

## Item 5.

### Public Exhibition - Grants and Sponsorship Policy and Guidelines

File No: S117676

#### Summary

The City of Sydney's grants and sponsorship program (the Program) supports initiatives and projects that build the social, cultural, environmental and economic life of the city.

The Program is one of many ways in which the City of Sydney partners with the community and business to further the actions, strategic directions and vision of Sustainable Sydney 2030-2050 Continuing the Vision and key pillar strategies through cash and value in-kind (VIK) support.

The grants and sponsorship policy (the Policy) provides the governance framework for how the Program is managed, and how decisions about funding are made. The Policy ensures that the City meets the governance requirements of Section 356 of the Local Government Act 1993 in relation to grant giving.

The current Policy was adopted by Council in September 2014. Revisions to this Policy were then approved by Council on 11 December 2017 and on 15 February 2021. The Policy is due to be reviewed by December 2022. A comprehensive review of the Program was needed to align it with the strategic directions and actions of draft Sustainable Sydney 2030-2050 Continuing the Vision, key pillar strategies and Stretch Reconciliation Action Plan. Therefore, in 2021, the City commenced a strategic review of the grants and sponsorship policy and program.

The review has provided an opportunity to set clear parameters and guidelines for the Policy and Program, to better align with the City's strategic and corporate objectives and address key issues identified through a comprehensive program of stakeholder engagement.

The revised Policy provides a framework to guide individuals and organisations when applying for cash and value-in-kind grant funding, and City of Sydney employees and Council when responding to and managing grants and sponsorship requests. The revised Policy aligns with the following strategic directions of Sustainable Sydney 2030-2050 Continuing the Vision:

- A leading environmental performer
- An equitable and inclusive city
- Resilient and diverse communities
- A thriving cultural and creative life
- A transformed and innovative economy.

The revised Policy will apply to all outgoing grants, sponsorships, and value-in-kind provisions.

Council may approve grants and sponsorship outside the Policy. The Policy does not prevent Council giving occasional contributions to organisations, providing support for civic functions or one-off events in accordance with the relevant legislation.

This report seeks Council endorsement for the draft grants and sponsorship policy and guidelines and proposes that the Policy and Guidelines are placed on public exhibition together with a Revised Operational Plan 2022/23 incorporating the grants and sponsorship program.

## **Recommendation**

It is resolved that:

- (A) Council approve the draft grants and sponsorship policy, 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;
- (B) Council approve the draft grants and sponsorship guidelines, as shown at Attachment B 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 approve the draft Revised Operational Plan 2022/23 - Addendum as shown at Attachment C to the subject report for public exhibition, for a period of 28 days in accordance with the requirements of the Local Government Act 1993; and
- (D) authority be delegated to the Chief Executive Officer to make minor changes to the draft grants and sponsorship policy and guidelines for clarity or correction of drafting errors prior to public exhibition.

## **Attachments**

- Attachment A.** Draft Grants and Sponsorship Policy
- Attachment B.** Draft Grants and Sponsorship Guidelines
- Attachment C.** Draft Addendum to Operational Plan 2022/23

## Background

1. The City of Sydney's grants and sponsorship program (the Program) supports residents, community groups, not-for-profit organisations and for-profit organisations to undertake initiatives and projects that build the social, cultural, environmental and economic life of the city.
2. The grants and sponsorship policy (the Policy) provides the governance framework for management of the Program and decisions about funding.
3. The last comprehensive review of the grants and sponsorship policy was completed in 2014. It has been recognised that a review of the Program was needed to ensure it continues to provide the most effective and efficient support to our resident and business communities, and continues to deliver against the City's evolving corporate and strategic objectives.
4. As the City's strategic vision is renewed through Sustainable Sydney 2030-2050 Continuing the Vision, it is timely to undertake a review of the grants and sponsorship policy and program to ensure it is strategically aligned, fit-for-purpose and future-focussed, with the agility to respond to emerging needs and priorities of our communities.
5. The Policy and Program also needed to better align with significant new strategic policies and programs that have recently been adopted, including Sustainable Sydney 2030-2050 Continuing the Vision and the Stretch Reconciliation Action Plan.
6. Staff commenced the review of the Policy and Program in 2021 and have developed a draft grants and sponsorship policy and guidelines. This report seeks Council endorsement for the draft Policy and Guidelines and proposes that these are placed on public exhibition.
7. The revised Policy is strongly aligned with the key policies that underpin the City's approach to social, cultural, economic and environmental sustainability, including:
  - Sustainable Sydney 2030-205 Continuing the Vision
  - A City for All: Social Sustainability Policy and Action Plan 2018-2028
  - Creative City - Cultural Policy and Action Plan 2014-2024
  - Economic Development Strategy (update in development)
  - Environmental Strategy 2021-2025
  - Eora Journey Economic Development Plan
  - Housing for All – Local Housing Strategy
  - Inclusion (Disability) Action Plan 2021–2025
  - Reducing waste from events and services: Guidelines for single use items
  - Resilient Sydney
  - Revenue Policy: Fees and charges

