



Strategic Review of the Yarra Community Grants Program: DRAFT Project Terms of Reference

Background

Community development is the process of building and strengthening the capacities of communities to shape their own future. Through the Yarra Community Grants Program (CGP), each year Council provides significant funding to empower organisations and individuals to work together to address common challenges and achieve shared goals. The supported areas encompass community development, arts and culture, climate action and sustainability, sports and recreation, and youth and family initiatives.

The CGP funds contribute to projects and initiatives that are locally based and provide a program, service or activity that benefits the Yarra community. Not funded are projects considered to be the responsibility of the State or Federal Governments, businesses and other for-profit organisations. To be eligible for funding, applicants must be a not-for-profit, incorporated community organisation or meet one of several specific exceptions, e.g., unincorporated community groups auspiced by an incorporated organisation, individual artists or arts-related businesses operating under an active sole trader ABN.

The CGP comprises ten sub-programs, with and without themed streams (e.g., arts, sustainability, etc.), a mix of delivery timeframes (e.g., over one or several years), most competitive and some by invitation. The sub-programs and streams of the CGP and the various funding allocations are products of historical circumstances. The CGP has developed iteratively in response to a changing community and emerging needs and issues. While some elements of grantmaking have been examined in the past decade (e.g., Community Partnership Grants in 2014 and, more recently, Arts and Culture), there has not been a holistic review of the entire CGP. The current structure of the CGP presents challenges in responding to emerging issues, addressing the community's changing needs, and reflecting the changing priorities of citizens expressed through elections and articulated in Council Plans.

As part of the 2022-23 Internal Audit Program, a review of the management of the Yarra Community Grants Program (CGP) was completed by auditors HLB Mann Judd. The internal audit examined whether Council has an appropriate framework (i.e., policies, procedures, and systems) in place for the CGP. It was concluded that the current framework meets the needs of the Council, and opportunities were identified to enhance policies and practices.

In its resolution on 14 March, the Council noted: "the proposal for a review of the Community Grants Program to be undertaken in the financial year 2023-24 and that officers will report back to Council with a draft Project Terms of Reference for its consideration". The review will identify whether the grants program is fit for purpose and maximises value to the community through the financial investment of Council.

Definition

A grant is defined as a monetary allocation, often bestowed by a government or a governing body, to an individual or organisation for a specific purpose. Grants are intended to provide financial support, particularly in the context of research, project development, community initiatives, or other defined undertakings.

Scope

In reviewing the CGP, the Council requests officers:

- 1) Drawing on available published research, develop a better understanding of whether community grants' economic, social, and environmental impacts can be readily determined and consider a practical means by which such impacts can be evaluated going forward.
- 2) Engage with a wide range of stakeholders involved in the CGP, including program administrators, grant recipients, community members, and other relevant parties.
- 3) Benchmark the CGP with those programs delivered by other member councils of the M9 Alliance (i.e., Darebin, Hobson's Bay, Maribyrnong, Melbourne, Moonee Valley, Merri-Bek, Port Phillip and Stonnington).
- 4) Consider the benefits, drawbacks, and trade-offs in different approaches to funding durations (i.e., less than a year, single year, and multi-year) and the number of sub-programs and streams within the CGP.
- 5) Determine whether there is an ongoing role for by-invitation and/or non-competitive grants in the CGP going forward and whether such benevolent activities are better obtained through service agreements with Council.
- 6) Assess whether the grants allocated by Council to the Yarra Energy Foundation and the Victorian Heritage Restoration Fund could be more effectively managed through the CGP.
- 7) Ensure alignment of the CGP with the strategic objectives of the four-year Council Plans and Yarra's 2036 Community Vision.
- 8) Minimise the fiduciary and conflict of interest risks of those involved in the process, including Council officers, volunteers, Councillors, and the Council.
- 9) Examine the potential of mediation or alternative dispute resolution methods and consider the establishment of an independent committee, separate from the Council, to ensure the impartial review and resolution of appeals emerging through the CGP.
- 10) Determine whether the current principles and objectives of the CGP are relevant and appropriate (see Attachment A).
- 11) Establish whether the CGP is accessible to those in the community who are under-resourced or have been disadvantaged by systemic barriers and social injustice, and how the CGP can strengthen community resilience.
- 12) Considering the shifting demographics of the municipality, thoroughly assess the extent to which the CGP is effectively creating avenues for meaningful engagement with the growing and changing segments of the community.
- 13) Assess the extent to which the CGP effectively addresses the climate change emergency by encouraging practices that reduce resource consumption, emissions, pollution, and habitat disruption.

In reviewing the CGP, the Council notes that the following matters are out of scope:

- 14) Conducting a comprehensive analysis of non-cash contributions made to non-profit organisations, such as subsidised leases and licenses of properties, resulting in a loss of potential revenue.
- 15) Undertaking a strategic assessment of service agreements entered with non-profit organisations to deliver community programs and services to the local community.

Methodology and Approach

In reviewing the CGP, officers are to undertake the following tasks:

- 16) Review literature and engage experts to identify practical and robust means to estimate the impact of community grants.
- 17) Collect historical qualitative and quantitative data on CGP, including the origins of particular grant programs and streams, grant distribution, funding allocations, and program outcomes where available.
- 18) Benchmark the per capita expenditure on community grants in Yarra and the current funding allocations by proportion and objective (e.g., arts and culture, families, youth and children, economic development, community development, population health, climate and environment, and sport) with those of the other member councils of the M9 Alliance.
- 19) Collect feedback, insights, and stakeholder suggestions by conducting surveys, interviews, and focus groups, employing inclusive consultation methodologies to promote participation from diverse communities and hard-to-reach groups.
- 20) Analyse the collected quantitative and qualitative data to comprehensively understand the current community grants program's impact and effectiveness.
- 21) Develop actionable recommendations to address identified weaknesses, enhance program effectiveness, improve equity and inclusion, and increase community engagement with the CGP.
- 22) Produce a comprehensive report summarising the review findings, analysis, and recommendations. The report will include an executive summary, highlighting key insights and proposed actions.

Advisory Group

In reviewing the CGP, an advisory group will be formed to provide expertise, guidance, and diverse perspectives. The advisory group will:

- 23) Consist of up to five members drawn from relevant academic institutions, non-profit organisations, or public sector bodies, and with at least one member having a direct connection to the City of Yarra.
- 24) Provide guidance on research approaches, and stakeholder engagement, and offer feedback on emerging findings and draft reports.
- 25) Not have the authority to allocate resources or modify the Terms of Reference.

Reporting and Administrative Arrangements

In reviewing the CGP, officers are to:

- 26) Make a full and faithful report and recommendations on the aforesaid subject matter of the review and transmit the same to the Yarra City Council before the conclusion of the 2023-2024 financial year.

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Attachment A: Principles and Objectives of the CGP

Principles

- Local benefit – projects must provide a tangible benefit to the Yarra community.
- Access and equity – the program supports a range of community members to access grant funding.
- Partnership – the program promotes working together to increase the benefit of projects and organisations.
- Responsiveness – the program is flexible to develop solutions to emerging challenges and opportunities.
- Participation – the projects help build community engagement and citizenship.

Objectives

- Direct resources to the emerging and specific needs of disadvantaged groups,
- Develop a positive approach to the resolution of local social issues,
- Support local groups, activities, and community connectedness, and
- Support community organisations to develop skills and increase participation.