



# Grants Review – Council Workshop





# Purpose of the workshop

**To offer elected members an opportunity to consider:**

- what decisions they are being asked to make,
- why those decisions matter, and
- the impact for communities, staff, and Council before the report comes to Council for formal resolution.

This workshop is about achieving greater clarity on the strategic purpose of grant-making and Council's role in this.





# Questions the workshop will consider

- What are the **outcomes** that Council wants to achieve through grant-making that it can't achieve through other types of investment?
- What priorities could Council progress over the next 10 years through collaboration and targeted investment with its community?
- Which shared goals are most likely to benefit from strategic partnerships, including community grants, over the coming decade?

## What Council is being asked to do now:

- To discuss the **purpose of grants and policy settings**. Think of this as defining the *strategy* for grants (why), not developing the administration process for grants (how).
- This will help guide the operational design going forward.





# Why are we here?

The DCC grants system works, but is viewed as messy, inconsistent, and not clearly tied to Council's strategies — (via feedback from local people and communities).

## What we heard:

- Community groups from across sectors **value** Council funding
- The system is **hard to understand, hard to navigate, and hard to explain**
- There are too many grant categories, inconsistent rules, and unclear administration and decision-making
- Strong desire for **trust, partnership, and longer-term certainty in grant making.**
- Strong desire to **increase clarity across grant categories and decrease burden in grant administration.**





# What Decisions Are *Not* Being Made..... just yet

Council is **not** being asked to decide/discuss:

- Who gets funded
- Which organisations the DCC will grant or stop granting to
- How much any single group receives
- Changes to funding this year

Those decisions will follow **after** the policy settings are clear.



# The Six Policy Decisions Council Needs to Understand

1. What is a Council Grant?
2. What is Council's Role in grant-making?
3. What are we trying to achieve with grants?
4. How should grants be structured?
5. Who makes grants decisions and at what level?
6. How do we decide the total grants budget?



# 1 – What is a Council Grant?

**Why this matters:** If we can't clearly define a grant, we risk:

- Inconsistent decisions
- Legal and reputational risk
- Confusion between grants, contracts, sponsorships, and procurement

**Key question for Councillors:** *Should Council grants be limited to not-for-profit organisations, or should for-profit organisations continue to be eligible in limited circumstances?*

**Your choices:**

- **Option A:** Not-for-profits only (simple, low risk)
- **Option B:** Mostly NFPs, but allow FPs where public benefit is clearly defined (more flexible, medium risk)

**Key trade-off:** Simplicity and safety **vs** flexibility and innovation



## 2 – What Is Council’s Role When It Gives Grants?

**Why this matters:** This affects how Council behaves toward funded organisations.

**Two ways to see the role:**

- **Option A: Steward only**  
Council allocates money and checks compliance
- **Option B: Steward + Partner + Enabler**  
Council invests alongside communities after identifying shared outcomes/objectives and works with grant recipients in providing advice and support.

**Key trade-off:** Control and distance **vs** trust and collaboration

# 3– What are we trying to achieve?

## **Current situation:**

- 10 grant categories
- Funding mostly supports ongoing services
- Alignment to Council outcomes is often indirect or assumed

**The big question:** *Do we want grants to more clearly and directly advance approach that they a broadly connected to our purpose Council's community outcomes, or are we comfortable with the current ?*

## **The decision you will have been asked to consider:**

- Yes, explore stronger alignment (work comes back via Annual Plan)
- Or no, keep grants broadly as they are (status quo)



# 4 – How should grants be structured

**Why this matters:** Structure affects:

- How easy grants are to apply for
- How consistent decisions are
- How much admin sits with staff and applicants

**Your choices:**

- **Option A:** Keep 10 categories (small tweaks only)
- **Option B:** Collapse into 4 clear types (contestable, commissioned, legislative, external)
- **Option C:** Keep current grants *and* add outcome-based partnership funding

**Key trade-off:** Stability and familiarity **vs** simplicity and impact

# 5 – Who makes grants decisions?

**Why this matters:** This determines transparency, efficiency, and manages any political risk.

**Choices range from:**

- Everything decided by Council
- Establishing a Grants Subcommittee via Council delegation
- Hybrid models: Staff delegations + Council or its delegate

**Key trade-off:** Speed and efficiency **vs** visibility and political accountability

# 6 - How do we decide the total grants budget?

## Current problem:

- Budgets largely static across grants
- No inflation adjustment
- New priorities potentially squeeze previous ones

