

CITY OF VANCOUVER



ADMINISTRATIVE REPORT

Report Date: June 20, 2006
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Meeting Date: July 13, 2006

TO: Standing Committee on City Services and Budgets

FROM: Managing Director, Cultural Services on behalf of the Creative City Task Force

SUBJECT: Allocation of Increase to 2006 Cultural Budget

RECOMMENDATION

- A. THAT Council approve funding allocations to the following grant programs as outlined in this report; source of funds to be the Strategic Investment in Cultural Services of \$700,000 contained within the 2006 Operating Budget:
- i. Up to \$150,000 increase to Project Grants to be allocated as supplemental grants;
 - ii. Up to \$150,000 to extend the Opportunities Grant program for a final year;
 - iii. Up to \$115,000 for a new Commissioning Grant program;
 - iv. Up to \$20,000 to the Theatre Rental Projects Grant program;

with reports back to Council prior to December 2006 on specific grant recommendations for each program at the conclusion of the grant assessment processes.

- B. THAT Council approve funding allocations for the following one-time support initiatives as outlined in this report; source of funds to be the Strategic Investment in Cultural Services of \$700,000 contained within the 2006 Operating Budget::
- i. Up to \$75,000 for a series of independent reviews of current cultural grants programs and the development of new programs;
 - ii. Up to \$50,000 to commission a series of "how to" guides to assist artists and non-profit organizations in accessing City services and programs;
 - iii. Up to \$50,000 to develop the Cultural Services website;

with the balance of the funds reallocated to future grants programs and services in 2007 at the conclusion of the one-time support initiatives in 2006.

- C. THAT Council approve the allocation of \$90,000 in 2006 and \$125,000 in 2007 to the Office of Cultural Affairs Operating Budget for administrative support as outlined in this report; source of funds to be from the Strategic Investment in Cultural Services of \$700,000 contained within the 2006 Operating Budget:
- i. \$30,000 for ongoing outreach initiatives;
 - ii. \$25,000 for ongoing research initiatives;
 - iii. \$15,000 for staff professional development;
 - iv. the creation of a Regular Full-time Planning Assistant position within the Office of Cultural Affairs, Cultural Services Division, Community Services Group (CSG) at an estimated cost in 2006 of \$20,000 including benefits, and an estimated ongoing annual cost of \$55,000 including benefits subject to classification and approval by the General Manager of Human Resources

CITY MANAGER'S COMMENTS

The work of the City Creative Task Force and the related increases in the City's investment in arts and culture through the 2005 and 2006 Operating Budgets supports Council's vision of Vancouver as a creative city.

The proposed increases to the City's cultural grant programs and services contained in this report should be viewed in the context of a three-year investment plan. Last year Council approved the bulk of new resources as increased Operating Grants to core non-profit organizations. This second year of investment seeks to target funding to the creation of new work, for support of major new festivals, and for new and innovative projects. This focus, along with the review of existing programs and the necessary increases to outreach, research and administrative support will ensure that the City continues to restructure and evolve its programs and services to respond to the changing community and exciting opportunities ahead.

The City Manager recommends APPROVAL of A, B and C.

COUNCIL POLICY

In 1987 City Council approved a series of goals for cultural development.

Since 1991 the City's stated policy objective has been "to ensure our future as a creative city, open and accessible to artists, to the broadest range of artistic expression, and to the widest participation."

In 2004 Council approved the creation of a Task Force to undertake a stakeholder consultation process to identify strategic goals, directions and priority objectives together with recommendations for the City's role in the development of the arts, culture, community celebrations, and special events.

In March 2005 Council approved an increase of \$1 million to the 2005 cultural budget and approved in principle further increases in each of 2006 and 2007 subject to the City's annual grant process and the community consultation process for the City Creative Task Force.

In March 2006 Council approved a further \$700,000 increase to the City's cultural budget.

