

NEIGHBOURHOOD HOUSE PARTNERSHIP PROGRAM 2022

Report Author: Project Coordinator Community Recovery Committees
Responsible Officer: Director Communities
Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

Officers undertook the *Neighbourhood House Partnership Program Evaluation Project* in 2020-2021. The analysis examined the actions, achievements and challenges experienced by Neighbourhood Houses under the current Neighbourhood House Partnership Agreement together with consideration of outcomes delivered in the context of the aims of the program. The Evaluation informed development and planning for the delivery of the Neighbourhood House Partnership Program 2022 to 2026 (see Appendix 1: *Neighbourhood House Evaluation Report 2021 Summary*).

The Neighbourhood House Partnership Agreement 2022 (Appendix 2) has now been drafted, along with the Neighbourhood House Partnership Program Registration Form (Appendix 3). These documents indicate the process for Neighbourhood Houses to receive funding for the purpose of delivering community development activities and the provision of low cost/no cost programming under the Neighbourhood House Partnership Program 2022. Within this program there will be a greater focus on outcome measures to meet Council's strategic objective of connected and healthy communities.

Key proposed updates to the new agreement include a change in frequency of payment of funding, an annual rate cap increase over the term of the agreement and an equalisation of funding model, resulting in all Neighbourhood Houses receiving the same level of funding. To assist with the transition, it is proposed that two Houses, who will have a decrease in funding under the new agreement, receive a one-off contribution of the gap in funding in 2022-23.

RECOMMENDATION

That Council

1. ***Endorse the Neighbourhood House Partnership Agreement 2022, which includes:***
 - (a) ***A four year term.***
 - (b) ***Change in the frequency of payment from bi-annual to annual in July each year.***
 - (c) ***A funding model for all Neighbourhood Houses, which includes:***
 - i. ***Equal distribution of the funding pool to eleven (11) Neighbourhood Houses (excluding Lilydale Community House) in 2022-23.***
 - ii. ***Equal distribution of the funding pool to all twelve (12) Neighbourhood Houses (with the inclusion of Lilydale Community House) from July 2023 for the remainder of the Agreement.***
2. ***Endorse the provision of a one-off gap contribution to Japara Neighbourhood House (\$4,579.15) and CIRE Services Yarra Junction (\$3,170.82), for the 2022-2023 financial year, to assist in the transition to the new funding model.***
3. ***Endorse the option to increase the total funds distributed in years two to four (2023-2026) by the annual rate cap increase each financial year.***
4. ***Note the update on the findings from the Neighbourhood House Partnership Program Evaluation.***
5. ***Authorise Neighbourhood House Partnership Agreements under the delegation to the Director Communities.***

RELATED COUNCIL DECISIONS

At the 14 June 2016 Council meeting the motion was carried:

That Council:

1. Endorses the recommendations in the Neighbourhood House Review Report including the new funding model, qualification requirements for funding, relationship framework, shared services and local planning, building maintenance and asset planning and redevelopment.
2. Prepares a separate and more detailed Council Report on the operational management requirements of Japara Living and Learning Centre and Kimberley Place to ensure their ongoing financial viability and presents the Officer recommendations to Council.

DISCUSSION

Purpose and Background

Neighbourhood Houses are highly valued by the community and play a pivotal role in increasing connection and participation, whilst promoting inclusion and capacity building in our community. Under the Neighbourhood House Partnership Program Council provides Neighbourhood Houses with significant funding for the purpose of delivering community development activities and the provision of low cost/no cost programming. It is important to ensure appropriate systems are in place to measure the impact and benefit of Neighbourhood Houses.

In 2015-16 Yarra Ranges Council commissioned a review of Neighbourhood (also known as Community) Houses. The imperative for this review arose from a range of factors, these include a 2014 Partnership Grant Review, perceived inequities in funding allocations and underlying concern regarding the long-term viability and financial sustainability of the Houses.

The review found that while the Houses deliver valuable services and programs to local communities, there were underlying issues regarding the future sustainability of the existing model, including inconsistency of governance structures of the Neighbourhood Houses and a greater need for financial and reporting accountability to Council.

