

GRANTS REVIEW UPDATE

Department: Civic

EXECUTIVE SUMMARY

- 1 A review of grants is currently being undertaken by the Grants Review Group (the Review Group) as part of the 9 year plan. The purpose of this report is to provide an update of the work being undertaken by the Review Group.
- 2 The report discusses the following:
 - Setting a strategic direction for future grants, including identifying the outcomes that Council wants to achieve through the provision of grants funding,
 - Annual Plan and Long Term Plan funding requests
 - Grants subcommittee and Dunedin Heritage Fund considerations, and
 - 9 year plan grant funding considerations.
- 3 As the work of the Review Group is still in progress, the report makes recommendations on the process for including grants funding in the 9 year plan, including “ring fencing” the quantum of grants funding to that provided for in the 2024/25 Annual Plan.

RECOMMENDATIONS

That the Council:

- a) **Agrees** that the draft budgets for grants, excluding the grant to Tūhura Otago Museum, is ringfenced, to the amount of grants funding that was provided for in the 2024/25 Annual Plan.
- b) **Agrees** that the unallocated funding of \$272,000 be available for funding requests that may come through the submission process on the 9 year plan 2025-34.

BACKGROUND

- 4 In 2023, a request was made by Council to undertake a review of grants, to support the preparation of the 10 year plan 2024-34. A Grants Workstream was established to undertake the review.
- 5 In September 2023, a report was presented to Council that provided an overview of the DCC grant categories, budgets, and expenditure. The report identified the need for more work to be

undertaken to look at and understand grants from across all of Council. It also noted that the DCC's Grants Management Policy was due to be reviewed in 2024.

- 6 At its meeting on 27 February 2024, Council decided to proceed with an Annual Plan 2024/25, followed by a 9 year plan 2025-34 (9 year plan).
- 7 A report was presented to the 12 March 2024 Council meeting, providing an update of the work completed by the Grants Workstream. The report noted that the next steps included the need to define the grant review process to complete the review.
- 8 At its meeting on 31 July 2024, Council approved a Terms of Reference for the continuation of the grants review that had commenced in 2023. Council resolved:

Moved (Mayor Jules Radich/Cr Bill Acklin):

That the Council:

- a) **Approves** the draft Terms of Reference for the Grants Review.
- b) **Notes** that updates on the review would be as required and to either the Community Services Committee or Council.

Motion carried (CNL/2024/001)

- 9 The Terms of Reference established the Review Group, its membership being the six Councillors on the Grants subcommittee and support staff. The Terms of Reference is at Attachment A.

DISCUSSION

Summary of DCC Grants

- 10 DCC grants budgeted in the 2024/25 year totalled \$13.7 million. Of this, \$6.6 million is covered in the grants review in accordance with the approved Terms of Reference. A copy of the Terms of Reference is at Attachment A.

- 11 Table 1 below shows a summary of the 2024/25 DCC grants allocation.

Table 1 – Summary of current grant funding

Category of Grant Funding	2024/25 Budget \$'000
Contestable grants	3,503
Discretionary grants	145
Community Service Agreements	680
Service Level Agreements	1,230
Property arrangements	467
Grants funded by Central Government agencies	356
Grants to DCC owned companies and trusts, partnership agreements and administered by other agencies.	195
Total Grants in the review	\$6,571
Grants not included in the review	
Tūhura Otago Museum	5,170
Grants to DVML	1,907
Grants excluded from the review	\$7,077
TOTAL GRANTS	\$13,648

- 12 Further work is being undertaken to ensure all grants have been captured, and correctly categorised as grants. For example, the Mayor's and the Chief Executive's discretionary funds have been removed from the grants list, as they are not grants. These funds total \$50k. The split of these funds has changed in the 9 year plan budget, with the Mayor's fund now \$40k (previously \$30k), and the Chief Executive's fund now \$10k (previously \$20k).

Setting a strategic direction for DCC grants

- 12 The Terms of Reference approved for the review provides that the purpose of the review is:
- "to review the current grant pools provided by the DCC and recommend changes to ensure the grants framework aligns with Council's outcomes".*
- 13 The Grants Review Group is currently considering what outcomes Council wants to achieve through the provision of grant funding.
- 14 Council is currently working through a process to review the Strategic Framework, alongside the Government rewriting the purpose of Local Government in Section 10 of the Local Government Act.
- 15 It is important that Council aligns the grants framework with both the revised purpose of Local Government, and the agreed changes to the Strategic Framework. These will inform what the

outcomes and priorities are that will contribute to achieving Council's agreed strategic goals. Once changes are confirmed, progress can be made on developing the grants framework.

