

Item 2.

Grants and Sponsorship - Precinct Activation Grants

File No: S117847

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 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 up to \$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 \$4 million includes \$3 million cash for the grant program, \$700,000 in estimated value in kind associated with revenue forgone through this program, as well as \$300,000 in operating expenditure in order to administer the program..

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

On 21 February 2022, Council endorsed placing on exhibition the draft guidelines for the new Precinct Activation grant program. On 11 April 2022 Council adopted the Precinct Activation grant program guidelines following the public exhibition period.

On 22 February 2022, the City opened this grant program to applications, noting the required public exhibition period. Applications closed on 11 April 2022.

A total of 41 eligible applications were received for the Precinct Activation grant program. This report recommends a total of 14 grants to a total value of \$3,000,000 in cash, and a further \$700,000 in value kind.

All grant recipients will be required to sign a contract, meet specific performance outcomes and acquit their grant. All figures in this report exclude GST.

Recommendation

It is resolved that:

- (A) Council approve the cash and value-in-kind recommendations for the Precinct Activation 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 Precinct Activation grant program as per Attachment B to the subject report;
- (C) Council note that all grants amounts are exclusive of GST and all value-in-kind offered is subject to availability;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for a grant or sponsorship under terms consistent with this resolution and the Grants and Sponsorship Policy; and
- (E) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

Attachment A. Recommended for Funding – Precinct Activation Grants

Attachment B. Not Recommended for Funding – Precinct Activation Grants

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, Council requested the Chief Executive Officer develop a grant program for delivery of up to \$4 million to support businesses and creatives in the recovery of the city economy. The \$4 million includes \$3 million cash for the grant program, \$700,000 in estimated value in kind associated with revenue forgone through this program, as well as \$300,000 in operating expenditure in order to administer the program..
5. The resulting Precinct Activation grant program focuses on funding projects that promote place-based activations, strengthen local precincts, seed micro-precincts, and regenerate the City's 24-hour economy and align with the Community Recovery plan.
6. 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.
7. 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.
8. On 21 February 2022, Council endorsed placing on exhibition the Precinct Activation grant program draft guidelines and a related addendum to the Operational Plan 2021/22.
9. On 22 February 2022, the City opened the Precinct Activation grant program to applications, noting the required public exhibition period for the draft grant program guidelines and draft Operational Plan 2021/22 - Addendum..

10. Information about this grant program, 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 and Instagram. 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 previously applied for grants at the City or who have expressed an interest in the City's programs.
11. On 11 April 2022, Council adopted the guidelines for the Precinct Activation grant program and the Operational Plan 2021/22 - Addendum. The latter is referred to as an appendix to the current Operational Plan 2021/22 on the City's website.
12. A total of 27 eligible applications were received from for-profit organisations and sole traders through the Precinct Activation grant program and the following six for-profit organisations are recommended in this report:
 - (a) Dostine Ventures Pty Ltd.
 - (b) Freelance Consultancy Group Pty Ltd
 - (c) Greycliff Kensington St Holdings Pty Ltd
 - (d) Haymarket HQ Pty Ltd
 - (e) Premium Media Pty. Ltd; and
 - (f) Reactivate Consulting Pty. Ltd.
13. There was a total of 41 eligible grant applications received under the Precinct Activation grants, requesting a total of \$10,673,055 in cash and \$174,277 in value in kind. A total of 14 are recommended for funding as detailed in this report.
14. 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. This would include the waiving of any outdoor event related application fees, power access fees, venue hire fees, or other applicable City event hire fees normally chargeable to activate the Local Government Area.
15. There are eight that are registered Not for Profit organisations or Charities recommended in this report who, as per existing fees and charges schedule, are only required to cover nominal application fees and hard costs such as power access fees and security fees. These organisations will receive up to \$12,500 per project in the waiving of outdoor event related application fees.
16. There are six that are registered For Profit organisations recommended in this report include waiving of any outdoor event-related application fees, power access fees, venue hire fees, or other applicable City event hire fees normally chargeable to activate the Local Government Area. These organisations will receive up to \$100,000 per project in the waiving of outdoor event related application fees.
17. It is expected that all successful applicants will work co-operatively with relevant City staff to facilitate delivery of funded projects.

