



GREYTOWN
TRUST LANDS
Growing the Community since 1871

SOCIAL, CULTURAL AND ENVIRONMENTAL FUNDING STRATEGY

Adopted May 2019

Introduction

The Greytown District Trust Lands Trust budgeted to spend \$70,000 in the current 2018/19 financial year in the “community grants” category which supports social, cultural and environmental activities undertaken in the community. The way in which this grant funding is allocated has little changed over the last 5 to 10 years.

The current Board of Trustees has agreed to a review of strategy around support of these activities to identify whether the present strategic focus of the funding remains valid and, if not, to set about determining what its strategic priorities should be over the next 3-5 years in order to ensure the focus of its funding remains relevant and delivers the best possible return in meeting the needs of the Greytown community. It has at the same time also expressed a desire to better determine the effectiveness of its funding allocations by putting in place a regular review process for evaluating the outcomes achieved.

This new funding strategy document is the result of that review.

Background

Desired strategic outcomes

When undertaking this and other funding strategy reviews Trustees have been especially mindful of the role the Trust has in promoting the community’s “well-being” in accordance with its mandated purposes. However, well-being is not defined in the Trust’s governing legislation.

For the sake of clarity this review encompasses all current funding that does not relate to financial support for education or sport and active recreation, for which separate funding strategies have been developed. To give definition to the scope of the review Trustees have, on the basis of the current purposes to which this funding is put, applied the following categories of well-being and their associated desired strategic outcomes:

Social well-being

A community that is encouraged and enabled to support those in need of all ages, abilities and backgrounds and to promote a sense of community belonging and cohesion through support for passive recreation and community wide events.

Cultural well-being

A community that is encouraged and enabled to appreciate arts, culture and local history through provision of venues, participation in activities and attendance at events.

Environmental well-being

A community that is served by adequate, sustainable infrastructure, and encouraged and enabled to improve and enjoy Greytown’s natural and built environment.

These well-being categories are consistent with the notion of the four Capitals (Human, Social, Natural and Economic) driving the current Government's Living Standards Framework.

Current Trust funding

In the 2017/18 financial year the Trust awarded a total of \$70,000 in "community grants" of which \$52,000 could be deemed to have been in support of these well-being outcomes:

Social - \$15,000

Comprising:

- 100% rent subsidy to the Plunket Society (\$6,000)
- Grants to community support agencies and community wide events (8 recipients)

Cultural - \$36,000

Comprising:

- 95% rent subsidy to Cobblestones Museum Trust (\$30,000)
- Grants to individuals, arts & culture organisations and events (8 recipients)

Environmental - \$1,000

Comprising 3 grants, principally to community organisations.

The remaining \$18,000 was awarded as grants to recipients who, if eligible in accordance with the recently developed strategies, will in future have to apply for funding from the Trust's new education and sports and active recreation budget allocations as the purpose of their funding requests is a better fit with these.

Review process and analysis

Approach

The future social, cultural and environmental needs of the community are very difficult to establish, as funding of activities that can be defined by these well-beings has been and will continue to be of an "open to all-comers" nature and driven by demand as and when it arises. The discretionary nature of this type of funding combined with the wide range of purposes addressed by their applications means the number and type of applicants can vary considerably from funding round to funding round, the result being there is no obvious representative set of stakeholders from which Trustees can seek input.

Accordingly Trustees have adopted a more abstract approach to the review process, focussing on the future drivers they believe will influence the shape of the Greytown community and on current trends in the world of philanthropic funding.

Drivers of change in the community

There is no doubt Greytown will continue to grow in size and population. A number of new residential subdivisions are already in hand and only recently it was announced a large retirement village and elderly care facility development is also being planned. While such growth may be good for the town in some ways – attracting higher income-earning families and individuals from outside the area and boosting local economic prosperity – the desired well-being outcomes that are the subject of this review could become harder to secure.

In the social area, the numbers of those who are less fortunate and in need of support could increase due for example to a widening housing affordability gap, placing more stress on community service organisations. An increase in the number of elderly in the town could result in pressure too to enable and support more passive recreation opportunities.

The presence of a greater number of higher income families may bring expectations of the provision of and access to a wider range of arts and culture activities, venues and events. Population growth of itself could drive demand for improved community infrastructure, for example, involving enhancement of the town's streetscape.

Trustees believe the realisation of any or all of these factors will undoubtedly result in an increase in the number and value of grant applications made to the Trust.

The philanthropic funding environment

What is evident from feedback from other community funding providers, which mirrors the Trust's own experience, is that philanthropic funds locally are coming under more and more pressure as the sums available fail to keep up with demand. This is having an impact on two fronts:

1. More so than previously, applicants are applying to as many funders as possible in order to improve their chances of securing the funding they need; and
2. Funding providers are revisiting their allocation priorities in order to manage that demand.

The sector is seeing an overall tightening of eligibility criteria, meaning applications that previously would be considered are no longer accepted, better alignment of funding availability with desired strategic outcomes, and a focus on applications that demonstrate and deliver best return on investment against these outcomes.

Future community dividends

Trustees have had to take into account the short term financial implications for the community dividend of the need for the Trust to modernise and grow its property portfolio in order to maintain the level of revenue needed to ensure future generations of Greytonians will continue to benefit from the assets held in Trust. However, achieving modernisation and growth in the property portfolio will incur significant cost over the next 5-10 years, restricting the level of annual community dividend that can be made available for distribution in the short term.