Annual Plan and Long Term Plan funding requests

- 16 Requests for funding are typically received through the annual plan and long term plan submission processes, with decisions on these requests made at the deliberations meetings.
- 17 The Review Group recommends that this process should change. Funding requests should instead go through the grant application and decisions processes, to ensure fairness, equity, and alignment with Council's desired outcomes.
- 18 Removing funding requests from the submission processes to the grants process will not be possible for this 9 year plan and the next Annual Plan process, but it is recommended that this proposal be included in the 9 year plan consultation document and other engagement material over the next year, to ensure awareness of this new process, in time for the next 10 year plan 2027-37.

Grants Subcommittee

- 19 The Grants Subcommittee makes decisions on most of the contestable grants, Waste Minimisation Grants and grants funded by Creative NZ. Decisions made by the Grants Subcommittee account for approximately \$2.25 million of the total grants budget.
- 20 The Committee Structure and Delegations Manual provides that the Grants Subcommittee membership consists of six Councillors and nine external members, representing the community, mana whenua, the events sector, the arts sector, the Department of Conservation and Creative NZ. The different contestable grants require different mixes of external representatives.
- 21 The Review Group is considering what the best mechanism is for making decisions on contestable grants, for example, does the Grants Subcommittee remain or could a committee of Council make the decisions; if the Grants Subcommittee was to remain, what is an appropriate membership structure.
- 22 A report will be presented to Council at a future date with recommendations for decision making on contestable grants.

Dunedin Heritage Fund

- 23 Decisions on applications to the Dunedin Heritage Fund are made by the Dunedin Heritage Fund subcommittee, in accordance with the provisions of the Trust Deed for the Dunedin Heritage Fund. The Committee Structure and Delegations Manual provides that the membership of the subcommittee consists of two councillors, three representatives appointed by Heritage NZ and two staff members.
- 24 The Dunedin Heritage Fund received \$680,000 for grants funding in 2024/25. Council may wish to consider reviewing the use of this funding, and if some of it may be allocated towards heritage work undertaken by DCC staff.

9 year plan grant funding considerations

- 25 It is recommended that the total grant funding, excluding the grant paid to Tūhura Otago Museum, as provided for in the 2024/25 budget, and as shown in table 1, be ring-fenced in the 9 year plan budgets. Draft budgets have been prepared on this basis.
- 26 A detailed list of allocation of the grants budget is shown at Attachment 2. This list shows how these funds were allocated in 2024/25, and how they have been allocated in the draft 2025/26 budget. It details those grants no longer required, and those that will have their funding allocation expire on 30 June 2025. The expiring grants relate primarily to those community service agreements and service level agreements that were rolled over for one year, following the decision to have an Annual Plan, followed by a 9 year plan.
- 27 It is recommended that the unallocated budget of \$272,079 as shown in Attachment B, i.e., the funding that expires on 30 June 2025 and the budget no longer required, be available for funding requests that may come through the submissions process on the 9 year plan.
- 28 A budget amount of \$2.28 million has been included in the Grant budget for 2025/26. The purpose of this grant is discussed in the Vibrant Economic – Draft Operating Budget 2025-34 report on the agenda.
- 29 For the next and subsequent 10 year plans, it is recommended that a process for community service agreements, service level agreements, property arrangements and other funding requests will be undertaken, in time for Council to approve the application of funds through each 10 year plan budget process. These agreements would commit funding for up to a three year period, with updates made through subsequent Annual Plan budget processes.

OPTIONS

- 30 As this is an update report, there are no options.

Impact assessment

Debt

- Grants are not funded from debt.

Rates

- The proposal to keep the grants budget in line with the 2024/25 budget means there are no impacts on rates.

Zero carbon

- Not applicable.

NEXT STEPS

31 The Review Group will continue its work on the grants process.

Signatories

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Attachments

	Title	Page
A	Terms of Reference - Grants Review	
B	Budget allocation of grants funding	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision promotes the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Future Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

Grants funding contributes to many of the objectives and priorities of the DCC's strategies.

