

**ITEM 3. GRANT – SYDNEY FRINGE FESTIVAL POP-UP THEATRES PILOT PROJECT****FILE NO: S125465****SUMMARY**

Council adopted the *City of Sydney Live Music and Performance Action Plan* on 7 April 2014, and the *Creative City Cultural Policy and Action Plan* on 25 August 2014. Both policies and action plans were adopted unanimously.

Action 3.55 of the *Creative City Cultural Policy and Action Plan* proposes the development of a streamlined regulatory approvals process for temporary theatres, based on a model currently used by the City of Edinburgh for the Edinburgh Fringe Festival. This is also reflected in the *Live Music Action Plan* as Action 2.2.1.

These projects have been difficult to undertake due to the lack of suitable real world case studies from which to assess building risk profiles and amenity impacts.

An opportunity has arisen to commence work on these actions by supporting the Sydney Fringe Festival's ('the Fringe') pop-up theatres pilot project. Fringe has requested funding for expert consultants in building, planning and related costs, such as commissioning acoustic reports. Where possible, Fringe will use this funding to engage the City's for-fee services, specifically those related to building consultancy and certification. This would allow City staff to become actively engaged in assessing and identifying alternative solutions for the temporary use of buildings. Fringe has also proposed working with City staff to document the project, allowing for the development of case studies on temporary use that will inform the delivery of a formalised, risk assessed temporary use approvals process. In turn, this will inform the review of related internal City policies, such as the Standard Conditions of Development Consent for temporary uses.

The Fringe is a not-for-profit organisation. It is currently working with property owners in Erskineville and Newtown to access up to five vacant shopfronts for use as small theatres for the period from 1 to 30 September 2015. It is proposed these venues would have a capacity of between 30 and 50 and operate without the sale of alcohol. Due to the short term nature of the pilot project, it is unlikely all costs will be recouped commercially.

The City has a dual role in maintaining public health and building standards whilst meeting community expectations that creative activity can bring new energy and experiences to Sydney's cultural life. Currently, the City has only limited criteria for assessing applications for small and temporary projects. The onus for identifying suitable methods of managing risk and amenity falls on applicants. As neither building nor planning frameworks outline clear processes for temporary projects, applicants must hire consultants to produce alternative solutions. Due to the level of expertise required, this can be extremely expensive. Additionally, City staff do not have detailed assessment criteria for temporary projects and must assess each application without reference to suitable risk management criteria. This often produces time delays.

The Temporary Theatre Licence utilised by the City of Edinburgh allows an increase in the number of small-scale performance spaces for the period of the annual Edinburgh Festival Fringe. In 2014, the Edinburgh Festival Fringe used 299 venues. By contrast, the Sydney Fringe Festival was able to access only 50 venues. The Temporary Theatres Licence system works by reducing the cost and time of applying for approval through the use of standard conditions related to building, planning and venue management so as to decrease reliance on expensive consultants and provide clarity in assessment of applications. This is coupled with a dedicated pre-approvals service, information resources and application fees scaled to the size and nature of the venue.

This report recommends that the Fringe be awarded a cash grant to undertake the pop-up theatres pilot project, and that the funding be applied to meeting the fees associated with its development applications, in order to support delivery of Action 3.55 of the *Creative City Cultural Policy and Action Plan* and Action 2.2.1 of the *Live Music and Performance Action Plan*. There are recent precedents, including Council's support for Vivid Sydney, in which Council's grant support extends to meeting the costs of Council's services.

In addition to fulfilling the City's commitment to develop a temporary theatre approval process, support for the Fringe will enable the City to develop project methodologies for other actions within the *Creative City Cultural Policy and Action Plan* and the *Live Music and Performance Action Plan* related to regulatory reform for short term creative projects. This includes the development of comparable processes for pop-up restaurants and other cross-disciplinary creative initiatives, information guidelines for applicants, and the streamlining of approvals processes for creative spaces more generally.

