

ITEM 2. GRANTS AND SPONSORSHIP POLICY – ADOPTION – DECEMBER 2017**FILE NO: S117676****SUMMARY**

The City of Sydney's Grants and Sponsorship Program (the Program) supports initiatives and projects that build the social, cultural, environmental and economic life of the city.

The Program is one of many ways in which the City partners with the community and business to further the actions, strategic directions and vision of Sustainable Sydney 2030 through cash and value in-kind support.

In 2016/17, the City awarded over \$21.6M through the Program across the areas of community services, cultural development, economic development and environmental initiatives. Of these, the City awarded \$11.3M in cash and \$7.3M value-in-kind through the venue support grants and sponsorship, street banner sponsorship and accommodation grant programs. A further \$3M was awarded through the Affordable and Diverse Housing Fund to SGCH Portfolio Limited, a subsidiary of St George Community Housing Limited.

The Grants and Sponsorship Policy (the Policy) provides the governance framework for how the Program is managed, and how decisions about funding are made. The Policy ensures that the City meets the governance requirements of the Local Government Act 1993 in relation to awarding grants.

The current Policy was adopted by Council in September 2014. An amendment adopted by Council in June 2017 established the Business Support Grant with two categories focusing on live music and performance, and night time diversification.

Since the adoption of the complete revised Policy in 2014, the Program has grown organically in response to new and emerging objectives. In response to these issues, a review was conducted allowing the opportunity to set clear parameters and engagement guidelines for the Policy and Program, better align funding allocation with the City's strategic and corporate objectives and provide more efficient use of Council resources.

The recommended improvements to the Policy and Program have been informed by significant stakeholder input and feedback.

The revised Policy maintains the key priority areas for grants and sponsorship. These priority areas align with the four pillars the City recognises as underpinning social, cultural, economic and environmental sustainability. The priorities are:

- Celebrating Culture and Creativity;
- Supporting the Economy and Business;
- Ensuring Environmental Sustainability; and
- Building Community.

Key changes for this revision of the policy include:

- a comprehensive update to the eligibility table to provide a more structured and applicant-friendly style of communication for each of the Policy's 17 programs;

- the introduction of the Place and Industry category under the Business Support Grant to assist chambers of commerce and industry associations in the delivery of capacity building initiatives that strengthen networks and provide access to information and upskilling within key industries and local economies;
- the opening of the Artform category of the Festivals and Events Grants and Sponsorship program to for-profit organisations who are able to demonstrate they are best placed to deliver the public benefit and outcomes the City is seeking through its cultural policy, Creative City;
- the introduction of the Creative Spaces Grant into the Grants and Sponsorship Policy. This program aims to be responsive to need in the cultural sector and leverage available properties. It provides medium-term support for up to four years, limited by specific lease terms, and provides reduced rent at below-market rates. It is recommended authority be delegated to the CEO to implement the program in accordance with the policy, criteria and monetary limits;
- the introduction of the Short Term Empty Properties Grant to the Grants and Sponsorship Policy. This program aims to provide immediate and short-term activation of temporarily vacant properties within the City's portfolio. The properties are offered from one month to one year, and it is recommended authority be delegated to the CEO to implement the program in accordance with the policy, criteria and monetary limits; and
- the introduction of the Affordable and Diverse Housing Fund Grant to the Grants and Sponsorship Policy. This program aims to promote the development of affordable and diverse rental housing in the local area by community housing providers, not-for-profit and for-profit organisations.

The revised Policy provides an overarching framework to manage grant and sponsorship requests. It sets the parameters of support and highlights expected outcomes for each particular program within the Policy.

This report details the recommended amendments to the current Grants and Sponsorship Policy and its 17 Grants and Sponsorship Programs and the intended outcomes of each.

RECOMMENDATION

It is resolved that:

- (A) Council adopt the revised Grants and Sponsorship Policy, as shown at Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to implement the Quick Response Grant, Creative Spaces Grant, Short Term Empty Properties Grant, Venue Hire Support Grants and Sponsorship and Street Banner Sponsorship programs in accordance with the policy, criteria and monetary limits with immediate effect; and
- (C) authority be delegated to the Chief Executive Officer to make amendments to the Grants and Sponsorship Policy in order to correct any minor drafting errors.

