

## Item 9

### Covid-19 Relief Grants Program

**File No: S117676**

#### Summary

The global Covid-19 pandemic has sparked the biggest health and economic crisis the world has seen in more than a century. In Australia, it has led to the indefinite closure of our state and national borders, severe restrictions placed on ordinary life and the widespread closure of workplaces to flatten the infection curve and protect people from Covid-19.

The economic impacts of the restrictions have been enormous, with more than half of the nation's workforce living on welfare or wage subsidies. In our local area, many urgent issues have arisen for our communities.

Sections of our local residential community, including vulnerable residents, continue to face issues of food security, a lack of social cohesion and digital inclusion, along with increasing racism, domestic and family violence, mortgage and income stress, and increased risk of homelessness.

Our cultural sector, heavily reliant on income generated by events and public programs, has been disproportionately impacted by social distancing measures, leaving many cultural organisations and businesses unable to generate income and/or having to provide mass refunds. This has pushed many companies towards insolvency and, due to the nature of the sector, many arts workers are not eligible for support provided by other levels of government.

Our local business community, in particular those in the retail, hospitality, tourism and accommodation sectors, have been greatly impacted by both forced closures and restricted trading conditions, resulting in a significant and unprecedented downturn in trade, and restricted cash flow. Businesses that are still trading have had to become lean, innovate their business models and adapt by increasing their digital and ecommerce capabilities to reach a market that, due to social distancing and self-isolation regulations, are consuming and engaging mainly online.

On 30 March 2020, Council adopted a range of measures to assist the cultural and creative, small business and community sectors, including four grant programs to target and address immediate needs of our communities:

- The creation of the Cultural Sector Resilience Grant program, valued at \$2.25 million to provide immediate financial support to the not-for-profits and sole traders working in the cultural sector who are often reliant on individual grant rounds and project based funds to maintain their minimal staff and pay their artists.
- The creation of the Creative Fellowships Fund, valued at \$1 million to support artists to engage in creative development of works and initiatives driven by the cultural sector, and to purchase materials and equipment.
- The creation of the Small Business Grant program, valued at \$2 million to support businesses with innovation and adaptation grants.

- The increase of the Community Services Grant's budget by \$1.5 million to assist organisations to meet the current priority areas of food insecurity, digital inclusion and social connection to support our vulnerable residents.

On 6 April 2020, the City opened these four programs to pre-application, noting the required exhibition period, and closed the Cultural Sector Resilience Grant, Creative Fellowships Fund, Small Business Grant and Community Services Grant to pre-application on 27 April 2020. The four new programs received 3,107 eligible submissions requesting a total of \$39,003,360.

This report recommends 455 grants to the value of \$6,750,000. The recommendations include investment across three pillars, noting that cultural projects can occur through the Cultural Sector Resilience Grant, Creative Fellowships Fund and Small Business Grant, which is open to for-profit arts enterprises:

- Cultural projects - \$3,360,613
- Economic projects - \$1,650,000
- Social projects - \$1,739,387

The assessment process involved over 100 City staff who performed 13,500 individual assessments.

On 30 March 2020, Council also adopted an increase to the Quick Response Grant's budget by \$500,000 and an increase to its cap from \$2,000 to \$5,000 to address immediate and local community need in our neighbourhoods. This program is delegated to the Chief Executive Officer for approval and opened on 6 April 2020 to pre-application until the budget is exhausted.

At 12 May 2020, 383 pre-applications have been received with a total request of \$1,770,697. These applications are currently being assessed and the program will be closed on 19 May 2020 as the submissions received will exhaust the allocation of the \$500,000 budget. These grants will be reported back to Council through the standard corporate reporting mechanism for grants delegated to the Chief Executive Officer and will also be included in the City's 2019/20 annual report.

All grant recipients approved through the Cultural Sector Resilience Grant, Creative Fellowships Fund, Small Business Grant and Community Services Grant will be required to sign a contract, meet specific performance outcomes and any conditions specified by assessors, and acquit their grant as usual.

All figures in this report exclude GST.