Summary analysis

Put succinctly the combination of these factors is bringing about an environment for the Trust in which demand for its grant funding is already outstripping and will likely continue to outstrip its availability in the foreseeable future. It is the funding currently allocated to the well-beings covered by this review that Trustees consider could be hardest hit in this environment.

This review is an attempt to manage the situation and provide a means for ensuring identified priorities can be met.

The proposed new strategic priorities

The Trust's proposed new strategic priorities pick up on and reflect this analysis. They are:

Social well-being

To support organisations that help those in the community who are disadvantaged or in need

To support organisations that help residents to participate in passive recreation activity or to bring them together in community wide activity

Cultural well-being

To support organisations, venues and events that encourage participation or promote interest in and enjoyment of arts, culture and local history

Environmental well-being

To support initiatives that promote or deliver enhancements to local service infrastructure and to the local built and natural environment.

To a large degree these priorities are not inconsistent with the approach the Trust has adopted to date when allocating what are currently designated "community grants". However, when applied alongside the two other recent funding strategies – covering education and sports and active recreation – the result is that some grant applications will in future not be entertained because they no longer fit the Trust's priorities.

To provide an example: the Trust has previously given community grants to individuals to assist them with the expenses of representing Wairarapa and New Zealand at various sports events across a range of age groups. Applications for such grants would not be covered by this proposed funding strategy in future as they do not fit with its priorities. Instead, the proposed new Sports and Active Recreation funding strategy would apply. However, based on the proposed strategic priorities for that strategy no funding has been made available for this purpose.

This type of outcome is an unfortunate but necessary by-product of the situation faced by the Trust in exactly the circumstances outlined in the summary analysis.

When the new strategy will be implemented

One element of the new strategy will be implemented immediately. With effect from 1 April 2019 there will continue to be two bulk funding rounds a year in September and March but the small monthly on request allocation previously set aside between rounds to accommodate urgent applications will no longer be available.

In the view of Trustees the latter was delivering perverse outcomes. Applications that were otherwise unlikely to be successful when considered on their merits against all others submitted to the bulk funding rounds were being rewarded by dint of timing and not necessarily based on the relative importance of the outcomes .

The new well-being approach will be applied to the consideration of applications for bulk funding received from the September 2020 funding round onwards. Until then applications for “community grant” that would otherwise not be supported under the new strategy will still be eligible for consideration but at the Trustees’ discretion and only provided they are not now covered by the education or sports active recreation strategies.

How the new strategy will be implemented

Allocation of funding available for distribution in 2019/20

Coming into effect from 1 April 2019, Trustees have taken the decision to implement a new financial strategy of setting aside more from its annual surplus for the renewal, enhancement and, if necessary, replacement of current properties in its property portfolio and to build up reserves to develop or acquire additional buildings. This has meant an enforced \$48,000 reduction in the overall grants budget available for distribution to the community in the 2019/20 financial year.

Trustees have decided the budget allocated to the well-beings covered by this grant funding strategy should fall by \$7,500 from approximately \$71,500 in the 2018/19 financial year to \$64,000 in 2019/20. To accommodate this reduction they have approved a reduction in the rent subsidies to the Cobblestones Museum Trust and Plunket from 95% to 90% and from 100% to 90% respectively (equivalent to a \$2,500 reduction), with the remaining \$5,000 being cut from “community” bulk funding which is now \$25,000.

Funding in future years

At the beginning of each financial year from 1 April 2020 onwards the Board of Trustees will redetermine the total budget to be allocated to the funding of the social, cultural and environmental well-beings. This sum could vary year on year depending on the Trust’s financial performance, which will in turn be influenced by implementation of its property strategy.

A portion of this allocation will continue to be “top sliced” to provide funding for rent subsidy grants but only for as long and at a level as Trustees decide at their discretion. The financial arrangements with Cobblestones Museum Trust and Plunket are a product of a

different time and set of financial circumstances and in the view of current Trustees do not fit equitably with the new priorities set out in this strategy.

Trustees are committed to working with the two organisations, in particular the Cobblestones Museum Trust, to explore options for avoiding the impact of future adjustments to their rents subsidies and moving to a more outcome focussed process for funding their activities.

Whatever of the allocation is left over after top-slicing for rent subsidies will by default become the sum available for bulk funding of grants made under the new strategy.

Application process

Applications for bulk funding will be sought twice yearly in September and March. As far as the 2019/20 financial year is concerned this means \$12,500 will be available for distribution at each round commencing with the September 2019 funding round.

Under the new strategy, when grant applications are presented to Trustees for consideration they will have to be referenced to at least one of the agreed new priorities set out in this strategy document. Each application will be considered on its merits and it will be at the sole discretion of Trustees to determine which applications are deemed to be eligible for consideration and agree the value of any subsequent grant awards.

To ensure the priorities remain relevant and the desired outcomes are being delivered, an evaluation process will be applied in future so Trustees can gauge the impact the Trust's funding is having on the well-being of the community. Subject to the application of a minimum limit on the value of grants awarded (recipients of smaller sums will not need to comply) all successful applicants will in future be expected to provide an evaluation report explaining the difference the grant received has made to the community from a Social, Cultural and Environmental well-being perspective.

In conclusion

The Trust is as committed as ever to assisting in the development of the community. This new strategy is about improvement and refocusing strategic priorities to ensure that funding is equitable, transparent, and focussed on the areas of need that the Trust believes are relevant to Greytown's situation now and into the immediate future.