

Item 12.

Public Exhibition - Precinct Activation Grants Guidelines

File No: S117847

Summary

This report proposes that draft grant program guidelines and a related addendum to the 2021/22 Operational Plan be placed on public exhibition.

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.

On 29 June 2020, Council endorsed City Recovery Plans, and developed the Community Recovery Plan resulting in a new Covid-19 grants program to help support our creatives, community sector and small businesses. In 2021/22, the City's Grant and Sponsorship program has aligned to the Community Recovery Plan to better address emerging community issues and to support economic, cultural and social recovery in our city.

On 26 July 2021, as part of the 2021 Lockdown Response and the underlying Lockdown Recovery Package, Council requested the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy including the funding for resources to do so, with the proposed program to be reported back to Council.

The resulting new Precinct Activation grant program will encourage collaborative partnerships between businesses, creatives and communities that renew and transform our city centre, local precincts and neighbourhoods. These collaborations will be designed to activate businesses, public places and vacant retail and commercial space with cultural programming. The program will be open to for-profits, not-for-profits and sole traders, with projects to be delivered between 1 June 2022 to 30 June 2023.

The Precinct Activation grant program guidelines were developed in consultation with key stakeholders including the Nightlife and Creative Sector Advisory Panel, local business chambers, industry associations and the community. These align with the Community Recovery plan.

From the \$4 million budget for the grant program, a total of \$300,000 will be used to cover costs associated with administering the new grant program until end of June 2022. A further \$700,000 is the estimated value associated with extending the existing Covid-19 related fee waivers up to 30 June 2023 and would be revenue forgone only for those projects funded through the Precinct Activation grant program. This would include the waiving of any outdoor event related application fees, power access fees, venue hire fees, event road closure fees or other applicable City service and event hire fees normally chargeable for such events.

This report seeks Council approval to extend the existing Covid-19 related fee waivers only for projects funded through the Precinct Activation grant program up to and including 30 June 2023, and to place on exhibition the draft grant program guidelines and a related addendum to the 2021/22 Operational Plan.

The \$3 million cash for the grant program has been made available through the reallocation of unspent funding from other programs in the 2021/22 financial year. Therefore, no cash or value in kind increase is required for the Grants Program Budget.

Since the program will be open to for-profit organisations this will increase the for-profit allocation of grant funding by up to \$3 million.

Recommendation

It is resolved that:

- (A) Council note the 26 July 2021 Resolution of Council requesting that the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy including the funding for resources to do so, with the proposed program to be reported back to Council, as shown at Attachment C to the subject report;
- (B) Council endorse the draft Precinct Activation Guidelines as shown at Attachment A to the subject report for public exhibition for a period of 28 days in accordance with the requirements of the Local Government Act 1993;
- (C) Council endorse the draft Operational Plan 2021/22 - Addendum as shown at Attachment B to the subject report for public exhibition, concurrently with the Precinct Activation Guidelines, for a period of 28 days in accordance with the requirements of the Local Government Act 1993;
- (D) Council approve the continuation of existing Covid-19 related fee waivers up to 30 June 2023 only for projects funded through the Precinct Activation grant program and note the potential revenue forgone at an estimated value of \$700,000 per annum; and
- (E) authority be delegated to the Chief Executive Officer to make minor changes to the draft Guidelines and Operational Plan 2021/22 Addendum for clarity or correction of drafting errors prior to public exhibition.

Attachments

- Attachment A.** Draft Precinct Activation Grant Guidelines
- Attachment B.** Draft Operational Plan 2021/22 - Addendum
- Attachment C.** 26 July 2021 Resolution of Council and Report - Support for Our Community – 2021 Lockdown Response

Background

1. 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.
2. 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.
3. The City's actions beginning in 2020 and ongoing are intended to complement the stimulus and support measures of the NSW and Federal Governments and to leverage the resources of Council to ensure the safety and survival of our business, cultural and community sectors.
4. Stimulus and support packages implemented by the Federal and NSW Governments during 2020 provided urgently required access to income support through the bolstered Jobseeker allowance and other benefits. Some of these support measures are being wound back as the economy enters the recovery phase.
5. In 2020, the City implemented a support and stimulus package to support businesses, our cultural and creative industries and our community. The measures were implemented in two phases with an estimated value of \$72.5 million. They were designed to enable organisations and businesses to adapt to a rapidly evolving context, to support their resilience so they are well positioned to bounce back, and to use our own resources to generate employment and provide relief to those most affected.
6. The City of Sydney's initial package endorsed by Council on 30 March 2020 was valued at up to \$25 million. It included the following measures which were to be in place for an initial period of six months:
 - (a) waiving fees for Health and Building compliance activities;
 - (b) reviewing rents in conjunction with tenants in City premises for those tenants that require support on a case-by-case basis;
 - (c) waiving standard contractual terms and return venue booking and banner fees to people and organisations who have booked City of Sydney venues and banners and are now unable to proceed with their bookings;
 - (d) waiving footway dining, market permit and filming fees on the grounds of hardship; and
 - (e) a flexible approach to parking and other infringements.
7. The City also worked with our major business partners and contractors to support them as much as possible to maintain business continuity in the long term.

