

Item 2.

Post Exhibition - Precinct Activation Grant Guidelines

File No: S117847

Summary

This report seeks Council adoption of the Precinct Activation Grant Guidelines and the related Operational Plan 2021/22 Addendum.

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 and small business sectors.

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.

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 will be revenue forgone only for those projects funded through the Precinct Activation grant program.

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.

On 21 February 2022, Council endorsed placing on exhibition the draft guidelines for the new Precinct Activation Grant (Attachment A). On 21 February 2022, Council also endorsed placing on exhibition a draft revised Operational Plan 2021/22 Addendum, concurrently with the Precinct Activation Grant Guidelines (Attachment B). They were both exhibited from 22 February to 22 March 2022.

A total of two submissions for the draft Grant Program guidelines were received on one issue. All were assessed through internal review. The details of the issues raised in the submissions, together with responses and staff recommendations, are included in Attachment D for the draft Grant Program guidelines. No submissions were received for the Operational Plan 2021/22 Addendum.

The Precinct Activation Grant Guidelines and Operational Plan 2021/22 Addendum as placed on exhibition, have not been amended.

This report recommends the adoption of the exhibited Precinct Activation Grant Guidelines (Attachment A) and addendum to the Operational Plan 2021/22 (Attachment B), including revised 2021/22 budgets, in accordance with the requirements of the Local Government Act 1993.

Recommendation

It is resolved that:

- (A) Council note the submissions received from the community on the exhibited draft Grant Program Guidelines, as shown at Attachment D to the subject report;
- (B) Council approve the Precinct Activation Grant Guidelines as shown at Attachment A to the subject report;
- (C) Council approve the Operational Plan 2021/22 Addendum as shown at Attachment B to the subject report; and
- (D) 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.** Precinct Activation Grant Guidelines
- Attachment B.** Operational Plan 2021/22 Addendum
- Attachment C.** 21 February 2022 - Resolution of Council - Public Exhibition - Precinct Activation Grant Guidelines
- Attachment D.** Submissions and Responses

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. 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.
5. 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.
6. On 21 February 2022, Council approved extending the existing Covid-19 related fee waivers only for projects funded through the Precinct Activation grant program up to and including 30 June 2023, with the estimated value of \$700,000 (Attachment C). This would include the waiving of any outdoor event related application fees, power access fees, venue hire fees, or other applicable City service and event hire fees normally chargeable to activate the Local Government Area. It is noted that this is potential revenue forgone.
7. On 21 February 2022, Council endorsed placing on exhibition the draft guidelines for the new Precinct Activation grant program (Attachment A).
8. 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. These align with the Community Recovery plan.
9. 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.
10. 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.
 11. 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.
 12. On 21 February 2022, Council also endorsed placing on exhibition a draft revised Operational Plan 2021/22 Addendum concurrently with the Precinct Activation Grant Guidelines (Attachment B).
 13. The Operational Plan 2021/22 Addendum includes the amended grants program for the 2021/22 financial year only.
 14. The \$3 million cash funding for the proposed grant program has been made available through the reallocation of unspent funding from other programs.
 15. 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.
 16. The full \$3 million for Precinct Activation Grant program 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, as outlined in the draft Operational Plan 2021/22 Addendum.

Public Exhibition - Precinct Activation Grant Guidelines

17. The Precinct Activation Grant Guidelines were placed on public exhibition for 28 days on 22 February 2022.
18. Electronic copies of the guidelines were made available to the community through Council's Sydney Your Say website, which had 178 unique visits and 34 downloads of the document.
19. The public exhibition was included in the City's March Sydney Your Say eNewsletter, sent on 17 March 2022 to 7,272 subscribers.
20. An in-person business collaboration session called Revitalising Sydney was held at Mary's Underground on 22 February 2022. A total of 38 participants, including creative producers, artists, business chambers and local businesses attended this session. An online grant briefing session for Business Chambers was held on 2 March 2022. A total of 17 attendees participated in the session. Additionally, another online grant briefing session was held on 3 March 2022 for potential grant applicants. A total of 173 attendees participated in the session. At all sessions, stakeholders were notified the Precinct Activation Grant Guidelines were on public exhibition and invited to review and provide feedback.

21. Council received one submission with no issues through the Sydney Your Say website. Council also received one submission on with one issue through the Sydney Your Say email address. Topics in the public submissions included: the recent Street Festivals program and available indoor spaces for the Precinct Activation Grant..
22. The two submissions have all been internally reviewed, with staff recommending that the exhibited content of the draft Precinct Activation Grant Guidelines remain unchanged from that exhibited in response to the submissions received. The issues raised in the submissions, together with the responses and staff recommendations, are included in Attachment D.

Public Exhibition - Operational Plan 2021/22 Addendum

23. The Operational Plan 2021/22 Addendum, was also placed on public exhibition for 28 days on 22 February 2022, concurrently with the Precinct Activation Grant Guidelines.
24. Electronic copies of the Operational Plan 2021/22 Addendum, were made available to the community through Council's Sydney Your Say website, which had 46 unique visits and 4 downloads of the document.
25. The public exhibition was included in the City's March Sydney Your Say eNewsletter, sent on 17 March 2022 to 7,272 subscribers.
26. No submissions were received during the public exhibition period.
27. This report recommends the adoption of the Precinct Activation Grant Guidelines and Operational Plan 2021/22 Addendum, in accordance with the requirements of the Local Government Act 1993.
28. The Operational Plan 2021/22 Addendum will be referred to as an appendix to the current Operational Plan 2021/22 on the City's website. The Precinct Activation Grant Guidelines will be available on the City's website through the Precinct Activation Grant webpage.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

29. 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 - Resilient and inclusive local communities - 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

30. 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

31. 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 was given to the operational impact of implementing the program based on community feedback provided through the exhibition.

Economic

32. 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

33. 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.
34. 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. Extending the existing Covid-19 related fee waivers only for projects funded through the Precinct Activation grant program up to and including 30 June 2023, with the estimated value of \$700,000 was approved by Council on 21 February 2022 (Attachment C).
35. Funding for the \$3 million cash component of the grant program has been made available through the reallocation of unspent funding from other programs.
36. 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.
37. 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. An allowance has been included in the draft 202/23 operating budget for the balance of funds which are not forecast to be paid out in the current financial year.

Relevant Legislation

38. In accordance with Section 160(1) and (2) of the Local Government Act 1993, these draft guidelines were placed on public exhibition for 28 days and all submissions during this period were considered when finalising the Precinct Activation Grant Guidelines and Operational Plan 2021/22 Addendum.
39. 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.
40. 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

41. The time frame for the new Precinct Activation Guidelines is as follows:

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| 11 April 2022 | Council Meeting (approval and adoption) |
| 16 May 2022 | Recommended Grants for Council Approval |
| June 2022 - June 2023 | Grant programming period |

Public Consultation

42. The draft Precinct Activation Grant Guidelines and Operational Plan 2021/22 Addendum containing the revised grants program were publicly exhibited from 22 February 2022 to 22 March 2022.
43. During this period, the community were invited to make comments and submissions regarding the Precinct Activation Grant Guidelines and Operational Plan 2021/22 Addendum. The City used the Sydney Your Say community engagement platform to seek responses. All submissions received by the City for the Precinct Activation Grant Guidelines have been considered and assessed. More details are provided in Attachment D. No submissions were received for the Operational Plan 2021/22 Addendum.

EMMA RIGNEY

Director City Life

Alana Goodwin, Grants Program Coordinator