

**ITEM 26. VILLAGE BUSINESS GRANT PROGRAM 2015/16 - ROUND TWO
ALLOCATION**

FILE NO: S076576

SUMMARY

The City of Sydney recognises the importance of commerce to Sydney as a globally competitive and dynamic economy and is committed to supporting small business through a range of initiatives. These initiatives include support for commercial and creative events and major business events, environmental sustainability leadership, the development of Economic Development Strategy and the Retail and Tourism action plans, along with the delivery of information, seminars, workshops and forums for entrepreneurs, startups, small businesses and business chambers.

The local village precincts play a fundamental role in the city's economy, collectively generating a quarter of the city's output, or \$25 billion per annum. Of the estimated 21,600 small businesses in the Local Government Area, approximately 60% (or over 13,000) of these businesses are located in local village precincts.

The Village Business Grants Program supports initiatives and projects that seek to revitalise and enhance local commercial and retail precincts, build capacity in business operators, strengthen local business networks and enhance diversity, precinct brand and character of place. Open for applications twice a year, the Village Business Grants program provides cash funding of up to \$80,000 (excluding GST) for non-profit incorporated associations which substantially represent a village economy.

The report recommends Village Business Grants for the Haymarket Chamber of Commerce (165 financial members), Pyrmont Ultimo Chamber of Commerce (88 financial members), Glebe Chamber of Commerce (84 financial members) and South Sydney Business Chamber (282 financial members).

All organisations recommended for funding have submitted a three year strategic plan and a one year operational plan. Release of the funding recommended is subject to entering into a funding agreement, meeting the funding conditions and specific performance criteria, and ensuring the satisfactory acquittal of current grants. All figures in the report are exclusive of GST.

RECOMMENDATION

It is resolved that:

- (A) Council approve cash grant and value in kind (VIK) recommendations for 2015/2016 and 2016/2017 under the Village Business Grant Program - Round 2 listed as follows:

Applicant	Amount Recommended (Excl GST)	VIK Recommended	Conditions
Glebe Chamber of Commerce	\$60,000	Nil (Not requested)	Project 1 -No further funding to be provided for website development. Project 3 - Applicant to submit a revised timeline and event management plan.
Haymarket Chamber of Commerce	Year 1 - \$69,600 Year 2 - \$69,600	Nil (Not requested)	Project 1 – A professional event organiser must be engaged to support the delivery of the event. If the event is not accepted as an ‘Associated Event’ of Vivid, then the recipient may resubmit a proposal for supporting an event of similar scale, outcome and engagement.
Pymont Ultimo Chamber of Commerce	\$49,000	Nil (Not requested)	Project 1 – Funding not to be used for stakeholder meetings. Project 4 – Funding not to be used for newspaper insert.
South Sydney Business Chamber	\$74,500	Year 1 – Banner pole hire up to the value of \$4,000	Project 2 – Funding for six forums only (three in each precinct).

- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts with the organisations listed in clause (A) above under terms and conditions consistent with the Grants and Sponsorship Policy, subject to the satisfactory acquittal of current grants.

ATTACHMENTS

Nil.

BACKGROUND

1. The City of Sydney (City) local government area (LGA) has a number of unique local village economies (Villages). The Villages have a distinct and diverse character and are based around key community 'main street' and local economies including: Redfern Street; Macleay Street and Woolloomooloo; Harris Street; Crown and Baptist Streets; Glebe Point Road; Green Square and City South; King Street; Oxford Street; CBD and Harbour; and Chinatown and CBD South.
2. These Villages play a fundamental role in the city's economy, collectively generating a quarter of the city's output, or \$25 billion per annum. They are employment hubs, accounting for almost 35 percent of jobs (more than 151,000) outside the CBD and Chinatown; and they are integral to the culture, community and liveability of the city, enhancing the wellbeing of residents and workers.
3. There are an estimated 21,600 small businesses in the City LGA. Approximately 60% (or over 13,000) of these businesses are located in the Villages.
4. The revised Village Business Grants Program (adopted by Council in 2014) supports initiatives and projects that seek to revitalise and enhance local commercial and retail precincts, build capacity in business operators, strengthen local business networks and enhance diversity, precinct brand and character of place. Through initiatives that encourage and stimulate and encourage local business and economic activity, the program will help build strong and sustainable local economies and create employment opportunities in local areas. Expected program outcomes are as follows:
 - (a) increased number of local businesses leading and participating in the strategic planning and development of their local areas;
 - (b) increased footfall and increased business patronage associated with events, activities and campaigns;
 - (c) shared, promoted and understand precinct brandings;
 - (d) strengthened local business networks; and
 - (e) viable and resilient local precincts.
5. The assessment panel for the Village Business Grant Program – Round 2 was comprised of the Manager City Business and Safety, Business Precincts Manger and Grants Program Coordinator.
6. The City has received four applications for support under the Village Business Grant Program 2015/16 – Round 2.
7. Applicants under this program are eligible to apply for up to \$80,000. Applications are assessed on the following basis:
 - (a) the quality and strength of the case the applicant makes against the program outcomes and assessment criteria;
 - (b) the quality and strength of the case the applicant makes about the program plan and capacity of the organisation to achieve the ambition of the activity described;