Māori Impact Statement

The distribution of DCC grants has been used to support and give effect to the Council's commitment to Māori and to its obligations under the Treaty of Waitangi. The adoption of Te Taki Haruru outlines the DCC's commitment to mana whenua. Te Taki Haruru will guide the grants review including assessing the potential impacts that grants can have for Māori.

Sustainability

DCC grants have been used to support and give effect to the Council's commitment to sustainability.

Zero carbon

Zero carbon implications may be considered at the time of allocating grant funding.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The Grants Review is informing budget considerations for the 9 year plan.

Financial considerations

The Grants Review is informing budget considerations for the 9 year plan.

Significance

This report is considered of low significance in terms of the Council's Significance and Engagement Policy.

Engagement – external

There has been no external engagement.

Engagement - internal

The grants review is including engagement with staff from across council.

SUMMARY OF CONSIDERATIONS***Risks: Legal / Health and Safety etc.***

There may be legal and reputational risk if changes to grants are not delivered or managed well. The Grants Review Work Programme will actively manage these risks by ensuring appropriate consultation is undertaken, and that any recommendations for change align with Council's strategic outcomes.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Community Boards will be interested as the Board's discretionary funds fall under the category of "Discretionary Grants" and are captured by the Terms of Reference for the review.

Draft Terms of Reference for the Grants Review

Purpose	<p>To review the current grant pools provided by the DCC and recommend changes to ensure the grants framework aligns with Council's outcomes.</p> <p>The Grants Review will exclude grant funding paid to Tūhura Otago Museum, DVML and the Forsyth Barr Stadium.</p>
Responsibilities and functions	<p>The review groups responsibilities and functions include:</p> <p>What outcomes we want to achieve:</p> <ul style="list-style-type: none"> ▪ Determine what outcomes Council wants to achieve through the provision of grant funding. ▪ Review the existing grant funds and their alignment with the agreed outcomes. Grants funds included in the review include, but are not limited to: <ul style="list-style-type: none"> • Contestable grants. • Discretionary funds • Community Service Agreements • Service Level Agreements • Property Arrangements Grants ▪ Recommend any changes to grant pool types and allocations required to deliver agreed outcomes, noting the proposed changes will be part of 9 year plan consultation. <p>How we will achieve the outcomes:</p> <ul style="list-style-type: none"> ▪ Review the Grants Management Policy to ensure it gives effect to achieving the outcomes, and make recommendations on any changes. ▪ Review the structure, membership and delegations of the Grants Subcommittee and make recommendations on any changes. <p>Community Engagement:</p> <ul style="list-style-type: none"> ▪ Undertake early engagement with the community on the Grants Review. <p>If required, the Grants Review Panel may make recommendations to change these Terms of Reference, during the course of the review.</p>
Reporting requirements	
<ul style="list-style-type: none"> - Who to report to - Frequency of reporting 	<p>Community Services Committee or Council</p> <p>Quarterly or as required.</p>

Membership	
- Chairperson	Cr Laufiso
- Members	Deputy Mayor Lucas Cr Acklin Cr Barker Cr Mayhem Cr Whiley
Frequency of Meetings	As required.
Key completion dates	Early engagement – September / October 2024 Review of existing grant funds and their alignment with the agreed outcomes – recommendations to Council for decisions on consultation options by December 2024 9 year plan consultation – March / April 2025 Finalisation of the Grants Management Policy – June 2025 Structure, membership and delegations of Grants Subcommittee – June 2025
Expected term	August 2024 – June 2025
Support staff	Manahautu - Policy and Partnerships Financial Services Manager Special Projects Lead
Related work	Review of Dunedin Venues Management Ltd and Dunedin Stadium Property Ltd. Tūhura Otago Museum review of ongoing operating budget requirements.