- Stretch Reconciliation Action Plan
  - Support for Charities Policy (update in development)
  - Sustainable event guidelines.
8. Objectives of the review included:
- (a) strengthen alignment of the Grants and Sponsorship Policy and Program with draft Sustainable Sydney 2030-2050 Continuing the Vision, the City's pillar strategies and the Stretch Reconciliation Action Plan;
  - (b) create a Grants and Sponsorship Policy and Program which is inclusive, accessible and responsive to current and emerging community and business needs;
  - (c) address key issues and insights highlighted through the stakeholder engagement process of the review, in particular:
    - Increased funding for our Aboriginal and Torres Strait Islander communities.
    - Ongoing support for our vulnerable communities.
    - The balance of funding for 'local' versus 'global' projects and events.
    - The balance of funding for 'not-for-profit' and 'for profit' organisations.
9. The Policy will broadly cover the City's grant-making principles, including Aboriginal and Torres Strait Islander partnerships, community partnerships and collaboration, inclusion, equity and empowerment, sustainability, community wealth, investment for long term impact and a fair, transparent and responsive process.
10. The Policy will apply to all outgoing grants, sponsorships, and value-in-kind provisions.
11. Council may approve grants and sponsorship outside the Policy. The Policy does not prevent Council giving occasional contributions to organisations, providing support for civic functions or one-off events in accordance with the relevant legislation.
12. Supporting the Policy are the grants and sponsorship program guidelines which guide applicants on how to apply for and acquit grants and sponsorships. The Guidelines set out expected program priorities and assessment criteria, and provide practical details such as opening dates for each program, eligibility considerations and the types of supporting documentation they will need to submit with their application.
13. The Guidelines will be reviewed on an annual basis and may be amended as needed to ensure they reflect the City's funding priorities and respond to emerging community needs.

### **Review process**

14. The City has undertaken a comprehensive review of the Grants and Sponsorship Policy and Program using a range of methods.

### Strategy mapping

15. A mapping exercise was undertaken to determine whether the current grant programs are achieving the objectives of the key City strategies, including Sustainable Sydney 2030-2050 Continuing the Vision and the Stretch Reconciliation Action Plan. Each grant program was mapped to the objectives of key social, cultural, economic and environmental strategies. This exercise informed discussions with staff at a series of workshops conducted during the discovery phase of the project. The strategic mapping process and workshops identified the gaps, challenges and opportunities of the current grant programs and how these could be addressed in the new grant programs.

### Research insights

16. City staff reviewed the following to identify strengths and weaknesses of the City's grant program:
  - insights from community engagement undertaken to inform the development of Sustainable Sydney 2030-2050 Continuing the Vision;
  - existing grant programs and policies in other global cities comparable to the City of Sydney's population and budget;
  - grant programs and policies offered by other federal, state and local government agencies within Australia; and
  - the research insights from the City's Covid-19 Grant Relief Packages.
17. It was found that the City of Sydney has one of the largest grant budgets of any local government in Australia. In comparison to similar organisations it has had a more consistent approach to managing grants over a sustained period, with a minimum of two grant rounds being available every year since 2016.

### Stakeholder engagement

18. A comprehensive program of stakeholder engagement was undertaken to identify the strengths and weaknesses of the current grants program and explore opportunities for the future of each grant program. The engagement activities included workshops and surveys with internal and external stakeholders including:
  - Briefing to the Aboriginal and Torres Strait Islander Advisory Panel;
  - Workshop with the Nightlife and Creative Advisory Panel;
  - Workshop with local business chambers, industry associations and creatives;
  - Internal stakeholder workshops across social, cultural, economic and environmental teams attended by 50 staff;
  - 'Major Events and Festivals' workshop attended by 17 internal stakeholders;
  - A short survey circulated via "Our News" with 47 staff responses; and
  - A short survey of festival and events grant recipients with 13 responses.