- (c) the quality and strength of the case the applicant makes regarding the sustainability of the proposed program of activity and an understanding of the appropriate level of city support for the activity described;
 - (d) precedents set regarding previous levels of support for similar activity; and
 - (e) the amount and equitable distribution of funding available in the City's Grants and Sponsorship budget which balances demand against an oversubscribed grant program.
8. Where applications are not recommended for the full amount applied for, City staff have assessed that the applicant has not sufficiently demonstrated a number of the points above.
9. It is also noted that, for the first time, this program is open to multi-year funding (two years). Where multi-year funding has been requested and not recommended, staff believe that subsequent years of funding will be better informed by the outcomes of the first year.

Glebe Chamber of Commerce

10. The Glebe Chamber of Commerce (GCC) aims to enhance and promote the creative qualities of the Glebe area to generate local economic growth in collaboration with the business community. The organisation has 84 financial members.
11. The GCC submitted a one year business plan with the application. Strong working relationships have been established with local providers to support businesses by helping them participate in the life of the community.
12. GCC has applied for funding of \$80,000 for 2015/2016 and 2016/2017 under the Village Business Grant Program. Of the five projects applied for, three are recommended for one year funding to a total of \$60,000, outlined in the table below:

Project	Amount requested	Amount recommended	Project description
Project 1	\$40,000	\$40,000	Phase 2 development of website, Glebe.com.au including newsletters, social media, increased functionality, interaction and promotional opportunities.
Project 2	\$10,000	\$10,000	Partnering with local businesses for dining and live music activations. Showcasing affordable and exciting experiences for the general public.
Project 3	\$10,000	\$10,000	Business engagement including four networking events attracting an estimated attendance of 250 businesses.
Project 4	\$10,000	\$0	Glebe Point Road Parklet trial extension.

Project	Amount requested	Amount recommended	Project description
Project 5	\$10,000	\$0	Sustainable energy program to increase energy efficiency and awareness attracting 40 attendees to achieve a 5% reduction in electricity bills.

13. Project 4 and Project 5 were not recommended for funding as the information provided was insufficient for assessors to make a recommendation. Staff will seek to discuss the development of the projects and may recommend a different support mechanism for these projects.

Haymarket Chamber of Commerce

14. The Haymarket Chamber of Commerce (HCC) aims to support Haymarket's local businesses, residents and investors and ensure the diverse mix of local cultures and groups cooperate in maintaining a sustainable, resilient and connected local community and marketplace. The organisation has 165 financial members.
15. The HCC is working to a Three Year Strategic Plan. Strong working relationships have been established with developer Lend Lease, University of Technology Sydney, Sydney Harbour Foreshore Authority and Destination NSW.
16. HCC has applied for funding of \$79,400 for 2016/2015 and 2016/2017 under the Village Business Grant Program. Of the three projects applied for, all three are recommended for two years funding of \$69,600 per year for 2015-16 and 2016-17, outlined in the table below:

Project	Amount requested	Amount recommended	Project description
Project 1	\$39,800	\$39,800	Market of Lights will draw local and international visitors to the Haymarket precinct and stimulate the local community to participate and connect with a creative Sydney CBD wide public event.
Project 2	\$19,800	\$19,800	The Haymarket Live Play Work guide showcasing local businesses to visitors and residents of the area.
Project 3	\$19,800	\$10,000	Digital destination marketing, with funding to target 20 Chamber members to create an online presence (where they do not currently have one).

17. Reduced funding was recommended for Project 3 as the second component of the proposal was underdeveloped. Staff will seek to discuss the development of the project with HCC.