Appendix 1 – Current Grants

Contestable Grants
Contestable Events Grants
Māori & Pasifika Innovation Funds
Premier & Major Events Grants
Heritage Fund
JobDUN Internship
Place Based Grants
City Service Grants
Arts Grants
Rates Relief
Biodiversity Grants
Community Grants
Discretionary Funding
Otago Museum Rates Rebate
Significant Trees Grants
Sister Cities
Strath-Taieri Community Board
Mosgiel-Taieri Community Board
Saddle Hill Community Board
West Harbour Community Board
Waikouaiti Coast Community Board
Otago Peninsula Community Board
Landfill Grants
Diversity Support
CEO's Discretionary Fund
Mayor's Discretionary Fund
Community Service Agreements
NZ Sports Hall of Fame
Contestable Parks Grants
King's High School Artificial Surface
Port Chalmers and Districts Lions Club
Heritage Roses Otago
Town Belt Initiative (Dunedin Amenities Society)
Mountain Bike Otago
Yellow Eyed Penguin Trust
Dunedin Wildlife Hospital
Swim Coaching, Lessons and Pool Grants
Library St Kilda
Library Taieri
Library Strath Taieri
Port Chalmers & Strath Taieri
Santa Parade
Dunedin Dream Brokerage

Service Level Agreements
Dunedin Budget Advisory Services
Cosy Home Trust
SLA to Edgar Stadium (Dunedin Indoor Venues Trust)
Surf Life Saving New Zealand
Sport Otago Getting Dunedin Active
Sport Otago Core Services
SLA for Dunedin Centre (DVML Management)
Start-up Trust

Property Arrangements
St Leonards Hall
Civic Hall
Portobello Hall
Ravensbourne Hall
Outram Hall
Momona Hall
Brighton Hall
FairField Hall
OceanView Hall
Strath-Taieri Hall
Port Chalmers Hall
Mosgiel Coronation Hall
Waitati Hall
Karitane Hall
Warrington Hall
Waikouaiti Hall
Allanton Hall
Harwood Hall
Regent Theatre Trust
Otago Wellness Trust

Grants Funded by Central Government Agencies
Waste Minimisation Grants (Ministry for the Environment)
Arts Grants (Creative New Zealand)

DCC Grants Administered by Other Agencies
Arts Capability Fund (Otago Community Trust)

Grants to DCC Owned Companies and Trusts
NZ Masters Games Trust

Partnership Agreements
Marae Development
Aukaha Grants
Film Otago Southland (Regional Partnership)

Dunedin City Council
Grants Listing
for the Year Ended 30 June 2026

Grant Category	2024/25 Budget \$	2025/26 Draft Budget \$	Inc/(Dec)	Status
Contestable Grants				
Contestable Events Grants	83,210	83,210	-	
Māori & Pasifika Innovation Funds (Hapori Fd)	90,000	90,000	-	
Premier & Major Events Grants	525,678	525,678	-	
Dunedin Heritage Fund	680,700	680,700	-	
Place Based Grants	490,000	490,000	-	
City Service Grants (50/50 between Arts and Community)	231,550	231,550	-	
City Service Grants (50/50 between Arts and Community)	231,550	231,550	-	
Arts Grants	170,600	175,600	5,000	Reallocation
Rates Relief	711,000	711,000	-	
Biodiversity Grants	81,300	81,300	-	
Community Grants (50/50 split between Arts & Community)	207,900	202,900	(5,000)	Reallocation
Total Contestable Grants	3,503,488	3,503,488	-	
Discretionary Funding				
Remissions	600	600	-	
Otago Museum Rates Rebate	8,266	8,266	-	
Significant Trees Grants	3,000	3,000	-	
Sister Cities	18,500	18,500	-	
Strath-Taieri Community Board	10,000	10,000	-	
Mosgiel-Taieri Community Board	10,000	10,000	-	
Saddle Hill Community Board	10,000	10,000	-	
West Harbour Community Board	10,000	10,000	-	
Waikouaiti Coast Community Board	10,000	10,000	-	
Otago Peninsula Community Board	10,000	10,000	-	
JobDUN Internship	50,000	50,000	-	
Landfill Grants	5,300	-	(5,300)	Not required
Total Discretionary Funding	145,666	140,366	(5,300)	
Community Service Agreements				
NZ Sports Hall of Fame	46,803	-	(46,803)	Not required
Contestable Parks Grants	5,000	5,000	-	
King's High School Artificial Surface	10,000	10,000	-	
Port Chalmers and Districts Lions Club	2,500	2,500	-	
Heritage Roses Otago	2,000	2,000	-	
Town Belt Initiative (Dunedin Amenities Society)	32,000	32,000	-	
Mountain Bike Otago	80,000	80,000	-	
Yellow Eyed Penguin Trust	15,000	15,000	-	
Dunedin Wildlife Hospital	75,000	-	(75,000)	Expires 30 June 2025
Swim Coaching, Lessons and Pool Grants	232,486	232,486	-	
Library St Kilda	15,600	-	(15,600)	Not required
Library Taieri	2,000	2,000	-	
Library Strath Taieri	7,000	7,000	-	
Port Chalmers & Strath Taieri	10,000	10,000	-	
Santa Parade	71,526	71,526	-	
Dunedin Dream Brokerage	50,000	50,000	-	
Dunedin Environment Centre Trust	10,000	-	(10,000)	Expires 30 June 2025
Tomahawk Smaills Beach Care Trust	13,000	-	(13,000)	Expires 30 June 2025
Total Community Service Agreements	679,915	519,512	(160,403)	
Service Level Agreements				
Dunedin Budget Advisory Services	185,000	185,000	-	
Cosy Home Trust	110,800	-	(110,800)	Expires 30 June 2025
Aukaha Grants /SLA	250,000	250,000	-	
SLA to Edgar Stadium (Dunedin Indoor Venues Trust)	251,482	251,482	-	
Surf Life Saving New Zealand	157,331	159,266	1,935	
Sport Otago Getting Dunedin Active	37,234	37,234	-	
Sport Otago Core Services	43,440	43,440	-	
Start-up Trust Plus \$65,000 in 23/24	194,300	194,300	-	
Total Service Level Agreements	1,229,587	1,120,722	(108,865)	