ATTACHMENTS

Attachment A: Grants and Sponsorship Policy

BACKGROUND

1. The City of Sydney's Grants and Sponsorship Program (the Program) supports residents, community groups, not-for-profit organisations and for-profit organisations to undertake initiatives and projects that build the social, cultural, environmental and economic life of the city.
2. The Grants and Sponsorship Policy (the Policy) provides the governance framework for management of the Program and decisions about funding.
3. Since the Policy's last substantial revision in September 2014, it has been recognised that a review of the Program was needed to ensure it continues to provide the most effective and efficient support to our resident and business communities, and continues to deliver against the City's evolving corporate and strategic objectives.
4. The Policy and Program also needed to better align with significant new strategic policies and programs that have been adopted over the past few years across the City's social, cultural, economic and environmental pillars.
5. Key strategic bodies of work, including the Social Sustainability Policy and Environmental Strategy, have been adopted by Council in recent years, redefining and clarifying the City's approaches and priorities in these areas.
6. The objectives of the review included:
 - (a) promoting a customer centric view of the Program;
 - (b) aligning grant objectives to deliver against Sustainable Sydney 2030 and the City's Delivery Program and objectives;
 - (c) reassessing current target groups and considering new target groups, setting clear parameters and engagement guidelines;
 - (d) identifying opportunities to consolidate the spread of the number of grants in the Program to reduce duplication;
 - (e) improving governance of the Program, ensuring adherence to best practice grant-making principles;
 - (f) improving monitoring and evaluation abilities to report on the Program's impact and reach; and
 - (g) refining the focus of the Program to account for any overlaps and/or significant gaps with other grant sources.
7. The recommended changes to the Policy build on this review and continue to provide an overarching framework to manage grant and sponsorship requests.
8. The revised Policy is strongly aligned with the key policies that underpin the City's approach to social, cultural, economic and environmental sustainability:
 - (a) A City for All, Social Sustainability Policy;
 - (b) Creative City, Cultural Policy 2014 – 2024;

- (c) Economic Development Strategy; and
 - (d) Environmental Strategy and Action Plan 2016-2021.
9. Supporting the Policy are the Grants and Sponsorship Program Guidelines which guide applicants on how to apply for and acquit grants and sponsorships. The Guidelines set out assessment criteria against which their application will be considered, and provide practical details such as opening dates for each program, eligibility considerations and the types of supporting documentation they will need to submit with their application. The Guidelines are updated annually to reflect the specific corporate plan objectives each year and made available on the City's Website.

Funding and Eligibility

10. The proposed Policy includes strengthened articulation of the entity types that can apply for each program by categorising prospective applicants into one of six categories:
- (a) not-for-profits, including registered charities and social enterprises structured as companies, cooperatives (non-distributing), foundations, incorporated associations, Indigenous corporations, partnerships and trusts including charitable trusts;
 - (b) for-profits structured as companies, co-operatives (distributing), Indigenous corporations, partnerships, trusts;
 - (c) sole traders;
 - (d) individuals;
 - (e) owners corporations (strata and company owned); and
 - (f) unincorporated community groups.
11. The current Policy describes how often grant programs are open to application. Some programs are open all year and some are open from one to three/four rounds. In order to respond in a timely manner to changing sector needs and City resourcing, the proposed Policy moves this delineation to the Grants and Sponsorship Guidelines which are updated annually.

Celebrating Culture and Creativity

12. Two programs have culture and creativity as their primary focus and are detailed in the Policy:
- (a) Cultural and Creative Grants and Sponsorship Program, an existing program within the Grants and Sponsorship Policy; and
 - (b) Festivals and Events Sponsorship Program, an existing program within the Grants and Sponsorship Policy with two categories:
 - (i) Artform; and
 - (ii) Village and Community.

13. The following changes have been incorporated into the **Cultural and Creative Grants and Sponsorship** program:
 - (a) The program's funding priorities will be updated annually in the Grants and Sponsorship Program Guidelines, allowing the program to respond to changing sector needs and priority areas of the Cultural Policy.
 - (b) The expected program outcomes have been updated to include two new references towards:
 - (i) increasing the visibility and recognition of Aboriginal and Torres Strait Islander culture; and
 - (ii) providing opportunities for creative practitioners to gain economic benefit from their cultural practice.
14. The following changes have been incorporated into the **Festivals and Events Sponsorship – Artform** program:
 - (a) Opening applicant eligibility to for-profits and creative and cultural enterprises for non-profit cultural and creative activity who can demonstrate a matched funding commitment to a project and that they are best placed to deliver public benefit to the community.
 - (b) The program's funding priorities will be updated annually in the Grants and Sponsorship Program Guidelines, allowing the program to respond to changing sector needs and priorities areas of the Cultural Policy.
 - (c) The expected program outcomes have been reviewed in their entirety and updated to include new references towards:
 - (i) increasing the visibility and recognition of Aboriginal and Torres Strait Islander culture; and
 - (ii) increasing professional development opportunities for local creative practitioners during and after the festival/event.
 - (d) The additional requirement for festivals who are seeking major multiyear support to contribute to all of the expected program outcomes. This will allow the City to better understand the impact and outcome of the significant funding it invests into major festivals every year.
15. The following change has been incorporated into the **Festivals and Events Sponsorship – Village and Community** program:
 - (a) The expected program outcomes have been reviewed and now include an outcome towards increasing community awareness of environmental issues and solutions.

