

September 13, 2021

## Grants to Community Program

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### **Report Summary & Recommendation**

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On October 26, 2020, Council directed Administration to continue to review the Community Development Grant programs to align processes with the goal of reducing duplication, increasing accountability and reporting, standardizing applications, adjudication, and authority as appropriate as part of a multi-phased approach to updating The City's Community Development Grant Program.

Activities of community groups and agencies on behalf of our residents are worthwhile in the community. However, it is often very difficult for Council to allocate funding to one group over another.

By establishing principles and creating a framework containing categories for funding types(streams) and themes, council can then identify priorities in each area to be accomplished over a budget cycle.

This framework can be clearly communicated to the public, offering increased transparency over why one group may be eligible of funding over another at a particular point in time, based on being responsive to community need.

By aligning like program processes clarity can be provided to address the governance/oversight concerns of our various grant programs while also establishing reporting mechanisms to share community impact from investments in alignment with priorities.

This reporting function will further increase transparency, while also forcing evaluation of effectiveness and efficiency of the service provision, improving overall accountability.

Lastly, by aligning and sorting our community development grant opportunities, we will help remove one-off decision making, develop priorities based on outcomes for the community and not the agency (or who you are), further ensuring accountability toward the increasingly limited resource allocations.

Administration is recommending that Council approve a new Community Development Grant Council Policy as attached in Appendix A, to set the vision for a Community Grant Program which will include principles in which the program will run by, a framework for the program's structure and is grounded in the intention of achieving outcomes that serve the community's prioritized needs in advance of the budget 2023 deliberations.

## **Proposed Resolution**

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Resolved that Council of The City of Red Deer having considered the report from CSV Business Excellence dated September 13, 2021 re: Grants to Community Programs hereby approves Community Development Grants Council Policy.

## **Background**

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Community Development Grants are funds provided to non-profits and other selected entities to underwrite the costs of specific programs or services to achieve targeted outcomes. Non-profits write grant proposals describing the project they have in mind and the amount of money they need; proposals are reviewed in a competitive process, within the scope of the Grant providers intended outcomes. Only certain grant programs receive the money they request, and they are typically limited to the time period described in the grant proposal.

At The City of Red Deer, the goals of each program vary, however, the intention behind them is consistent: to enable the City to achieve our objectives by empowering people, establishing shared accountability, providing for or sustaining responsive services through the most efficient and effective means, (reducing or eliminating time and/or resources), or nurturing innovation or positive change in community.

It is noteworthy that this report does not address the area of Sponsorship. Sponsorship is a key area where the municipality can match our branding goals with a particular project or event to receive a return on investment (often in the form of Advertising or other activation activities) where the specific tangible benefits of the sponsorship are mostly to the Corporation. There is an exchange of goods.

For example, Sponsors pay a fee to own the rights to the commercial potential relating to an event or a charitable organization. They aim to create a link in the minds of target audiences between the charitable organization and their own brands, products and services. The sponsorship provides exposure or recognition in a desired context, and can serve to increase customer awareness and sales. At The City of Red Deer, our Sponsorship is driven primarily by City Council, via the Land and Economic Development department in partnership with the Corporate Communications department.

At present, various community development grants are provided by the municipality to outside providers in order to empower people and establish shared accountability, provide for or sustain responsive services that reduces time and/or resources, or nurtures innovation or positive change in community. Different themes and examples include:

- One-time funds to complete special projects.
- Flow through dollars from other levels of government to focus on local priorities.

- Funding provided in return for providing an essential community service or operating City owned assets.
- Emergent or emergency one-time funding for a start-up or a service or service provider deemed essential to the community and therefore the municipality ensures its sustainability.

The rationale for providing community development grants is very consistent. However at present, the City's procurement of these services, the purpose for procuring it, process for application, the outcome reporting and adjudication processes vary based on many inconsistent factors; the service provided, the Agency that provides it, the City Department that administers it, the time of year, the program it belongs to and more. Further, Council considers Agency requests through the budget process, and who, how, how much or why a particular group is funded over another is politicized.

