Appendix A

Strategic Plan Grant Review Committee

Report to Staff – Pilot External Review Process; Suggestions for Change

October 9, 2017

On June 22, 2017, Council received and adopted the 2017-2018 funding recommendations put forward by the Strategic Plan Grant Review Committee. Council also directed key staff to meet with Committee members to review questions and suggestions with respect to both policy and process as part of Council's evaluation of the pilot project prior to the intake of grants for 2018. On July 10, 2017, the Committee met with Susanne Thompson, Director of Finance, and Christine Havelka, Deputy City Clerk.

The discussion covered 3 areas: Grant policy, the Grant Application Process and the Grant Review Process.

1. Grant Policy

During the review process Committee members raised a number of questions about the grant policy. These included how to treat "core" funding requests from former "fee for service organizations" versus seed funding for new initiatives; whether capital and advocacy funding requests should be eligible; and, Victoria vs regional focused funding. The Committee also discussed whether an organization should be subject to a maximum number of consecutive annual grants after which it would no longer be eligible; how to phase out core funding without causing undue hardship to recipients; whether an organization's ability to raise funds elsewhere should be a relevant consideration; and whether a cap should be established to limit the amount of funds a single organization could receive. In some cases the Committee noted that timing of the grant process meant that certain events (e.g. Bike to Work Week) would already have occurred before funds were awarded raising the question about retroactive funding.

Staff advised that in the case of former fee for service grants, funds were provided to a number of organizations without requiring an application, review or report back on how funds were used or results that were achieved. This practice ended with Council direction to require these organizations to participate in the application and review process. The Committee supports this direction and suggests that it could be enhanced. Recommendations in this regard are included under items 2 and 3, the Grant Application and Review processes.

The Committee noted that there were a wide range of applications and it was difficult to process disparities between them. For example, homelessness and poverty, counseling, traffic crossing guards, Tourism Victoria and VIATEC were

sometimes difficult to weigh against each other. Council's weighted strategic plan objectives helped the Committee set direction.

It is recommended that if Council adopts a set of weighted strategic plan objectives this should be done prior to launching the annual Grant Application process. The strategic priorities selected and the weights they will be given should be clear to all applicants. Applicants should be instructed to identify one strategic objective that best fits their application. This will ensure all applicants are aware of Council's priorities.

The Committee also considered whether to divide the funding available between ongoing and one-off projects. Given the size of the funding pool, it was felt a clear set of priorities and evaluation criteria would be more effective in determining which applications should receive funding and the amount.

The Committee notes that capital requests are eligible under the program. Since capital is funded through other grant programs, the Committee recommends that capital project not be eligible for Strategic Plan grants.

The Committee is concerned that grants for operational purposes can lead to ongoing dependency. The Committee notes that there are no limits on multiple year funding. As a result, some organizations do appear to be relying on Strategic Plan Grants for their operational funding. Instead of making operational funding requests ineligible under the program, the Committee suggests that repeat funding should not extend beyond 3 years. An organization will be eligible to receive a maximum of 3 consecutive grants for the same purpose.

A number of applications appeared to be for regional initiatives. The Committee recommends that the Strategic Plan Grants be limited to Victoria based initiatives, or the portion of the activity that takes place in Victoria.

The Committee also considered whether a cap should apply to individual grant applications and decided not to recommend a cap on grant for 2018. The Committee recommends that the application package include the following statement: "The largest grant awarded in 2017 was $40,000. The average grant was just under $9500.00. "

2. Grant Application Process

The Committee considered a number of elements, including: timing, setting and communicating Council priorities; limiting strategic objectives to be considered for grants in advance; the expectation in the current application that applicant will work with other granting resources; leveraging a grant from Victoria to obtain funding from others; establishment of 'benchmarks for success'; and, the application form itself.

