

# RR-2(b)



## ADMINISTRATIVE REPORT

Report Date: September 20, 2016  
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Meeting Date: October 18, 2016

TO: Vancouver City Council  
FROM: General Manager of Community Services  
SUBJECT: 2016 Cultural Grants Operating - Large-scale Organization Review and Grant Allocations

### ***RECOMMENDATION***

THAT Council approve grant allocations for a total of \$110,300 to seven operating institutions as part of the large-scale review for the purpose of addressing disparate levels of core funding (Appendix A). Source of funds to be the 2016 Cultural Grants Budget.

Approval of the above recommendation requires eight affirmative votes.

### ***REPORT SUMMARY***

This report provides the recommendations for the disbursement of \$110,300 to 7 of 16 large-scale institutions based on the phased review process by an assessment committee and cultural services staff. It is part of the ongoing review on how the City provides adaptable and sustainable support to institutions that are vital to the delivery of core civic programs and services to maximize civic investment and public benefits. The recommended allocations will increase funding to 7 institutions to address historic disparate levels of funding with particular focus on those with low cash operating grants.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

On January 19<sup>th</sup>, 2016 (RTS 11210) Council approved (in advance of the annual review process and as part of the ongoing advance grants process) Advance Grants to Cultural Institutions, totalling \$2,630,000, which included advance instalments to 35 operating institutions, 27 annual assistance institutions, first quarter instalments to 5 Major institutions and grants to 23 operating institutions as part of the Biennial assessment process.

On April 6, 2016 (RTS 11326) Council approved 2016 Cultural Grants to 162 institutions for a total of \$7,273,600 as part of the annual review process.

### *CITY MANAGER'S/GENERAL MANAGER'S COMMENTS*

The City Manager recommends approval of the foregoing.

### *REPORT*

#### *Background/Context*

Since 2014, Cultural Services has undertaken a staged review of its overall grant framework (see Appendix B) to provide more adaptable and sustainable support (see Appendix C) to cultural institutions

In 2016, with guidance of an Operating Assessment Committee (OAC) the 16 large-scale institutions were reviewed in 2 phases.

Assessment committees are made up of peer members consisting of artists, executive and artistic directors, and board members from the arts and culture community that are nominated on an annual basis. The assessment committees consist of peer members and one Cultural Services staff. For this review the assessment committee included:

- Amy Nugent, Chair, Artspeak Gallery and ED of Inclusion BC
- Gloria Wong, Director, Development and International Affairs, Van. Recital Society
- Claire Sakaki, Managing Director, Bard on the Beach Festival Society

Phase 1: In February 2016, a review of the 16 large-scale institutions commenced and was reviewed by the OAC.

The OAC commented on the vast range of mandates, the varying ways the City supports institutions (i.e. such as nominal rent, being in a city-owned or leased space, off-set of rent to use the civic theatres, maintenance of facilities, board appointees, etc.) and a significant range and disparity in levels of City cash operating grants. Given the funding amounts to these 16 large-scale institutions were going to be kept consistent as the previous year, it was agreed that a small portion of the budget (\$110,300) was to be held back. The OAC asked staff to conduct additional research and would convene in August 2016 to further review these 16 large-scale institutions and disperse the held back amount.

Based on this input, staff conducted additional research which included reviewing the multiple ways in which the City supports these institutions (see Appendix D for key findings).

Phase 2: In August 2016, a comparative overview of the City's investment in these institutions was presented to a reconvened OAC (except Claire Sakaki, Bard on the Beach Festival Society - who declared a conflict). They considered how each institution received varying types and levels of support from the City.

OAC identified the cash operating grant as the one common form of support. It also noted that cash operating grant awarded did not always correlate to the scope and scale of the organization and made recommendations for increases to address low cash operating grants. No decreases were being considered.

### *Strategic Analysis*

Based on the August 2016 review, the OAC is recommending that 7 of the 16 institutions receive an increase to their base level operating cash grant. The OAC focused on those groups who receive low cash operating grants (under \$100,000) and took into consideration institutions with a low percentage (under 2%) of the cash grant to the organization's budget.

In addition to the recommendations, the OAC made the following observations:

- In many cases, a long history has led to current levels/methods of support - these reviews will address current conditions and emerging priorities
- The City has a role in further defining and empowering groups of this scale to be strong leaders in the community (e.g. through access/inclusion/equitable practices, through high employment standards)
- Different approaches to assessment should be considered for the different institutions
- The City has a role in effecting change by connecting emerging priorities (Cultural Strategy, Greenest City, inclusion/diversity/access, living wages, Healthy City)
- Focus on institutions who have multiple agreements with the City, with a goal of creating more coordinated and customized approach to support
- Any further changes or adjustments to levels of funding (for these groups) could align with emerging measurable priorities that address current and future needs and gaps.

### Next Steps:

Input from the peer members of the OAC and internal research to date, provides a start to understanding the extent to which the City provides support to large-scale cultural institutions and addresses some significant disparities in cash operating grant levels. Any further changes to levels of support or approaches to assisting will be aligned with a rethink of the cultural strategy in 2017.

### *Financial*

This report recommends approval of seven (7) grants totalling \$110,300. The source of funding is the 2016 Cultural Grants Budget.

The current balance of the 2016 Cultural Grants budget is \$110,300. Upon approval and payment of these seven grants, there will be no remaining balance.

The table below outlines the available funding for the 2016 Cultural Grants.

