



**REPORT TO ARTS COMMITTEE
MEETING OF TUESDAY, MAY 13, 2015**

SUBJECT **Notice of Concern Policy - Operating Grant program**

ISSUE

Formalizing the notification policy for Operating Grant recipients that are failing to meet program objectives.

BACKGROUND

There is no formal policy setting out the notification to organizations being considered for reduction or removal of funding. Currently, an administrative process covers such instances as they arise through grant recommendation letters. With continued refinement of the evaluation system it is timely to standardize the process to ensure that shortcomings, expectations and risks to funding are clearly stated and monitored.

A sub-committee of the Advisory Council, including staff, met to discuss this issue. Prior to the meeting a number of documents were circulated for review, including the sub-committee's Terms of Reference, a backgrounder, and examples of the Canada Council's Fair Notice and Concerned Status policies.

The Chair of the sub-committee also solicited views on the need for such a policy and on the relevance of the Canada Council examples. Comments were compiled and circulated for the benefit for the sub-committee.

Following a discussion, the sub-committee proposed the following policy which was ratified by the Arts Advisory Council at their regular meeting on May 5, 2015:

Notice of Concern Policy

The Notice of Concern policy assists the CRD Arts Service to monitor and maintain consistency by funded organizations in fulfilling Operating Grant program objectives, and protects the CRD's funding investment in these organizations.

The RANC evaluation scale is the basic reference for the implementation of this policy. If the RANC scores for an organization reflect *significant* concerns, a Notice of Concern will be sent to the organization. For purposes of the policy, two or more occurrences of a score below "3" in one or more of the detailed criteria within any of the three RANC areas of Artistic Merit, Administrative Competence, or Community Impact is considered "significant".

A Notice of Concern will be conveyed to the organization in the Operating Grant recommendation letter, provided to each organization following adjudication.

The Notice will:

- a) List and describe the area(s) requiring remediation as indicated by low scores,

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b) Require the applicant to report on all remediation activity (steps to resolve plus the positive outcome) in the following year's application,

c) Clearly state that if an applicant does not adequately address the Significant Concerns in their next Operating Grant application, funding may be reduced or withdrawn or, conditions may be attached to future program eligibility.

The Notice of Concern Policy is in addition to other funding policies as outlined in the Arts Development Operating Grant Guidelines.

Proposed Timeline for Implementation at the CRD 2016 Operating Grant Deadline, September 2015 if approved by Arts Committee

Action	Timing
Ratification of the policy by Arts Advisory Council	May 2015
Consideration and Approval by the Arts Committee	By June 2015
Revisions made to 2016 Operating Grant Guidelines	July 2015
Adjudication of 2016 applications uses the Policy to identify significant concerns	Fall 2015 adjudication
2016 recommendation letters include applicable Notice of Concerns	December 2015
2017 application includes a reporting section for organizations with significant concern	July 2016
2017 adjudication packages include previous year's recommendation letters to permit crosschecking and assessment of remediation of significant concerns	Fall 2016 adjudication
Outcomes of remediation considered in funding recommendations	December 2016

FINANCIAL IMPLICATIONS

There are no costs associated with implementation of the proposed policy

RECOMMENDATION

It is recommended that the Notice of Concern Policy be adopted and staff be directed to revise the 2016 Operating Grant Guidelines accordingly.



James Lam, Manager
 Arts Development Service