Supporting the Economy and Business

16. As set out in the City's Economic Development Strategy, the City is committed to being a globally competitive and innovative city, the premier place in Australia to live, work and visit. The City's Grants and Sponsorship Program makes an important contribution to this overall commitment, supporting a range of partners to deliver the actions outlined in the strategy and its action plans. Under the current Policy, there are a range of programs that support the economy and business.
17. In February 2016, Council requested that the Chief Executive Officer review the Village Business Grant and recommend changes to the Grants and Sponsorship Policy (and other programs identified as a result of the review).
18. The review included an analysis of the history of the program, current funding outcomes, a comparison of funding models used by other local councils, an analysis of the funding awarded under the program in the last five years, and the results of the City's Small Business Communication and Business Support Needs Survey.
19. Consultation for the review also included three briefings with Councillors, three workshops with local chambers of commerce, precinct associations, Destination NSW, Department of Industry and NSW Business Chamber, meetings with individual chambers of commerce, precinct associations and small business owners in the City of Sydney local government area, and consultation with other councils.
20. In addition, the review considered the strategic commitments and priorities of the City including support for local chambers and precinct associations, support for key industries and sectors, and the diversification of the night time economy, including the City's strong commitment to live music and performance.
21. In a report to the Economic Development and Business Sub-Committee of the Corporate, Finance, Properties and Tenders Committee on Monday, 19 June 2017, it was recommended that the Village Business Grant and Business Improvement Grant Programs be discontinued and a new program be established - the Business Support Grant Program.
22. The **Business Support Grant** was proposed to have three streams:
 - (a) Place and Industry – to support capacity building initiatives that strengthen networks and provide access to information and upskilling within key industries and local economies (e.g. local business and industry networking events, communication with members).
 - (b) Live Music and Performance – to support capital improvements to venues to enable and improve live music and performance (e.g. installation of sound baffling materials to manage sound transfer to neighbouring properties or improve internal acoustics, introduction or improvement of sound equipment, projects or venue improvements to improve venue patron and staff health and safety).
 - (c) Night Time Diversification – to build on the diverse day time business offerings by supporting night time programming to encourage increased variety of night time business offerings and programed activities in commercial precincts (e.g. live music, cultural activities, food events, retail activation).

23. At the meeting of 26 June 2017, Council approved the revised Grants and Sponsorships Policy for two of the three categories of the new Business Support Grant:
 - (a) Live Music and Performance; and
 - (b) Night Time Diversification.
24. The Place and Industry category of the Business Support Grant was not supported pending further consultation with local chambers and precinct associations.
25. On 24 July 2017, representatives of the business chambers and the NSW Business Chamber attended a roundtable workshop with Councillors where issues of funding and business engagement were discussed. At this workshop it was agreed that City staff would continue to consult with the business chambers around the proposed Place and Industry grant and report back to Council at a future date.
26. City staff met with the Sydney Chamber Alliance on 1 August, 3 August, 26 September and on 9 October 2017. The discussions have been productive and staff are now collectively working on an agreed set of outcomes and measurement tools for the Place and Industry grant program.
27. City staff had discussions with the other chambers not currently represented by the Sydney Chamber Alliance, to ask for further feedback on the Place and Industry grant, including proposed projects and programs, measurement outcomes and funding levels.
28. Since the Council meeting on 26 June 2017, City staff have met with the Sydney Chamber Alliance on four occasions, and on 24 October 2017, a representative from each chamber was invited to a briefing by City staff on the proposed Place and Industry Grant and the work the City is doing on the promotion of our local economies. Seven chamber representatives attended and the feedback received was positive. The chamber representatives welcomed the City's local economies promotion program and felt that it represents a shared vision for what we all want for our unique village areas.
29. Local economies, outside of the City's global centre (the CBD), play a vital role in the City's economy – collectively generating a quarter of the city's economic output. They are also integral to the culture, community and liveability of the city. They are employment hubs and each has a distinctive economy. The industry mix and dominant industry varies in each precinct and it is therefore critical to support development of industry clusters and activities. In addition to the City's identified priority industry sectors, the City is committed to the long-term sustainability of the small business sector and the development of places.
30. Following the extensive consultation with the Sydney Chamber Alliance and the business chambers, the proposed Place and Industry category under the Business Support Grant has been revised to incorporate a number of changes as a result of direct feedback and an agreed approach.
31. The changes proposed consider the City's own programs and services that support local business, and those delivered by other key stakeholders, to ensure that the needs identified by the City's local business community are being met and to avoid duplication.

