Significant Community Based Projects Fund

# Key Findings

# Summary

**November 2006**

## Abbreviations

| | |
|---|---|
| CIO | Client Information Officers |
| DIA | Department of Internal Affairs |
| DoC | Department of Conservation |
| EOI | Expression of Interest |
| IAG | Interdepartmental Advisory Group |
| MCH | Ministry for Culture and Heritage |
| MED | Ministry for Economic Development |
| MfE | Ministry for the Environment |
| MoT | Ministry of Tourism |
| SCBPF | Significant Community Based Projects Fund |
| SPARC | Sport and Recreation New Zealand |

## Executive Summary

The Significant Community Based Projects Fund (SCBPF) was established in 2005 to support community-based projects and events of regional and national significance. The Fund's intention is to support major community-based projects that have significant support and participation from the community, and that have a range of benefits contributing to regional and/or national outcomes, with particular reference to:

- Arts, culture and heritage;
- Sport and recreation;
- Tourism;
- Conservation and the environment; and
- Economic development.

The Fund is a mechanism to obtain support when all other avenues have been exhausted. Projects that are funded are likely to be those that have sought (and received) money from a range of government and non-government sources and still cannot obtain sufficient funding to complete their work. The Fund has a multi-year appropriation of $32 million for distribution over four years. The Fund is administered by a Secretariat within the Department of Internal Affairs (DIA).

Cabinet approved a two-stage selection process. The first stage assessed whether the application met the eligibility criteria and did not meet any ineligibility criteria. In the second stage representatives from sector agencies on an Interagency Advisory Group considered all the applications against ranking criteria. All applications, including those considered as ineligible and those that failed the audit process, were then forwarded with recommendations to Cabinet for its decision.

The Interdepartmental Advisory Group (IAG) comprises officials from the Ministry of Economic Development (MED), Ministry of Culture and Heritage (MCH), Department of Conservation (DoC), Ministry for the Environment (MfE), Ministry of Tourism (MoT), Sport and Recreation New Zealand (SPARC) and the Department of Internal Affairs.

## Evaluation objectives

The evaluation of the SCBPF aimed to assess the design of the Fund based on the experience of the first year's operation and to make recommendations for any modifications for the next round. In particular the evaluation assessed:

- the design of the Fund and which aspects worked and which did not
- the forms and processes of the Fund and whether they were meeting the needs of stakeholders
- whether the ranking system was effective
- whether the Fund was well-targeted at regional/national projects
- whether the Fund utilised best practice approaches
- the extent to which the Fund met its overall objectives

The following summarises the key findings of the evaluation.

## Key Findings

In general, the SCBPF is meeting its overall objective of supporting community based projects and events of regional and national significance. It is attracting appropriate community organisations and project applications cover a wide regional spread. More than half of the applications demonstrated regional or national significance and almost all were technically sound. The six approved projects covered more than one sector and presented a regional spread with regional and national significance. The design, forms and processes and the ranking system are appropriate to the requirements and only minor changes are proposed.

Members of Parliament, Local Authorities and professional fundraisers have been important participants in publicising the Fund and ensuring that organisations are aware of its requirements and opportunities.

The application procedures were found to be well-designed and some minor modifications are raised for consideration. Changes are suggested in the information material sent to prospective applicants, such as simplifying it into one information sheet, providing examples of successful projects and holding application clinics around the country, to assist applicants. Clarification is needed of eligibility and ranking criteria, including the requirement that projects must meet all eligibility criteria and none of the ineligibility criteria, and confirmation that eligibility and ranking criteria are not weighted. A fuller explanation of

terms in the application form and inclusion of the criteria for the financial and governance audit are also proposed to improve the application and selection processes.

Risk management, communication with applicants, and general administration were similarly generally effective with only minor amendments proposed.

## Significant Issues

Two major issues arose from the evaluation. The first was concerned with reducing the number of ineligible applications, particularly those that are rejected on financial and governance grounds. The second concerned the requirement for all applications, including those considered by DIA to be ineligible, to be forwarded to the IAG for their assessment.

