA will outline quarterly reporting requirements and a mutually agreed evaluation framework that focusses on performance and outcome measures.
- CFAs have consistent financial year time frames, with no new CFAs to be entered into at different times.

- Decisions are made in a confidential Council meeting due to the competitive nature of applications, though to ensure transparency, final decisions on successful applicants are made public on the City of Melbourne website.

More detailed and specific information about Long Term Funding – general community grants, including the processes and timelines are outlined in the Long Term Funding Guidelines.

Strategic Partnerships

- Non-competitive process to fund community organisations to deliver Council identified initiatives.
- These initiatives align with Community Funding Outcomes and to Council's strategic documents.
- The partnerships are with sole providers or management identified strategic partners that Council is able to work with collaboratively to deliver community outcomes.
- Council has no direct responsibility to deliver these initiatives. Strategic partners are identified to leverage opportunities to meet community needs and deliver on outcomes identified in Council strategic documents.
- Strategic partnerships are negotiated by management and approved by Council through the annual budget and planning processes with transparent decisions made in open Council and published on website.
- Strategic Partnerships have consistent reporting and contractual agreements. Recipients are required to enter into a CFA with Council that outlines quarterly reporting requirements and a mutually agreed evaluation framework that focusses on performance and outcome measures.
- Recommendations on the term of the CFA for strategic partnerships will be made by management, taking into consideration the time required to have an impact on outcomes and the term of the strategic documents to which they align.
- Strategic Partnerships can be both opportunistic and responsive to partnership requests or deliberate and in response to Council strategic documents.

Annual Funding

Annual funding has two types of programs - programs that are continuously open all year and a program that has two rounds per year. The Community Grants program has two rounds and a broad focus and reach. The continuous programs are open all year, primarily to meet the needs of specific sectors of the community and to provide timely responses to applicants. A description of their characteristics is provided here, with the detailed and specific requirements of each program available within their program guidelines.

Annual Funding – two rounds:

Community Grants program

- Grants for time limited and project based activities that align to the community funding outcomes and are undertaken over a 12 month period.
- Funding is provided for calendar year programs with two funding rounds per year.
- There are three levels of funding:
 - Up to \$3000
 - Between \$3001 and \$10,000
 - Between \$10,001 and \$20,000
- Applications over \$10,000 are accepted in the first round only as the second round has a smaller budget and a shorter period of time to deliver projects.

Annual funding - continuous programs:

Indigenous grants

- Grants for projects that align to the community funding outcomes and target the needs of Aboriginal and Torres Strait Islander people.
- Funding of up to \$10,000 per application.

- Program is open all year for submissions, or until funding for that financial year has been allocated.
- Applications requesting more than \$10,000 will be considered via the first round of the Community Grants program.

Individual Athlete grants

- Grants for individual athletes representing their club or organisation in international competitions.
- Athletes are required to play, train or compete 60 per cent of their time in the City of Melbourne or be residents of the City of Melbourne.
- Up to \$2000 is available for costs associated with training and competitions.
- Open all year for submissions, or until all funding that financial year has been allocated.

Community Use of Town Hall Scheme (CUTHS)

- Support for not for profit community organisations to hold one off or special events that align with the community funding outcomes within Council’s civic spaces.
- Civic spaces include the Melbourne Town Hall, North Melbourne Town Hall and the Meat Market.
- In kind contribution to community organisations to the maximum value of \$6000 per financial year, primarily to cover hire costs.
- CUTHS does not cover the costs of catering for events.
- Open all year for submissions or until all the funding for that financial year has been allocated.

Assessment processes and decision making

Annual Community Grants and Long Term Funding - General Community Grants	Indigenous Grants	Community Use of Town Hall and Individual Athletes
<p>Applications received with preliminary sorting by staff for eligibility</p> <p>↓</p> <p>Council staff provide assessment advice to independent external assessment panel members on applications</p> <p>↓</p> <p>External panel members undertake assessment and make recommendations to Council</p> <p>↓</p> <p>Council make final decision</p>	<p>Applications received with preliminary sorting by staff for eligibility</p> <p>↓</p> <p>Council staff provide assessment advice to independent external assessment panel members on applications</p> <p>↓</p> <p>External panel members undertake assessment and make recommendations to Director, Community Development</p> <p>↓</p> <p>Director makes final decision</p> <p>↓</p> <p>Monthly briefing paper to Councillors on decisions made (or as required)</p>	<p>Applications received with sorting and assessment advice by staff</p> <p>↓</p> <p>Manager provides assessment recommendation to Director Community Development</p> <p>↓</p> <p>Director makes final decision</p> <p>↓</p> <p>Monthly briefing paper to Councillors on decisions made (or as required)</p>

The details of the assessment criteria are specific to each program and are detailed within the program’s guidelines.