Four examples of the historical inconsistencies are as follows:

1. When Council approves OSSI funding allocations, it is focused on the service and outcomes and not the provider at all. For example, Council has approved \$75,000 for the Rapid Rehousing program to be offered in our community, through procurement rules established by policy. Over the next 3 years, the provider of the service will be accountable to report on their success in providing Rehousing Services with regular reporting intervals. As a consequence to not effectively providing the service during ongoing reviews, the provider's contract may be cancelled and a new provider procured. In the end, it is hoped that the City will report the outcome "that 150 people were housed over the past year" and does not focus on who provided the service at all.
2. During the budget process, Council provided funding to sustain ongoing operations of a particular Agency, with the only measure of success being that the Agency continues to exist over the term of the funds. It is recognized that there is general value to doing this, but no measurable outcomes assigned for the Agency, or any requirement to report back to community on the funding allocation's resulting influence or impact.
3. When Council approves lump sum funding for specifically identified outcomes, such as those identified and approved by Council (the Community Culture Development Fund, Economic Incentives Program or the Community Recreation Enhancement Fund) and then delegates responsibility for applications and adjudication to either Administration or another outside entity, with the expectation that the delegated authority will report back to Council on the funding allocation's resulting influence or impact on an annual basis.
4. When Council approves funding for a particular entity to operate a City owned asset, and delegates all operation and administration for the same to this entity. This had been done in

many ways, from policy directed procurement practices, (ie: RFP) to the City creating an entity for the purpose of operating the asset or single sourcing operations because an entity has traditionally always been given the opportunity.

There is historical rationale as to why the City has these, as well as many other structures for delivering Community Development Grants in the community; however, the overall process currently presents risk. Administration has been reviewing the many funding opportunities that exist within the City and other comparator communities. The Intercity Forum on Social Policy table has also been looking at this item, and sharing information on best practice for many communities to reduce red tape, establishing consistency for political influence and oversight when appropriate and required, and create a transparent and defensible position when it is not. Further, as resources become more and more scarce, many municipalities are working toward clearly articulating intended outcomes for effective reporting back to the community.

### **Prior Council/Committee Direction**

On October 26, 2020 Council passed the following resolution:

*“Resolved that Council of The City of Red Deer having considered the report from the General Manager Leadership Team dated October 26, 2020 re: Community Development Grants hereby approves Phase 1 & 2 as presented, authorizing Administration to continue to review the Community Development Grant programs to align processes with the goal of reducing duplication, increasing accountability and reporting, and standardizing applications, adjudication, and authority as appropriate.”*

### **Strategic Alignment**

Council’s 2019-2022 Strategic Goals provide guidance to the proposed framework. Through the identified themes, the new community development grant program can directly support all four of Council’s goals including: a safe community, a socially responsible city, a chosen destination and an economic leader.

The new community development grant policy highlights and responds to the strategic directions and priorities provided through various strategic documents including the Social Policy Framework, Environmental Master Plan, Culture Master Plan, Greater Downtown Action Plan, and others.

### **Policy Linkage**

There are currently Council policy gaps in the oversight direction to Administration for community development grants. Some components have clear, concise direction and others are lacking Council Policy supports. The proposed Council Policy strives to streamline the communication to Administration and add clarity to those in the community accessing grants for future years.

### **Consultation**

In 2019, Community Services undertook an environmental scan with other communities across the country to learn alternative approaches, policy formats and frameworks used to distribute

grant funding to community agencies from municipalities. A wide variety of formats were identified and have influenced the recommendations before you today.

Feedback was gathered over the past number of years from applicants, both successful and unsuccessful to assist Administration in better identifying the challenges, gaps and experiences of those attempting to seek grant-funding opportunities from The City.

A brief Council Workshop was also held in Spring of 2021 to gain better insights into Council's desired outcomes to be achieved by each of the grant themes and streams to best serve the community. This feedback from Council has formed the basis of the Council Policy before you today.

Other internal stakeholder departments were also consulted along the way over the past couple years throughout these discussions, most notably with CSV Business Excellence, Safe & Healthy Communities and Land & Economic Development.