**Recommendation**

It is resolved that:

- (A) Council approve the cash and recommendations for the Cultural Sector Resilience Grant program as per Attachment A to the subject report;
- (B) Council note the applicants who were not successful in obtaining a cash grant for the Cultural Sector Resilience Grant program as per Attachment B to the subject report;
- (C) Council approve the cash and recommendations for the Creative Fellowships Fund as per Attachment C to the subject report;
- (D) Council note the applicants who were not successful in obtaining a cash grant for the Creative Fellowships Fund as per Attachment D to the subject report;
- (E) Council approve the cash and recommendations for the Small Business Grant as per Attachment E to the subject report;
- (F) Council note the applicants who were not successful in obtaining a cash grant for the Small Business Grant as per Attachment F to the subject report;
- (G) Council approve the cash and recommendations for the Community Services Grant as per Attachment G to the subject report;
- (H) Council note the applicants who were not successful in obtaining a cash grant for the Community Services Grant as per Attachment H to the subject report;
- (I) Council note the Quick Response Grant's Covid-19 offering will close immediately whilst applications are assessed and finalised as there are sufficient applications to exhaust the budget; and
- (J) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any recipient approved for a grant under terms consistent with this resolution and the Grants and Sponsorship Policy as outlined in clauses (A) through (H) above.

**Attachments**

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| <b>Attachment A.</b> | Recommended for Funding - Cultural Sector Resilience Grant        |
| <b>Attachment B.</b> | Not Recommended for Funding - Cultural Sector Resilience Grant    |
| <b>Attachment C.</b> | Recommended for Funding - Creative Fellowships Fund               |
| <b>Attachment D.</b> | Not Recommended for Funding - Creative Fellowships Fund           |
| <b>Attachment E.</b> | Recommended for Funding- Small Business Grant                     |
| <b>Attachment F.</b> | Not Recommended for Funding - Small Business Grant                |
| <b>Attachment G.</b> | Recommended for Funding - Community Services Grant (Covid-19)     |
| <b>Attachment H.</b> | Not Recommended for Funding - Community Services Grant (Covid-19) |

## Background

1. The global Covid-19 pandemic has sparked the biggest health and economic crisis the world has seen in more than a century. In Australia, it has led to the indefinite closure of our state and national borders, severe restrictions placed on ordinary life and the widespread closure of workplaces to flatten the infection curve and protect people from Covid-19.
2. In response to this unprecedented public health and economic crisis, the City has employed multiple strategies over two phases to assist the local community with costs estimated to be \$72.5 million.
3. These strategies included the creation of a Covid-19 Relief Grants program to provide urgent financial assistance to the City's cultural and creative, small business and community sectors, as well as the City Concierge to ensure enquirers from the business, cultural and community sectors received integrated and tailored advice relating to the City's grants offering, other City services available to them and general information on how to pursue other relevant avenues for support.
4. On 6 April 2020, the City opened five grant programs to pre-applications, noting the creation of new programs and updated budget required the revised operational plan for the 2019/20 financial year to be re-exhibited.
5. Information about these grant programs, such as application dates, guidelines, and eligibility criteria was made available on the City's website. The City actively promoted the programs across its digital and social channels including City of Sydney News, Facebook, LinkedIn, Instagram and Twitter. Outreach work was conducted to promote the grants via cultural, business and community service organisations and a proactive media push targeted relevant industry press and local media. Email campaigns were also utilised to target interested parties who have applied previously for grants at the City or who have expressed an interest in the City's programs.
6. The Cultural Sector Resilience Grant and Community Services Grant opened to applications from not-for-profit organisations and partnerships. The Cultural Fellowships Fund opened to sole traders, or an individual or group of individuals auspiced by a cultural organisation. The Small Business Grant opened to for-profit entities.
7. It is expected that all successful applicants will work co-operatively with relevant City staff throughout the project for which they have received funding. Contact details for the relevant City staff are provided to all successful grant recipients.
8. All grants and sponsorships are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant.
9. The City's Grants and Sponsorship Program is highly competitive. Applications that are not recommended have either not scored as highly against the assessment criteria as the recommended applications or have incomplete or insufficient information. The City's Grants and Sponsorship team provides feedback and support to unsuccessful applicants where requested.

10. The assessment process includes advice and recommendations from the key stakeholders on the assessment panel, depending upon the nature of each submission. The integrity of the proposed budget, project plan, contributions and partnerships are assessed, scored and ranked against defined criteria. Once recommended applications are approved by Council, a contract is developed, which includes conditions that must be adhered to, and acquitted against.
11. In assessing the grant applications, the assessment panels included in their considerations and recommendations major City of Sydney Strategies and Action Plans including:
  - (a) Sustainable Sydney 2030;
  - (b) Grants and Sponsorship Policy;
  - (c) Creative City Cultural Policy and Action Plan;
  - (d) Economic Development Strategy;
  - (e) OPEN Sydney Strategy and Action Plan; and
  - (f) A City For All Social Sustainability Policy.
12. Applicants are requested to list their project's partners, funding sources and the contribution the applicant is making to the project to demonstrate their collaboration, commitment and the viability of the project. City staff consider the contribution from the applicant and other sources in reviewing applications.