## Choices to discuss:

- **Option A:** Decide year-by-year (flexible, unstable)
- **Option B:** Fixed 3-year baseline (stable, less flexible)
- **Option C:** Percentage of rates (transparent, politically sensitive)

**Key trade-off:** Flexibility for Council vs certainty for communities



# What happens next?

A staff report will be presented to Council on 12 February

If Council agrees the policy direction:

- Staff update the Grants Management Policy
- Governance and delegations are aligned
- Operational detail is worked through
- Any major changes come back through Annual Plan / LTP

If Council cannot agree:

- Status quo remains
- Known issues persist
- Fragmentation and confusion continue



Background info if needed  
– NFP Sector



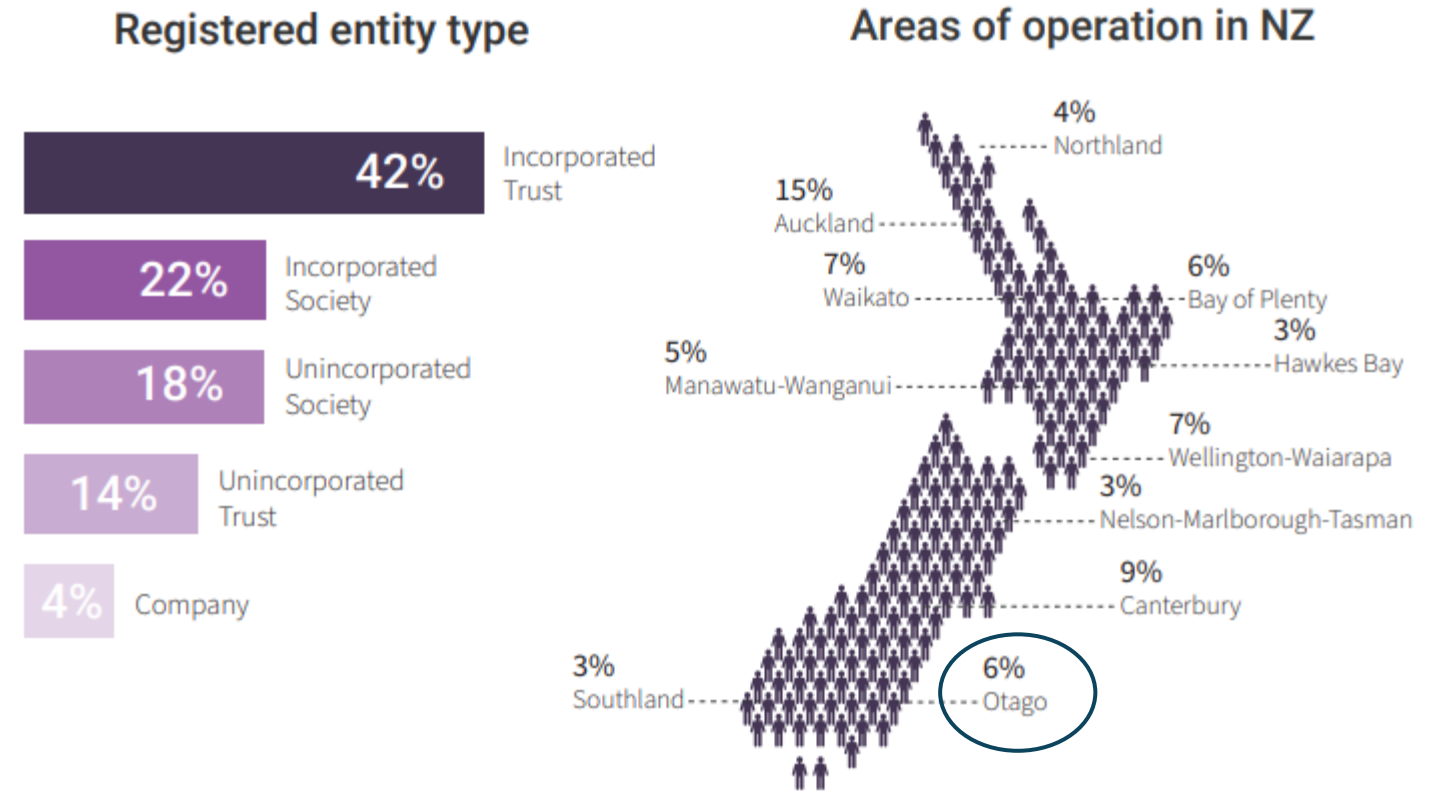
# Background – NFP sector Reference | Charities Services Annual Review 23/24

NZ Incorporated Societies  
– 23,000 (23/24)