The Committee recommends the following:

1. Adopt a consistent timeline for the Strategic Plan Grant Process:

   - Council adopts its Weighted Strategic Plan Objectives for the Year (to be included in the Application package) and the Application package is approved by October 31st
   - Applications open November 15th
   - Application deadline January 31st
   - Recommendations to Council by April 30th
   - Project period July 1 to June 30 (this avoids the issues around retroactive grants but will eliminate some of the regular applicants for one year when the change is made – like Bike to Work Week)
   - Project "Due Diligence" Reports due September 30th (see notes under Application Format, below)
   - Recruit 2 new members to the Committee by the end of August (see notes under Grant Review Process, below). Note: this will apply starting in 2018. The current "pilot" Committee members have agreed to continue as Committee members for the 2018 grant period. Committee members' terms will run from September 1st to August 31st.
   - Strategic Plan Grant Review Committee meets to review evaluation reports for prior year and process for current year before the application deadline (January 31st)

2. Application Format:
   - Application Form should only include the strategic priorities that the grants are going to be rated on and Council's weighting for each. This will ensure applicants understand those priorities. Applicants will only be able to select one strategic priority.
   - Adopt and include the Assessment Criteria (and definitions) used by the Committee to evaluate applications in 2017 (Strength of Organization, Evidence of Need, Community Impact, and Feasibility)
   - Restrict space (character count) for responses and do not allow supplementary pages. Some of the applications included extensive descriptions of the proposal that did not add to the Committee's understanding of what was planned.
   - Establish consistent submission format/number of documents. Limit or eliminate supporting documents that are not directly relevant to the project proposal or specifically required to complete the application package. For example, applicants should not include letters of support, posters, annual reports, etc.)
   - Budget format and requirements must be clear. A template that must be

used by applicants should be provided.

- Staff should continue to review applications for eligibility. Staff should also confirm compliance with application requirements, including budgets, before committee review.
- The Committee strongly recommends that grant applications set out key objectives and how they plan to measure success. Grant recipients should be required to report on how they met these objectives. This report would be a prerequisite for and a factor in ranking a subsequent request for funds from an applicant.
- Include "due diligence" reporting requirements and timing (see Grant Review Process below).
- Be clear about the 3-year maximum requirement.
- In future, consider moving to an online application and reporting format only; and, consider simplified reporting requirements for grants under $5000.00.

3. Website to include:

The City's website should be as complete as possible. It should include all of the information outlined in previous section, Application Format. Critical elements to highlight include:

- Who and what kinds of projects are eligible.
- Who and what kinds of projects are ineligible.
- Clearly identify the strategic priorities Council has identified for funding and the weight given to each.
- Assessment criteria (Strength of Organization, Evidence of Need, Community Impact, and Feasibility) including definition bullets.
- Note the range of awards the previous year. For example, in 2017, grants ranged from $1000 to $40,000. The average grant was just under $9500.00.
- Encourage diverse funding sources, including other municipalities for projects that extend beyond Victoria, and collaborations/partnering
- Link to Grant Writing Handbook from Greater Victoria Community Funders Network
- Link to list of "Other Funding Sources" from the Victoria Foundation (http://victoriafoundation.bc.ca/grants-funding/other-funding-sources/)

3. Grant Review Process

At the June 22, 2017 meeting, Council indicated that it wished to continue the external Strategic Grant Plan Review Committee process. Council asked the current Committee members if they were willing to continue to serve in this capacity.
The Committee considered this request and recommends:

- Application evaluation process should be standardized based on the criteria used in 2017 (Council Weighted Strategic Plan Objectives and Assessment Criteria noted above)
- The matrix developed by one of this year's Committee members should be transferred to City Staff for future use. It should be updated annually based on Council's decision regarding weighted strategic priorities. A column to reflect receipt of a "due diligence" report should be added.
- Maintain a 5 member Committee, but introduce overlapping terms. Starting in 2018, three members would stay on for a second year while 2 members would "sunset". Annual recruitment will be required to replace the 2 outgoing members.
- Outgoing members would be responsible for evaluating reports from current year grant recipients and providing an assessment of each to staff and the Committee.
- The Committee should be established by September 1st each year. This means that recruitment for 2 new members should begin early enough in 2018 to have a full Committee in place by September 1st.

As noted earlier, all current members are willing to continue for the 2018 grant program. After that, it is recommended that the system outlined above be used.