

RELEVANT INFORMATION FOR COMMITTEE

FILE: S076576 **DATE:** 14 December 2015
TO: Lord Mayor and Councillors
FROM: Monica Barone, Chief Executive Officer
SUBJECT: Information Relevant To Item 6.26 - Village Business Grant Program
 2015/16 - Round Two Allocation - At Council - 14 December 2015

Alternative 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.

Applicant	Amount Recommended (Excl GST)	VIK Recommended	Conditions
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) Council allocate an additional amount up to \$10,000 to the Pymont Ultimo Chamber of Commerce towards the design, content production and editorial support for Projects 2 and 3 – the precinct dining guide and the ‘Where the locals go’ guide – subject to the provision of a detailed and complete project plan and project budget (including all revenue and expenditure) for both the newspaper insert and the pocket guides;**
- (C) Council allocate up to \$10,000 cash and up to \$28,500 value in kind (for waiver of parking fees) to Glebe Chamber of Commerce for an extension of the Parklet project pilot for 12 months (Project 4); subject to the completion and review of the current trial demonstrating the success, community and business support, the financial viability of the project and a detailed project plan including timelines, required approvals and budget. Council note that in approving this project the Council is removing one parking space in the precinct for up to 12 months;**
- (D) Council allocate up to \$10,200 to South Sydney Business Chamber for an additional four networking events subject to the six recommended events (Project 2) being achieved and a detailed budget for the additional four being provided upon request for these funds to be released;**
- (E) Council note that all grant amounts are exclusive of GST and that there are adequate funds available to cover the additional projects and/ or project costs outlined in this memo;**
- (F) Council note that staff will meet with the South Sydney Business Chamber to assist with the development of a project plan and assessment of the demand for and proposed outcomes for project 3 - Two visitation events - for consideration at a later stage;**
- (G) Council note that staff are meeting with the Haymarket Chamber of Commerce to develop the second phase of project 3 – Next Generation – to extend the on-line reach and presence of the Chamber; and**
- (H) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts with the organisations listed in clauses (A) to (D) above under terms and conditions consistent with the Grants and Sponsorship Policy, subject to the satisfactory acquittal of current grants.**

Background

At the meeting of the Economic Development and Business Sub-Committee on 7 December 2015, further information was sought in regard to the recommendations contained in the report and emails sent from the Pyrmont Ultimo Chamber of Commerce to Councillors. Councillors requested that staff meet with applicants to discuss the recommendations contained within the report. Staff have spoken to or met with three applicants following the Committee meeting to discuss the recommendations. Staff have attempted to speak to the Glebe Chamber of Commerce, without success.

Context of broader City funding for business

The City provides funding support to the Chambers/Partnerships through a number of grants and sponsorships programs. In 2015, projects delivered and/or recommended for funding for ten Chambers/Partnerships supported by the City (including this recommendation) will total more than \$900,000.

Under the Village Business Grants Program, the following funding has been awarded.

Organisation	13/14	14/15	15/16 (to date)*
Chippendale Creative Precinct	\$80,000	\$72,500	\$56,400
Darlinghurst Business Partnership	\$37,500	\$0	\$62,250
Glebe Chamber of Commerce	\$78,083	\$80,000	\$0
Haymarket Chamber of Commerce	\$73,000	\$74,000	\$0
Newtown Precinct Business Association	\$0	\$0	\$54,975
Paddington Business Partnership	\$60,000	\$65,000	\$0
Potts Point Partnership	\$80,000	\$80,000	\$74,000
Pyrmont Ultimo Chamber of Commerce	\$78,000	\$80,000	\$0
South Sydney Business Chamber	\$160,000	\$128,000	\$0
Surry Hills Creative Precinct	\$0	\$60,000	\$0
Walsh Bay Arts and Commerce	\$80,000	\$80,000	\$79,000
Total Awarded	\$726,583	\$719,500	\$326,625

*exclusive of the recommendations in this report.