General terms and conditions for successful applicants

Funding Agreements

Successful applicants will be required to execute a funding agreement that is appropriate and matches the level of funding provided. Agreements will detail conditions of funding including:

- the programs or activities that the organisation has agreed to provide
- the monitoring and reporting requirements
- the grant amount and payment schedule

The City of Melbourne will not provide successful applicants with funds until they have complied with all requirements, terms and conditions outlined in their funding agreements.

Performance management and evaluation

The evaluation and performance of each agreement will be measured against the Community Funding Outcomes and their associated measures. Funded organisations will reach agreement with the City of Melbourne on the appropriate collection and reporting of data against each of the agreed outcomes and measures.

This evaluation and reporting process is to be reasonable and commensurate with the purpose and amount of funding as well as the capacity of the organisation receiving the funding.

Managing performance and risk

The City of Melbourne is committed to building the capacity of not for profit community organisations. As such, the City of Melbourne adopts a developmental approach to risk management and performance issues.

The City of Melbourne will use monitoring and reporting arrangements to track the performance of organisations. Prevention and early intervention will be emphasised by building practical relationships with funded organisations to support them in the development of the skills and capacity to deliver programs. This approach aims to prevent performance challenges that could otherwise arise.

The City of Melbourne may take corrective action when performance monitoring and reporting indicate that the funded organisation is failing to achieve the requirements outlined in funding agreements.

Reporting and acquittals

The reporting and acquittal arrangements will be recorded in the funding agreements and will match the level of funding provided.

City of Melbourne's interest in reporting is directly linked to its requirement to report on how public funds are spent and whether funded organisations have achieved what the City of Melbourne aimed to achieve. Whilst the City of Melbourne is committed to minimising the administrative load on funded organisation, it is also committed to the collection of high quality and relevant data and communicating that back both to Council and to community.

An annual event hosted by the City of Melbourne is part of Council's reporting program and will highlight best practice, what has been achieved by the grants program and by the local community.

Policy evaluation

Twelve months after the expiration of this policy, the City of Melbourne will carry out an independent Community Funding Policy evaluation that will focus on:

- the effectiveness of the Community Funding Policy as a whole in achieving outputs and outcomes aligned with City of Melbourne priorities
- the effectiveness of the operational processes and arrangements of the Program, and
- the efficiency of City of Melbourne's management and administrative processes for the Program.

The results of this evaluation will be used by City of Melbourne to inform the implementation of the next Community Funding Policy.



CITY OF MELBOURNE

Long Term Funding

Guidelines

The City of Melbourne is calling for not-for-profit organisations to apply for long term funding – general community grants in accordance with its Community Funding Policy.

Community Funding Agreements will be entered into for two years beginning on Tuesday 1 July 2014, with an option to extend a further two year term subject to certain criteria.

Open:	Monday 25 November 2013
Information session:	Monday 2 December 2013 Multicultural Hub 506 Elizabeth Street, Melbourne
Close:	Monday 20 January 2014
Assessment Period:	February to March 2014
Outcome:	Report to Council April 2014
Contact Officer:	Community Strengthening Voula Sarhanis Phone: 9658 9958 Email: voula.sarhanis@melbourne.vic.gov.au

This document provides details of all requirements for submitting an application under the City of Melbourne's Community Funding Policy. Applicants may choose to attend the scheduled information session or otherwise seek clarification from City of Melbourne's contact officer.

Introduction

The City of Melbourne’s Community Funding Policy outlines how the City of Melbourne provides funding to community based not for profit organisations whose work supports Melbourne as a “City for People” in accordance with *Future Melbourne* and the *Council Plan*.

Council recognises that the local not for profit sector plays a critical role in empowering the local community to take action and have an active role in shaping their future. The City of Melbourne is seeking to support not for profit organisations whose work in the community enriches the municipality by providing programs and activities that improve people’s quality of life.

Purpose

In providing funding to not for profit community organisations, Council aims to achieve the following objectives:

- provide a mechanism that allows Council to work with community to support shared outcomes
- provide the opportunity for community to identify and respond to local issues, concerns and priorities that link with Council priorities
- build community capacity and empower the community to take an active role in improving their quality of life
- foster community involvement and participation
- provide a cost effective means to deliver community outcomes.