32. The proposed changes to the City's Economic and Business Grants programs enable the City to deliver on business, stakeholder and community needs and the Council's strategic commitments and priorities across local economies and small business.
33. Based on the review outlined above, extensive consultation with the business chambers and their direct feedback, the following changes are recommended to the City's Economic and Business Grants programs:
- (a) The Place and Industry category of the Business Support Grant will have five core objectives for programs to be funded, which are:
 - (i) promote local economies to drive footfall for the benefit of business;
 - (ii) connect business to opportunities;
 - (iii) grow business skills and capacity;
 - (iv) invest to stimulate economic development; and
 - (v) advocate to shape grants.
 - (b) The Place and Industry category will focus on outcomes and measures rather than prescriptive projects. This means that individual chambers that are awarded funding can make amendments to their proposed projects over the life of the grant as long as the stated outcomes are met. This is to allow a degree of agility and flexibility to respond to changing conditions to meet the needs of members and businesses.
 - (c) The Place and Industry category will have one grant round per year and the assessment panel will include an external member from NSW Department of Industry and Jobs For NSW.
 - (d) Up to two years of funding will be available for each grant application and there will be no cap on the amount of funding sought per application. However, for the 2017/18 financial year, the total amount of funding available is limited to \$355,000, as per the adopted 2017/18 budget resolved by Council on 27 June 2017.
34. There are a number of other existing City of Sydney grants and sponsorships programs that are also open to business chambers including:
- (a) Cultural and Creative Grants and Sponsorship (\$50,000 cap);
 - (b) Festivals and Events Sponsorship (\$30,000 cap for new events);
 - (c) Commercial Creative and Business Events Sponsorship (\$20,000 cap for business events);
 - (d) Knowledge Exchange Sponsorship (\$40,000 cap); and
 - (e) Matching Grant (\$10,000 cap).
35. When combined, these programs offer business chambers up to \$150,000 per annum for projects, in addition to the proposed Place and Industry category of the Business Support Grant.

36. Additionally, other value-in-kind programs are also open to business chambers including:
 - (a) Street Banner Sponsorship;
 - (b) Venue Support Grants and Sponsorship; and
 - (c) Accommodation Grant.
37. The proposed Place and Industry category of the Business Support Grant will contribute to strong and sustainable local economies by supporting initiatives that stimulate business and economic activity. The proposed program responds to direct feedback from local chambers and business about their needs. It also supports local chamber/association core purpose, to provide support to local business, understand their needs and advocate for these to be met/addressed.
38. Business chambers/associations and industry associations will be able to apply for funds to support projects that achieve the stated outcomes/objectives of the Place and Industry category of the Business Support Grant.
39. Applicants will be required to demonstrate matched funding in the form of cash or value-in-kind contributions.
40. The proposed Place and Industry category of the Business Support Grant builds on the successful elements of previous business / village funding programs by maintaining a mechanism of support for chambers of commerce and precinct associations, while ensuring this support responds to their challenges and opportunities as well as the support that small business needs. The program will enable chambers/associations to support their membership, connect members with opportunities, facilitate networking and ensure that chambers/associations understand their constituents to enable effective advocacy and responses to local issues.
41. The proposal also maintains an opportunity for the City to support small business capacity building through partnerships with industry associations. A key finding of the City's small business research identified that 41 per cent of local business are members of industry associations, and that local business need improved / tailored services from industry associations to run their business.
42. It is recommended that the Business Support Grant be adopted by Council to include the Place and Industry category. The program's overall expected program outcomes have been updated to include:
 - (a) increased awareness of unique local precinct offerings and experiences;
 - (b) increased footfall and measurable patronage and spend in local retail precincts;
 - (c) improved access to industry/sector specific information, upskilling and networking opportunities for local businesses;
 - (d) strengthened advocacy by local chambers of commerce and precinct associations on the behalf of their members;
 - (e) more diverse business offerings and programming at night;

- (f) increased quantity and quality of live music and performance programming; and
 - (g) improved acoustic performance and suitability of live music and performance venues.
43. No substantial changes have been made to the **Commercial Creative and Business Events Sponsorship** program.