Council supports as many of the businesses located in the LGA as possible, in an equitable and responsive way. In addition to funding for Chambers/Precinct Associations, staff work to ensure that there are opportunities for the 95% of small businesses that are not members of Chambers/Precinct Associations. We do this through a number of initiatives including campaigns such as *Christmas in the Villages*, *Fashion Saturday* and the *Little Book of Villages*; capacity building through resource creation, seminars and making research available; and partnerships for example the *Small Biz Connect Program* (skills development) and the *Small Business Friendly Councils Program*. Council's investment in these programs is \$690,000 (excluding staff costs and GST).

Further information regarding funding recommendations

Pyrmont Ultimo Chamber of Commerce (PUCC)

Project 1 – This project has three components that include two networking events, a media familiarisation and a series of Smart Local stakeholder meetings with businesses in the area. Lump sum figures and descriptions were provided in the budget and assessors recommended partial funding for the Smart Local project based on the costs described.

Project 2 – Local dining guide. A 16 page A6 glossy pocket guide, showcasing a minimum of 25 local dining businesses. This guide features both advertising and editorial content. A version of the guide is produced by Alternative Media Group and 25,000 copies circulated through the City Hub newspaper. It is proposed to provide an additional run of 20,000 copies for distribution to hotels, local businesses, key tourist destinations and home delivered to the precinct. The budget included in the application includes costs for guide editorial, design, printing (including the newspaper print run), distribution and project management costs. It does not include advertising revenue. As the application is for the additional print run, it is assumed that editorial and design costs, print costs for the newspaper version and some project management costs have been covered by the newspaper version. As a result, City staff recommend that the additional costs of printing and distribution, along with an amount for project management, be awarded a grant. This amounts to \$7,500.

Project 3 – Local shopping and tourism guide. A 20 page A6 glossy pocket guide, showcasing a minimum of 20 local dining businesses. This guide features both advertising and editorial content. A version of the guide is produced by Alternative Media Group and circulated through the City Hub newspaper. It is proposed to provide an additional run of 20,000 copies for distribution to hotels, local businesses, key tourist destinations and home delivered to the precinct. The budget included in the application includes costs for guide editorial, design, printing (including the newspaper print run), distribution and project management costs. It does not include advertising revenue. As the application is for the additional print run, it is assumed that editorial and design costs, print costs for the newspaper version and some project management costs have been covered by the newspaper version. As a result, City staff recommend that the additional costs of printing and distribution, along with an amount for project management, be awarded a grant. This amounts to \$7,500.

Project 4 – This project is the creation of a monthly e-newsletter distributed electronically and published in a local paper. Partial funding is recommended for all items except the advertisement as the information provided in the application and supporting material did not demonstrate the value of printing the e-newsletter in the local paper.

Project 5 was recommended for full funding.

Glebe Chamber of Commerce

Projects 1, 2 and 3 were recommended for full funding.

Project 4 – Is to fund a Parklet project. In 2015 Glebe Chamber of Commerce (GCC) applied for and received a Matching Grant of \$10,000 to trial a Parklet in Glebe. To assist with the implementation of this pilot, City staff have provided significant support (resources and value in kind waivers).

GCC have been advised in person, over the phone and in writing that whilst this was a pilot and therefore additional or unforeseen costs and support have been required, that if funding was sought again the application would need to demonstrate an understanding and allowance for these additional resources and a budget for these items. This information, including accurate project time frames and adequate budgets, was not provided in this application or supplementary information.

Project 5 – Funding was not recommended for this initiative, which aims to increase energy efficiency and awareness. Under the Grants & Sponsorships Policy Council can not support projects that duplicate existing programs and services. The information provided was under developed and insufficient for assessors to determine how the project would complement existing activities undertaken by the City and other providers; or how the applicant can leverage the City's existing resources and tools to achieve the proposed objectives.

Haymarket Chamber of Commerce (HCC)

Projects 1 and 2 were recommended for full funding.

Partial funding was recommended for Project 3, a two part project that aims to enhance the online presence of local businesses in the area and enhance online marketing through the engagement of digital savvy students. The application demonstrated a clear plan of delivery and outcomes for the first part of the project, which will target 20 Chamber members creating an online presence with local businesses that currently do not have one. This part of the project has been recommended for funding.

