

# **Attachment B**

**Draft Operational Plan 2021/22 - Addendum**

# Operational Plan 2021/22 - Addendum



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Cover image: Sydney Park Wetlands

# 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.

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.

The City's actions throughout 2020 and ongoing are intended to complement the stimulus and support measures of the State and Federal Governments and to leverage the resources of Council to ensure the safety and survival of our business, cultural and community sectors.

Stimulus and support packages implemented by the Federal and State Governments during 2020 provided urgently required access to income support through the bolstered Jobseeker allowance and other benefits.

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.

## 2020 Support Measures - Phase One

The City of Sydney's initial package put forward on 9 March 2020 and 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.

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.

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.

## 2020 Support Measures - Phase Two

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 on 30 March 2020 and included 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;
- d. establish a small business grants program to assist businesses with innovation and adaptation;
- e. 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;
- f. establish a community hotline that handles inquiries and provides concierge services to residents and community groups seeking information and support;
- g. bring forward future years capital works projects;
- h. provide additional rental support for our Accommodation Grant Program tenants and childcare services by waiving all rent for the next six months;
- i. amend the draft Central Sydney Development Contributions Plan 2020 to adopt a sliding scale for developer contributions;
- j. increase the Quick Response Grants and the Community Support Grants programs; and
- k. make a direct donation to Oz Harvest to maintain staffing levels and adapt their service model to meet food security needs of vulnerable communities.

In addition to the above, grant recipients were permitted to vary their deliverables under existing grants for the next 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.

Additionally, Council approved a \$35 million budget variation to increase the Chief Executive Officer (CEO) contingency to allow allocation of this funding to the appropriate operational budget within the adopted 2019/20 operational budget, in order to achieve a revised operational result of \$77.9 million, and a net operating result of \$1.5 million.

The City also worked with our major contractors to provide a range of support and assistance measures.

### Community Recovery Plan

In June 2020 we expanded on our 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.

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.

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 2020 where the 24-Hour AI Fresco City program was proposed.

## **AI Fresco City**

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 committed up to \$15 million and the City provided a further \$5 million towards AI Fresco City initiatives. \$4.3 million of this funding program is being delivered through grants administered by the City.

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.

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

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.

In 2020/21 the City responded to global pandemic with 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.

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 transfer of \$950,000 from the General Contingency funds which was approved at this same Council meeting.

In November 2021 in response to the ongoing lockdown, Council approved funding donations of \$250,000 to provide food relief to vulnerable communities and \$100,000 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 reallocation of unspent funds from other programs.

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## Precinct Activation grant

In July 2021, Council also requested the CEO 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 do so and \$700,000 estimated waving of fees as revenue forgone through this program).

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.

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 creative producer and/or agency
- an event manager
- a precinct coordinator.

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.

The funding for this grant has been made available through the reallocation of unspent funds from other programs. Therefore, no cash or value-in-kind increase is required for the Grants Program Budget.

## Grants Program Summary

### Current grants program 2021/22\*

|                |          |   |
|----------------|----------|---|
| Cash           | \$15.10M |   |
| Value-in-kind  | \$7.30M  | (includes Accommodation grant program + banners + venues) |
| <b>\$22.4M</b> |          |   |

### Proposed revised grants program 2021/22\*

|   |          |   |
|---|----------|---|
| Cash  | \$15.10M |   |
| Increase approved at July 2021 Council – cash | \$0.95M  | For Community emergency quick response grants and Food relief donations funded from General Contingency |
| Value-in-kind                                 | \$7.30M  | (includes Accommodation grant program + banners + venues)   |
| <b>\$23.35M</b>                               |          |   |

### Reallocations approved at November 2021 Council – cash\*

|   |         |   |
|---|---------|---|
| Community Emergency Quick Response grants and Food relief donations | \$0.35M | Funding in 2021/22 via reallocation of unspent funds from other programs. |
|---|---------|---|

### Reallocations proposed at February 2022 Council – cash\*

|   |           |   |
|---|-----------|---|
| Reallocation of unspent funds from other programs | (\$3.00M) | Funding in 2021/22 via reallocation of unspent funds from other programs. |
| Precinct Activation grant                         | \$2.65M   | Funding in 2021/22 via reallocation of unspent funds from other programs. |

\*grants may be allocated over multiple financial years – the anticipated impact on future years' operating budgets will be reflected in the 2022/23 Operational Plan and Long Term Financial Plan.



## Grants programs names and proposed budgets

### Cash

- Cultural and creative grants and sponsorship – \$1,300,000
- Festivals and events sponsorship – \$4,397,486
- Business support grant - \$780,000
- Commercial creative and business events sponsorship – \$655,000
- Environmental performance grants – \$850,000
- Community services grant – \$1,145,107
- Affordable and diverse housing fund – \$3,000,000
- Matching grant – \$340,000
- Knowledge exchange sponsorship – \$725,000
- Quick response grant – \$20,000
- Other grants and major homelessness support, food relief donations and precinct activation grants – \$5,885,000

### Value-in-kind

- Accommodation grant – \$5,894,806
- Creative Spaces grant – \$114,400
- Short term empty properties grant – no budget required
- Venue hire support grants and sponsorship – \$780,000
- Street banner sponsorship – \$480,000

Note: while some programs are open to for profit organisations, the total funding provided to such entities will not exceed 5% of the City's forecast for ordinary rates this year.

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## New Covid-19 Recovery Grants and Sponsorship Summary

### Precinct Activation Grant

|                    |   |
|--------------------|---|
| <b>Purpose</b>     | \$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. |
| <b>Funding</b>     | From \$100,000 to \$3000,000 cash per application.<br>Also includes additional value-in-kind fee waiver support for street banners and landmark venues.                                       |
| <b>Eligibility</b> | For-profits, not-for-profits or sole traders.   |

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