18. All grants and sponsorships are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant. In the current environment this includes but is not limited to, requirements associated with the service of alcohol or food services, consent from the respective landowner(s), and State Planning Legislation and State Government health requirements. What the City does approve includes Development Approvals and outdoor temporary event activities.
19. 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 to unsuccessful applicants.
20. The assessment process includes advice and recommendations from a suitably qualified assessment panel. The applications are scored against defined criteria for each grant program as well as the integrity of the proposed budget, project plan, partnerships, contributions and connection to the local community and industry sectors. Once recommended applications are approved by Council, a contract is developed, which includes conditions that must be adhered to, and acquitted against.
21. In assessing the grant applications, the assessment panel included in their considerations and recommendations:
 - (a) Community Recovery Plan 2020;
 - (b) Creative City Cultural Policy and Action Plan;
 - (c) Economic Development Strategy;
 - (d) Grants and Sponsorship Policy;
 - (e) Live Music and Performance Action Plan;
 - (f) OPEN Sydney Strategy and Action Plan;
 - (g) Sustainable Sydney 2030; and
 - (h) alignment with other core City strategic policies and action plans.
22. Lead Applicants were requested to provide letters of support from a minimum of five confirmed project collaborators to demonstrate the local collaborative efforts as part of their activation.
23. The assessment panel for the Precinct Activation grant program consisted of members from the City's City Business and Safety, Venue Management, Cultural Spaces and Sector Development teams.
24. The recommended allocation of \$3,000,000 cash leaves no underspend of the Precinct Activation grant.
25. The applications recommended funding for the Precinct Activation grant program are outlined in Attachment A to this report. The applications not recommended are listed in Attachment B to this report.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

26. 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

27. 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

28. 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

29. The pandemic has had severe impact on the city and the economy. The impact of the lockdowns and ongoing uncertainties due to Covid-19 is particularly significant in our local area due to the high number of hospitality businesses. While restrictions have changed, 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 collaborate and creating opportunities for them to thrive in the long term.

Financial Implications

30. In July 2021, Council requested the Chief Executive Officer develop a grant program for delivery of up to \$4 million to support business and creatives in the recovery of the city economy. The \$4 million includes \$3 million cash for the grant program, \$700,000 in estimated value in kind associated with revenue forgone through this program, as well as \$300,000 in operating expenditure in order to administer the program.
30. On 11 April 2022 Council approved the Operational Plan 2021/22 - Addendum which noted that the funding for the \$3 million cash component of the grant program has been made available through the reallocation of unspent funding from other programs.

31. Approximately 75 to 90 per cent of the \$3 million of additional grants is 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, also included the additional \$100,000 of Community Emergency Quick Response Grants and \$250,000 in food donations endorsed by Council at the November 2021 meeting.
32. As a result of the budget reallocation in 2021/22, no net increase is required for the City's grants budget for 2021/22 financial year.
33. An allowance has been included in the draft 2022/23 operating budget for the balance of funds which are forecast to be paid out in the 2022/23 financial year.
34. The estimated \$700,000 impact of future revenue forgone from the value in kind of City services and event hire fees will affect future financial years' results and will be reflected in the City's 2022/23 operating budget.

Relevant Legislation

35. 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.
36. Section 356(3)(a) to (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
 - (a) the funding is part of the Precinct Activation grant program;
 - (b) the details of the Precinct Activation grant programs have been included in Council's Operation Plan Addendum for the financial year 2021/22, which was adopted by Council on 11 April 2022;
 - (c) the program's proposed budget does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2021/22; and
 - (d) this program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

37. The funding period for the Precinct Activation grants is actively taking place from 1 June 2022 to 30 June 2023. Contracts will be developed for all successful applications after Council approval to ensure their funding is released in time for projects starting in June 2022.

Public Consultation

38. During February and March 2022 three briefing sessions took place where stakeholders were notified about the Precinct Activation grant guidelines and how to apply:
- (a) 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.
 - (b) An online grant briefing session specifically for Business Chambers was held on 2 March 2022. A total of 17 attendees participated in the session.
 - (c) An online briefing session for general grants enquires was held on 3 March 2022 for potential grant applicants. A total of 173 attendees participated in the session.

EMMA RIGNEY

Director City Life

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