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ECONOMIC AND COMMUNITY DEVELOPMENT

As we navigate budget constraints, we're looking at ways we can recalibrate our funding models to best ensure money is spent where it's most needed. One of the ways we are looking to do this is revisiting our Economic and Community Development Strategy. Let's build the path forward together.

Context

Council is looking at implementing operational cost cuts and reducing grant funding for our Economic and Community Development activities. This will mean an adjustment in the services we offer.

A key area we have been considering in this space is grant funding. Typically, around \$400,000 per year has been allocated for community grants, often managed by groups like Community Boards and Community Committees as discretionary funding for local projects. We are looking to reduce this amount to \$242,000 going forward.

Given the challenges our district is facing, especially with waters services and infrastructure, we have to make some really tough decisions on where best to allocate funds. We've done a lot of work looking at the impact of reducing grant funding, and this reduction has been factored into the proposed rates increase.

Here's how it would affect some groups in our community:

Information centres won't be affected, but discretionary funding for community boards and committees would be halved.

Community groups with existing, historic agreements, including the Main Street grants for minor improvements in our town centres, would need to apply for a smaller pool of funding through a competitive process.

This process would be in the form of a \$100,000 Contestable Fund – meaning everyone, including new applicants, can apply to this one fund, and decisions are made based on the merits of each application, ensuring fairness and transparency in the allocation of funds.

This is not an easy decision to make, and we'd appreciate your input as we consider the best use of these funds moving forward.



Let's take a look at the options

We prefer this option

OPTION 1 - Reduce the funding for the Economic and Community Development activity, including a reduction in community grant funding, and creating a contestable fund of \$100,000 per year

An immediate costs savings of \$405,778 and a rates reduction of 1.1% from this activity, which is already factored into the rates increase on page 16

Any community group can apply for grant funding as part of the contestable fund

A reduction in levels of service for Economic and Community Development

Less funding available to individuals and community groups

Everyone is applying to the same fund for a variety of activities

Some historic agreements will change

What is the cost?
We have already included the saving of \$405,778 in the rates proposal on page 16

How does that impact rates?
We have included this saving in the rates proposal on page 16

What is the impact on debt?
NIL

Impact on the level of service?
Reduction in community development support for the community, incl. reduction in support for external funding, and less availability of grant funding

OPTION 2 - Do nothing, status quo

There are no savings therefore no reduction in rates for these activities

Rates would need to increase by 1.1% to reincorporate this activity at its current delivery model

Individuals and community groups have the same funding pool to apply to, and grant opportunities as they have in the past

There is no changes to the level of service provided by the Economic and Community Development activities

The current grants are very specific to who they are awarded too. This makes it difficult for other organisations to apply

What is the cost?
\$405,778 per annum increase in total rates

How does that impact rates?
This would mean an average 1.1% increase in the proposed rates on page 16

What is the impact on debt?
NIL

Impact on the level of service?
No change