PURPOSE AND SUMMARY

This report contains recommendations from the Creative City Task Force for the allocation of the \$700,000 increase to the 2006 cultural budget. In summary the recommendations can be categorised into three areas of support:

Grant Support:

For Existing Programs:

- immediate increases to Project Grants and Theatre Rental Projects
- program review to evaluate and make recommendations for future programs

For New Programs:

- a new Commissioning Grant program to support and encourage the creation of new works in all disciplines;
- program review to make recommendations for future programs

Other Support:

One-time Initiatives:

- To improve information and access for the community to existing City services and programs

On-going Initiatives:

- To ensure ongoing outreach and access to current research and information.

Administrative Support:

- To support the increased programs and services arising from the 2005 and 2006 budget increases.

BACKGROUND

In 2005 City Council launched a three-pronged approach to strengthening its support and investment in the creative community; the creation of a Task Force with the responsibility of reviewing the City's current role, undertaking broad community consultation and developing a new Cultural Plan for Vancouver; the amalgamation of three civic departments with cultural interests into the Cultural Services Department within Community Services Group; and by approving a series of increases to the City's cultural budget. This investment was seen as a catalyst to the Task Force planning process, recognition of the importance of investment in strengthening the cultural sector, and an incentive to leverage additional resources from other funders.

In 2005 the City awarded \$8.75 million in cultural grants, through 13 grant programs to approximately 150 non-profit arts and cultural organizations. A full description of the City's current grant programs and a comprehensive list of all cultural grants awarded in 2005 are available on line at www.vancouver.ca/oca.

Historically, approximately 50% of the City's cultural grants funding was allocated to the 5 major exhibiting institutions - the Vancouver Art Gallery, Vancouver Museum Vancouver Maritime Museum, Science World and Macmillan Space Centre. A further 25% of the cultural grants budget was awarded to 15 organizations which are regular users of the Vancouver Civic Theatres including the Vancouver Symphony, Vancouver Opera, Vancouver Playhouse Theatre Company, Ballet British Columbia, and Vancouver Chamber Choir. The balance of 25%, was

allocated to approximately 180 organizations for Operating, Projects, Diversity Initiatives, Celebration, Opportunities, and organizational development (APOD) grants.

In 2005 in recognition of the need to reinvest in the cultural sector, Council approved a series of increases to the cultural budget; an increase of \$1 million in 2005 and approval in principle of a further \$1 million in each of 2006 and 2007, subject to the annual budget.

Last June the Creative City Task Force hosted a public meeting to seek community feedback on how best to allocate the 2005 increase to the City's cultural budget. The full membership of the Alliance for Arts and Culture and the Office of Cultural Affairs' mailing lists were also consulted through an on-line survey. In summary, the community advised that the most important factors to weight in considering how to allocate additional civic cultural funds were that the funds be used to:

- Build on the community's artistic and organizational strengths;
- Respond to an increasingly diverse population;
- Address historic civic funding imbalances; and
- Focus first on existing Operating and Project clients.

Based on that feedback, in July 2005 Council approved recommendations for the 2005 \$1 million increase based on a three-year strategic approach which begins to address historic funding imbalances and at the same time provides for increased opportunities for new and emerging voices.

The bulk of the \$1 million (\$825,000) was allocated to rebalancing the levels of Operating Grants. This grant program supports large and small organizations in the performing, visual, media, or literary arts. Operating grants area awarded once annually with a December deadline for the following year. Grant levels were rebalanced last year through a supplemental grant review and again in 2006 through the annual Operating Grants review process, both undertaken with the advice of Assessment Committees.

In 2005 Council also approved an increase of \$75,000 to the Project Grants category, a doubling of the Diversity Initiatives grant program, a Theatre Rental Projects grant program (funded from the Theatre Rental Operating grant budget), outreach initiatives and assessment support to assist in the administration of the grant programs.

The full 2005 \$1 million has now been operationalized and included in the 2006 Operating Budget and allocated as follows:

- \$825,000 Operating Grants;
- \$75,000 Project Grants;
- \$50,000 Diversity Initiatives; and
- \$50,000 Grant Assessment support.

