



August 2018

Consultation on introducing multi-year funding into the Community Organisation Grants Scheme

Purpose

The Department of Internal Affairs (Department) is considering introducing multi-year funding to the Community Organisation Grant Scheme (COGS). As part of this, the Department is seeking feedback from community organisations, Local Distribution Committees (LDCs) and the National COGS Committee (NCC) on the benefits and any issues of introducing multi-year funding.

Background

COGS has existed for over thirty years and provides grants to non-profit organisations delivering community-based social services that contribute to achieving locally-determined outcomes.

The Fund sees a high return of applicants each year (89% of applicants in the 2017/18 funding year had applied previously). There is also a consistency in the size of grants made each year. The average grant in 2016/17 was \$2,960 compared to \$2,868 in 2017/18. This regular behaviour means applicants are familiar with the Fund and LDCs have an understanding of what services community organisations provide in the community.

In 2017 six community engagement workshops were held around the country to enable the Department to better understand how we could reduce the administrative burden for community organisations when they make applications for a grant. The feedback from the workshops indicated, amongst other things, that the sector wanted greater access to multi-year funding where possible.

What is multi-year funding?

Multi-year funding is the ability to provide grants to an organisation over more than one year, through a single application at the start of the period. In the Community Operations context, we are proposing that grants can be made for a two or a maximum of three year period.

Multi-year funding is currently available in other grant schemes administered by the Department, such as the Lottery Community Fund.

The proposal

The Department is considering introducing multi-year funding to COGS, which will reduce the administration burden for organisations by reducing the need to make similar requests annually and would provide greater security of funding.

The proposed key elements of multi-year funding within COGS would be:

- community organisations will be able to apply for a single year grant as before, or a multi-year grant for two year or three years.
- applications would continue to be made for on-going operational expenditure or be project based
- budgets would still be required as part of an application

- requests in excess of \$10k for any one year during the period of the grant can come only from an organisation with registered entity status
- if a multi-year grant is in place (for COGS) no other requests can be made for another (COGS) grant from the same LDC during this period
- organisations will be able to apply for a multi-year grant which is either evenly spread over each year, or a variable amount per year (e.g \$4k in year 1 and \$3k in year 2)
- LDCs would continue to make decisions on grants, and may decline or give a lower amount in a multi-year grant than has been requested (as with single year grants currently)
- multi-year grants would place future funding commitments on LDCs that would need to be met before any further grants are given
- payments after the first year are dependent on an approved annual results report being accepted
- the COGS scheme and future multi-year grant payments are dependent on future Government funding (which is no different to the current situation for COGS).

Potential advantages of introducing multi-year funding

Multi-year funding reduces the administrative burden of community organisations applying annually. This allows organisations to focus on planning, delivery and retention of staff. Similar benefits would be realised by LDCs where they potentially will have less requests to assess each year. Multi-year funding provides organisations a level of financial assurance which enables them to plan in advance.

Potential downside of introducing multi-year funding

Organisations may feel they are locked into a funding amount for up to three years which would reduce their ability to respond to changes in their community. Community organisations will still have the opportunity to apply for a single year grant if this is a concern. Also COGS grants contribute to funding outcomes (impact of the activity/service funded), rather than undertaking specific tasks. This provides community organisations with some ability to respond to changing community needs.

Consultation process and associated timeframes

The Department seeks your feedback on the benefits and any issues with the proposal to introduce multi-year funding to COGS. To provide your feedback please click on the link here <https://www.surveymonkey.com/r/COGSMulti-yearfunding>. Opportunities for feedback will close at 5pm on **3 October 2018**.

The feedback will be collated and presented to the Minister for the Community and Voluntary Sector who will make a decision on whether or not to introduce multi-year funding to COGS. The intention is for multi-year funding to be available for the 2019/20 COGS funding round.

If you have any questions about the contents of this document please contact Amanda Feast via email amanda.feast@dia.govt.nz or phone 0800 824 824.