Council Funding Model

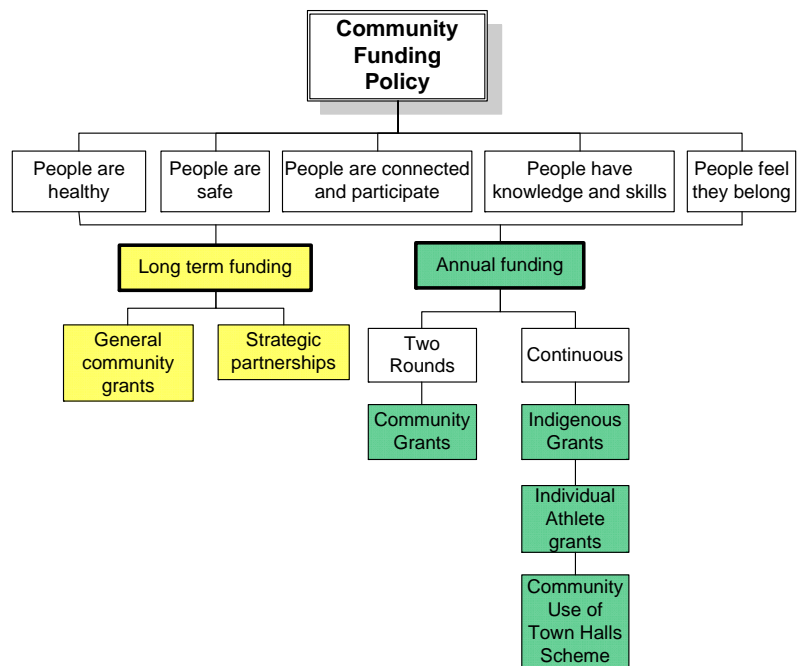
Council has identified two streams for providing funding to community organisations, long term funding and annual funding. Both funding streams support the delivery of community funding outcomes.

Long term funding has two mechanisms that allow Council to provide funding to community organisations and schools either via a competitive (General Community Grants) or a non-competitive (Strategic Partnerships) process. These guidelines relate specifically to Long Term Funding – general community grants.

General community grants

General community grants are awarded following a competitive application process. They provide funding for community identified programs and activities that respond to Council determined outcomes. They are two year (with the option to extend a further two years) funding agreements for the provision of community programs that are not part of Council’s core business.

They respond to long term developmental outcomes that may require longer time frames to be achieved and longer term operation to maximise community engagement. They are informed by a strong evidence base of need. These types of agreements are accountable, transparent and equitable in their allocation.



Under the Community Funding Policy, long term funding may be offered to not for profit organisations operating within the City of Melbourne for delivering programs to local and / or vulnerable communities. These agreements are referred to as Community Funding Agreements.

Community funding outcomes

Aim - To contribute towards Council's vision for the City, Community Funding Agreements (CFA) provide funding to not for profit community organisations and schools to improve people's quality of life. Organisations that are best able to address the Community Funding Outcomes are most likely to be successful. For the City of Melbourne, there are five outcomes that contribute to an improved quality of life. The program has a focus on local and / or vulnerable people. Council will consider proposals that can contribute to the following broad outcomes:

- **People are healthy**
Relates to people's physical and mental health and wellbeing and to increasing opportunities for physical activity.
- **People are safe**
Relates to people's perceptions of feeling safe within their community and their knowledge of how to reduce personal injury and harm.
- **People are connected and participate**
Relates to people's connections to their community. Community often relates to geographic locations but can also relate to family networks, support networks, people with common or shared beliefs, values, friendships, interests and activities. Participation relates to people volunteering, participating in civic life, being engaged in decisions and involved in planning, developing and delivering solutions.
- **People have knowledge and skills**
Relates to people having the opportunity for life long learning and gaining the knowledge and skills required to participate in education, employment and their community.
- **People feel they belong**
Relates to people having the opportunity to freely express and celebrate who they are, regardless of culture or identity. People feel they belong and have an understanding of other people, their culture and identify.

Whilst the grants aim to improve the quality of life of all people, priority is placed on proposals that:

- target sectors of the community that face barriers and are excluded from participating, and/or
- focus on addressing disadvantage.

The above overarching outcomes summarise specific outcomes that are reflected in the following Council strategic documents:

- Council Plan 2013-17 – City for People and Knowledge City goals
- The Active Melbourne Strategy
- The Children's Plan 2010-13
- Food Policy
- Lifelong Melbourne: Creating opportunities for positive ageing 2006-16
- Melbourne Library Service Strategic Plan 2000-18
- Our Melbourne – Disability Action Plan 2010-13
- Pathways: City of Melbourne Homelessness Strategy 2011-13
- Policy for the 24 Hour City

- Reconciliation Action Plan 2011-14
- Strategy for a Safer City 2011-13
- Young People's Policy 2010-13.

Applicants are encouraged to demonstrate how their applications align with and support any of the above listed strategic documents.

Links to these documents are provided from the City of Melbourne website.

Principles

The Community Funding Policy has a focus on the people of the City of Melbourne municipality. Council works in partnership with local people and organisations to meet identified needs. Community strengthening principles underpin the approach taken to grant making. These principles guide both how we work with the community and the projects that will be prioritised for funding.

These principles include:

- asset based thinking and building on the strengths that exist within community
- evidence based approach that acknowledges the needs and aspirations of our community
- access and equity to ensure a socially inclusive community
- collaborations and partnerships, and
- valuing the social, economic and environmental sustainability of our City.