DISCUSSION

To address the opportunity of the 2005 increase and again in 2006, the Creative City Task Force struck subcommittees to review and make recommendations on strategic investments which, without prejudging the Task Force public consultation process and outcomes of a new Culture Plan, will begin to address the existing needs and opportunities in the community. The 2006 The Subcommittee based its recommendations, contained in this report, on the

2005 budget increase community consultation as well as feedback from 2005 and 2006 Assessment Committees.

The recommended allocations fall into four categories:

- Further increases to Grants Programs;
- One-time Grant and Program Support Initiatives;
- Ongoing Support Initiatives; and
- Administrative Support.

With the initial 2005 investment primarily targeted at existing operating grants, the Task Force's 2006 recommendations seek to increase support to smaller or project based organizations, increase opportunities for new initiatives including the creation of new work, and, non-grant supports which benefit the whole community such as access to information and research. Finally the Task Force is recommending a series of program reviews to ensure that a full review of current and potential grant programs is completed prior to considering the allocation of the final year of the three-year investment plan.

Increase to Existing or New Grants Programs:

Project Grants:

The primary area of feedback from the community consultations was the need to further increase the City's support of new and emerging creative voices. Project Grants are awarded for one time initiatives, new or emerging groups, or groups that work on a project-by-project basis. Historically the level of support for Project Grants has been modest with average grants of \$3,000 representing on average 2.4% of the total organization's budget. Including the \$75,000 increase in the 2005, the total program budget in 2006 is \$236,800. There are two Project Grants deadlines each year; December and May. Council considered recommendations from the second of Project Grants on July 3, 2006.

In anticipation of a further increase in the 2006 budget, staff asked both 2006 Project Grant Assessment Committees to provide advice on where they would increase awards to rebalance and prioritise additional investment. Recommendation A (i) seeks to increase the Project Grants budget by up to a further \$150,000 bringing the total to \$386,800 - an increase since 2004 of 135%.

Staff propose to bring forward in September for Council's approval supplemental Project Grant recommendations based on the 2006 Project Grant Assessment Committees' advice and without additional application by 2006 Project Grant recipients.

Opportunities Grants:

In 2002 Council approved a three-year pilot grant program to encourage and support three types of new festival and celebration initiatives:

- New annual/biennial festivals or celebrations;
- One-time opportunities for Vancouver as the site of a festival or celebration;
- Joint ventures involving existing festivals and other cultural organizations.

To date the program has supported the launch of such new initiatives as the PuSH Festival, SeaVancouver, the Vancouver Arts Awards and the Earth Festival.

2005 was the final year of the program. While this pilot program is scheduled for a full review, there are a number of large one-time events in planning which would benefit from the continuation of the program in 2006 while the review is underway. Without this

extension, or an alternative program, some new initiatives may not be funded, and therefore, not realized.

The Task Force therefore recommends up to \$150,000 be allocated to a 2006 Opportunities Grant intake under the same eligibility criteria and guidelines as the 2005 program. The proposed deadline for submissions is September 15, 2006.

Theatre Rental Projects Grants:

Since 1986 new and occasional users of the Vancouver Civic Theatres have been assisted by the Donald Alexander Baxter Fund. Up until March of 2005 when the capital was depleted, this fund was held by the Vancouver Foundation and administered by the City. In July 2005 Council approved a Theatre Rental Project Grants program to replace the Baxter program and re-allocated \$75,000 from the Theatre Rental Operating Grants budget.

Most inquiries for this program come from diverse communities as well as new organizations which would benefit from access to the smaller, 650-seat Vancouver Playhouse. Staff note that the current renovation at the Vancouver Playhouse will limit access to Civic Theatres throughout the balance of 2006 and therefore recommend a reduced grant allocation for 2006.

The Task Force recommends up to \$20,000 be allocated to a 2006 Theatre Rental Projects Grant intake under the same eligibility criteria and guidelines as the 2005 program. The proposed deadline for submissions is September 15, 2006 for activities taking place during the period October 1, 2006 - March 31, 2007.