Ensuring Environmental Sustainability

44. Three programs have environmental sustainability as their primary focus and are detailed in the Policy:
- (a) Environmental Performance – Innovation Grant, an existing program within the Grants and Sponsorship Policy;
 - (b) Environmental Performance – Building Operations Grant, an existing program within the Grants and Sponsorship Policy; and
 - (c) Environmental Performance – Ratings and Assessment Grant, an existing program within the Grants and Sponsorship Policy.
45. Since the Grants and Sponsorship Policy's last review in 2014, the City has adopted the:
- (a) Environmental Strategy and Action Plan 2016-2021;
 - (b) Waste strategy and action plan 2017 – 2030; and
 - (c) Community Garden Policy.
46. The pillar's overview and the three individual programs have been updated to reflect these and other environmentally focused City strategies. Updated targets for greenhouse gas emissions, electricity consumption, potable water and waste reduction have been included.
47. The following changes have been incorporated into the **Environmental Performance – Innovation Grant** program:
- (a) Direct link between supported demonstration and feasibility projects and the objectives of the Environmental Strategy and Action Plan 2016-2021.
 - (b) The program's funding priorities will be updated annually in the Grants and Sponsorship Program Guidelines, allowing the program to respond to changing sector needs and priority areas of the Environmental Strategy and Action Plan 2016-2021.
 - (c) The expected program outcomes have been updated to include:
 - (i) strengthening climate change adaption measures;
 - (ii) encouraging a shift towards sustainable or active transport, and/or improvements in air quality; and

- (iii) increasing canopy cover, urban greening or enhanced urban ecology and biodiversity.
48. The following changes have been incorporated into the **Environmental Performance – Building Operations Grant**:
- (a) The program’s funding priorities will be updated annually in the Grants and Sponsorship Program Guidelines, allowing the program to respond to changing sector needs and priority areas of the Environmental Strategy and Action Plan 2016-2021.
 - (b) The expected program outcomes have been updated to include:
 - (i) a new reference to increase the uptake of renewable energy; and
 - (ii) an expansion of the current outcome towards increasing knowledge amongst building owners about resource consumption to include occupants and managers.
49. The following changes have been incorporated into the **Environmental Performance – Ratings and Assessments Grant**:
- (a) The program’s funding priorities will be updated annually in the Grants and Sponsorship Program Guidelines, allowing the program to respond to changing sector needs and priorities areas of the Environmental Strategy and Action Plan 2016-2021.
 - (b) A minor update to one of the expected program outcomes is to expand the current outcome towards increasing the recognition and uptake of credible ratings tools that benchmark environmental performance to include certification instruments also.

Building Community

50. Two programs have building community as their primary focus and are detailed in the Policy:
- (a) Community Services Grant, an existing program within the Grants and Sponsorship Policy; and
 - (b) Affordable and Diverse Housing Fund, an existing program external to the Grants and Sponsorship Policy.
51. Since the Grants and Sponsorship Policy’s last review in 2014, the City has adopted the:
- (a) A City for All, Social Sustainability Policy; and
 - (b) Inclusion (Disability) Action Plan 2017-2021.
52. The pillar’s overview and the two individual programs have been updated to:
- (a) reflect A City for All, the City’s Social Sustainability Policy and include updated statistics towards the number of local residents and visitors, and the increase of local residents living in social housing; and

- (b) articulate the need for affordable housing in the local area and the City's approach to using a grant program as one mechanism to address this.
53. The expected program outcomes for the Community Services Grant have been amended to better reflect the Social Sustainability Policy and include references towards:
- (a) improving community capacity to address local needs/opportunities;
 - (b) strengthened social cohesion, sense of belonging and connection to place; and
 - (c) reducing disadvantage and increasing access to opportunities.
54. The **Affordable and Diverse Housing Fund** was established with \$10.3M from the sale of land at Harold Park in 2015. The fund aims to promote the development of affordable and diverse rental housing in the local area by community housing providers, not-for-profit and for-profit organisations.
55. The fund is part of the City's commitment to overcome financial barriers to affordable and diverse housing development, aligned with the 'Housing for a Diverse Population' key strategic direction identified in Sustainable Sydney 2030, and as set out in the City's Housing Issues Paper (2015).
56. The fund's objectives, assessment criteria, eligibility and conditions were approved by Council on 16 May 2016. In the Relevant To associated with Item 8.2 from this meeting, Council was informed that the fund would be brought into the Grants and Sponsorship Policy when it was next updated.
57. Under the Fund, supported activities funding can be used for are:
- (a) acquiring land;
 - (b) design and construction; and
 - (c) associated development costs.
58. Three grants have been approved by Council under the fund prior to its adoption into the Grants and Sponsorship Policy:
- (a) Salvation Army - \$250,000 for the design and development of 118 affordable and 48 crisis housing units to be developed in Mary Street, Surry Hills (26 October 2015);
 - (b) HammondCare - \$1.5M for the development of 47 units in a residential aged care facility in Darlinghurst Road, Darlinghurst (16 May 2016); and
 - (c) SGCH Portfolio Limited - a subsidiary of St George Community Housing Limited - \$3M for the development of 51 Youth Foyer units and up to 25 general affordable housing in Chippendale (26 June 2017).
59. The expected program outcomes for the Fund are:
- (a) maximising the quantum of subsidised housing within the City LGA;

