



12.1 **PROPOSED INCORPORATION OF THE LOCAL FESTIVALS FUND INTO THE CULTURAL DEVELOPMENT FUND**

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1. PURPOSE

- 1.1 To propose that Council cease offering the Local Festivals Fund as a stand-alone fund and instead incorporate the funds available into a dedicated stream of the Cultural Development Fund.

2. EXECUTIVE SUMMARY

- 2.1 Council's Local Festivals Fund (LFF) aims to encourage and assist Not-For-Profit organisations and community groups to develop small to medium scale local neighbourhood festivals or events to celebrate the City's community spirit, identity, arts and culture.
- 2.2 The LFF has a maximum of up to \$10,000 available per project. This fund is intended for seed and development funding and applicants are encouraged to seek out other sources of sponsorship to complement the support of Council.
- 2.3 The fund has traditionally been advertised on a quarterly basis with quick assessment and allocation of funds to facilitate rapid provision to successful applicants.
- 2.4 The City of Port Phillip aims to plan, attract and direct events to ensure our city is welcoming, healthy, safe and vibrant for all. It is commonly recognised and accepted that events bring a wealth of benefits to a community, from health and wellbeing of residents through to economic development for local businesses, cultural vibrancy and social engagement.
- 2.5 A review of the LFF was recently undertaken by officers, following the receipt of multiple enquiries on the administration of the last funding round. The outcome of this review was the cancellation of the last round of funding. While this was a difficult and regrettable decision and officers apologised for the service response at the time, in light of this review, it was deemed the most appropriate way forward given the need to ensure confidence in the allocation of public funds.
- 2.6 Officers prepared a report for the 7 July 2021 Council meeting proposing revised Local Festivals Fund guidelines and criteria. Community feedback regarding potential legal issues involving these criteria prompted the CEO to withdraw the Report and seek further legal advice before proceeding.
- 2.7 In response to the review, the issues identified and the legal advice received, officers recommend disbanding the LFF and introducing a separate stream for Festivals and Events into Council's Cultural Development Fund (CDF). Doing so would ensure a standard set of eligibility criteria would exist across all Arts grants as well as the same rigour in assessment and approval. If endorsed by Council, officers will facilitate calling of the next round of funding as soon as possible.



3. RECOMMENDATION

That Council:

- 3.1 Notes the findings of the review into the administration of the last round of the Local Festivals Fund, the legal opinion in relation to the Council report prepared on 7 July 2021 and the original intended aims of the Local Festivals Fund.
- 3.2 Disbands the Local Festivals Fund considering the outcome of this review, legal advice received and that the Fund has not been able to realise its intent of rapid funding provision.
- 3.3 Endorses the introduction of a new stream of funding for 'festivals and events' into Council's existing Cultural Development Fund.
- 3.4 Endorses transferring the \$135,000 budgeted for the Local Festivals Fund to the 'festivals and events' stream of the Cultural Development Fund.
- 3.5 Endorses use of the existing eligibility criteria for the Cultural Development Fund and the existing assessment of applications by an independent panel with recommendations brought to Council for endorsement.
- 3.6 Endorses updated information on the Cultural Development Fund as outlined in Attachment 1 and delegates to the Chief Executive Officer the ability to make minor amendments that do not later the substantive intent.

4. KEY POINTS/ISSUES

- 4.1 The LFF Fund was established in 2018 and has been open to local Not-For-Profit organisations and businesses; that demonstrate a clear understanding of the factors that contribute to a successful and COVID safe community festival.
- 4.2 Council received multiple enquiries on the last funding round. Following receipt of these officers undertook a review.
- 4.3 Amongst other things, through this review officers examined the timeline of events of the funding round; the terms of reference for the LFF to determine whether the assessment of applications had been undertaken in line with these, whether approval was undertaken by the appropriate delegate and any previous audit activity in this area to determine whether audit findings had been fully implemented or whether an audit of the LFF may be required.
- 4.4 This review found amongst other things that the composition of the assessment panel did not align with the terms of reference; inconsistencies between the terms of reference and Council's formal delegations; provisional notification had been provided to an applicant prior to sign-off (a repeat audit finding) and a review of the LFF had not occurred prior to advertising a further funding round (audit finding had been made to review the funding criteria). Officers believe it is a reasonable expectation that this audit finding should have been implemented prior to advertising a further funding round.
- 4.5 As part of normal operating practice, given the concerns raised, officers discussed the matter of the LFF at an Assembly of Council held on 5 May 2021 and outlined the findings of the review undertaken. Officers sought the views of Council, including whether they wished to consider the LFF in its entirety in the Chamber. Council advised a preference for the matter to be addressed under delegation. Council



provided feedback on the matter and precedent in other grant application considerations. It was clear from this discussion that the criteria were ambiguous and did not meet the expectations of Council.