In addition, Council is committed to the principles of:

- efficient and effective delivery of the program, and
- transparency and accountability in decision making.

Eligibility criteria

To be eligible for long term funding an organisation must:

- be a constituted not-for-profit organisation (such as an incorporated association or public company)
- be located within the municipality of the City of Melbourne or offer a program or service within the City of Melbourne
- have satisfactorily completed and fully acquitted any previous projects funded by the City of Melbourne, and have no outstanding debts owed to the City of Melbourne, and
- be applying for funds that meet the purpose of the City of Melbourne's Community Funding Policy.

In addition, one application per organisation will be considered and applications must have a focus on local and/or vulnerable communities.

The City of Melbourne uses the above criteria to make an initial determination as to whether to give further consideration to an organisation's application.

Ineligibility

Long Term Funding is not provide to support:

- commercial activities and/or commercial organisations

- fundraising activities
- interstate or international travel costs
- projects that duplicate existing services and programs within the Municipality
- activities that are already provided through existing agreements or contracts with the City of Melbourne
- projects with a solely religious or political purpose
- applications submitted by an individual
- costs or activities already fully funded by another grant, and/or
- projects that are assessed as more suitable for an annual Community Grant.

Notes:

- Youth services within the City of Melbourne are delivered under a contract arrangement. Organisations that want to apply for projects that focus on the needs of Young People are encouraged to discuss their application with Alison Duncan, Team Leader City People, prior to submitting. Her contact details are phone 9658 9915 or email alison.duncan@melbourne.vic.gov.au
- Council has determined that Neighbourhood Houses that provide services within the City of Melbourne are funded via a Strategic Partnership and are therefore not eligible for a Community Funding Agreement.

Guidelines

The following guidelines apply to long term funding applications:

- All Community Funding Agreements begin on the same date and no new agreements will be entered into between funding rounds.
- Organisations are eligible to apply for one Community Funding Agreement.
- Wherever possible, the City of Melbourne will be a co-funder of the organisation, not the sole funder, in order to foster sustainability, non dependency and to demonstrate organisational viability.
- Minimum funding available under a Community Funding Agreement is \$20,000 per annum.
- The same level of funding will be applied to each year of the agreement. The consumer price index will be applied to the funding each year.
- The City of Melbourne's documentation, reporting and monitoring of Community Funding Agreements will be consistent where possible though there is the capacity to negotiate details.
- Community Funding Agreements will clearly outline the purpose for which the funding is being provided, and reporting requirements will be agreed between both parties prior to signing the agreements.
- Organisations receiving funding through the Community Funding Agreement may apply for other City of Melbourne grants, but only in relation to activities, programs or services not already covered by the Community Funding Agreement.
- Value for money will be used as a key criterion in determining applications for funding.

Terms and reporting conditions

Community Funding Agreements will span two year terms, with an option to extend the agreements for a further two years pending a review to the satisfaction of the City of Melbourne six months prior to the expiration of the initial two year term. A report is provided to Council who will make the final decision to extend the agreements following the initial two year term.

Successful applicants will be required to report to the City of Melbourne by providing:

- four brief quarterly reports that include performance measures that track progress
- more extensive annual reporting that evaluates the progress of the past year and includes performance measures that indicate if outcomes have been achieved.

These reports will inform the City of Melbourne's review of the funded organisation. Subject to satisfactory performance and meeting all necessary reporting requirements during the first 18 months of the initial two year term, an option to extend a further two years may be offered.

In submitting an application, organisations are required to submit their plan for a four year project, activities or service beginning on Tuesday 1 July 2014.

Approximately \$380,000 per annum (exclusive of GST) is available for allocation to Community Funding Agreements. The final amount available is subject to City of Melbourne budget processes.

Assessment

Applications that in the opinion of the City of Melbourne meet the eligibility criteria will be submitted for assessment by an external assessment panel. A weighted system is used to score the application against the assessment criteria, as outlined below. The assessment panel is responsible for:

- Reviewing all eligible applications and applying the Long Term Grants Guidelines consistently and fairly
- Using the specified assessment criteria to score each application out of 100
- Providing recommendations for funding for consideration by Melbourne City Council.

Assessment criteria

The following assessment criteria will be used by the Assessment Panel to assess applications. Each criterion is reflected in the application form and is weighted for assessment scoring purposes. The following assessment criteria will be used by the Assessment Panel to assess applications.

Criterion 1: Does the application align to Council outcomes and priorities? (20% weighting)

- Does the application address the outcomes in the Community Funding Policy?
- Are the more specific aims and outcomes of the proposal clearly defined?
- Does the proposal align to other Council strategic documents?
- Does the application have a clear evaluation framework?
- Does the application strengthen the local community and/or build capacity of the organisation and/or local community members?
- Does the application outline how it will address environmental sustainability?