The proposal has been processed as an ad-hoc application and assessed by City staff under the Cultural and Creative Grants and Sponsorship Program. The City's Grants and Sponsorship Policy states that Council may approve grants and sponsorship outside the grant program strands as it sees fit.

## RECOMMENDATION

It is resolved that:

- (A) Council approve a cash grant of \$24,800 (excluding GST) to the Sydney Fringe Festival to undertake the pop-up theatres pilot project, including using funding from the grant for the payment of fees associated with development applications for the project; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a funding agreement with the Sydney Fringe Festival.

## ATTACHMENTS

Nil.

**BACKGROUND**

1. Council adopted the *City of Sydney Live Music and Performance Action Plan* on 7 April 2014, and the *Creative City Cultural Policy and Action Plan* on 25 August 2014. Both policies include an action which reads, "Develop a pre-lodgement process (based on the Edinburgh 'Temporary Theatre License' concept) involving City of Sydney building approval, planning, health and building, and cultural staff to support the creation of non-traditional and temporary live music and performance venues."
2. Consultation for *Creative City* found lengthy, costly and frequently confusing regulatory processes acted as a deterrent to cultural initiatives. It was noted that many small scale and temporary projects were operating without council consent, as the costs of application were greater than the expected return, and the approval process often took far longer than the proposed lease or rental agreement.
3. Many respondents noted that regulatory obstacles could be reduced to make it easier for cultural and creative activities to occur.
4. The Sydney Fringe Festival ('the Fringe') is a not-for-profit organisation and has been operating for six years. In 2014, it hosted more than 300 productions in 50 venues, with a focus on supporting local artists, developing new audiences and building a stronger, sustainable performance industry in the Sydney area.
5. The City provides cash and value-in-kind grant support to the Fringe for its core operations as part of its Major Festival Grant Program (now called the Festivals and Events Sponsorship Program). This does not allow provision for costs associated with regulatory approval.
6. The Fringe aims to trial a pop-up theatres project, additional to its core activity, as part of its 2015 festival, operating between 1 and 30 September 2015. The Fringe is currently working with property owners in the Newtown and Erskineville area to activate currently vacant retail sites. It will finalise its program in May 2015, and seeks support with costs associated with regulatory assessment to lodge development applications from June 2015.
7. In 2014, Edinburgh Festival Fringe hosted 49,497 performances across 299 venues, with more than 2 million tickets sold in 2014 alone. The Edinburgh Temporary Theatres license enables the city to rapidly increase the number of spaces available for such a high volume of performance. A 2011 report found Edinburgh Festival Fringe's economic impact was £142 million (\$275 million).
8. The estimated cost for a not-for-profit organisation to apply for a Temporary Theatre License for a small venue in Edinburgh would be approximately \$289. In Sydney, application fees for the same project have an estimated cost of between \$800 and \$2,000. This does not include the substantial costs associated with hiring consultants. For example, commissioning an acoustic report will routinely cost in excess of \$1,500.