**Concept development**

19. The City engaged Meld Studios to lead an internal design sprint to review, generate and develop innovative grant ideas to be tested and iterated into refined concepts.
20. This work engaged 72 staff across several City divisions to ensure the input and ideas generated were representative of the broader organisation. These divisions included: Analytics and Communications, City Business and Safety, City Spaces, City Sustainability, Creative City, Customer Service, Grants, Green Infrastructure, Social Programs and Services, Strategic Planning and Urban Design, Strategy and Urban, Sustainability Programs, Technology and Digital Services and Venue Management.
21. Staff from across the organisation presented the final four concepts to a panel of seven experts (six internal and one external) who provided feedback on how they could be improved. These concepts provided a solid evidence base to inform the development of the new grants and sponsorship program.
22. As a result of the strategic mapping, research insights and stakeholder engagement, four key issues have consistently emerged.

**Key issues and insights****How do we support Aboriginal and Torres Strait Islander community through our funding?**

23. It was clear through stakeholder engagement that strengthening Aboriginal and Torres Strait Islander self-determination should be implemented through our grant funding.
24. The introduction of a dedicated funding program is recommended to promote partnerships with Aboriginal and Torres Strait Islander owned and/or led organisations. The program would support a strength-based approach to promoting social, cultural, economic, and environmental initiatives delivered by Aboriginal and Torres Strait Islander owned and/or led organisations.
25. It is proposed that the program would have an annual budget of \$500,000 and be available all year round so that the City can respond to emerging needs and opportunities within the Aboriginal and Torres Strait Islander communities. Aboriginal and Torres Strait Islander communities will be engaged in the development of this new grant program.

**How do we provide ongoing support for our vulnerable communities?**

26. Not-for-profit and community organisations are critical to the delivery of essential services to our vulnerable communities. The work of these organisations is key to creating a more equitable, inclusive and resilient city into the future.
27. It is recommended that the City continues to fund projects through the Community Services grant program that supports vulnerable communities and consideration is being given to increasing the budget for this program by \$500,000. This will bring the total budget available for this program to approximately \$2.5 million.
28. In addition, it is recommended that the current Matching Grants and Quick Response Grant Programs be combined into a single grant program which is available all year round to respond to emerging community needs. This will bring the total budget available for this program to approximately \$360,000.

29. Funding of up to \$10,000 per project would be available through this grant program to support a range of small-scale community, cultural or sustainability projects.

#### **How do we balance funding for 'local' versus 'global' projects or events?**

30. The City makes a significant investment in positioning Sydney as a global city through the sponsorship of major festivals and events. Major festivals and events are critical to the vibrancy of our city and provide economic opportunities for many creatives and small businesses.
31. The City currently has three programs providing funding to festivals and events, these are Festival and Events (Artform) Sponsorship, Festival and Events (Village and Community) Sponsorship and Commercial Creative and Business Events Sponsorship. When developing the new policy and programs it was considered how to balance funding major festivals who currently receive over \$100,000 per festival with support for local and emerging festivals that currently receive up to \$30,000 per festival.
32. It is recommended that our current Festival and Events grant programs are combined into a single grant program which would provide support to all festivals and events regardless of their size, audience and pillar alignment. This would make it less confusing for applicants who are often unsure about which Festival and Event program they should apply for.
33. This would also allow the City to be more consistent in how funding for festivals and events is assessed and managed to ensure the benefit they deliver to our communities and business is commensurate with the amount of funding they receive.
34. This grant program would have a tiered funding model. This would mean that a separate budget would be allocated for 'local and emerging' festivals who would be eligible to apply for up to \$50,000 per year and a separate budget would be allocated to 'major' festivals and events who would be eligible to apply for more than \$100,000 per year.
35. This would allow us to provide targeted funding to nurture 'local and emerging' festivals and events that reflect the diversity of our communities. And would also mean that when a 'local and emerging' festival and event applies for a grant, they would be assessed against similar grant applicants, rather than having to compete alongside the 'major' events and festivals.
36. For the 'major' festivals and events this approach would mean we can put in place measures to ensure that the scale of funding received is reflected in the public benefit delivered back to our communities.