**TABLE 1 - 2016 Cultural Grants Budget**

Program/Stream	2016 Allocations	Previously Approved	Approved in this report	Balance
Operating	\$5,692,400	\$5,692,400		\$0
Operating (Biennial)	780,000	\$780,000		\$0
Annual	\$1,079,000	\$1,079,000		\$0
Projects	\$402,200	\$402,200		\$0
Arts Capacity	\$100,000	\$100,000		\$0
Community Arts	\$419,650	\$419,650		\$0
Theatre Rental	\$2,634,970	\$2,634,970		\$0
Artists Fund	\$50,000	\$50,000		\$0
Unallocated	\$110,300		\$110,300	\$0
<b>Total Budget</b>	<b>\$11,268,520</b>	<b>\$11,158,220</b>	<b>\$110,300</b>	<b>\$0</b>

**CONCLUSION**

The recommendations will address some of the more significant disparate levels of cash operating grant levels among the large-scale institutions cohort and will form the new base level cash operating grant going forward (subject to ongoing annual operating assessment processes). Approval of the recommendation leaves no unallocated balance in the 2016 Culture Grants Budget.

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Large-scale Institutions  
Recommendations for Increase and Total 2016 Grant

Organization	2015/2016 Culture Grant	% of Cash Grant to Org. Budget (2015)	7 Orgs. Recommended for Increase	Total 2016 Grant
Arts Club Theatre	\$160,000	1.18		\$160,000
Ballet BC	\$100,000	2.73		\$100,000
Bard on the Beach	\$27,500	0.52	<b>\$32,500</b>	\$60,000
Coastal Jazz and Blues	\$85,000	1.80	<b>\$10,000</b>	\$95,000
Contemporary Art Gallery	\$67,000	6.32	<b>\$3,000</b>	\$70,000
Firehall Arts Centre	\$75,000	6.52		\$75,000
HR MacMillan Space	\$519,400	38.95		\$519,400
Museum of Vancouver	\$758,000	34.05		\$758,000
Science World BC	\$96,000	0.72	<b>\$9,000</b>	\$105,000
Van. East Cultural Ctre	\$115,000	4.06		\$115,000
Vancouver Art Gallery	\$2,181,000	13.15		\$2,181,000
Van Folk Music Festival	\$80,000	4.15		\$80,000
Van Int'l Film Festival	\$60,000	1.56	<b>\$9,800</b>	\$69,800
Van Maritime Museum	\$400,000	32.15		\$400,000
Vancouver Opera	\$30,000	0.29	<b>\$20,000</b>	\$50,000
Vancouver Symphony	\$44,000	0.31	<b>\$26,000</b>	\$70,000
<b>Total</b>	<b>\$4,797,900</b>		<b>\$110,300</b>	<b>\$4,908,200</b>

### Culture Grants Program Framework

	Project	Annual	Operating	Large Institution*
<b>Stage</b>	Start-up	Growth	Mature	Mature
<b>Program</b>	Developing and establishing	Establishing or established	Established	Established
<b>Admin</b>	Staff/vol. driven	Staff driven	Staff/Brd driven	Staff/Brd driven
<b>Board</b>	Working Brd	Mainly Wkg Brd	Governance Brd	Governance Brd
<b>Budget</b>	Project budget	\$75 - \$300K diversified rev.	\$300 - \$1M diversified rev.	Over \$1M cash + in-kind civic
<b>Grant</b>	\$1-\$15K	Entry \$10-15K Max \$30K	Entry \$20K Max \$100K	+ \$100K (cash + in-kind)
<b>Criteria Focus</b>	Artistic dev. and/or participation through arts and culture	Artistic, org dev, artistic community impact	Artistic, org resilience, artistic and community impact	Artistic, org resilience and leadership, artistic and community impact, civic accountability in prog/assets/space and public access

\*Large-scale institutions - under review

### Providing Adaptable and Sustainable Support

Supporting the breadth and diversity of artistic expression	<ul style="list-style-type: none"> <li>✓ Supporting ideas (projects) to institutions (largescale operating)</li> <li>✓ Ensuring adequate support to groups who are serving under-represented communities*</li> </ul>
Support sustainable growth	<ul style="list-style-type: none"> <li>✓ Providing grant levels in alignment with program funding level parameters and comparable to similar institutions</li> <li>✓ Providing grant levels in alignment with the scope, performance and impact of the organization</li> <li>✓ Providing strategic investments to enhance artistic, organizational and public impact opportunities</li> </ul>
Enhance sustainability of institutions	<ul style="list-style-type: none"> <li>✓ Providing capacity building support to increase an organization's ability to meet its mission (board and/or staff leadership development, strategic and sustainability planning)</li> </ul>

\*Aboriginal, ethno-cultural, religious, sexual orientation, gender identity, disability, senior, youth, women, socio-economic, language, health.

## Key Findings from Internal Staff Research of the Large-scale Institutions

- The City has close and long-standing relationships with several of the institutions with support dating back to the 1950's (through space) and more formally through the annual civic grants program since 1978
- These 16 institutions received 63.5% of the total Cultural grants budget (cash grants and theatre rental) and 45% of the total cash grants budget for 2015
- Cash grant levels range widely from \$27,500 to \$2,181,000
- Ten of the institutions operate in city-owned or leased facilities benefiting from nominal rent, a significant subsidy which is difficult to quantify due to a number of factors (purpose built facilities, location, type of space, etc.)
- Many have multiple interactions with the City which include grant agreements, leases, master and joint operating agreements, MOU's, sustainability LOU's, City Board appointees, permits, collection policies, Trust agreements, etc.
- Groups are held to various service and public service objectives which are being monitored by distinct departments (e.g. Real Estate & Facilities Management, Cultural Services, and Civic Theatres).
- Civic investments range from cash grants, nominal rent, property tax exemption, security and maintenance staff, in-kind civic theatre rental access, in-kind promotional support, in-kind organizational development support, and planning support - some of which is not quantified making it a challenge to compare support across the cohort
- Monitoring varies according to the leading department making it a challenge to fully understand public impact and return on investment
- Organizational capacity ranges significantly within each organization