Criterion 2: Does the proposal meet or address community need? (20% weighting)

- Is there a clearly identified and demonstrated need?
- Have local people/participants/members/service users been involved in identifying this need?
- Does the application present an effective response to the need?

- Does City of Melbourne's own information and evidence support this need?
- Does the service fulfil this need in whole or part?
- Have they provided evidence that this program is effective?

Criterion 3: Access and Equity (20% weighting)

- Does the application address issues of social exclusion or barriers to participation?
- Does the application address issues of disadvantage?

Criterion 4: Budget (20% weighting)

- Does the budget accurately reflect the scope and scale of the proposal?
- Is the project financially viable?
- Does the budget demonstrate sound management?
- Have additional funding sources been identified?

Criterion 5: Organisational Capacity (20% weighting)

- Has the organisation demonstrated their capacity to deliver the proposal?
- Is the proposal well planned and achievable?
- Does the service identify and work with partners in a collaborative way?
- Have they provided evidence of an effective track record in governance, management, community engagement, financial management and risk management?

Applicants that are currently receiving City of Melbourne funding via a Community Funding Agreement, are required to provide an evaluation report of the outcomes achieved in the last four years of funding. This will form part of the assessment process.

The City of Melbourne receives more funding applications than it can financially support. The success of an application is determined by its merits against the eligibility and assessment criteria. Applications that best address the assessment criteria are more likely to succeed. The City of Melbourne reserves the right to reject any application that does not meet the criteria and/or request further information to support an application.

Assessment and decision making process

1. Applications are received by City of Melbourne via an online application system by 5pm Monday 20 January 2014.
2. Applicants will receive an email acknowledging receipt of their application.
3. Applications will be assessed initially by City of Melbourne staff against the eligibility criteria and if eligible, will move forward to the comparative assessment stage.
4. Applications that meet the eligibility criteria are assessed using the weighting system for each assessment criteria as outlined above.
5. The Assessment Panel will provide the City of Melbourne with its recommendations regarding the organisations that should be considered for funding.
6. The recommendations will be consolidated in a report to Council and submitted for consideration at a confidential Council meeting in April 2014.
7. Council will be responsible for making the final decision regarding successful and unsuccessful applications.

8. All applicants, including those excluded through the eligibility criteria process, will receive a letter notifying them of the outcome of their application in May 2014.
9. Successful applicants will be contacted regarding entering into the necessary Community Funding Agreement.
10. Unsuccessful applicants will be offered feedback on their application if requested.
11. The provision of funding under the Community Funding Policy is dependent on the Organisation entering into a Community Funding Agreement with the City of Melbourne.
12. The City of Melbourne will send out a media release about the successful applicants and place a list of successful applicants on its website after all applicants have been made aware of the outcome of their application.

Canvassing

The canvassing or lobbying of councillors or employees of the City of Melbourne in relation to Community Funding is prohibited during the application process. No further consideration will be given to an application submitted by an applicant organisation that canvasses or lobbies a councillor or City of Melbourne employee in relation to their application.

Community Funding Agreement

Successful applicants will be required to negotiate and execute a Community Funding Agreement on terms acceptable to the City of Melbourne. All applicants must indicate on the application form that if successful they are willing to negotiate and enter into a Community Funding Agreement with the City of Melbourne.

The City of Melbourne will not provide successful applicants with funds until they have entered into a Community Funding Agreement and complied with all terms and conditions outlined in the Long Term Grants Guidelines and any additional conditions determined by Council.

The initial term of the Community Funding Agreement is two years, with an option to extend for a further two years subject to a successful review six months prior to the expiration of the end of the initial term. The Agreement will detail conditions of funding.

The Quadrennial Funding Agreement will specify:

- The outcome/s the funded organisation will achieve and the programs and activities that will be delivered and have an impact on the outcome.
- The performance measures that will be used to determine 'how well' the program is being delivered and will focus on outputs.
- The performance measures that will be used to determine if outcomes have been achieved.
- The monitoring and reporting arrangements.
- The budget and payment schedule.

Signing agreements

The City of Melbourne aims to use the Community Funding Policy to provide valuable community services, and also to promote community engagement and community capacity building. To promote of City of Melbourne's role, the City of Melbourne may use agreement signing as an opportunity to celebrate the agreement and to promote our positive contribution to the community sector. Therefore the signing of agreements may be a public event.

Monitoring performance

The monitoring arrangements relating to each Community Funding Agreement will be recorded in a schedule to the agreement.

The focus of the City of Melbourne's monitoring arrangements will be on the output and outcomes performance of the funded organisations. As such, checks will be made on what the organisations are doing (actions and outputs) and on what they are achieving (outcomes) to see if these are in accord with the negotiated outputs and outcomes of the agreement. Indicators that inform how well the program is progressing will also be agreed to and monitored to ensure the ongoing performance of the funded organisation. Possible changes to the need for the service will form part of the monitoring process.