8. The City implemented policy changes in addition to the financial support including: working with businesses to facilitate the expansion of their outdoor dining areas to enable social distancing and enable them to increase or introduce take away food options; only taking enforcement action for matters that present an imminent public, environmental, health or safety risk; and enabling supermarkets and other stores to operate their loading docks 24 hours a day so that essential goods can be delivered.
9. Phase Two of the City's support measures significantly expanded the initial measures with a second package of financial support valued at up to \$47.5 million. Phase Two was endorsed at an extraordinary council meeting on 30 March 2020 and includes the following actions:
 - (a) establish a cultural sector resilience grants program to provide support to the not-for-profit organisations and sole traders working in the cultural sector;
 - (b) direct donations to locally operated sector led funds, Support Act NSW, Artists Benevolent Fund and Actors Benevolent Fund, to provide emergency relief and mental health support to local cultural workers in crisis;
 - (c) establish a creative fellowships grants program to support artists; establish a small business grants program to assist businesses with innovation and adaptation;
 - (d) establish a small business, creative and community concierge service to assist small businesses, not-for-profits and charity groups to access support available to them via the city, state or federal governments;
 - (e) establish a community hotline that handles inquiries and provides concierge services to residents and community groups seeking information and support; bring forward future years' capital works projects;
 - (f) provide additional rental support for our Accommodation Grant Program tenants and childcare services by waiving all rent for six months;
 - (g) amend the draft Central Sydney Development Contributions Plan 2020 to adopt a sliding scale for developer contributions;
 - (h) increase the Quick Response Grants and the Community Support Grants programs; and
 - (i) a direct donation to Oz Harvest to maintain staffing levels and adapt their service model to meet food security needs of vulnerable communities.
10. In addition to the above, grant recipients were permitted to vary their deliverables under existing grants for six months to enable recipients to retain those funds to support the continuing viability of the City's cultural and creative community. Grants may have been allocated over multiple financial years.
11. Additionally, Council approved a \$35 million budget variation to increase the CEO contingency to allow allocation of this funding to the appropriate operational budget within the adopted 2019/20 operational budget, resulting in a revised budgeted Operational Result of \$77.9 million, and a budgeted Net Operating Result of \$1.5 million. The City also worked with our major contractors to provide a range of support and assistance measures.

12. In June 2020, the City expanded on its initial Covid-19 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.
13. 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.
14. 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 2020 where the 24-Hour AI Fresco City program was proposed.
15. 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.
16. The NSW Government committed up to \$15 million and the City provided a further \$5 million towards AI Fresco City initiatives. Of this, \$4.3M is being delivered through grants administered by the City.
17. This partnership and funding commitment align with the objectives of our Community Recovery Plan. The AI Fresco City program is in line with these community recovery plan objectives.
18. 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.
19. The AI Fresco City program includes the following initiatives:
 - (a) transforming the city into an outdoor summer cultural experience, creating a summer of outdoor dining;
 - (b) funding projects that enliven public spaces, venues, laneways with music, performance and public art;
 - (c) keeping Sydney's cultural institutions open into the evenings; and
 - (d) working with Destination NSW to promote this activity to Sydney and interstate visitors.
20. The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city. The City seeks to optimise the use of public funds through effective and efficient grant processes, and clear grant program objectives linked to the organisation's strategic goals.

21. In 2019/20 and 2020/21, the City responded to the global pandemic with a new Covid-19 grants programs to help support our creatives, community sector and small businesses.
22. In 2021/22, the City's Grant and Sponsorship program has aligned to the Community Recovery Plan to better address emerging community issues and to support economic, cultural and social recovery in our city.
23. In July 2021, in response to the ongoing lockdown, Council approved funding donations of \$700,000 to provide food relief to vulnerable communities and \$250,000 in new Community Emergency Quick Response Grants for not-for-profit entities to deliver community services addressing urgent community needs as they arise. These activities were funded from a budget transfer of \$950,000 from General Contingency which was approved at this same Council meeting.
24. In July 2021, Council requested the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy. This \$4 million includes \$3 million cash for the grant program, \$300,000 operating expenditure in order to administer the program and a further \$700,000 in estimated value associated with the waiving of fees constituting additional revenue forgone through this program.
25. The new Precinct Activation grant program will focus on funding projects that promote place-based activations, strengthen local precincts, seed micro-precincts, and regenerate the City's 24-hour economy.
26. Each application must have a lead applicant plus a minimum of five project collaborators, located near each other. The lead applicant may be a for-profit organisation, not-for-profit organisation or sole trader that is:
 - (a) a creative producer and/or agency;
 - (b) an event manager; or
 - (c) a precinct coordinator.
27. The Precinct Activation grant guidelines were developed in consultation with key stakeholders including the Nightlife and Creative Sector Advisory Panel, local business chambers, industry associations and the community.
28. In November 2021, in response to the ongoing lockdown, Council approved \$350,000 in additional funds for Community Emergency Quick Response Grants (\$100,000) to ensure support for community services and food donations (\$250,000) to support vulnerable communities for the period up to 31 January 2022 upon demonstration of community need. These activities were funded through the reallocation of unspent funding from other programs. .
29. The \$3 million cash funding for the proposed grant program has been made available through the reallocation of unspent funding from other programs.
30. The full \$3 million for Precinct Activation Grants will be spent across the 2021/22 and 2022/23 financial years. The \$3 million reallocated in the 2021/22 financial year will also cover the \$350,000 in additional funds endorsed by Council in November 2021. Therefore, no net cash or value in kind increase is required for the overall Grants Program Budget in 2021/22.