Grant Category	2024/25 Budget \$	2025/26 Draft Budget \$	Inc/(Dec)	Status
Property Arrangements				
St Leonards Hall	8,500	8,500	-	
Civic Hall	2,000	2,000	-	
Portobello Hall	5,200	5,200	-	
Ravensbourne Hall	7,800	7,800	-	
Outram Hall	4,500	4,500	-	
Momona Hall	2,800	2,800	-	
Brighton Hall	5,200	5,150	(50)	
Fairfield Hall	14,100	11,500	(2,600)	
OceanView Hall	5,100	5,148	48	
Strath-Taieri Hall	41,200	40,500	(700)	
Port Chalmers Hall	8,500	8,500	-	
Mosgiel Coronation Hall	16,800	16,800	-	
Waitati Hall	5,500	5,500	-	
Karitane Hall	7,000	7,000	-	
Warrington Hall	5,500	5,500	-	
Waikouaiti Hall	23,908	23,908	-	
Allanton Hall	2,300	2,300	-	
Harwood Hall	5,500	5,500	-	
Regent Theatre Trust	210,000	210,000	-	
Otago Wellness Trust	85,786	85,786	-	
Total Property Arrangements	467,194	463,892	(3,302)	
Grants Funded by Central Government Agencies				
Waste Minimisation Grants (Ministry for the Environment)	140,000	140,000	-	
Other waste levy grants	117,000		(117,000)	Not required
Arts Grants (Creative New Zealand)	93,420	93,420	-	
Regional Events Fund (MBIE)	-	-	-	
Total Grants Funded by Central Government Agencies	350,420	233,420	(117,000)	
Other Grants				
NZ Masters Games Trust (DCC owned trust)	71,563	115,783	44,220	2 yrly cycle
Marae Development (Partnership agreement)	78,792	78,792	-	
Film Otago Southland (Regional Partnership)	15,000	15,000	-	
Arts Capability Fund (Administered by Otago Community Trust)	30,000	-	(30,000)	
Total Grants Administered by Other Agencies	195,355	209,575	14,220	
Legislative Grants				
Otago Museum Levy	5,170,032	5,278,603	108,571	
Total Legislative Grants	5,170,032	5,278,603	108,571	
Grants to DCC Owned Companies				
SLA for Dunedin Centre (DVML Management)	757,000	757,000	-	
Event Attraction Fund (DVML)	400,000	400,000	-	
Community Access Fund (DVML)	750,000	750,000	-	
Total Grants to DCC Owned Companies and Trusts	1,907,000	1,907,000	-	
Total Grants before New Grants	13,648,657	13,376,578	(272,079)	
New grants				
Event Attraction	-	2,280,000	2,280,000	Refer Vibrant Economy report
Total Grants	13,648,657	15,656,578	2,007,921	