- (b) the leveraging of additional funds from sources external to the City of Sydney and its programs, including private debt finance, charitable donations and grants from State and Federal Government;
- (c) encouraging a broad range of community housing providers to invest in and operate diverse housing within the City LGA;
- (d) ensuring the continued use of funded projects as subsidised housing; and
- (e) ongoing management in accordance with the applicable regulatory requirements, such as NSW Affordable Housing Guidelines.

Creating Vibrant Communities and Economies

60. Three programs have creating vibrant communities and economies as their primary focus and are detailed in the Policy:
- (a) Matching Grant, an existing program within the Grants and Sponsorship Policy;
 - (b) Knowledge Exchange Sponsorship, an existing program within the Grants and Sponsorship Policy; and
 - (c) Quick Response Grant, an existing program within the Grants and Sponsorship Policy.
61. The expected program outcomes for the **Matching Grant** have been amended to:
- (a) reflect the Social Sustainability Policy;
 - (b) reflect the Environmental Strategy and Action Plan; and
 - (c) include an outcome for grass roots economic activity.
62. The following changes have been incorporated into the **Knowledge Exchange Sponsorship** program:
- (a) the introduction has been updated to reflect the reflect the Social Sustainability Policy and Environmental Strategy and Action Plan; and
 - (b) an additional outcome has been added to promote capacity in organisations and individuals to develop socially just and resilient communities.
63. The following changes have been incorporated into the **Quick Response Grant**:
- (a) a minor update to one outcome to include references to improving inclusion, liveability, connectedness and engagement in the City's diverse communities which reflects the Social Sustainability Policy; and
 - (b) greater articulation depicting that event representation support can be used in the sporting, academic, cultural or environmental fields.

Access to space and value-in-kind programs

64. The City currently has two programs in the Grants and Sponsorship Policy that offer space at reduced rates:

- (a) Accommodation Grant, an existing program within the Grants and Sponsorship Policy; and
 - (b) Venue Support Grants and Sponsorship, an existing program within the Grants and Sponsorship Policy.
65. The following changes have been incorporated into the **Accommodation Grant** program:
- (a) The introduction has been updated to include:
 - (i) lease terms of generally up to five years with the option for longer terms where there is operational and community need such as for childcare, essential community services and purpose built cultural facilities;
 - (ii) confirmation that support is not provided in perpetuity under the program;
 - (iii) Articulation that the program aims to balance:
 - a. the community's need for space in the local area; with
 - b. the City's responsibility to provide the benefit of reduced rate rent to a broad range of organisations; and
 - c. the promotion of the financial sustainability for organisations accessing the program; and
 - (iv) updates to the expected program outcomes linking directly to City strategies from the four pillars of social, cultural, economic and environmental sustainability.
66. The following changes have been incorporated into the **Venue Support Grants and Sponsorship** program:
- (a) A minor amendment to the name of the program to be "Venue Hire Support Grants and Sponsorship" to better articulate that the program only provides support for the reduction of hire fees for City owned venues and not cash.
 - (b) Under the program, applicants can apply for a reduction in hire fees for Landmark venues such as Sydney Town Hall, Lower Town Hall, Paddington Town Hall and the Barnett Long Room at Customs House. The eligibility of the Landmark category has been expanded to include for-profit event management organisations in instances where they are facilitating an eligible not-for-profit's event. This approach leverages the professional expertise of such organisations without weakening the program's purpose to support activities being undertaken by the not-for-profit sector.

