



Commissioned by the Department of Internal Affairs

# Review of the Community Partnership Fund Application Process

November 2006

# Executive Summary

The Community Partnership Fund (the Fund) was established in 2005 as part of the Government's Digital Strategy that plans to make New Zealand a world leader in using Information and Communications Technology to realise economic, social, environmental and cultural goals. One funding application round, administered by a team in the Local Government and Community Branch of the Department of Internal Affairs, has been completed.

In September 2006 the Department of Internal Affairs, on behalf of the Digital Strategy Secretariat, commissioned a review of the Fund's operational policies and processes from an independent reviewer. Its purpose was to gather feedback and information to confirm or adapt the operational policies and processes for the second funding round beginning in November 2006. The review had the following key objectives:

1. To assess how the Fund application process was designed and aspects that have worked/not worked in the Fund's implementation; and
2. To assess the process and products (including communications and forms) put in place for the Fund and whether they are meeting the needs of their stakeholders.

The information gathering phase was limited to three weeks. Review material was obtained using a variety of methods: face-to-face interviews, phone interviews, audio conferences, workshops and a review of some relevant documents. Review participants included 14 applicants to the first Community Partnership Fund funding round, nine Department of Internal Affairs' officials, two officials from the Digital Strategy Secretariat, seven members of the Digital Strategy Advisory Group, four members of the Digital Strategy Steering Group and two external advisors (one technical, one financial). It is impossible to know the extent to which the views of those who participated in the review are representative more generally of the views of these groups.

The fund application process comprises two stages: an Expression of Interest stage and a Comprehensive Application stage. There were 286 Expressions of Interest in the Fund's first round. Fifty six (or 20%) of these applications were approved for funding following the submission of a comprehensive application to the Community Partnership Fund. Thirty three (or 12%) were declined at the comprehensive application stage, 15 (or 6%) were invited to submit a comprehensive application but elected not to do so, and 182 (or 63%) were declined at the Expression of Interest stage.

Many of the tasks associated with the Fund application process worked well. They tended not to be commented upon by review participants who took for granted the fact that most processes (for example the receipting and handling of 286 Expressions of Interest) ran smoothly. However, applicants' ability to access information about the Fund and the application process, the timing of the two stages and the helpful assistance of DIA advisors were three aspects that worked particularly well from an applicant perspective. Positive aspects mentioned by other groups of review participants included the fact that some very good projects were funded, the manner in which the DIA Fund administration team had assembled the funding package, the professionalism of individual DIA Fund administration team members, and the two step approach to the application process.

Aspects of the application processes that review participants described as not working so well included that government agencies had been able to submit applications, a communications plan that needed a broader focus, an Expression of Interest stage that was too onerous (particularly on applicants seeking \$5,000 or less), the wording of the eligibility and ranking criteria which was viewed as bureaucratic, feedback to unsuccessful applicants that needed to be more detailed, and an assessment process which was perceived by some as being too rule-bound.

Review participants suggested ways in which processes could be improved to the Fund's administration. Suggestions were wide ranging. Those suggestions for improvement for which there appeared to be either cross-group support or strong support from within by a particular group are:

1. Use of a more flexible assessment approach that better reflects the strategic intent of the Fund but continues to meet all the necessary requirements associated with the allocation of government funds;
2. Simplify and/or clarify the wording of the eligibility and ranking criteria;
3. Review the appropriateness of and ability for government agencies to apply to the Fund;
4. Simplify the Expression of Interest stage;
5. Reduce the compliance costs for community groups seeking small amounts of funding from the Fund or re-direct them to other funding sources;
6. Provide more support for applicants at the comprehensive application stage;
7. Provide applicants applying for over \$100,000 with the opportunity to discuss their comprehensive applications with the assessors in person or over the phone;
8. Assess applications by grouping them in various ways and comparing them within the groups (for example, applications of like activities/projects, user groups, target groups, geographically);
9. Provide more explicit feedback to unsuccessful applicants so that they can learn from the experience; and
10. Improve the user friendliness of the application forms (for example, by removing the purple background in the boxes, and making it easier to cut and paste text).

There is a good deal of support for the way in which the DIA Fund administration team went about establishing and processing applications to the first funding round within a relatively short period of time. Their institutional knowledge and experience were evident.

Review participants appreciated the DIA Fund administration team's openness to being reviewed by some applicants and others in various advisory and decision making roles in relation to the Fund. Participants indicated a desire to see the review findings help inform application processes for community groups making application for funding to the second and subsequent rounds of the Community Partnership Fund.