**Cultural Sector Resilience Grant - \$10,000 (sole traders) - \$20,000 (organisations) in funding**

13. The Cultural Sector Resilience Fund aims to provide direct financial support to arts and cultural organisations who have had revenue-generating operations, programs, events or initiatives cancelled, postponed or reduced in response to the Covid-19 pandemic.
14. The program included the following funding priorities:
  - (a) support to continue operating, maintain staff and administrative costs and overheads;
  - (b) honour existing agreements with freelance and casual cultural workers; and
  - (c) adapt to restricted trading conditions and plan for recovery.
15. This program received 197 applications and 183 were found to be eligible. The eligible applications requested a total value of \$2,830,137. The program holds a budget of \$2.25 million and this report recommends 104 grants to the value of \$1,770,613. The remaining budget is recommended to be reallocated to the Creative Fellowships Fund, Small Business Grant and Community Services Grant. Whilst this program's offering included set amounts of funding for organisations (\$20,000) and sole traders (\$10,000), some applicants requested less than these amounts and those awarded funding were awarded the amount of funding they requested.

16. The recommendations include considerable investment in the music, visual art, community arts, multiform art and theatre sectors. Fifty per cent of the projects recommended propose adapting to restricted trading conditions and planning for recovery.
17. The assessment panel consisted of members from the City's Creative City and Cultural Strategy teams.

#### **Creative Fellowships Fund - up to \$20,000 in funding**

18. The Creative Fellowships Fund will support established and emerging arts and cultural practitioners to develop initiatives, projects and new work during and beyond the Covid-19 pandemic.
19. The program included the following funding priorities:
  - (a) support for cultural practitioners to develop projects, plans and community-led initiatives; and
  - (b) innovation in arts practice and engagement with diverse communities.
20. This program received 365 applications and 324 were found to be eligible. The eligible applications requested a total value of \$5,266,825. The program holds a budget of \$1 million and \$100,000 has been reallocated from the Cultural Sector Resilience Grant resulting in an adjusted budget of \$1,100,000. This report recommends 90 grants to value of \$1,100,000.
21. The recommendations include investment into projects in all of the village areas with the Redfern Street, King Street and CBD and Harbour villages receiving higher levels of support based on the quality of the submissions received. Two thirds of projects have the funding priority to support cultural practitioners to develop projects, plans and community-led initiatives.
22. The assessment panel consisted of members from the City's Creative City, Cultural Strategy, City Design, Public Art and Data and Information Management teams.

#### **Small Business Grant - \$10,000 in funding**

23. The Small Business Grant aims to provide direct financial support to local and vulnerable small businesses and arts enterprises to innovate and adapt, foster business continuity and increase business capabilities to strengthen economic recovery in response to the Covid-19 pandemic.
24. This program received 2,789 applications and 2,395 were found to be eligible. The eligible applications requested a total value of \$23,950,000 over the four funding priorities of:
  - (a) operating model adaptation;
  - (b) training and professional development;
  - (c) online and e-commerce; and
  - (d) capital works.

25. The assessment panel consisted of 70 City staff members from numerous teams to process the high number of applications in such a short timeframe. Preliminary recommendations were taken forward to an expert panel consisting of members of the City Business and Safety Unit for more detailed consideration.
26. The recommendations include considerable investment in the restaurant and café, arts enterprise and retail sectors. All of the City's village areas are recommended to receive support with the Crown and Baptist, Redfern Street, CBD and Harbour and Oxford Street, Macleay Street and Woolloomooloo and Green Square and City South and Chinatown and CBD South areas receiving higher levels of support based on the quality of the submissions received. Three-quarters of the grants recommended are for businesses with under five employees and 90 per cent of projects recommended propose to adapt their operating model or have requested funds to support the costs associated with online and e-commerce activities.
27. This program included a budget of \$2 million and \$140,000 has been reallocated from the Cultural Sector Resilience Grant resulting in an adjusted budget of \$2,140,000. This report recommends 214 grants to a value of \$2,140,000.