One-time Grant and Program Support Initiatives:

Grant Program Review:

The City currently provides an array of grants through thirteen different programs. Each program has its own set of eligibility criteria and guidelines and application form. Last year (excluding supplementary grants arising from the increase to the cultural budget), Office of Cultural Affairs staff administered over 350 applications received through 15 deadlines and made recommendations to Council for \$8.854 million in cultural grants.

Each program has been designed to meet specific needs in the community over the years. However, in order to ensure the continued efficacy of these programs, periodic review is essential. Grant program reviews include a survey of past grants awarded, extensive consultation with successful, unsuccessful and potential applicants, a survey of best practises from other communities, a review of the award process and procedures, and finally, recommendations for new program parameters including eligibility criteria, guidelines, performance measures and resources required for assessment and administration.

Evaluating existing programs will also identify gaps in services as well as duplication of efforts. The proposed review will provide the opportunity to streamline and/or recommend new grant programs for Council's consideration in 2007 and beyond.

The Task Force therefore recommends that up to \$75,000 be allocated to commission a series of independent consultant teams to review of all cultural grant programs.

Resource Manuals:

Many artists and non-profit organizations struggle with the array of civic approvals and regulations which affect their operations and livelihoods. New organizations struggle with the business of operations. A series of resource manuals providing step by step advice on "how to" would provide invaluable information to assist the community and at the same time save City staff time currently taken up in answering questions and providing advice.

How To

- *Get a Permit for ... Erecting a Tent, Hosting a Special Event, Filming, Performing in a Park, etc.*
- *Look for a Legal Live/Work Studio*
- *Launch a new Festival or Celebration*
- *Plan for a new Facility or Major Renovation*
- *Form a New Non-Profit Society*
- *Obtain the Right Amount and Type of Insurance*
- *Get a Special Occasion Liquor License*

Some information is already available on the City's website and some information involves other jurisdictions; but in all cases the information is often complex, confusing, and not well understood or reaching the target audience.

The Task Force therefore recommends that up to \$50,000 be allocated to commission a series of "How To" booklets to be published on-line and in print and distributed at no cost to Vancouver artists and non-profit arts and cultural organizations.

Website Development:

The City's Cultural Services website is well used by the art community as well as the general public. Without dedicated staff, the web site is maintained by Office of Cultural Affairs staff as time and skills permit. The Cultural Services website currently provides information on grant programs, an inventory of public art, technical specifications for the Civic Theatres, a list of upcoming opportunities for artists and an outdated inventory of performance and rehearsal venues. The site looks utilitarian and while informative does not visually reflect the creativity of the arts community.

Nor does it provide the key information the general public is looking for -- information on upcoming arts and cultural activities in Vancouver. Currently Tourism Vancouver and the Alliance for Arts and Culture jointly support an interactive web calendar of events. Staff will explore expanding this partnership to include the City with the service tailored to meet the City's needs and constraints.

The Task Force therefore recommends up to \$50,000 for one-time website development to provide a redesign including an ongoing calendar of events.

Administrative Support:*Outreach:*

Vancouver's arts and cultural community reflects a wide array of cultural traditions and experiences. There are however numerous new groups forming and a more consistent approach to outreach is required. A key theme from the 2005 community consultation was the need to respond to an increasingly diverse population. The 2005 grant increase enabled OCA to engage an Outreach Coordinator for a period of five months. The Coordinator was

responsible for raising awareness of existing City programs, providing support to grant applicants and providing advice to staff. While outreach is the responsibility of all staff, dedicated support is required on an ongoing basis.

The Task Force therefore recommends \$30,000 be added to the Office of Cultural Affairs Operating Budget for outreach.

Research:

Access to current, relevant research is critical to the City, to artists and to arts organizations. There is an increasing interest in the role that culture can play in the economic and social fabric of a city. And while Cultural Services staff participate in and contribute to many of these national and international studies, OCA has not had the resources to commission work which is directly relevant to Vancouver. Original relevant research can benefit the whole arts and cultural community, especially smaller.