# Management Response

## Review Key Findings

Suggestion	Action Taken	Action Proposed
<p>Approach</p> <p>1. Use a more flexible assessment approach that better reflects the strategic intent of the Fund but continues to meet all the necessary requirements associated with the allocation of government funds.</p>	<p>When the criteria were set, the Digital Strategy Steering Group (DSSG) considered the balance of 'flexibility' (to reflect innovation and ICT projects) with clear and fair benchmarks for all applicants to be assessed against.</p> <p>The current assessment criteria do not preclude a 'flexible' assessment approach. The eligibility and ranking criteria remain the same.</p> <p>The Digital Strategy Steering Group (DSSG) endorses the 'flexibility' provisions in the current practice.</p>	<p>Continued professional development of assessment staff with the continued provision of access to ICT learning opportunities.</p>
<p>Eligibility and ranking criteria</p> <p>2. Simplify and/or clarify the wording of the eligibility and ranking criteria.</p>	<p>An eligibility checklist has been included in the Expression of Interest (EOI) pack.</p> <p>Full definitions of eligibility and ranking criteria, particularly partnership, contribution, community and the three 'c's; content, capability (confidence) and connection, have been included in the EOI pack.</p> <p>Information about the Fund has been reviewed and incorporated into one information booklet (from three forms previously).</p>	<p>Information updates will be posted on the Digital Strategy website that provide examples of successful application extracts highlighting how they align with the major criteria of partnership, contribution and community support.</p> <p>Review the comprehensive application form in line with the process of reviewing the Expression of Interest form.</p>

<p>3. Remove the ability for government agencies to be applicants to the Fund.</p>	<p>Currently government agencies may be an applicant to the fund where they act as an 'aggregator for demand'. Views were expressed that it is inappropriate to provide Crown funding to government agencies when they have other avenues available to them to receive Crown Funds directly through Budget Bids.</p>	<p>DSSG are currently reviewing this facility. Any further recommendations will follow accordingly.</p>
<p>Expression of Interest and Comprehensive Application stages (including assessment)</p> <p>4. Retain the two-stage application process, but simplify the EOI stage.</p> <p>Improve the user friendliness of the forms.</p>	<p>A two-stage process has been retained for the 2006/07 round.</p> <p>The EOI pack has been reviewed. Clarified definitions of criteria particularly partnership, contribution, community and the three 'c's are provided. The pack comprises:</p> <ul style="list-style-type: none"> <li>▪ an eligibility checklist (self assessment)</li> <li>▪ an information booklet (collated to one booklet from three)</li> <li>▪ an applicant registration form (will not be required again at the comprehensive stage)</li> <li>▪ an EOI Form (reduced from 12 pages to 6)</li> </ul> <p>The simplified information requirements for the EOI are clearly stated through direct questions and clear guidelines regarding supporting information.</p> <p>Questions have been reframed so one question can elicit information covering a number of criteria</p>	<p>It is recommended that the effectiveness of a two-stage application process be included in the overall evaluation of the Digital Strategy Funds.</p>

	<p>– reducing the number of questions from 43 to 23 (32 to 21 for applications up to \$5,000).</p> <p>An applicant registration form has been introduced so that unless there have been changes, applicants will provide their organisational details only once throughout the process.</p>	
<p>5. Reduce compliance costs for community groups seeking small amounts of funding or redirect them to other funding sources.</p>	<p>The EOI process has been simplified as above. Clear information about requirements for Comprehensive Applications is provided in the EOI information – applicants can decide whether to proceed knowing the full process requirements. Information about resources for other funding has now been provided on the Eligibility checklist.</p>	<p>No further action is planned.</p>
<p>6. Provide more assistance for applicants at the Comprehensive Application stage.</p>	<p>The community support capability, provided by the Department of Internal Affairs' (DIA) regional advisors network, has been increased.</p> <p>The funding advisor resource in the Digital Strategy team in the DIA national office has been increased.</p> <p>DIA Client Information Officers (0800 service) will be supported by the Digital Strategy team.</p> <p>The Secretariat will provide technical advice and support.</p>	<p>No further action is planned.</p>

<p>7. Provide applicants (for applications over \$100,000) the opportunity to discuss their applications with assessors (in person or over the phone).</p>	<p>Assessors may contact applicants for further information or clarification. Decision making guidelines currently maintain clear boundaries within the assessment role.</p> <p>DSSG have confirmed the current role boundaries of assessors.</p>	<p>No further action is planned.</p>
<p>8. Assess applications by grouping them in various ways and comparing them within these groups.</p>	<p>A paper was provided to DSSG regarding considerations for decision-making approaches for round two (November 2006), which included this suggestion.</p>	<p>While the DSSG will take into account other factors as appropriate at the time, each project will be considered on its merit.</p>
<p>9. Provide more explicit feedback to unsuccessful applicants so that groups can learn from the experience.</p>	<p>Invitations to discuss the decisions were made to the unsuccessful applicants at both stages in the first round. Feedback from those that took up this opportunity was positive.</p>	<p>Invitations to discuss decisions will be offered again, and will be highlighted in the decision letters.</p>