Following Council's Policy approval, Administration's next steps will include communication with existing stakeholders on how the new community development grant program may impact funding allocations in future years. Administration will strive to establish this engagement as a capacity building opportunity for those entities interested. Enhancing applications, measurement and evaluation in support of community outcomes being achieved will be a goal of the new program.

The intention for funding changes will first come in the 2023 budget year. Initial communications with stakeholders will be intended to be completed by end of Q1 2022.

## **Operational Impacts**

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### Financial:

Government typically reports on funding programs from a transparency perspective. By aligning our Funding Types and Themes, Administration will be in a better position to be accountable to the public through Council on grants. We can track how funding is provided, what outcomes are being achieved, the value for money (through Council's values framework) and ensure we are in alignment with our financial policies in all instances.

### Regulatory & compliance:

There are compliance requirements specific to the distribution of flow-through grants from other levels of government. It is the intention of this proposed policy to adhere to and leave flexibility where needed to accommodate these requirements.

### Reputational Risks:

Council is often challenged with granting related decisions to which there is currently inconsistent policy direction on, creating gaps in support of Council for decision-making. Over the past number of years, Council and Administration have navigated difficult outcomes and concerns related to these gaps. Many of the contributing factors to historical concerns have been directly addressed with the proposed policy to mitigate future reputational risks.

## **Analysis**

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Administration has collated information from internal and external research to form a series of components; building a proposed Council Policy to provide clarity, direction and guidance to Administration for the execution of Community Development Grant Programs in the future.

The major components that have emerged include:

**PRINCIPLES:** A principle is a statement that describes a fundamental norm, rule, or value that represents what is desirable. It provides consistent guidance for goals, priorities and actions. The City will be guided by these principles when making decisions, developing programs, and allocating resources within the community development grant program. It is recommended Council support principles supporting relationship, process and priority setting principles when issuing community development grants.

**THE FUNDING THEMES:** To streamline opportunities for applicants, community development grants will be grouped into themes to support navigation and communication. The following themes are recommended to be supported by Council:

- Social Development
- Sport and Recreation
- Art and Culture
- Economic Development
- Environmental Initiatives

**THE FUNDING STREAMS:** Different grant streams will be simplified to support a streamlined experience for applicants. The grant streams range from short-term project based funding to longer-term stabilizing funding. Each funding stream has identified objectives and outcomes directly informed by Council's prior feedback to Administration. The following categories are recommended to be supported by Council:

- Innovation and Community Development Enhancement Project Grants
- Community Development Strategic Investment Grants
- Community Development Service Delivery Grants
- Emergency Community Development Operating Grants for Not-for-Profit Entities

Figure I shows the interaction between the themes and streams to create a matrix of opportunities for community-based entities to be supported through grant awards as funding becomes available.

	FUNDING THEMES				
FUNDING STREAMS ↓	Social Development	Arts & Culture	Sport & Recreation	Economic Development	Environmental Initiatives
Innovation & Community Enhancement Project Grants					
Community Development Strategic Investment Grants					
Community Development Service Delivery Grants					
Emergency Community Development Operating Grants					

### Implementation Next Steps:

Following Council Policy Direction, Administration anticipates the next summarized steps of implementation to be as follows:

- Review existing community development grant programs to establish consistent processes and develop required corporate policies and procedures
- Identify all current funded stakeholders and communicate with them to inform them of intentions of new processes beginning with budget 2023 considerations. Communication is expected to be completed by end of Q1 2022.
- Work to phase in implementation of standardized practices over the upcoming grant cycles will be sequenced with natural grant cycles
- Full implementation expected within two years of Council Policy approval.

### Recommendation

Administration is recommending that Council approve a new Community Development Grant Council Policy to set the vision and provide direction to Administration for a Community Grant Program, which will include principles in which the program will run by, a framework for the program's structure and is grounded in the intention of achieving outcomes that serve the community's prioritized needs.



Appendix A  
Community Development Grants Council Policy