The Task Force therefore recommends \$25,000 be added to the Office of Cultural Affairs Operating Budget for ongoing research initiatives with initial funds used to commission a baseline economic impact of the arts and culture sector in Vancouver.

Staffing:

The Office of Cultural Affairs (OCA) a department within Cultural Services delivers a wide array of programs to the community. In addition to supporting the 13 grant programs, OCA also administers two advertising programs, three awards programs and three public art programs; supports facility development and planning including project management of complex capital projects; works with all levels of government; and creates policy to support new areas of cultural planning and access to cultural resources for the whole community.

OCA staff is comprised of 11 FTEs: two Assistant Directors, six Planners, 1 Planning Analyst/Database Coordinator, 1 Planning Assistant and 1 Secretary. The department shares clerical support with other areas of CSG and utilises temporary assistance where resources have been identified. The department has recently gone through a significant change in personnel with the retirement of key long-standing employees and has been restructured into two areas of responsibility -- Grants, Awards and Support Programs; and Policy, Planning and Infrastructure. The department had previously had two Planning Assistants however one position was reclassified. There is a need for one Planning Assistant in each of the two areas of responsibility. Further, with so much new staff, a very modest travel and training budget, and the need for specialised professional development, an increase to the departmental budget is recommended.

The Task Force therefore recommends that \$35,000 be allocated to Administrative Support within the Office of Cultural Affairs with \$15,000 allocated to professional development/ staff training and the creation of a permanent full-time Planning Assistant position within the Office of Cultural Affairs, Cultural Services Division, Community Services Group (CSG) at an estimated cost in 2006 of \$20,000 including benefits, and at an estimated ongoing annual cost of \$55,000 including benefits subject to classification and approval by the General Manager of Human Resources.

The source of funds for the proposed administrative support in 2006 and 2007 is to be from the Strategic Investment in Cultural Services of \$700,000 contained within the 2006 Operating Budget.

FINANCIAL IMPLICATIONS

On March 17, 2005 Council approved a \$1 million increase to the 2005 Operating Budget for cultural programs and services. On March 23, 2006 Council approved the 2006 Operating Budget which included the \$1 million increase as well as a further increase of \$700,000 for cultural programs and services.

This report sets out the programs and a mechanism to allocate these additional funds in 2006 including:

- \$435,000 in new or supplemental grants;
- \$175,000 in one-time grant and support costs which, in 2007 and thereafter the balance allocated to grant programs;
- \$55,000 for ongoing support services (outreach and research); and
- \$35,000 for ongoing administrative support.

Increases are part of a three-year investment plan which began by allocating the bulk of new resources to rebalancing funding through supplemental grants to Operating Grant recipients. Subsequent 2006 investments seek to focus on support for new initiatives (Project, Opportunities and Commissioning Grants) and at the same time providing for new non-grant support services. The chart below shows the percentage increases approved and proposed to each of the current grants programs since 2004:

| Grants Programs * | 2004 | 2005 | Proposed 2006 | Increase since 2004 |
|-----------------------------------|--------------|--------------|---------------|---------------------|
| Project Grants | \$ 164,500 | \$ 233,600 | \$ 386,800 | 135% |
| Diversity Initiatives Grants | \$ 50,000 | \$ 101,000 | \$ 103,020 | 106% |
| Operating Grants | \$ 1,313,500 | \$ 2,164,800 | \$ 2,191,600 | 67% |
| Celebrations Grants | \$ 152,193 | \$ 170,500 | \$ 196,250 | 29% |
| Major Institutions | \$ 3,571,900 | \$ 3,643,400 | \$ 3,716,000 | 4% |
| Theatre Rental Grants - Operating | \$ 1,788,755 | \$ 1,832,410 | \$ 1,869,058 | 4% |
| APOD Grants | \$ 15,000 | \$ 15,000 | \$ 15,000 | 0% |
| Opportunity Grants | \$ 200,000 | \$ 400,000 | \$ 150,000 | -25% |
| Theatre Rental Grants - Projects | \$ 29,300 | \$ 25,935 | \$ 20,000 | -32% |
| Commissioning Grants | NA | NA | \$ 115,000 | NA |

* Funded from Operating Budget. Does not include GetOut! Grants, Capital Grants, or Community Public Art Grants

When reviewed in the context of and combined with the 2005 budget increase, the recommended 2006 allocations target 86.5% of the available funds to grant programs, grants support services and assessment costs. The balance are one-time costs associated with grant program review and support services (10%) which will convert to grants in 2007 and onwards, ongoing support services (5%) and administrative support (3.2%). See Appendix A.