Monitoring will be regular (quarterly) and include personal contact between the City of Melbourne's contact staff member and the designated contact of the community organisation.

Where the City of Melbourne has Community Funding Agreements with a number of organisations that focus on a similar target group, neighbourhoods or outcomes, Council may seek opportunities to build networks.

Reporting

The reporting arrangements as they relate to each Community Funding Agreement will be recorded in a schedule to the agreement.

City of Melbourne's interest in reporting is directly linked to its requirements to report on how public funds are spent and whether funded organisations have achieved what the City of Melbourne aimed to achieve. Whilst the City of Melbourne is committed to minimising the administrative load on funded organisation, it is also committed to the collection of high quality and relevant data and communicating that back both to Council and to community.

Community Funding Agreement reporting is linked to six monthly payments.

Performance issues and risk management

The City of Melbourne is committed to building the capacity of the community sector, particularly those that receive funding under the Community Funding Policy. As such, under the Community Services Funding Policy, the City of Melbourne has adopted a developmental approach to risk management and performance issues.

The City of Melbourne will use monitoring and reporting arrangements to track, on a quarterly basis, the performance of organisations who are party to a Community Funding Agreement. The City of Melbourne will emphasise prevention and early intervention by building practical relationships with funded organisations to support them in the development of the skills and capacity to deliver services. This approach aims to prevent organisation's performance challenges that could otherwise arise.

The City of Melbourne will, however, take corrective action when performance monitoring and reporting indicate that a funded organisation is failing to achieve the outputs and outcomes recorded in the agreement.

APPLICATION PROCESS

How to Apply

1. Call the City of Melbourne on 9658 9658 or visit the City of Melbourne website www.melbourne.vic.gov.au/grantsandsponsorship for further information.
2. Attend the information session on Monday 2 December 2013, to get further information and to discuss your application with a staff member.
3. It is strongly recommended you discuss your proposal with a Council officer prior to submitting an application.
4. Complete the online application form and include all requirement information and attachments.
5. Submit your application on time.

Application submission period:

Open – 9am Monday 25 November 2013

Close – 5pm Monday 20 January 2014

Late applications will not be accepted.

Essential Attachments

All applicants must submit the following:

- online application form
- proof of not for profit status (e.g. by providing an incorporation number)
- copy of certificate of currency for public liability insurance
- applicant organisation's business plan
- applicant organisation's most recent audited financial statements, and
- support material such as letters of support and quotations for the cost of goods and/or services.

Submitting applications

When submitting applications consider the following:

- Applications must be submitted online by 5pm, Monday 20 January 2014.
- It is advised not to leave submitting your application to the last minute. As it is an online system there may be delays due to large numbers of applicants submitting applications at the same time.
- The system will automatically close applications at 5pm. Any applications that have not been fully submitted by 5pm will not be accepted.
- You will receive an email confirming submission of your application.
- Late applications will not be accepted.

Forms are available online at www.melbourne.vic.gov.au/grantsandsponsorship.

Policy Name:	Neighbourhood House Policy
Policy Owner:	Council
Document maintained by:	Community Strengthening Branch
Issue date:	Council endorsed ____, ____, 2013
Last revised date:	October 2013
Next review date:	October 2014

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2 Title of Policy

This policy shall be known as the Neighbourhood House (NH) Policy.

3 Purpose

The Neighbourhood House Policy outlines the City of Melbourne's (CoM) support for Neighbourhood Houses. The Policy recognises the valuable role Neighbourhood Houses play in empowering people to have an active role in shaping their own future and achieving their aspirations.

This policy outlines the support and funding available to enhance services at Neighbourhood Houses operating within the CoM, or for Neighbourhood Houses outside the municipal boundary which can demonstrate that they provide services to CoM residents. This policy includes CoM's:

- Funding principles
- Outcomes and aligned activities
- Funding structures
- Associated reporting requirements

This policy is aligned to the CoM Community Funding Policy; sharing common context and principles and provides the clarity and basis for the funding outcomes.

The policy also aligns with the Victorian State Government – Department of Human Services Neighbourhood House Coordination Program 2012-2015

<http://www.dhs.vic.gov.au/for-business-and-community/community-involvement/in-your-neighbourhood/neighbourhood-houses/neighbourhood-houses-co-ordination-program-resources>

4 Scope

This policy applies to Neighbourhood Houses that are funded through the Victorian State Government Neighbourhood Houses Program and are operating within the City of Melbourne or that can demonstrate that they provide services to CoM residents.