- (c) Applicants can also apply for a reduction in hire fees for Community venues such as the Joseph Sargeant Community Centre in Erskineville and the Tote Building in Green Square. The eligibility of the Community category has been expanded to include unincorporated community groups who are already able to request fee waiver as part of the Matching Grant program's value-in-kind offering but are restricted from this program. This approach responds to feedback provided to the City from community groups such as local mother's groups accessing City facilities for infant first and play groups, and community groups for older people accessing City facilities for exercise classes and book clubs. Unincorporated community groups are currently ineligible and will further the purpose of the program towards enabling community events, concerts, fundraisers, conferences, meetings and community gatherings from cultural, environmental and community organisations that can demonstrate financial hardship. This category has also been updated to allow support for triennial applications.
 - (d) Minor amendments have been made to the expected program outcomes for the Venue Hire Support Grants and Sponsorship program to align with the Social Sustainability Policy and other existing strategies.
67. On 27 June 2011, the Lord Mayor tabled a Minute proposing new directions for lower Oxford Street, and on 22 August 2011 Council resolved to undertake a number of short, medium and long term initiatives to activate the precinct. The most visible of which included the activation of temporarily vacant council-owned properties with creative enterprise. Additionally, through extensive community consultation for the Creative City Cultural Policy and Action Plan, Council has acknowledged that provision of affordable space is essential to support arts practice, creative enterprise and cultural organisations to maintain a presence in the City, and contribute to the character and reputation of Sydney as a thriving creative global city.
68. As the Creative Spaces program is currently operational, it is appropriate to adopt it into the Grants and Sponsorship Policy.
69. The **Creative Spaces Grant** is therefore a new program under the Grants and Sponsorship Policy. Through the program, the City aims to be responsive to need in the cultural sector and leverage available properties. It provides medium term support for up to four years, limited by specific lease terms and provides reduced rent at below market rates.
70. This program is open to not-for-profits, for-profits and sole traders.
71. Support is available in the form of reduced rental charges for City of Sydney properties. Rates vary depending on the space being leased and the financial capacity of the applicant.
72. The three releases under the program are:
- (a) Oxford Street Creative Spaces Program (approvals in 3 November 2014 and 3 June 2015);
 - (b) William Street Creative Hub (approved 20 February 2012); and
 - (c) Creative Live/Work Spaces Program (approved 20 February 2012).

73. The City provides support through the Creative Spaces Grant program under two categories:
- (a) Work spaces are offered to organisations or creative workers for their projects or practice through the provision of subsidised workshop, office, rehearsal, retail and exhibition space; and
 - (b) Live/Work spaces are offered to artists and creative practitioners to live and work in the city at below market rental in response to the challenges they face in obtaining affordable inner city housing and creative facilities.
74. The expected program outcomes for the Creative Spaces Grant are:
- (a) activation of temporarily vacant council-owned properties with activities that meet community need as identified in the Creative City, Cultural Policy and Action Plan;
 - (b) the revitalisation of particular locations ensuring creative organisations are embedded in the character of the precinct;
 - (c) strengthened industry connections and networks in the city;
 - (d) increased collaboration with the City, other local tenants, surrounding local businesses and other local organisations to improve community capacity; and
 - (e) increased opportunity for, and awareness of, creative practitioners to live and work in the city.
75. Whilst Council approves the criteria and monetary limit for this grant program, it is proposed that individual grant approval will be granted by the Chief Executive Officer subject to policy, criteria and monetary limits.
76. The Creative Spaces Grant differs from the Accommodation grant program in its purpose and its function. These differences are highlighted below:

	Accommodation Grant	Creative Spaces
Purpose	<ul style="list-style-type: none"> • Stability for strategically aligned organisations providing community benefit 	<ul style="list-style-type: none"> • Respond to sector need • Activate targeted precincts • Cluster specific industries
Delegation	<ul style="list-style-type: none"> • Council approves tenancies 	<ul style="list-style-type: none"> • City approves tenancies
Lease lengths	<ul style="list-style-type: none"> • 3-5 years • Longer in strategic situations 	<ul style="list-style-type: none"> • 1-4 years
Lease Extensions	<ul style="list-style-type: none"> • Renewal process 	<ul style="list-style-type: none"> • Fixed term only
Rental amounts	<ul style="list-style-type: none"> • 0-100% reduced rate rent 	<ul style="list-style-type: none"> • Fixed nominal rent

77. Action 3.20 of Creative City, the City's Cultural Policy states: *Ensure all eligible properties in the City's property portfolio that are empty for longer than 12 weeks are activated through the City's Short Term Creative Space Register.*
78. In 2012, the City of Sydney undertook an Expression of Interest calling for anyone with a unique, innovative idea or creative project interested in accessing temporary spaces within the City. Twenty-five projects were placed on a short term creative space register for 24 months and when a space became available, projects entered into a licence with the City. Since then the program has developed into the Short Term Empty Property program.
79. The City owns a number of properties, including retail and office space, across the inner-city area. From time to time these properties are empty for short periods between commercial tenancies or when repairs or upgrades are required to the buildings. In order to make sure these spaces aren't sitting empty and in recognition of some of the challenges facing creative projects in finding affordable, temporary inner-city spaces, these properties are made available on a temporary basis for between 1 and 12 months through this program.
80. As the Short Term Empty Properties program is currently operational, it is appropriate to adopt it into the Grants and Sponsorship Policy.
81. The **Short Term Empty Properties Grant** is therefore a new program under the Grants and Sponsorship Policy. Through the program, the City aims to provide immediate and short-term activation of temporarily vacant properties within the City's portfolio. The properties are offered from one month to one year.
82. This program is open to not-for-profits, for-profits and sole traders.
83. Support is available in the form of nominal rental charges for council-owned properties that are available and suitable for the activity proposed.
84. The expected program outcomes for the Short Term Empty Properties Grant are:
 - (a) activation of temporarily vacant Council owned property for a short term with creative or capacity building activities that reflect the Cultural Policy and Action Plan;
 - (b) increased engagement with the local community, including artists and creative organisations, small business and visitors;
 - (c) local economies stimulated through the diversification of business mix with innovative or capacity building enterprises; and
 - (d) increased opportunities and exposure for emerging and established enterprises including artists.
85. Whilst Council approves the criteria and monetary limit for this grant program, it is proposed that individual grant approval will be granted by the Chief Executive Officer subject to policy, criteria and monetary limits.
86. General references to current City policies and definitions have also been updated.