#### **How do we balance funding between 'not-for-profit' and 'for-profit' organisations?**

37. As a local government there are limits on providing funding to 'for-profit' organisations, so it is important there is a clear and consistent approach to why and how 'for-profit' organisations are funded.

38. During the Covid-19 pandemic it was critical for the City to provide grant funding to support small 'for profit' businesses as they form the backbone of local economies and communities providing critical goods and services. In addition, over 80% of the city's cultural and creative industries are small to medium 'for-profit' businesses. This includes live music venues, creative producers and performers who are critical to the vibrancy and nightlife of our city. Without support during this period many small business and creative industries would not have been able to continue operating during the Covid-19 pandemic.
39. As the city transitions out of lockdown, these 'for-profit' organisations have become even more critical to driving economic recovery, providing employment, activating the city, and providing places for our community to reconnect and thrive.
40. Through the review of the grants and sponsorship policy we considered how we can:
  - (a) set clear grant program outcomes when funding 'for-profit' organisations as outlined in the draft Grants and Sponsorship Program Guidelines;
  - (b) ensure that large 'for-profits' demonstrate the multiplier effect of our funding so there is a flow on effect to small businesses and community and delivery of outcomes against multiple strategic pillars; and
  - (c) ensure when funding to 'for-profits' they clearly demonstrate their connection to our local area and the public benefit to our diverse communities.
41. The grants and sponsorship guidelines will demonstrate this on a program by program basis in relation to which grant programs are available to for-profit organisations, taking into consideration the types of for-profit sectors and the size of business based upon staffing levels that would be supported.

### **New policy framework**

42. The new Policy provides a framework for how we will partner with our community through our grant-making. This Policy provides guidance to individuals and organisations when applying for cash and value-in-kind grant funding and to City of Sydney employees and Council when responding to and managing grants and sponsorship requests.
43. This Policy sets the expected outcomes of our grants and sponsorships program and the principles that guide grantmaking at the City. The Policy covers four areas:
  - (i) grants and sponsorship outcomes;
  - (ii) grantmaking principles;
  - (iii) ethics framework; and
  - (iv) grant assessment and approval.
44. The grants and sponsorship program aligns with the following strategic directions of Sustainable Sydney 2030-2050 Continuing the Vision:
  - a leading environmental performer;
  - an equitable and inclusive city;



- resilient and diverse communities;
  - a thriving cultural and creative life; and
  - a transformed and innovative economy.
45. Some of our grants and sponsorship programs are categorised by their primary strategic outcome. However, several of our grants and sponsorship programs are designed to deliver across a range of strategic outcomes.
46. Our grants and sponsorship guidelines provide details about each of our grant programs including funding priorities, key dates, funding available, eligibility criteria, application processes and assessment criteria.
47. The City is committed to ensuring that our grants and sponsorship programs are responsive to emerging needs and opportunities within our community and may make changes to the grants and sponsorship guidelines as required and in accordance with the relevant approval process.

### **New Grants and Sponsorship Program**

48. The proposed new Grants and Sponsorship program will have 14 grants and sponsorship programs to support initiatives and projects that strengthen the social, cultural, environmental and economic life of the city. The proposed new program is included in a Revised Operational Plan 2022/23 - Addendum which is Attachment C to this report and which will be placed on public exhibition together with the Policy and Guidelines.
49. Five of these grant programs will deliver on the broad outcomes of Sustainable Sydney 2030-2050 Continuing the Vision and the City's pillar strategies. They will include:
- (a) Aboriginal and Torres Strait Islander community fund;
  - (b) Business sector support grant;
  - (c) Community services grants;
  - (d) Creative grants; and
  - (e) Green building grant.

### **Aboriginal and Torres Strait Islanders collaboration fund**

50. This new funding program supports a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector to deliver projects that meet the needs and aspirations of Aboriginal and Torres Strait Islander people in the local area. Funding supports increased self-determination and equity for Aboriginal and Torres Strait Islander people through projects that connect people with community, country and culture.

### **Business sector support grants**

51. This new grant program supports sector development projects that grow the skills and capacity of local businesses, entrepreneurs and communities, advocate on key issues on behalf of local business, connect businesses to networking opportunities and promote local precincts.

**Community services grants**

52. This grant program is similar to what is already offered through the community services grant program and will support programs and projects that help increase social cohesion and inclusion, develop healthy and resilient communities, and support participation in civic life.