Assessors sought additional information on part two of the project as the project plan, deliverables and outcomes were not clear. Based on the application and supplementary information provided, City Staff understand (and have confirmed with the HCC this week) that the project aims to engage with 'next generation' businesses and students with the HCC facebook page to provide a platform for HCC to share their contacts and content. Whilst assessors determined that the basis of the project has merit, it was not clear how the project linked to the proposed objectives, that the plan and deliverables were underdeveloped (for example partnerships are not yet in place with key partner organisations who will be critical to the project's successful delivery) and how the project outcomes will be achieved and measured.

Staff have spoken with HCC about working together in January or after Chinese New Year to redevelop the proposal and HCC are considering the online / digital presence and strategy moving forward. Pending the development of their plans, Staff will work with HCC to investigate mechanisms to support these HCC activities.

South Sydney Chamber of Commerce (SSCC)

Staff have spoken to the project manager of SSCC who confirmed that due to competing priorities, the President and project manager were not able to attend the Committee meeting on Monday 7 December.

Project 1 – This project contains communications initiatives including enhanced social media and the creation of the SouthXSouth Magazine. Information provided in the application and supplementary materials was not clear and was underdeveloped. Partial funding was recommended based on the application and supplementary information. Staff recommended funding for the items proposed in the application narrative and the second budget provided; these include project management and partial funding for marketing materials/outgoings.

Project 2 – This project proposed a series of ten networking and educational events that aim to increase the capacity of local business. Assessors were concerned about the capacity of the organisation to deliver that number of events. Comparatively other Chambers/Partnerships deliver between two and four networking style events each year. As SSCC work across a large geographic area, assessors have recommended partial funding for a total of six (rather than ten) events.

Project 3 – The project consists of two major events (Beyond Dreaming and the Danks Street Diner). No funding was recommended for this project. The project plan and deliverables and the budget for the events were underdeveloped, in particular the budget was not adequate for the proposed scale of the activities. Demand and /or need for the events was not demonstrated in the application or supplementary information.

Project 4 – This project has been fully funded. There was a discrepancy in the application whereby the total request in the summary page was different to the total request in the budget.

Responses to Emails received from Lawrence Gibbons, President Pymont Ultimo Chamber of Commerce (PUCC)

The issues raised in the emails include:

1. That funding has been slashed and PUCC seek to receive \$80,000 on an annual basis.

During the pre-application meeting (with all applicants, including PUCC) the following information about the policy, strategy, program and application process was provided, including:

- That funding was not guaranteed at \$80,000 or at all, and that the process is competitive;
 - Reiterated that as part of the adoption of the new Grants & Sponsorships Policy, that the program's eligibility had been extended to include both Chambers/Partnerships and organisations representing industry sectors;
2. That PUCC's previous application was fully funded and commended, and staff had not suggested any change to future applications.

In the pre-application and subsequent meetings staff advised PUCC that the Village Business Grants Program had changed (from previous years). Staff provided detailed information about the program and application process changes.

3. That staff had not told PUCC what projects to apply for or objectives to meet.

In the pre-application meeting Staff discussed in detail the categories of support and objectives for this funding program within the broader context of the City's objectives for economic development (outlined in the Economic Development Strategy).

4. Mr Gibbons suggested that Chambers should be funded on a 'service provider' model.

The City is not seeking Chambers to provide a specific service on its behalf. If it were, it would use a procurement model, not a grants program. Chambers have been clear that they seek to determine the services required within their communities, and that these should not be determined by the City.

5. That the process of writing an application is not reasonable for volunteer organisations.

All organisations are required to complete an application form to receive cash and value in kind support from Council.

Completed application forms give staff the ability to equitably and transparently assess applications and make recommendations to Council for their consideration. The application form is an integral part of Council's audit trail for the release of funds to organisations under the Local Government Act s356.

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approved

P. M. Barone

Monica Barone, Chief Executive Officer