5 Context

Neighbourhood Houses and Community Learning Centres were first established in Victoria during the 1970s. The organisations grew from the grass roots responding to local community needs, bringing people together, providing an informal non-threatening and nurturing environment that supported individualised learning. The Department of Planning and Community Development identifies the following elements as common to Neighbourhood Houses:

- Aim to enhance the social and economic development of communities and run on principles of inclusive participation, community empowerment, life-long learning and active citizenship.
- Aim to enhance the social and physical well-being of local communities by working with local residents to promote and develop their ability to be self-determining and self-reliant.
- Are not-for-profit organisations where available funds are combined with a strong volunteer base to respond to community needs, aspirations and priorities. Each NH is a legal entity or auspiced by a legal entity with a formal membership base. Neighbourhood Houses are governed by voluntary Committees of Management.
- Focus primarily, but not exclusively, on the geographic community in which the NH is located.
- Their role in local communities includes community education, advocacy, social action, networking with local agencies, information provision and gathering, opportunities for community management and social research and planning.

In March 2013 Council adopted the Community Funding Policy which outlines how CoM provides funding to not for profit community organisations whose work in the community enriches the municipality and aligns with the outcomes CoM aims to achieve. Whilst the grants aim to improve the quality of life of all people, priority is placed on proposals that target sectors of the community that face barriers and are excluded from participating and focus on addressing disadvantage.

In providing funding to not for profit community organisations, Council aims to achieve the following objectives:

- provide a mechanism that allows Council to work with community to support shared outcomes
- provide the opportunity for community to identify and respond to local issues, concerns and priorities that link with Council priorities
- build community capacity and empower the community to take an active role in improving their quality of life
- foster community involvement and participation
- provide a cost effective means to deliver community outcomes.

The Community Funding Policy describes Council's funding aim and the outcomes it aims to achieve:

Aim: To contribute towards Council's vision for the City, community funding is provided to not for profit community organisations and schools to improve people's quality of life. Community grants have a focus on local and / or vulnerable people and the following outcomes:

- **People are healthy:** Relates to people's physical and mental health and wellbeing, and to increasing opportunities for physical activity.
- **People are safe:** Relates to people's perceptions of feeling safe within their community and their knowledge of how to reduce personal injury and harm.
- **People are connected and participate:** Relates to people's connections to their community. Community often relates to geographic locations but can also relate to family networks, support networks, people with common or shared beliefs, values, friendships, interests and activities. Participation relates to people volunteering, participating in civic life, being engaged in decisions and involved in planning, developing and delivering solutions.
- **People have knowledge and skills:** Relates to people having the opportunity for lifelong learning and gaining the knowledge and skills required to participate in education, employment and their community.
- **People feel they belong:** Relates to people having the opportunity to freely express and celebrate who they are, regardless of culture or identity. People feel they belong and have an understanding of other people, their culture and identify.

6 Council Policy for Neighbourhood Houses

Council acknowledges that Neighbourhood Houses are well established in the community and continue to deliver programs with a focus on local and vulnerable communities that align with Council's community funding outcomes.

Council has identified Neighbourhood Houses as a strategic partnership under the Community Funding Policy 2013. Council will provide funding and support to Neighbourhood Houses to achieve the following outcomes and activities within the community:

People are healthy

- Provide opportunities for people to access information and participate in activities that will improve their health & wellbeing.

People have knowledge and skills

- Provide leadership and capacity building for new and existing community organisations (may include training, mentoring, governance and auspice support).

- Provide affordable training for community needs, unmet through existing training structures (i.e. ACFE).
- Build upon existing NH training and support pathways to further employment / volunteering and education opportunities.

People are connected and participate

- Support and deliver community development programs and initiatives that respond to identified community needs and aspirations.
- Encourage community participation in civic and social activities (including local leadership, advocacy and participation in decision making processes).

People feel they belong

- Create an environment that is inclusive, accessible and encourages participation.

Whilst Neighbourhood Houses provide a broad-based universal service with an aim to improve the quality of life of all people, this policy places an emphasis on sectors of the community that face barriers and are excluded from participating, with a focus on addressing disadvantage.

7 Funding

Many Neighbourhood Houses receive State and Federal funding to conduct local learning programs. Neighbourhood Houses may also receive funding and support from local government, State and Federal government grant programs, Home and Community Care programs and for Occasional Child Care.

The purpose of the CoM Community Funding support to Neighbourhood Houses is to deliver the activities in line with the Community Funding outcomes.

The Resource Allocation Framework used to fund Neighbourhood Houses was first adopted by Council in 2009 and is outlined below to provide a basis upon which funding will be allocated to Neighbourhood Houses in accordance with this policy.

Equal base funding to all Neighbourhood House/Learning Centres (NH/LCs): All NH/LCs receive a base funding level of \$40,000 per annum calculated as a sufficient level of funding to ensure key programs and services continue to be delivered. (The amount takes into account the calculation of operating costs, other sources of available funding and the current levels of funding for NH/LCs.)