**Creative grants**

53. This grant program is similar to what is already offered through the Cultural and Creative Grants and Sponsorships and will support projects and initiatives that contribute to Sydney's cultural life, provide opportunities for creative participation, enliven public spaces, and strengthen the sustainability and capacity of our cultural and creative industries.

**Green building grants**

54. This grant program is similar to what is already offered through the Ratings and Assessment grant program and will support corporations and building owners in the residential and accommodation sector to undertake environmental ratings, certifications, audits and assessments for existing buildings to be resource efficient and achieve net zero emissions by 2035.
55. In addition there are three grants and sponsorship programs which will deliver across a range of strategic outcomes:
- (a) Innovation and ideas;
  - (b) Festival and events; and
  - (c) Quick response grant.

**Innovation and Ideas**

56. This new grant program supports projects that foster innovation, showcase local expertise and test new ideas to address local and global issues across the City's social, cultural, sustainability and business sectors.

**Festival and Events**

57. Tier 1 - General festivals and events - this program supports local festivals and events that celebrate, develop and engage the city's communities. They may provide forums to share knowledge, create opportunities for active community participation, celebrate local culture and creativity and activate local precincts. They can be one-off, annual or a series of recurring events over a set period.
58. Tier 2 - Major festivals and events - this program supports major festivals and events that bring significant economic, social and cultural impact to Sydney. Sponsorships provide four years support for recurring events with a proven track record, recognised national and international brand and the capacity to deliver outcomes across multiple strategic priorities.

**Quick Response**

59. This grant program supports small scale, community-led projects that encourage communities to take action to improve, enhance, represent or celebrate their local neighbourhoods.

60. The following six grant and sponsorship programs which provide value in kind, rental subsidies and cash funding have not changed and are recommended to continue:
- (a) Accommodation grant;
  - (b) Affordable and diverse housing fund;
  - (c) Creative spaces grant;
  - (d) Short-term empty properties grant;
  - (e) Street banner sponsorship; and
  - (f) Venue hire support grants and sponsorship.

## **Key Implications**

### **Strategic Alignment - Sustainable Sydney 2030**

61. 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.
62. The provision of grants and sponsorships is a key mechanism for the City to further the aims identified in its social, economic, environmental, and cultural policies. 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.

### **Social / Cultural / Economic / Environmental**

63. The grants and sponsorship program provides the City with a platform to support social, cultural, economic and environmental initiatives from communities, community organisations and businesses within the local area.

## **Financial Implications**

64. Funding is secured for the continued delivery of the grants and sponsorships programs commitments with ongoing financial implications into 2022/23.
65. Funding has been included in the draft 2022/23 budget to support the grants and sponsorship programs, including any commitments for funding already approved by Council.

## **Relevant Legislation**

66. Section 356 of the Local Government Act 1993 regulates how financial assistance can be given by local councils.
67. 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

68. The proposed revision to the Policy and Guidelines will be implemented for the 2022/23 immediately following adoption by Council.

### Public Consultation

69. This policy review has been informed by the City's key policies towards social, cultural, environment and economic development:

- (a) Sustainable Sydney 2030-2050 Continuing the Vision
- (b) A City for All: Social Sustainability Policy and Action Plan 2018-2028
- (c) Creative City - Cultural Policy and Action Plan 2014-2024
- (d) Economic Development Strategy (update in development)
- (e) Environmental Strategy 2021-2025
- (f) Eora Journey Economic Development Plan
- (g) Housing for All – Local Housing Strategy
- (h) Inclusion (Disability) Action Plan 2021–2025
- (i) Reducing waste from events and services: Guidelines for single use items
- (j) Resilient Sydney
- (k) Revenue Policy: Fees and charges
- (l) Stretch Reconciliation Action Plan
- (m) Support for Charities Policy (update in development)
- (n) Sustainable event guidelines

70. Other stakeholder consultation includes:

- (a) a briefing to the Aboriginal and Torres Strait Islander Advisory Panel;
- (b) workshops with the Nightlife and Creative Sector Advisory Panel; local business chambers and industry associations; and
- (c) consultation with recipients of Festival and Events sponsorships.

71. All documents will be placed on exhibition for at least 28 days and the outcomes of public consultation on the policy, guidelines and Revised Operational Plan 2022/23 Addendum will be provided with the report for adoption by Council.

**EMMA RIGNEY**

Director City Life

Julie Giuffre, Manager Grants