

Revised 2020/21 Operational Plan - Adoption

File No: X025796

Summary

The Covid-19 pandemic has had a significant and devastating impact on our communities and our economy. The City of Sydney (the City) responded swiftly when the pandemic first hit, closing community centres, libraries, pools and playgrounds, increasing cleansing and waste regimes and establishing new grants programs to help support our creative community sector and small business.

As a health crisis, the response has been generally well managed in NSW and Australia. However, although workers and visitors are returning to the city, the CBD is quieter than before and this continues to significantly impact businesses. Both NSW Government and the City have recognised the need for a collaborative effort to encourage people back into the city in a safe way. This opportunity was identified and supported at the NSW Government Summer Summit in mid-September where the 24-Hour AI Fresco City was proposed.

At the Council meeting held on 26 October 2020, Council resolved a range of support measures to assist the community and businesses across the city, including the introduction of new grant programs.

As part of the NSW Local Government Act 1993 and Integrated Planning and Reporting requirements, the City is required to exhibit changes to its grants program. A draft addendum to the Operational Plan 2020/21 was exhibited, including the proposed revised grants program from 28 October 2020 to 25 November 2020.

No submissions on the draft Operational Plan 2020/21 Addendum were received.

The draft Operational Plan 2020/21 Addendum, annual budget and financial schedules have not been amended.

This report recommends the adoption of the exhibited draft Operational Plan 2020/21 Addendum, including revised grants programs, in accordance with the requirements of the Local Government Act 1993.

Recommendation

It is resolved that:

- (A) Council adopt the draft Operational Plan 2020/21 Addendum incorporating the revised grants program for 2020/21, included as Attachment A to the subject report; and
- (B) authority be delegated to the Chief Executive Officer to approve any minor editorial corrections prior to publication and authorise the relevant staff to implement any such corrections.

Attachments

Attachment A. Operational Plan 2020/21 Addendum

Background

1. The Covid-19 pandemic is an unprecedented public health crisis which is causing an economic crisis. Unemployment is forecast to rise, with job losses impacting sectors particularly concentrated in our city community, such as accommodation and food services, retail trade, arts and recreation services, construction and professional services.
2. In response to this crisis, the City of Sydney has revised its Operational Plan to reflect the inclusion of new grant programs responding to the pandemic.
3. The City would like to relaunch the live music scene in Sydney, supporting performances in venues and in the public domain, reactivating the city over several months. This will be achieved through a new grant program with matched funding from both the NSW Government and City Funding projects that enliven public spaces, venues, laneways with music, performance and public art.
4. The CBD Activation Grant will support economic recovery by bringing business and creatives together to activate businesses and public space in the CBD with cultural programming.
5. In addition, the City will offer a Cultural Sector Innovation Grant program to support cultural organisations and businesses to innovate, adapt and grow, and a Community Services Grant program to respond to ongoing community need including food relief, digital inclusion, social isolation, tenancy support and homelessness services.
6. The city's laneways will again be enlivened with public art as in previous years. The City will produce a public art program engaging artists to transform up to four laneways in central Sydney over six months. The City will host summer tours of existing artwork in the city centre.
7. The City has advocated that the NSW Government keep Sydney's major cultural institutions open into the evenings, to provide opportunities for visitors and residents to see exhibitions, programs and events.
8. The proposed grants programs were supported at the Council meeting on 26 October 2020 and include immediate and future support for business, our cultural and creative industries and our community.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

9. 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 program is aligned with the following strategic directions and objectives:
 - (a) Direction 5 - A Lively and Engaging City Centre - Implementing the AI Fresco City program will safely promote the city centre through initiatives which support the re-activation of the CBD with outdoor dining, bars, late night trading, live music and performances and cultural institutions staying open in the evening.

- (b) Direction 6 - Vibrant Local Communities and Economies - Covid-19 has had a devastating impact on local communities and the economy. The AI Fresco City initiatives will aim to boost the local economy, support businesses and create jobs over the vital summer period.
- (c) Direction 7 - A Cultural and Creative City - The AI Fresco City program will connect creatives and businesses, provide performance opportunities and offer support and work to artists whilst enlivening the city with cultural activations.
- (d) Direction 10 - Implementation through Effective Governance and Partnerships - The City has formed a new and effective partnership with the NSW Government in order to deliver this program which is in line with the City's Community Recovery Plan goals.

Organisational Impact

- 10. The implementation of the AI Fresco City program will involve key staff from across the City of Sydney. Identified staff will be responsible for leading and managing the specific initiatives, including reporting to the NSW Government. Additional staff is essential to ensure delivery will be recruited for the duration of the program. The funding for this is included in the City's \$5 million contribution to this program.