### *Reducing ineligible applications*

Members of the IAG and some applicants favour an EOI stage, managed by the Department, as a means of determining whether applications are eligible and whether the effort of a full proposal is warranted. Introducing an EOI process could be a more effective way to process ineligible applications and save applicants the time and effort of submitting a full application if they are ineligible.

### *Handling of ineligible applications*

As Cabinet has the ultimate responsibility for selection, DIA did not have the mandate to decide whether an application was successful or not. All applications, including those considered clearly ineligible, were sent from the Secretariat to the IAG which also had to assess eligibility in addition to ranking them against sector requirements.

It is proposed that the Secretariat should be permitted to assess as part of the internal fund process, all applications received for eligibility. The evaluation evidence collected suggests that the Secretariat could streamline this process so that the IAG does not need to conduct a full eligibility assessment but would be asked to endorse the Secretariat's recommendations. The ineligible proposals would be forwarded to Cabinet together with the other applications, indicating the reasons why they did not warrant further consideration.

## Summary

The SCBPF has met its objectives in the first year of its operation. It is supporting community based projects of regional and national significance, is attracting appropriate community organisations and project applications cover a wide geographic spread.

Apart from minor changes suggested in relation to the processing of applications the two main recommendations proposed are that:

- an EOI stage be introduced to enable ineligible applications to be identified at a preliminary assessment; and
- the Secretariat would assess applications for eligibility and put recommendations to the IAG for their approval.

As the evaluation worked with the Secretariat during the course of the research many of the administration changes recommended have already been made for the second year of the Fund, such as the preparation of one information sheet.

The evaluation has made the following recommendations[1]:

1. Have only one fact/information sheet that includes all relevant application information.

2. Communicate the requirements of the compulsory components of the application to applicants.

3. Re-develop the Application Pack, to include the Application Form, explanation of terms such as 'regional and national outcomes' and 'regional and national significance', a flow chart indicating the selection process and details on the audit and financial criteria.

4. Ensure that the application criteria are well communicated. For example criteria weighting needs to be clarified, the key message given that all applications must meet all eligibility criteria and none of the ineligibility criteria, and that multiple and single sector applications are given the same priority.

[1] Some recommendations have been incorporated into the 2006-07 funding round.

5. Ensure key people such as Members of Parliament, local authorities and professional fundraisers are made aware of the key elements of the eligibility criteria so they are in a position to advise organisations.

6. Consider setting up Fund application clinics in main centres, subject to need, similar to the Lottery Grants funding clinics to improve the quality of applications and to assist organisations to determine requirements and eligibility.

7. Fast-track the scheduled audit processes, with auditors ready to assess applications in a more timely fashion.

8. Review the terms of reference of the Interdepartmental Advisory Group to more clearly identify roles and responsibilities such as who is responsible for identifying outcome areas.

9. Provide more detailed feedback on applications with explanations why the successful projects received funding and the unsuccessful projects did not.

10. Provide examples of eligible and ineligible applications. This should clarify what project characteristics are being sought.

**RECOMMENDATIONS TO CONSIDER IN CONJUNCTION WITH THE IAG**

11. Introduce an Expression of Interest stage to enable early notification to applicants of eligibility.

12. The Application Pack should be available on the Department's website.

13. Streamline internal eligibility assessment processes conducted by the Secretariat and IAG.

14. Applications should be forwarded to the IAG only after the audit process.

15. Review the use of the pairwise comparison technique[2] for the ranking process.

[2] The Pairwise ranking criteria was the method of ranking used by the IAG in this round. The Cabinet paper reads "The benefits of each of the remaining projects, disregarding risk factors, were ranked by the IAG using a "pairwise comparison". The benefits were considered in terms of contribution towards required outcomes. In the pairwise comparison each project was individually compared against each other project."