Pymont Ultimo Chamber of Commerce

18. Pymont Ultimo Chamber of Commerce (PUCC) aims to create a thriving, sustainable business community in Pymont Ultimo. The organisation has 88 financial members.
19. The PUCC is working to a Three Year Strategic Plan and has submitted a one year operational plan with the application. Strong working relationships have been established with UTS, Sydney Harbour Foreshore Authority, local institutions and DNSW.
20. PUCC has applied for funding of \$80,000 for 2016/2015 and 2016/2017 under the Village Business Grant Program. Of the five projects applied for, four projects have been recommended for one year funding to a total of \$49,000, outlined in the table below:

Project	Amount requested	Amount recommended	Project description
Project 1	\$21,700	\$18,500	Business engagement including two networking events attracting an estimated audience of 100 businesses and familiarisation tour of the Pymont Ultimo precinct for 15 journalists.
Project 2	\$15,000	\$7,500	Printing for targeted distribution of a precinct dining guide showcasing local food businesses to engage visitors and residents.
Project 3	\$18,200	\$7,500	Printing for targeted distribution of a precinct 'Where the Locals Go' guide showcasing local businesses to engage visitors and residents.
Project 4	\$18,600	\$9,000	Communications, monthly member digital e-newsletter only, to increase local knowledge and support existing and emerging offerings of the precinct.
Project 5	\$6,500	\$6,500	Communications encompassing destination website incorporating monthly features and a monthly social media campaign.

21. Reduced funding is recommended for the projects for a number of reasons, including comparable levels of support for similar activities and the quality and strength of the projects.

South Sydney Business Chamber

22. The South Sydney Business Chamber (SSBC) represents two village areas, Redfern Street and Green Square, in the City South area. SSBC aims to spur innovation, development and business growth of products and services and to enhance and sustain economic growth in the region. The organisation has 282 financial members.
23. The SSBC has submitted a one year strategic business plan with the application. Strong working relationships have been established with local tertiary organisations, developers and government agencies.
24. SSBC has applied for funding of \$132,650 for 2015/2016 and 2016/2017 under the Village Business Grant Program. Of the four projects applied for, three are recommended for one year funding to a total of \$74,500, outlined in the table below:

Project	Amount requested	Amount recommended	Project description
Project 1	\$47,200	\$32,200	Communications encompassing guide for businesses, increasing social media presence, incorporating website benchmarks to demonstrate increased visits.
Project 2	\$30,000	\$19,800	Business engagement including six networking / educational events with a minimum of 180 attendees, increasing capacity for businesses.
Project 3	\$30,450	\$0	Two major events: Dreaming Beyond and Danks Street Diner to increase visitation during May/ June and October.
Project 4	\$25,000	\$22,500	Shop local campaigns to include Shopfront Showcase and Welcome Wallets to strengthen existing partnerships and highlight retail and business in the precincts.

25. Reduced funding was recommended for these projects for a number of reasons, including costs that the City does not provide under the Grants and Sponsorship Policy (core organisational costs) and where the City believed that the proposal was underdeveloped. Staff will seek to discuss the development of the Project 3 with SSBC and may recommend an alternative mechanism for support.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

26. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following Sustainable Sydney 2030 strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City – considers Sydney’s role as Australia’s premier international tourism and business gateway. It outlines the steps to strengthen business competitiveness and enhance tourism infrastructure, assets and branding of the City.
 - (b) Direction 6 - Vibrant Local Communities and Economies – is focused on building communities and local economies by supporting diversity and innovation in the City’s villages.
 - (c) Direction 7 - A Cultural and Creative City – recognises the arts and cultural activities as fundamental to liveability, diversity and quality of life in our cities, as well as their contribution to economic development.
 - (d) Direction 10 - Implementation through Effective Governance and Partnerships – recognises the City’s role in partnerships across government, business and community; and leadership in local, national and global city forums.

Economic

27. All grants recommendations provide for project management support to deliver the projects. The Village Business Grants program aims to further the objectives of *Sustainable Sydney 2030* by helping to enhance local economies and develop the capacity of small businesses.
28. Support for the delivery of projects that build capacity of small business in the City’s Villages supports the delivery of the City’s Economic Development Strategy. The Village economies generate a quarter of the city’s output (\$25 billion per annum); provide almost 35 percent of jobs (more than 151,000); and are integral to the culture, community and liveability of the city, enhancing the wellbeing of residents and workers.

BUDGET IMPLICATIONS

29. Funding of \$253,100 cash (excluding GST) and \$4,000 value-in-kind have been provided in the draft Village Business Grant Program budget for 2015/2016.
30. Provision will be made in the Village Business Grant Program budget for 2016/2017 for \$69,600 cash (excluding GST).

RELEVANT LEGISLATION

31. Section 356 of the Local Government Act 1993.

CRITICAL DATES / TIME FRAMES

32. While all applicants are currently delivering projects funded previously under this program, funding agreements are due to expire from early in the new year. Therefore, to ensure continuity and allow adequate time for project planning, confirmation of the outcome of these grant recommendations is sought as soon as possible.

ALEX BOWEN

Acting Director City Life

Alice Chatwood, Acting Business Precincts Manager