NZ Registered Charities –  
29,000 (23/24)

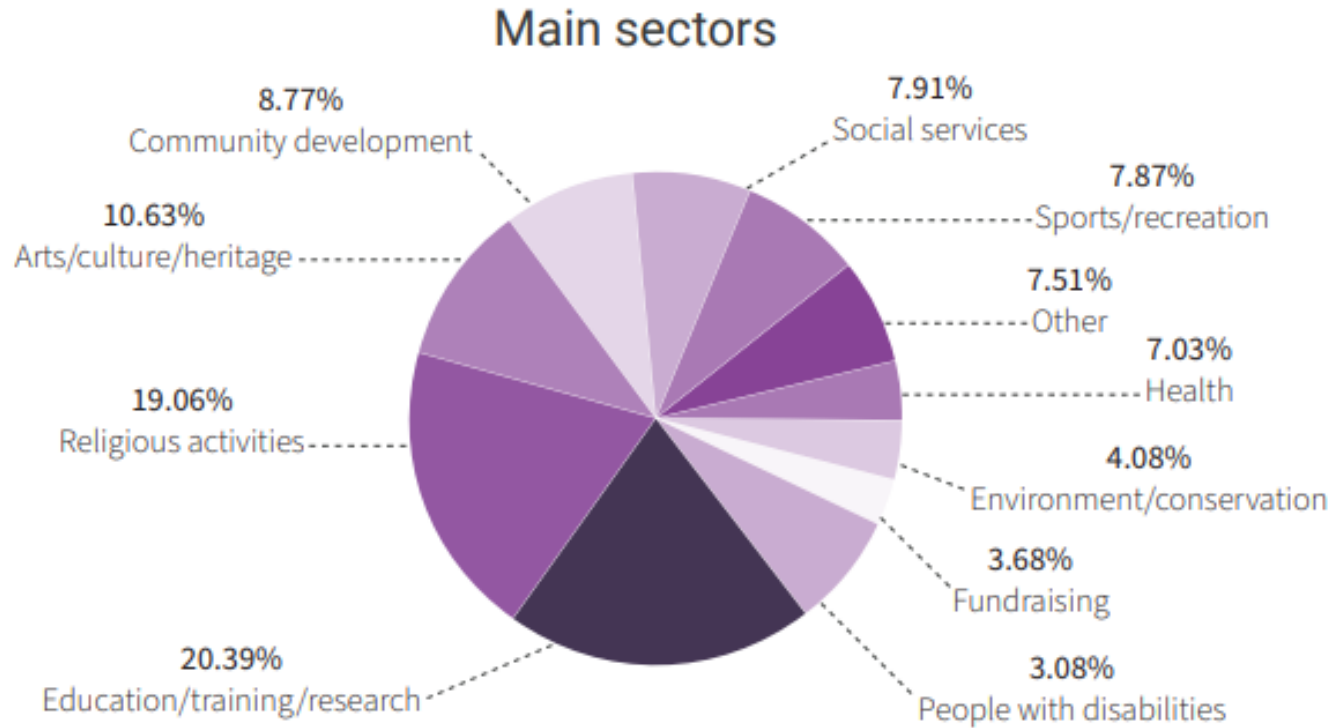
*Dunedin data is 'hidden' in  
Otago data.*

\* Under the Charities Act 2005, registered charities that are affiliated can apply to be registered as groups.





# What areas does the NFP sector serve?



- More than 170,000 people volunteer 1.4 million hours weekly.
- More than 100,000 people work full-time in the charitable sector, which makes up about 4% of the workforce in New Zealand.