The review also highlighted a historic, inequitable allocation of funding where some Houses received more and others less, within a finite funding pool, and that there was no transparent basis or justification for the unequal allocation of Council resources. The review proposed a transition to equalisation in funding allocations.

As a result of the Review in 2015/16 Neighbourhood Houses became signatories to the 2018 Neighbourhood Houses Partnership Program. This Agreement included an adjustment in funding levels with transition loading to spread the loss or gain of funding across multiple years with the aim to work towards parity of funding allocation across all Neighbourhood Houses. To support the transition, funding changes were introduced at a manageable level which resulted in parity not being achieved by the final year of the agreement. Full equalisation needed to occur in a future agreement.

The 2018 agreement also improved the governance of the funding with a three-year funding agreement, commitment to quarterly Network meetings, and improvements to SmartyGrants reporting to increase accountability for funding. This Partnering Agreement expired on 30 June 2021.

Due to the impact of Covid-19 in 2020 and 2021 on both Council and Neighbourhood Houses, and to allow time for a thorough and collaborative review to be completed, an extension of the existing terms of the 2018-2021 Partnering Agreement was granted until June 2022.

The *Neighbourhood House Partnership Program Evaluation Project* was undertaken in 2021, analysing the operations of the 2018-2021 Neighbourhood House Partnering Agreement.

The Neighbourhood House Partnership Program Evaluation Project had three objectives:

1. Evaluation:

To review and evaluate the implementation of the 2018-2021 agreement, analysing the successes and challenges in the reach and accessibility of the Neighbourhood House Partnership Program.

2. Development:

To develop new guiding documents¹ that outline the new partnership between Neighbourhood Houses and Council for the Neighbourhood House Partnership Program 2022-2026.

3. Planning:

To plan and implement the Annual Action Plan and Reporting Framework for Neighbourhood Houses as specified in the guiding documents.

The Neighbourhood House Partnership Program Evaluation Report (Appendix 1) introduced issues for consideration and proposed recommendations to be implemented.

Considerations included, building stronger relationships, reviewing forms, and developing templates, helping Neighbourhood Houses to better understand project planning, and incorporating project planning into reportable actions and outcomes measures.

These considerations were framed as questions to facilitate deliberative engagement with Neighbourhood Houses for collaboration in co-design of the Partnership Program. Outcomes of the discussions contributed to the development of the Neighbourhood House Partnership Agreement 2022 and Program Registration Form. The following table outlines the recommendations and provides a status update on their implementation.

	Recommendations:	Outcome:
1	Develop Neighbourhood House Partnership Program Guidelines which includes clear framework on the Partnership expectations and defines processes for managing relationships between Neighbourhood Houses and Council.	Currently being developed
2	<i>Terms of Reference (ToR)</i> to be tabled for discussion at the next Strategic Network Group Meeting, with a timetable for review established.	Ongoing: Network still to formalise ToR, discussions about the management and structure of the Network meeting have occurred. This is an item

¹ NEW GUIDING DOCUMENTS includes Partnership Agreement 2022-2026, Updated TOR as specified “In Scope”, plus new DHHS/DFHH Guidelines

		for the Network to lead rather than Council.
3	Collective development of shared <i>Objectives</i> with Neighbourhood Houses individually developing their own <i>Activities</i> to achieve positive <i>Outcomes</i> .	Ongoing: Multiple workshops to discuss this. Included in the new Agreement.
4	Revoke obligation to submit annual Strategic Plans and replace with requirement for submission of Strategic Plan at the application stage of the Partnering Agreement 2022-2026.	Completed: Houses will be required to submit their organisational Strategic Plans at beginning of Agreement and then as required upon renewal
5	Develop Neighbourhood House Partnership Program Guidelines that specify the processes in SmartyGrants for Neighbourhood Houses, Community Development Officers, and Grants Officers.	Currently being developed
6	That reporting requirements of the Partnering Agreement 2022-2026 align with the Department of Families, Fairness and Housing (DFFH) Neighbourhood House Coordination Program Guidelines.	Completed: The reporting requirement aligns with current DFFH guidelines.
7	Examine any other financial contributions by Council to Neighbourhood Houses and ensure they are taken into consideration when finalising the 2022-26 Partnership Agreements.	In progress. Further analysis will be undertaken with council Infrastructure and Facilities teams.
8	Change Partnering Agreements payment schedule to annual payment regime subject to submission of Annual Acquittal documentation.	Completed
9	Guidelines created to guide Community Development Officers and Grants Officers on the analysis of the Annual Review form.	Currently being developed
10	Establish a short-term Project Control Group to oversee implementation of the remainder of Evaluation Project.	Completed.