- 4.6 As a result of this review, the last funding round was cancelled until the audit actions could be properly implemented to meet the intent of the funder (Council) and the grants process could be administered appropriately. This difficult decision was undertaken based on the need to ensure there is confidence in the allocation of public funds.
- 4.7 Considering the above a key finding was the need to review the current guidelines of the LFF.
- 4.8 Two Assemblies of Council were held to discuss the guidelines and gain feedback from Councillors. Through these briefings feedback was sought on a range of items including the purpose and intent of the fund, eligibility criteria, assessment process and panel.
- 4.9 A report was presented to Council on 7 July 2021. This report was withdrawn by the Chief Executive Officer at this meeting, as several questions were raised, which required independent legal advice to be obtained.
- 4.10 Concerns were raised by some members of the community that the proposed guidelines could be a breach of the Victorian Charter of Human Rights and Equal Opportunity legislation. Council's legal adviser does not believe this to be the case.
- 4.11 Concerns were also raised about the ability for all Councillors to deal with the matter. The legal advice sought highlighted that it was highly likely that at least Councillors who are members of a political party should consider whether they have a conflict of interest in the matter.
- 4.12 In light of the legal advice received, the review undertaken and consideration of the original intent of the LFF, i.e. rapid distribution of funds to support events and festivals, officers propose disbanding the LFF and creating a 'festivals and events' stream in Council's CDF.
- 4.13 This would have a number of advantages:
 - 4.13.1 All arts funding opportunities (individuals and groups; festivals and events and key arts organisations) would be administered under the one program.
 - 4.13.2 All arts funding applications would be assessed with the same level of rigour by an independent community panel of experts with Councillor representation.
 - 4.13.3 All arts funding applications would come to full Council for endorsement.
- 4.14 Should Council endorse this proposal, Officers will review the number of rounds currently offered for each funding stream and develop a standardised program of opportunities that will offer confidence and clarity to the community.
- 4.15 A copy of indicative eligibility criteria and guidelines is attached as Attachment 1 to this report. This will be updated with key dates and timeframes in due course.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Consultation occurred with Council as the funder of this grant. Feedback and the experiences of some applicants was also considered in reviewing these criteria.



6. LEGAL AND RISK IMPLICATIONS

- 6.1 No legal or risk implications exist from disbanding the LFF and incorporating a new 'festivals and events' stream into the CDF.

7. FINANCIAL IMPACT

- 7.1 \$135,000 has been allocated in the 2021/22 budget to provide funding to festivals and events and this will transfer to the CDF under this proposal.
- 7.2 The proposed changes to the LFF and CDF will not have any additional financial impact.

8. ENVIRONMENTAL IMPACT

- 8.1 No environmental impact has been identified.

9. COMMUNITY IMPACT

- 9.1 This proposal will allow a broad section of the community to apply to the fund, enabling a wide range of Festivals to be supported.
- 9.2 The proposal also simplifies arts funding opportunities for applicants with all creative opportunities sitting in the one fund.
- 9.3 It will also ensure equity in assessment and that appropriate rigour and governance processes are followed in the awarding of Grants, including assessment by parties independent of Council.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Council's arts funding programs align with the Vibrant direction of the Council Plan.
- 10.2 Grants are also highlighted in Council's Creative and Prosperous City Policy 2018-2022 (Art & Soul).

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 Should Councillors endorse this proposal, a round of 'festivals and events' grants will be opened as soon as possible given there has been some time since funding through the LFF has been allocated.
- 11.1.2 Officers will then work to formalise an annual timeline for the funding streams through the CDF.

11.2 COMMUNICATION

- 11.2.1 All prior applicants will be informed of this change if the proposal is endorsed.
- 11.2.2 All Council grants programs are communicated widely via Council's communications channels including social media, website and Divercity.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. Cultural Development Fund Eligibility and Criteria