**Community Services Grant (Covid-19) - up to \$50,000 in funding**

28. The Community Services Grant aims to provide direct financial support to not-for-profit organisations (including social enterprises) servicing the local area to address food security, digital inclusion and social connection for vulnerable and at need community members related to the Covid-19 pandemic.
29. The program included the following funding priorities:
  - (a) operating model adaptation;
  - (b) online and digital inclusion; and
  - (c) supporting community led mutual aid activities.
30. This program received 234 applications and 205 were found to be eligible. The eligible applications requested a total value of \$6,956,398. The program holds a budget of \$1.5 million and \$239,387 has been reallocated from the Cultural Sector Resilience Grant resulting in an adjusted budget of \$1,739,387. This report recommends 47 grants to value of \$1,739,387.
31. The recommendations include investment in projects in all of the village areas with the Redfern Street, Green Square and City South and King Street villages receiving higher levels of support based on the quality of the submissions received. The recommendations also include support for all of this program's targeted beneficiaries with strong support for projects aiming to target the general public as well as people from culturally and linguistically diverse backgrounds, people experiencing homelessness and women.
32. The assessment panel consisted of members from the City's Social Programs and Services team.



**City Concierge and communications**

33. As requested by Council, City staff developed a concierge service model to offer advice and assist small businesses, not-for profit organisations, charities and sole-traders as they navigate this difficult time. The City Concierge service provided advice regarding the support available from the City as well as directing customers to appropriate State and Federal support packages. This new service responded to a total of 1,421 total contacts with the vast majority of enquiries from small businesses and sole traders.
34. The City's multi-faceted marketing and communications approach to raise awareness and drive applications of the Covid-19 grants program saw 97,149 page views of the grant pages on the City's corporate website between 6 and 27 April 2020. Seventeen per cent of users came from organic search, 14 per cent by organic facebook posts and 10 per cent from paid search. Organic search also contributed the largest percentage of traffic to conversion (clicks to the SmartyGrants application pages), followed by email marketing and paid search.

**Key Implications****Strategic Alignment - Sustainable Sydney 2030**

35. This report complies with the Grants and Sponsorship Policy adopted by Council on 12 December 2017. The provision of grants and sponsorships is a mechanism for the City to further the aims identified in its social, economic, environmental and cultural policies. The City of Sydney's Grants and Sponsorship Program is a key element in the delivery of Sustainable Sydney 2030. 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.

**Organisational Impact**

36. The grants and sponsorships contract management process will involve key staff across the City. Identified staff set contract conditions and performance measures for each approved project and review project acquittals, which include both narrative and financial reports.

**Risks**

37. The high volume of applications received and condensed assessment period has presented unique challenges to ensure the condensed grants offering meets the required legal and governance standards required. All reasonable attempts have been made by City staff to ensure the Grants and Sponsorship Policy's guiding principles of partnership, diversity and access, good governance and transparency were adhered to in the design, advertising, application and assessment of these grants programs.

**Social / Cultural / Community / Environmental**

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

**Budget Implications**

39. A total of \$6,750,000 is recommended for allocation as follows:
- (a) Cultural Resilience Grant – \$1,770,613;
  - (b) Creative Fellowships Fund - \$1,100,000;
  - (c) Small Business Grant – \$2,140,000; and
  - (d) Community Services Grant (Covid-19) - \$1,739,387.
40. This allocation of \$6.75 million will be provided over two financial years:
- (a) 2019/20 - \$5.1 million. This amount, and the allocation of the amount to each Covid-19 Relief Grants Program, is provided for in the revised operational plan for this financial year.
  - (b) 2020/21 - \$1.65 million. This has been incorporated into the Grants and Sponsorship Program's budget that forms part of the City's draft Operating Budget for 2020/21, a separate report (Integrated Planning and Reporting Program and Budget 2020/21 - Public Exhibition) in this Council cycle.

**Relevant Legislation**

41. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
- (a) the funding is part of the following programs:
    - (i) Creative Fellowships Fund; and
    - (ii) Small Business Grant;
  - (b) the details of these programs have been included in the City's revised operational plan for financial year 2019/2020;
  - (c) the proposed budget of each program does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2019/2020; and
  - (d) this program applies to a significant group of persons within the local government area.

### **Critical Dates / Time Frames**

42. Activity supported through this offering will take place immediately for 12 months. Contracts will be developed for all successful applications after Council approval to ensure their funding is released urgently.

### **EMMA RIGNEY**

Director City Life

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Alana Goodwin, Grants Program Coordinator

Cathy Brown, Grants Officer

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