The Neighbourhood Houses that are currently participating in the Neighbourhood House Partnership Program are:

- Chirnside Park Community Hub (Cire Services);
- Healesville Living & Learning Centre;
- Japara Living & Learning Centre;
- Kallista Community House;
- Mt Evelyn Community House;
- Olinda Community House;
- Selby Community House;
- Seville Community House;
- Woori Community House;
- Yarra Glen & District Living & Learning Centre; and
- Yarra Junction Community House (Cire Services).

Lilydale Neighbourhood House is newly established and operating under a separate Funding Agreement until 30 December 2022 under the auspice of Community Houses Association of the (Eastern) Suburbs (CHAOS). CHAOS has requested that the auspice arrangement be extended until 30 June 2023 with the view to incorporating them into the Neighbourhood House Partnership Program from 1 July 2023 once they are established in their own right.

Catchment:

Census data from Profile.id² highlights the population data for the suburbs of each of the Neighbourhood Houses. Whilst the Neighbourhood Houses in the Upper Yarra region have less population to service, the distance that community needs to travel is vast, impacting on accessibility. This increases the significance of Neighbourhood Houses in these isolated areas and funding for these local communities. The recent establishment of the Lilydale Community House has filled a gap in service, in an area of the municipality with a greater population density.

Neighbourhood House	Population	Neighbourhood House	Population
Chirnside Park CC (CIRE)	12,266	Olinda CH	9,771
Healesville LLC	10,434	Selby CH	9,958
Japara NH	9,980	Seville CH	7,595

² [Home | Yarra Ranges Council | Community profile \(id.com.au\)](#)

Kallista CH	9,771	Upper Yarra CH (CIRE)*	8,921
Lilydale CH	17,513	Woori CH	6,084
Mt Evelyn CH	9,863	Yarra Glen DLLC*	6,105

**Upper Yarra CH* covers Yarra Junction, Wesburn Millgrove (5653) AND Warburton, Upper Yarra Valley (3268), whilst *Yarra Glen DLLC* represents Yarra Glen and Surrounds (3747) and Coldstream, Yering (2358).

There are a number of Profile id categorised areas unrepresented by Neighbourhood Houses, however most are in close proximity to existing Houses, as follows:

- Rural South East (pop. 2,183) - Hoddles Creek, Powelltown could access Yarra Junction, Woori Yallock or Seville;
- Monbulk, Silvan (pop. 6,185) - could access Kallista or Mt Evelyn;
- Upwey, Tecoma (pop. 9,848) - could access Olinda or Selby;
- Mooroolbark (pop. 23,359) - could access Chirnside Park, Lilydale or Kilsyth; and
- Montrose (pop 6,995) - could access Olinda, Mt Evelyn or Kilsyth

Neighbourhood House Partnership Agreement 2022

The Neighbourhood House Partnership Agreement 2022 used the 2018-2021 Agreement as a template for the basis of the contract.

Neighbourhood Houses will continue to meet with Community Development Officers every six months as an opportunity to reflect on the community development activities undertaken and maintain strong relationships between the House and Council. They will also be required to submit Annual Review and Acquittal reports, with a focus on financial accountability and outcomes measures.