Funding weighted towards population size and need: In addition to the base funding, NH/LCs are eligible for:

- Additional funding according to the relative disadvantage of the NH/LC catchment area, using the SEIFA Index.
- Additional funding on a per capita basis based on the number of residents in the neighbourhood within which the NH/LC operates.

Neighbourhood House / Learning Centre	Base Funding	Disadvantage Adjustment (based on SEIFA Index)	Neighbourhood Adjustment (\$3.50 p/p)	Total Funding
Carlton Neighbourhood Learning Centre*	\$20,000	\$2,989	\$39,956	\$62,945

Kensington Neighbourhood House	\$40,000	\$2,865	\$30,363	\$73,228
The Centre	\$40,000	\$5,412	\$39,054	\$84,466
North Melbourne Language and Learning	\$40,000	\$19,134	\$5,964	\$65,098

- * Carlton Neighbourhood Learning Centre - half base funding due to being located in and receiving funding from the City of Yarra. The Neighbourhood Adjustment only includes the Carlton area within City of Melbourne.
- The Centre's SEIFA disadvantage and Neighbourhood Adjustment are based on the suburbs of West Melbourne and the area covered by North Melbourne prior to the boundary change.
- The North Melbourne Language and Learning Centre SEIFA disadvantage and Neighbourhood Adjustment are based on the area of North Melbourne previously within City of Moonee Valley prior to boundary change.

Note: SEIFA Index and the population figures based on 2009 data. In addition, CPI has been applied to the figures above for each year of funding since 2009.

8 Reporting Requirements

Each NH will be required to negotiate a community funding agreement for a period of four years to reach agreement on deliverables in line with the identified outcomes and activities, including an agreed acquittal process.

8.1 Supporting Material

The following additional information provides further documentation about the policy:

Neighbourhood House/Learning Centres Policy, People and Creative Cities Committee Report, Agenda Item 5.1, 12 May 2009.

http://www.melbourne.vic.gov.au/AboutCouncil/Meetings/Lists/CouncilMeetingAgendaItems/Attachments/4268/PaCC_51_200909120600.pdf

Confirmed minutes of 12 May 2009 meeting.

http://www.melbourne.vic.gov.au/AboutCouncil/Meetings/CouncilMeetingAttachments/533/PaCC_minutes_200905120600.pdf

8.2 Governance

This section must be completed prior to obtaining Director approval.

Policy Owner	Ian Hicks
Docs Number	8050576
Last Revised Date	
Next Review Date	September 2014

8.3 Document Approvals

Name	Title	Version	Date Approved	Signature
Ian Hicks	Manager Community Strengthening			

DRAFT

**CURRENT COMMUNITY FUNDING AGREEMENT
RECIPIENTS****Eleven Community Funding Agreements worth \$701,055 expire 30 June 2014**

Organisation	Programs they are funded to deliver	Performance and compliance	Funding 2013-14
Kensington Neighbourhood House	<ul style="list-style-type: none"> Provide socially inclusive programs that strengthen the local community and target areas of disadvantage Promote pathways to employment and learning opportunities. 	Progressing well, complying with contract obligations, delivering on outcomes.	\$81,937
The Centre			\$94,512
North Melb. Language & Learning Inc			\$72,841
Carlton Neighbourhood Learning Centre			\$70,432
Carlton Primary School	Utilise the school as a community facility that operates as a hub of knowledge, information and resources.	Progressing well, complying with contract obligations, delivering on outcomes.	\$48,483
Melbourne Community Toy Library	Provide a toy lending program to families with children aged 0-6 years.	Progressing well, complying with contract obligations, delivering on outcomes.	\$22,379
The Venny	Operate free communal backyard play space for children.	Progressing well, complying with contract obligations, delivering on outcomes.	\$146,344
Second Bite	Deliver a 'pathways to employment' program.	The program is not achieving employment outcomes though they are complying with contractual requirements.	\$32,450
City on a Hill	Provide a homelessness drop- in meal service on the weekend in North / West Melbourne.	Progressing well, complying with contract obligations, delivering on outcomes.	\$22,379
Eritrean Community in Australia	Deliver programs to the African community designed to meet the specific needs of these communities.	Progressing well, complying with contract obligations, delivering on outcomes. City of Melbourne funding represents between 90 to 95 per cent of the overall organisational income (based on annual reports over the last 2 years).	\$51,695

Eleven Community Funding Agreements worth \$701,055 expire 30 June 2014

Organisation	Programs they are funded to deliver	Performance and compliance	Funding 2013-14
North Melbourne Legal Service Inc.	Deliver 12 community legal education sessions to improve CALD community awareness and knowledge.	Progressing well, complying with contract obligations, delivering on outcomes.	\$57,603
Total			\$701,055

Note: The 2013-14 Community Development Divisional Budget has \$703,158 allocated to fund current Community Services Funding Agreements.