9. In Sydney, major costs identified with temporary use include negotiating the Change of Use process. This requires an existing building being used for one purpose, such as retail, to undergo assessment for fire and building safety before being granted approval to begin use for another purpose, such as performance or theatre. A Change of Use usually requires applicants to hire expert consultants to interpret the appropriate regulatory frameworks, such as the Building Code of Australia (BCA) and Australian Standards, and propose suitable upgrades. As these systems have been designed for new construction, their application to existing use can produce high costs and extensive time delays. An Occupation Certificate is issued once Change of Use has been approved, in synch with, planning approval. However, fees and costs are incurred regardless of whether an application is approved or not.
10. The City provides consultancy services for BCA reports prior to lodgement of Development Approval at a rate of \$200 per hour, other building related consultancy at a rate of \$305 per hour; and charges an inspection fee of \$309 for Class 9 buildings, including Class 9b, the relevant BCA category for theatres and other places of public assembly. Through these services, it can issue Occupation Certificates.
11. The City does not provide advice related to some other elements of the planning approvals process, such as acoustic assessment. Additionally, in some cases, expert advice related to building and planning assessment may require experts only available commercially. Fringe has offered to share information on solutions developed by other sources of expertise.
12. Support for the Fringe's temporary theatre pilot project would enable Council to positively engage with the temporary adaptive re-use of existing buildings without sacrificing building safety or undertaking increased liability. This project will, within the limits of their current duties, enable City staff to conduct case studies, undertake risk and amenity impact assessments, and gain an understanding of the operating conditions, available building stock, and access conditions common to temporary theatre projects. The City does not run temporary theatre projects and does not possess suitable compliant building stock for such a project. The City also lacks the industry experience and capacity to identify, manage and program suitable sites. For this reason, it is necessary to support an external partner to undertake this pilot.
13. Fringe is unable to undertake the pilot without support from the City due to the costs associated with hiring consultants to assess existing buildings and fees associated with lodging development applications for the City's review. As the proposed sites are limited in size, will not be serving alcohol, and will be operating for only a short period of time, it is extremely unlikely commercial returns will cover the costs of building assessment and development applications.
14. The outcomes of this project will include a trial of reforms modelled on the Edinburgh Temporary Theatres License, including a review of Standard Conditions of Development Consent for temporary use projects, information resources for applicants, recommendations for alterations to fees and charges for temporary projects, and an improved pre-lodgement service.
15. The project will also have significant capacity to inform project methodologies for other actions within *Creative City Cultural Policy and Action Plan* and the *Live Music and Performance Action Plan* related to regulatory approvals and building compliance.

16. Staff from the City's Development team have worked with staff from Cultural Strategy to advise on the best approach to supporting the Fringe's proposed pop-up theatre pilot.
17. The pop-up theatre pilot project has been assessed by City staff who recommend this grant proposal for funding. There are recent precedents, including Council's support for Vivid Sydney, in which Council's grant support extends to meeting the costs of Council's services.

## KEY IMPLICATIONS

### Strategic Alignment – Sustainable Sydney 2030

18. *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 pilot project is aligned with the following strategic direction and objective:
  - (a) Direction 7 - A Cultural and Creative City and Objective 7.3 – Sydney's cultural sector and creative industries are supported and enhanced, leading to greater sector sustainability, productivity gains and innovation.
19. The proposal aligns with the *Creative City Cultural Policy and Action Plan* Action 3.5: to "Develop a pre-lodgement process (based on the Edinburgh 'Temporary Theatre Licence' concept) involving City of Sydney building approval, planning, health and building, and cultural staff to support the creation of non-traditional and temporary live music and performance venues."

### Social / Cultural / Community

20. The proposal will increase the number of small performance spaces during the Fringe, increase venue diversity for audiences, and develop a new business model for short term theatre and performance spaces.
21. The proposal addresses a substantial need for performance space and temporary theatres identified within *Creative City Cultural Policy and Action Plan*, with references to Strategic Priority Three: Sector Sustainability – Surviving and Thriving.

### Economic

22. An additional aim of the program is to broaden audiences and increase visitation at live music and performance venues in Sydney, thus driving micro-economic benefit in the surrounding precinct and main streets.

## BUDGET IMPLICATIONS

23. Funding of \$24,800 cash (excluding GST) is available in the 2014/15 financial year within the Cultural Strategy budget.

## RELEVANT LEGISLATION

24. Section 356 of the Local Government Act 1993.

**CRITICAL DATES / TIME FRAMES**

25. The Fringe requires confirmation of the City's support by May 2015. This will allow it to begin site inspections during late May and June 2015 and include the pilot project in its programming.

**PUBLIC CONSULTATION**

26. Public endorsement of the *Creative City Cultural Policy and Action Plan* and the *Live Music and Performance Action Plan* indicates general support for improved regulatory pathways for temporary creative spaces.

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