CONCLUSION

The launch of the Creative City Task Force and the related increases to the 2005 and 2006 Cultural Grants and Operating Budget supports Council's vision of Vancouver as a city internationally recognized for its creativity, its cultural diversity and vitality, for its global quality, and its community participation. Council has also made clear its appreciation of the creative sector for both the social and economic benefits it generates. The Task Force sets out a series of recommendation for the allocation of the 2006 increase to the Cultural Budget which will bring the City's investment up to a level that will not just maintain but grow the creative sector.

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CITY OF VANCOUVER
ALLOCATION OF 2005 AND 2006 INCREASES TO CULTURAL BUDGET

| | Total | Grant | One time Program Support* | Ongoing Program Support | Admin |
|--|--------------|--------------|---------------------------------|-------------------------------|-----------|
| 2005 | | | | | |
| Increase to Operating Grants | \$ 825,000 | \$ 825,000 | | | |
| Increase to Project Grants | \$ 75,000 | \$ 75,000 | | | |
| Increase to Diversity Initiatives | \$ 50,000 | \$ 50,000 | | | |
| Assessment costs | \$ 50,000 | | | \$30,000 | \$ 20,000 |
| Total 2005 | \$ 1,000,000 | \$ 950,000 | \$ - | \$ 30,000 | \$ 20,000 |
| % of total | 100.0% | 95.0% | 0.0% | 3.0% | 2.0% |
| 2006 | | | | | |
| RECOMMENDATION A: Grants | | | | | |
| Further increase to Project Grants (Supplemental rebalancing review) | \$ 150,000 | \$ 150,000 | | | |
| Extend/modify Opportunities Grants to address requests from | \$ 150,000 | \$ 150,000 | | | |
| Extend Theatre Rental Project grants | \$ 20,000 | \$ 20,000 | | | |
| New Commissioning Program | \$ 115,000 | \$ 115,000 | | | |
| RECOMMENDATION B: One-time Program Support Costs* | | | | | |
| Grant Program review and Plan Development | \$ 75,000 | | \$ 75,000 | | |
| "How to" series for artists and arts and cultural organizations | \$ 50,000 | | \$ 50,000 | | |
| Communications/web support | \$ 50,000 | | \$ 50,000 | | |
| RECOMMENDATION C: Ongoing Administration and Program Support Costs | | | | | |
| Outreach initiatives | \$ 30,000 | | | \$ 30,000 | |
| Research initiatives | \$ 25,000 | | | \$ 25,000 | |
| Professional Development | \$ 15,000 | | | | \$ 15,000 |
| Planning Assist. (Sept - Dec) & Professional Development | \$ 20,000 | | | | \$ 20,000 |
| Total 2006 | \$ 700,000 | \$ 435,000 | \$ 175,000 | \$ 55,000 | \$ 35,000 |
| % of total | 100.0% | 62.1% | 25.0% | 7.9% | 5.0% |
| Total 2005 and 2006 | \$ 1,700,000 | \$ 1,385,000 | \$ 175,000 | \$ 85,000 | \$ 55,000 |
| % of total | 100.0% | 81.5% | 10.3% | 5.0% | 3.2% |
| Grant allocations, support and development (2005 & 2006) | 86.5% | | | | |
| Grant allocations and support (2006, 2006 & 2007 but excl. 2007 increase*) | 96.8% | | | | |
| OCA Admin | 3.2% | | | | |
| * 2006 one time costs will convert to grant funding in 2007 and beyond | | | | | |