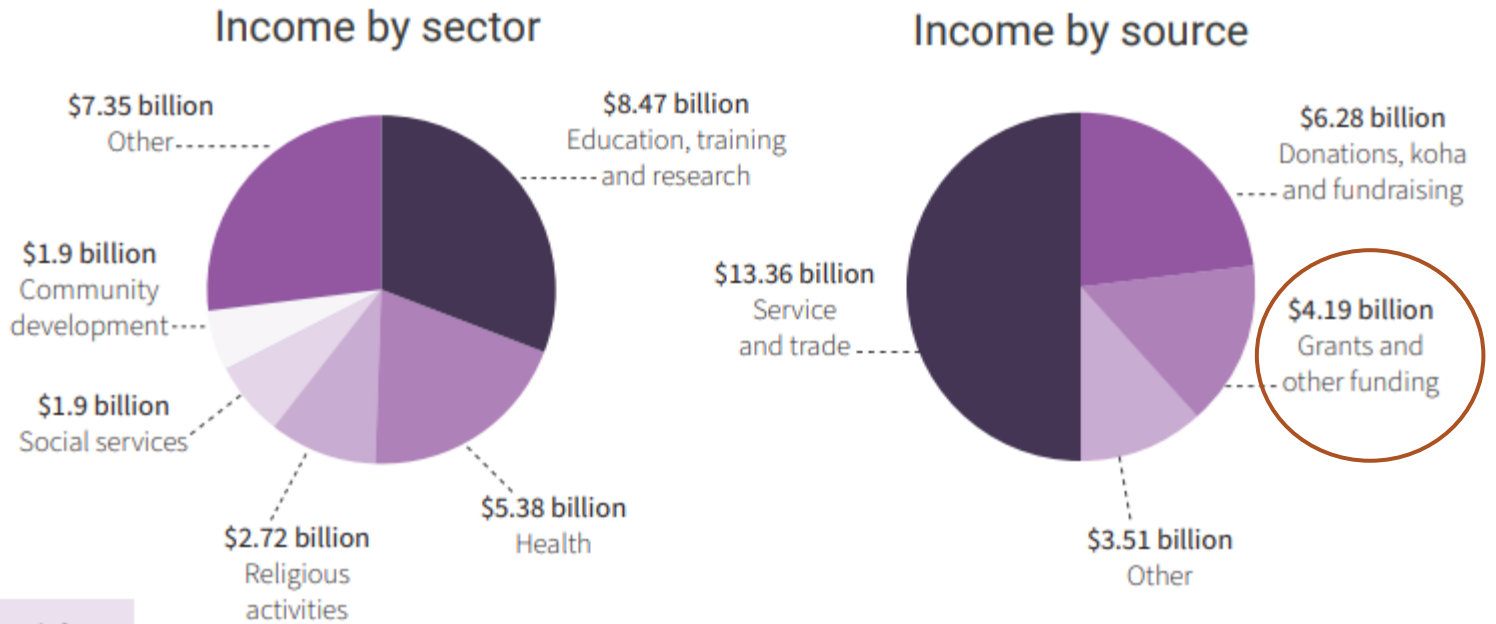


# Financial Overview:

- Tier 1** – over \$30m (publicly accountable) (1%)
- Tier 2** – \$5 - \$30m (6%)
- Tier 3** – \$140k - \$5m (36%)
- Tier 4** – under 140k (57%)

*DCC grants predominantly in Tier 4 and 3.*

| Financial overview                   |                 |                 |                 |                |
|--------------------------------------|-----------------|-----------------|-----------------|----------------|
|                                      | Tier 1          | Tier 2          | Tier 3          | Tier 4         |
| Total assets<br>\$86.98 billion      | \$37.23 billion | \$28.87 billion | \$18.04 billion | \$2.84 billion |
| Total expenditure<br>\$25.28 billion | \$13.64 billion | \$7.84 billion  | \$3.4 billion   | \$400 million  |
| Total income<br>\$27.34 billion      | \$14.14 billion | \$8.44 billion  | \$4.17 billion  | \$590 million  |



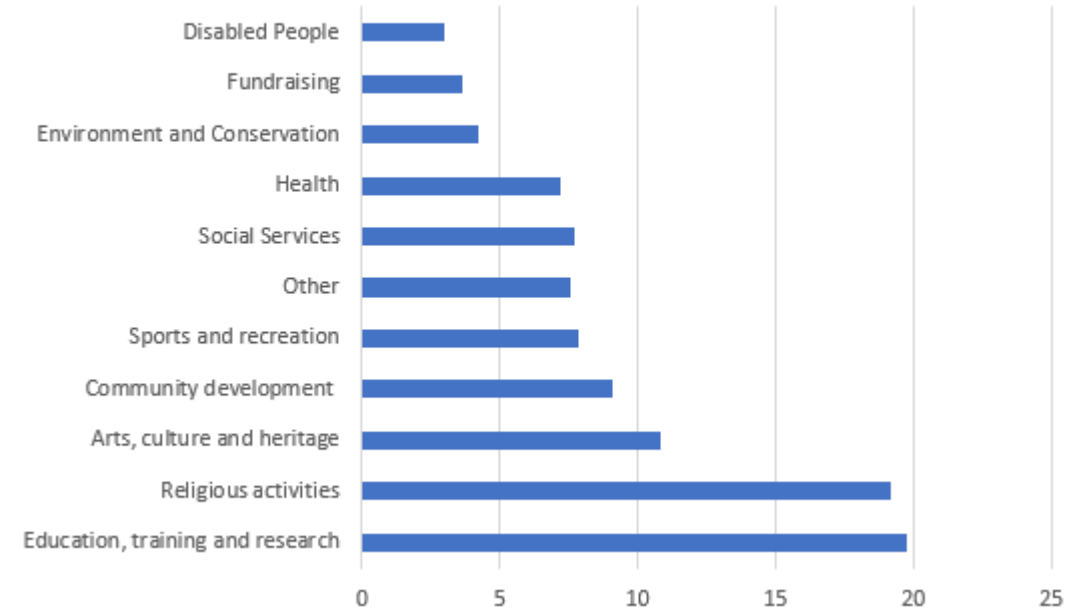
# In 24/25 the most commonly reported areas of activity include:

## Main charitable sectors

New Zealand charities operate across a wide range of sectors. The most commonly reported areas of activity include:

| Sector                           |        |                              |       |
|----------------------------------|--------|------------------------------|-------|
|                                  |        | Social services              | 7.74% |
| Education, training and research | 19.77% | Health                       | 7.22% |
| Religious activities             | 19.14% | Environment and conservation | 4.20% |
| Arts, culture and heritage       | 10.80% | Fundraising                  | 3.64% |
| Community development            | 9.06%  | Disabled people              | 2.99% |
| Sports and recreation            | 7.87%  |                              |       |
| Other                            | 7.59%  |                              |       |

Charitable Sectors: Areas of Activity 24/25





# Volunteers

Across the NFP charitable sector – a large number of volunteers contribute to activities.

In 24/25 the charitable sector recorded 170,000 volunteers contributing to 1.4 million hours of their time each week!



Taskforce Green – rock picking on Hancock Park Jan 2026.

*“ A morning’s work - 5,842 rocks picked! Just kidding we didn’t count them”*



# DCC Grant Analysis



# Grant Context

DCC is one of the key funders in Dunedin City.

Others include:

- **Government** - Department of Internal Affairs (Community Grants, Lotteries, Social Investment), Otago Regional Council
- **Philanthropic** – Otago Community Trust and other foundations/trusts such as Central Lakes Trust
- **Gambling** – Dunedin Casino, Various Gaming Trusts -
- **Private giving** – time, \$\$ and other resources by individuals,
- **Businesses and other NFPs** – also grant e.g. uniforms, travel



# DCC Grant Analysis: From 10 categories to 4?

DCC grants could be grouped into 4 categories:

- 1. Contestable** – applicants apply for grants to support their event/service/project as long as it's compliant with DCC grant criteria.
- 2. Commissioned (External Agreements)** – DCC has an agreement with a group to produce/deliver/supply something in return for funding.  
(Includes DCC agreements with DCC owned companies and trusts)
- 3. External Grants** where the DCC administers grants with or on behalf of another funder, under certain criteria.
- 4. Legislative** – legislative grant to Otago Museum

|    |  |                      |             |
|----|--|----------------------|-------------|
| 1  | Total Contestable Grants                           | \$ 3,614,969         | 23%         |
| 2  | Total Discretionary Funding                        | \$ 145,366           | 1%          |
| 3  | Total Community Service Agreements                 | \$ 751,026           | 5%          |
| 4  | Total Service Level Agreements                     | \$ 1,315,722         | 8%          |
| 5  | Total Property Arrangements                        | \$ 463,892           | 3%          |
| 6  | Total Grants Funded by Central Government Agencies | \$ 233,420           | 1%          |
| 7  | Total Grants Administered by Other Agencies        | \$ -                 | 0%          |
| 8  | Total Other Agreements                             | \$ 209,575           | 1%          |
| 9  | Total Legislative Grants                           | \$ 5,278,603         | 34%         |
| 10 | Total Grants to DCC Owned Companies and Trusts     | \$ 3,552,000         | 23%         |
|    | <b>TOTAL</b>                                       | <b>\$ 15,564,573</b> | <b>100%</b> |





# DCC Grant Analysis

Propose that DCC grants can be broadly categorised as:

|  |              |      |
|--|--------------|------|
| Contestable (& Discretionary)                                | \$ 3,760,335 | 24%  |
| Commissioned (External Agreements)                           | \$ 2,530,640 | 16%  |
| Commissioned - (Agreement with DCC owned companies & trusts) | \$ 3,552,000 | 23%  |
| External - (Other Agencies)                                  | \$ 442,995   | 3%   |
| Legislative (Otago Museum)                                   | \$ 5,278,603 | 34%  |
|  |              | 100% |

DCC Grants - across broad categories