Eligibility and Ethics Framework

87. The proposed Policy also includes references and updates towards:
- (a) the ability to require applicants to demonstrate their commitment to and initiatives undertaken by their organisation, to improve their environmental performance. The proposal aligns the Grants and Sponsorship Policy with activities already underway through procurement mechanisms;
 - (b) direction to applicants proposing projects involving children and young people to submit their Child Protection Policy at application or outline how they intend to comply with Child Protection and Working with Children legislation if they currently do not have one;
 - (c) a full review of the related policies and procedures; and
 - (d) a full review of the definitions.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

88. *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. The provision of grants and sponsorships is a key mechanism for the city to further the aims identified in its social, economic, environmental and cultural policies. All applications are considered against the 10 strategic directions and how they can directly deliver, or encourage the further development of the aims and objectives identified in *Sustainable Sydney 2030*.

Social / Cultural / Economic / Environment

89. The Grants and Sponsorship Program provides the City with a platform to support cultural, social, economic and environmental initiatives from communities, community organisations and businesses within the local area.

BUDGET IMPLICATIONS

90. Funding is secured for the continued delivery of the Grants and Sponsorships Programs with financial implications for 2017/18.
91. Funding will be included in the draft 2018/19 budget to support the Grants and Sponsorships Programs, including any commitments for funding already approved by Council.

RELEVANT LEGISLATION

92. Section 356 of the Local Government Act 1993 – “Can a Council financially assist others?” requires grants or sponsorship proposed to be provided to recipients who act for private gain to be placed on public exhibition for 28 days unless:

“(3) (a) the financial assistance is part of a specific program;

(b) the program’s details have been included in the council’s draft operational plan for the year in which the financial assistance is proposed to be given;

(c) the program's proposed budget for that year does not exceed 5% of the council's proposed income from ordinary rates levied for that year; and

(d) the program applies uniformly to all persons or a significant group of persons within the council's local government area.

93. City Life will monitor the value of grants or sponsorship to be provided to recipients to ensure that these requirements are complied with. If the requirements cannot be complied with, a report to Council or public exhibition of the proposed grant or sponsorship will be required.
94. Section 377 of the Local Government Act 1993 – “General Power of the Council to delegate” states:

*“(1) A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council under this or any other Act, **other than the following...**”*

- (i) *(q) a decision under section 356 to contribute money or otherwise grant financial assistance to **persons...**,*

(1A) Despite subsection (1), a council may delegate its functions relating to the granting of financial assistance if:

(a) the financial assistance is part of a specified program, and

(b) the program is included in the council's draft operational plan for the year in which the financial assistance is proposed to be given, and

(c) the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year, and

(d) the program applies uniformly to all persons within the council's area or to a significant proportion of all the persons within the council's area.”

95. Provided the individual grant or sponsorship satisfies each requirement of section 377(1A), then Council has delegated authority to the CEO to approve the grant.

CRITICAL DATES / TIME FRAMES

96. The proposed revision to the program may be implemented immediately for programs open all year and will be implemented for applications received as part Round 1 2018/19, opening February 2018.

PUBLIC CONSULTATION

97. This policy review has been informed by the City's key policies towards social, cultural, environment and economic development:
- (a) A City for All, Social Sustainability Policy (2016);
 - (b) Creative City, Cultural Policy 2014 – 2024 (2014);
 - (c) Environmental Strategy and Action Plan 2016-2021 (2017); and
 - (d) Economic Development Strategy (2013).

98. Further, the review responds to feedback received from grant applicants at grants Q&A sessions and throughout the grant process.
99. Significant consultation with chambers of commerce and business was undertaken, as outlined in paragraphs 28 – 31.

ANN HOBAN
Director, City Life

Jeremy Kelshaw, Manager Grants