Risks

- 11. The AI Fresco City program has been developed at a time when the health crisis is not yet over, and the status of government restrictions are constantly changing. Activations must therefore be monitored and scaled as required in response to changes in applicable rules and the health situation generally.
- 12. The program is being delivered with very short timeframes and there may need to be modifications and adaptations to delivery as the program is rolled out.

Social / Cultural / Community

- 13. The City recognises the impact of Covid-19 restrictions have hit the cultural sector particularly hard. Cancellation of large-scale performances, events and festivals means many businesses in this ecosystem may not survive. This program puts creative activity at the heart of re-activating the city, acknowledging that a thriving cultural sector is vital for the city's recovery.

Economic

- 14. The pandemic has had a severe impact on the city and economy. The impact is particularly significant in our local area because there is such a high concentration of businesses. The AI Fresco program aims to safely encourage workers and visitors back to the CBD, helping businesses survive in the short-term and creating opportunities for them to thrive in the long-term.

Financial Implications

15. The AI Fresco City program will be delivered using the \$20 million partnership funding from both the City and NSW Government in 2020/21. \$15 million will be incoming funds from the NSW Government and \$5 million will be funded by savings in the City Life Division, including savings from Sydney New Year's Eve 2020 and other events that were not possible due to the pandemic. Should these savings prove insufficient, the balance would need to be funded from General Contingency. The budget adjustments were set out in the 2020/21 Quarter 1 Review report to Council in November, noting that there is no change to the 2020/21 budgeted Operating Result.

Relevant Legislation

16. The Local Government Amendment (Governance and Planning) Act 2016 was assented to on 30 August 2016. The aim of the Integrated Planning and Reporting framework is to improve integration of various statutory planning and reporting processes undertaken by councils as required by the Local Government Act 1993, the Office of Local Government's guidelines and the Environmental Planning and Assessment Act 1979.
17. Sections 402 to 406 of the Local Government Act 1993 outline the requirements that a council must undertake when preparing a community strategic plan, underlying delivery plan and strategies with respect to the council's activities.
18. Section 356 of the Local Government Act 1993 describes how councils may financially assist others.

Critical Dates / Time Frames

19. Council is required to place proposed new documents related to the Integrated Planning and Reporting legislation on public exhibition for 28 days. The Local Government Act 1993 requires that the draft budget, and revenue pricing policy for rates, annual charges and fees, be incorporated within that exhibition and consultation process.
20. A draft addendum to the Operational Plan 2020/21 was exhibited, including the proposed revised grants program from 28 October 2020 to 25 November 2020.
21. The AI Fresco City program has an anticipated duration of 27 October 2020 to 31 October 2021.
22. Council adoption of the exhibited draft Operational Plan 2020/21 Addendum, including revised grants programs, in accordance with the requirements of the Local Government Act 1993, is required to enable the assessment and provision of grants as part of the AI Fresco City program.
23. A number of these projects are scheduled to start from late January 2021 and require accelerated and urgent approval.

Options

24. Council has the option to vary budget allocations and Operational Plan items prior to, and after, the 28-day exhibition period, prior to final approval.

Public Consultation

25. The draft Operational Plan Addendum containing the revised grants programs was publicly exhibited from 28 October 2020 to 25 November 2020.
26. During this period, the community were invited to make comments and submissions regarding the draft addendum. The City used the Sydney Your Say community engagement platform to seek responses on the document.
27. An electronic copy of the draft addendum was made available to the community through Council's Sydney Your Say website, which had 59 unique visits and eight downloads of the document.

BILL CARTER

Chief Financial Officer

Geoff Burton, Business Planning and Performance Manager

Jeremy Kelshaw, Manager Grants

Attachment A

**Operational Plan 2020/21
Addendum**

Operational Plan 2020/21 - Addendum



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Introduction

The Covid-19 pandemic has had a significant and devastating impact on our communities and our economy. The City of Sydney responded swiftly when the pandemic first hit, closing community centres, libraries, pools and playgrounds, increasing cleansing and waste regimes and establishing new grants programs to help support our creative community sector and small businesses.

In June we expanded on our initial response and developed a Community Recovery Plan to give direction to how we'll work in partnership with our communities, businesses, the NSW Government and other local governments. The plan supports economic and social recovery in the local area over the next 18 months.

As a health crisis, the response has been generally well managed in NSW and Australia. However, although workers and visitors are returning to the city, the CBD is quieter than before and this continues to significantly impact businesses.

Both the NSW Government and the City have recognised the need for a collaborative effort to encourage people back into the city in a safe way. This opportunity was identified and supported at the NSW Government Summer Summit in mid-September where the 24-Hour AI Fresco City program was proposed.

On 2 October 2020, the City and NSW Government announced a \$20 million joint funding partnership to boost the city centre economy, support businesses and creatives and invite the public safely back into the city, particularly during the summer months.

The NSW Government will commit up to \$15 million and the City will provide a further \$5 million towards AI Fresco City initiatives. \$4.3M of this funding program will be delivered through grants administered by the City.