Options considered

Additional options that were considered and rejected include:

- Ceasing the Neighbourhood House Partnership Program. Neighbourhood Houses rely on the funding from the Partnership Program to undertake vital community development activities. In addition, negative reputational risk to Council would ensue by withdrawing funding;
- Renewing the Partnership Agreement 2018-2021 without change. Improvements in the planning and reporting were required to ensure financial accountability and transparency in the Partnership Program;
- Keeping the funding allocations consistent with funding distributed in 2021-2022. This option sees variability in funding distributed to different Neighbourhood Houses between \$33,717 and \$41,255. Given the consistent requirements across all Neighbourhood Houses there is no justification for the inequity in the current distribution and full equalisation of funding is the final step in the process which commenced in 2016;

- Adopting an equalisation model of funding where all Neighbourhood Houses receive the same funding allocation from year one (1). This option results in two Houses receiving a reduction in funding (\$4,579.15 and \$3,170.82) and with relatively short notice impacts their planned programming for 2022-2023; and
- Develop a proportionate process for allocating funding based on population size within each catchment area. This is not in line with the findings from the 2015/16 Neighbourhood House Review which recommended a move towards equalisation of funding across Houses and is not the view of the current Houses who are part of the program.

In addition, each House allocates their funding for many different purposes which cannot be compared in a fair way. Some Houses allocate funding to a resource, others allocate funding to specific programs and some use the funding for overall activity.

Recommended option and justification

The recommended option is to apply an equal distribution of the funding pool to eleven Neighbourhood Houses (excluding Lilydale Community House who are currently operating under their own Agreement), with a one-off gap contribution to the two Neighbourhood Houses who would incur a decrease in funding for the 2022-23 financial year. With a move to equal distribution of the funding pool to all twelve Neighbourhood Houses from July 2023 for the remaining three years of the Agreement.

This completes the transition to equalisation that began in 2016, whilst providing the two Neighbourhood Houses that would experience a significant decrease in funding with sufficient time to plan for the decrease.

FINANCIAL ANALYSIS

The current Neighbourhood House Partnership Program budget 2022-2023 has been included in this financial year budget at \$433,444. This is the same amount that was allocated in the budget for 2021-2022.

It is proposed that an increase equivalent of the rate cap be applied to the funding distributed in the three years from 2023-2026.

The projected budget for the four years of the Neighbourhood House Partnership Program is below. The proposed figures in the table below are based on a rate cap of 2%. This is subject to change.

Year	Base Rate	Rate Cap @ 2%	Total
2022-2023	\$433,444	N/A	\$433,444
2023-2024	\$433,444	\$8,669	\$442,113
2024-2025	\$442,113	\$8,842	\$450,955

2025-2026	\$450,955	\$9,019	\$459,974
Total			\$ 1,786,486

The recommendation to equalise the payment results in two Neighbourhood Houses receiving a reduction in funding (\$4,579.15 and \$3,170.82), three Houses receiving approximately the same funding and six Houses receiving an increase in funding (between \$ 2,302.73 and \$ 2,958.87). Neighbourhood Houses present at the 10 May 2022 Network meeting voted unanimously the proposal of an equalisation model of distribution.

Under the proposed model, Cire Services (Yarra Junction) and Japara Neighbourhood House would receive a reduction in funding allocation. Both have been consulted and whilst they are not averse in principle to the proposed equalisation of funding model, they indicated that the short notice given was not ideal and would have an impact on their community development plans in 2022-23.

It is therefore recommended that a once off payment of the equivalent to their decrease be made to Cire Services (Yarra Junction) and Japara Neighbourhood House for the 2022-23 financial year to ensure their program planning and service delivery can continue whilst they transition to the equalisation model in 2023-24.

The model proposed is under the assumption that Lilydale Neighbourhood House are granted their request to extend their current agreement by 6-months from 1 January to 30 June 2023. They would then be added to the new partnership program arrangement as of 1 July 2023.

The following table outlines the proposed funding allocation for each Neighbourhood House to achieve equalisation.