31. The further \$700,000 per annum in estimated value associated with the continuation of Covid-19 related fee waivers will be provided only to projects funded through the Precinct Activation grant program up to 30 June 2023. This would include the waiving of any outdoor event related application fees, power access fees, venue hire fees, event road closure fees or other applicable City service and event hire fees normally chargeable to activate the LGA. It is noted that this is potential revenue forgone.
32. The Precinct Activation Guidelines will be placed on public exhibition for at least 28 days, along with related documents, which will include the Operational Plan 2021/22 addendum, to assist the public in understanding the proposed grant program.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

33. 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 grant is aligned with the following strategic directions and objectives:
 - (a) Direction 6 - Vibrant Local Communities and Economies - continuing the work to revitalise the City by promoting place-based activations to strengthen local precincts, seed micro-precincts, and regenerate the City's 24-hour economy through more music, events and performances.
 - (b) Direction 7 - A Cultural and Creative City - by stimulating creativity in the public domain and increasing avenues for creative participation, the creative community will be supported as well as providing opportunities for the public to participate in these events.

Organisational Impact

34. The funding for this grant has been made available through the reallocation of unspent funding from other programs within the 2021/22 financial year grants budget. Funding for the program includes funding for the resources and staff to deliver the program.

Risks

35. Operational risks associated with implementing the proposed new grant are considered to be low and have been explored by City staff. There has been internal consultation with staff across areas of the City and further consultation and consideration will be given to the operational impact of implementing the program during the exhibition period.

Economic

36. The pandemic has had severe impact on the city and the economy. The impact of the lockdowns and current uncertainties due to the Covid-19 Omicron variant is particularly significant in our local area due to the high number of hospitality businesses. As restrictions change due to ongoing impacts of the pandemic, it is important to continue the work to revitalise the local government area. This program aims to encourage visitors back to the city, helping businesses to survive in the short-term and creating opportunities for them to thrive in the long term.

Financial Implications

37. In July 2021, Council requested the Chief Executive Officer develop a grant program for delivery of an additional \$4 million to support business and creatives in the recovery of the city economy, including \$300,000 for resources to administer the program and \$700,000 estimated revenue forgone through waiving of fees for this program.
38. Funding for the \$3 million cash component of the grant program has been made available through the reallocation of unspent funding from other programs.
39. Approximately 75-90 per cent of the \$3 million of additional grants are anticipated to be paid out in the current (2021/22) financial year. The \$3 million budget transfer in the 2021/22 financial year, arising from unspent funding from other programs, will also include the additional \$100,000 of Community Emergency Quick Response Grants and \$250,000 in food donations endorsed by Council at the November 2021 meeting.
40. As a result of the budget reallocation in 2021/22, no net increase is proposed to the City's grants budget for 2021/22 financial year.
41. The estimated \$700,000 impact of future revenue forgone from the waiver of City service and event hire fees will affect future financial years' results and will be reflected in the City's 2022/23 operating budget.

Relevant Legislation

42. In accordance with Section 160(1) and (2) of the Local Government Act 1993, these draft guidelines will be placed on public exhibition for 28 days and any submissions up to 42 days will be considered when finalising the grant guidelines.
43. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
44. 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.

Critical Dates / Time Frames

45. The anticipated time frame for public exhibition, consultation, revision and adoption of the new Precinct Activation Guidelines and Operational Plan 2021-22 addendum is as follows:

21 February 2022	Council Meeting (approval to exhibit)
22 February - 22 March 2022	Public Exhibition Period
Late March - early April 2022	Review of submissions
11 April 2022	Council Meeting (approval and adoption)
12 April 2022	Implementation
16 May 2022	Recommended Grants for Council Approval
June 2022- June 2023	Grant programming period

Public Consultation

46. The Precinct Activation Guidelines will be placed on public exhibition for at least 28 days, in accordance with the requirements of section 160 the Local Government Act 1993. The related documents will also be placed on public exhibition in conjunction with the Precinct Activation Guidelines, including the Operational Plan 2021/22 addendum, to assist the public in understanding the proposed grant program.
47. A report on the outcomes of public consultation and feedback on the guidelines will be provided with the final draft of the Precinct Activation Guidelines for adoption by Council.

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Director City Life

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