This partnership and funding commitment align with the objectives of our Community Recovery Plan.

Community Recovery Plan

Key goals of the City's Covid-19 Community Recovery Plan include working together with the NSW Government where actions must be coordinated, supporting businesses and organisations to adapt, rebuilding the visitor economy, prioritising the role of the cultural sector and safely managing public spaces to support community life and businesses.

The AI Fresco City program is in line with these community recovery plan objectives.

AI Fresco City

It is vital that the City promote a safe, inclusive and welcoming city to enable a swift road to recovery for the benefit of the community. The most severely impacted sectors of the economy are those with a high concentration in the CBD including hospitality, tourism, retail and creative industries, all of which require an activated and enlivened city to aid recovery.

The AI Fresco City program includes the following initiatives:

- a. transforming the city into an outdoor summer cultural experience;
- b. creating a summer of outdoor dining;
- c. funding projects that enliven public spaces, venues, laneways with music, performance and public art;
- d. keeping Sydney's cultural institutions open into the evenings, and
- e. working with Destination NSW to promote this activity to Sydney and interstate visitors.

Extended Grants and Support Program

Al Fresco City Grant Program

A key initiative of the Al Fresco City program is funding of projects that will expand public spaces, venues, laneways with music, performance and public art: the City would like to relaunch the live music scene in Sydney, supporting performances in venues and in the public domain, reactivating the city over several months.

This will be achieved through a new grant program with matched funding from both NSW Government and the City.

The **CBD Activation Grant** will support economic recovery by bringing business and creatives together to activate businesses and public space in the CBD with cultural programming.

The City will offer a **Cultural Sector Innovation Grant** program to support cultural organisations and businesses to innovate, adapt and grow.

In addition, the City will offer a **Community Services Grant** program to respond to ongoing community need including food relief, digital inclusion, social isolation, tenancy support and homelessness services.

Revised Grants Program Summary

Current Grants Program

Current Grants Program 2020/21 – Cash	\$14.7M	
Current Grants Program 2020/21 – Value in Kind	\$8.9M	(includes Accommodation Grant Program + banners + venues)
	\$23.6M	

Revised Grants Program

Increase approved at Council – Cash	\$4.3M	
Revised Grants Program 2020/21 – Cash	\$19.0M	
Revised Grants Program 2020/21 – Value in Kind	\$8.9M	(includes Accommodation Grant Program + banners + venues)
	\$27.9M	

Existing grants programs names:

- Cultural and Creative Grants and Sponsorship
- Festivals and Events Sponsorship
- Business Support Grant
- Commercial Creative and Business Events Sponsorship
- Environmental Performance Grants
- Community Services Grant
- Affordable and Diverse Housing Fund
- Matching Grant
- Knowledge Exchange Sponsorship
- Quick Response Grant
- Accommodation Grant
- Creative Spaces Grant
- Short Term Empty Properties Grant
- Venue Hire Support Grants and Sponsorship
- Street Banner Sponsorship
- Small Business Grants

- Cultural Resilience Fund
- Creative Fellowships Fund

Al Fresco City grants programs:

- CBD Activation Grant
- Cultural Sector Innovation Grant
- Community Services Grant

New Covid-19 Recovery Grants and Sponsorship Summary

	CBD Activation Grant	Cultural Sector Innovation Grant	Community Services Grant
Purpose	\$3 million to support economic recovery by bringing businesses and creatives together to activate businesses, public domain and vacant corporate space in the CBD with cultural programming.	\$500,000 to support cultural organisations and businesses to innovate, adapt and grow through recovery from the impacts of Covid-19.	\$800,000 to respond to ongoing community needs including food security, digital inclusion, social isolation, tenancy support and homelessness services.
Funding	From \$5,000 to \$50,000 cash per application. Up to \$10,000 for sole traders. Also includes additional value in kind fee waiver support for street banners and landmark venues.	Up to \$20,000 cash per application. Up to \$10,000 for sole traders.	From \$5,000 up to \$50,000 cash per application. Large scale collective impact projects may be eligible to apply for additional funding. Also includes additional value in kind fee waiver support for community venue hire.
Eligibility	For-profit businesses (including for-profit arts enterprises), not-for-profits, social enterprises, owners corporations (strata and company owned), sole traders, individuals or unincorporated community groups auspiced by a not-for-profit eligible to apply in their own right.	Sole traders, not-for-profits and for-profit arts businesses working directly in the cultural sector. Either located in the local area or located outside our boundaries and providing significant service to our local community. Employ less than 20 full time equivalent employees (not including artists or performers engaged on an ad hoc basis). Have an aggregated turnover of less than \$10 million.	Not-for-profits (including social enterprises), individuals or unincorporated community groups auspiced by a relevant organisation who is eligible to apply in their own right. Located in the local area or located outside our boundaries but providing significant service to our local community.

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