Organisation	2021/22 ex GST	2022/23 ex GST	Difference	2023/24 ex GST 2% Rate Cap	Difference
Cire Services (Chirnside Park)	\$36,783.21	\$ 36,676	-\$ 106.48	\$36,842	\$165.97
Cire Services (Yarra Junction)*	\$39,847.55	\$ 36,676	-\$3,170.82	\$36,842	\$165.97
Healesville LLC	\$33,717.86	\$ 36,676	\$ 2,958.87	\$36,842	\$165.97
Japara LLC*	\$41,255.88	\$ 36,676	-\$4,579.15	\$36,842	\$165.97
Kallista CH	\$36,633.59	\$ 36,676	\$ 43.14	\$36,842	\$165.97
Mt Evelyn CH	\$34,374.00	\$ 36,676	\$ 2,302.73	\$36,842	\$165.97
Olinda CH	\$33,717.86	\$ 36,676	\$ 2,958.87	\$36,842	\$165.97
Selby CH	\$36,633.59	\$ 36,676	\$ 43.14	\$36,842	\$165.97

Seville CH	\$33,717.86	\$ 36,676	\$ 2,958.87	\$36,842	\$165.97
Woori CH	\$33,717.86	\$ 36,676	\$ 2,958.87	\$36,842	\$165.97
Yarra Glen & District LLC	\$33,717.86	\$ 36,676	\$ 2,958.87	\$36,842	\$165.97
Lilydale CH	\$30,000.00	\$30,000.00	\$0	\$36,842	\$6842
Yearly total	\$424,117	\$433,444		\$442,112	

*Japara and Cire Yarra Junction will be provided with a one-off contribution in 2022-2023 equivalent to their decrease

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan:

- Connected and Healthy Communities
 - Communities are safe, resilient, healthy, inclusive and socially well connected. Quality services are accessible to everyone.

RELEVANT LAW

Gender Equality Act

The Neighbourhood House Partnership Agreement and Registration Form includes a statement about commitment to Yarra Ranges Council's gender equity vision and meeting requirements of the Gender Equality Act 2020.

SUSTAINABILITY IMPLICATIONS

Economic Implications

There is a positive economic impact on a local economy, drawing people into community centres and encouraging broader community participation. Some Houses provide employment-ready training for the long-term unemployed, and for people wishing to change vocation or re-join the workforce after an extended absence.

Houses connect people to local businesses and other training opportunities. They provide a source of employment for tutors and activity leaders. Volunteering at a Neighbourhood also generates economic activity and benefit.

Social Implications

Neighbourhood Houses play a vital role in building community resilience and capacity through increasing access to activities, courses and programs for people of

all ages and abilities. The Neighbourhood House Partnership Program provides opportunity to deliver no or low-cost community development activities.

The benefit to the community is that it increases social capital and social connectedness, through well-used multi-purpose facilities and linked services.

Environmental Implications

There are no known environmental impacts.

COMMUNITY ENGAGEMENT

Various methods were utilised when liaising with Houses over the past 18 months including correspondence, Network meetings, questionnaires, and workshops. Their voice was essential in reporting on strengths and achievements of the Partnering Agreement 2018-2021 and highlighting areas where improvement is needed.

Consultation with the Houses has identified that the programs and activities delivered by the Houses are significant and important.

The Neighbourhood House Partnership Agreement 2022 has been developed in consultation with the Neighbourhood Houses through discussions at the Network meetings. Since the beginning of 2022 representatives from three Neighbourhood Houses, CHAOS and DFFH have participated in Project Reference Group meetings.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

The Department of Families, Fairness and Housing and Community Houses Association of the Eastern Suburbs are active participants on the Neighbourhood House network with representation on the Project Reference Group.

RISK ASSESSMENT

Risk	Mitigation
Financial viability of the Neighbourhood Houses	<ul style="list-style-type: none"> • Evaluation completed • Updates made to the Partnership Agreement and Registration form • Improved accountability to Council for the funding received • Guidelines for implementation of Partnership Program in development • One off transition payment to Neighbourhood Houses receiving a decrease in funding
Impact on community of underperforming poorly run facilities	<ul style="list-style-type: none"> • Evaluation completed • Updates made to the Partnership Agreement and Registration form • Improved accountability to Council

	for the funding received • Guidelines for implementation of Partnership Program in development
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CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Neighbourhood House Evaluation Report 2021 Summary;
2. Neighbourhood House Partnership Agreement 2022 DRAFT; and
3. Neighbourhood House Partnership Program Registration Form