
WELLINGTON CITY COUNCIL THREE YEAR GRANT CONTRACT - FRINGE ARTS TRUST

1. Purpose of Report

For the Grants Subcommittee to review its decision from the meeting of 25 March 2010 to recommend to the Strategy and Policy Committee at their meeting of 15 April 2010 to allocate contract funding to the Fringe Arts Trust. The Fringe Arts Trust has provided Council officers with additional information affecting their application.

2. Recommendations

It is recommended that the Grants Subcommittee:

1. *Receive the information.*
2. *Note that the Fringe Arts Trust has advised that it intends to use the \$85,000 for a different purpose to that contained in their original application considered by the Grants Subcommittee.*
3. *Agree to recommend to the Strategy and Policy Committee that it;*
 - (a) *Revoke the decision of 15 April 2010 to allocate funding of \$85,000 to the Fringe Arts Trust under the three year contract.*
 - (b) *Agree to allocate \$85,000 in 2010/11 from the grant contract fund for the establishment of a new trust, the Creative Capital Trust.*
 - (c) *Agree to the use of 2011/12 contract funding for the (forthcoming) Creative Capital Trust to stage a Fringe Festival timed around the Rugby World Cup, subject to deliberation by the Grant Subcommittee following the establishment of this trust.*

3. Background

Grants are included in the Annual Plan to provide an appropriate mechanism for the Council to respond to community groups that are undertaking projects that:

- Meet a need identified by the community.
- Align with council's strategic goals and community outcomes.
- Rely to some extent on participation and engagement by community organisations.

The Council also enters into three year contracts when it has an interest in ensuring particular activities occur that contribute to Council's strategies or policies.

The Strategy and Policy Committee agreed to a re-configured grants framework (April 2005) in which organisations whose activities directly contribute to Council's strategic or policy goals would be funded through a *detailed* contractual arrangement with 3 year reviews of the funding.

Organisations funded by the Council through three year contracts need to meet the general grants criteria and also that:

- The organisation is well-established and some Council funding is sustainable in the long-term.
- The organisation is generally regarded as a feature of Wellington's infrastructure or unique sense of place.
- The Council does not wish to influence its day to day activities but has a strong interest in the outcomes of the organisation.
- A partner relationship is beneficial.

As part of the implementation of the grants framework contracts are fully reviewed every three years.

In March 2010 the Grants Subcommittee considered a request from the Fringe Arts Trust for renewal of funding through three year contracts. The Fringe Arts Trust was funded \$64,955 per annum (2007-10) for delivery of the Fringe Festival. The subcommittee recommended an increase of the annual funding to \$85,000 per annum to produce annual Fringe Festivals for 2011, 2012 and 2013.

The Fringe Arts Trust agreed to:

- Develop and establish its new operating structure as described in the White Paper 2010
- Develop and action its 2010-2011 business plan including investigate how to assist with Wellington's Rugby World Cup celebrations
- Further develop and implement a financial strategy including a philanthropic plan.
- Review, consolidate and determine its 2010-2013 strategic plan

- Refresh its governance board
- Continue to work positively with its community, key stakeholders and participants.

4. Discussion

The application submitted to Council from the Fringe Arts Trust for contract funding (March 2010) proposed that the Trust would stage an annual Fringe Festival. The application was made before the April planning session on the future of the Creative Capital Trust took place. At this planning session the recommendation of not staging a Fringe Festival in early 2011 was first discussed.

As part of the 2009-19 LTCCP process, the two trusts proposed to Council that the establishment of a new trust, under the name Creative Capital Trust (CCT), be investigated. In 2008/9 an additional \$10,000 was allocated from the Discretionary Grants Fund to support the financial viability of the 2009 Fringe festival. In common with other arts organisations the Fringe have seen a decline in income from sponsorship, gaming and community trusts. Please note that during recent discussions, Council officers have become aware that the Fringe Arts Trust are operating at a substantial financial deficit.

The review concluded there was widespread support for joint delivery mechanism for the Fringe and Cuba Street Carnival events. It was acknowledged that both events generated significant levels of new spending for the city.

Following discussions in early 2010 a second report was commissioned which provided a number of recommendations around the vision for the new trust which would deliver viable festivals and events. Specific recommendations were made about governance, staffing structure, resources required and strategies for managing the existing debt of the two trusts.

The Fringe Art Trust are requesting to apply the bulk of the funding to the development of the new trust and not run a normal Fringe Festival in the usual time slot next year (2010/11 financial year). The Fringe Arts Trust estimates it would cost up to \$100,000 to stage a festival. This would require up to \$65,000 from the Council's annual grant to the Trust plus \$15,000 from participant registration fees, \$10,000 from sponsors and \$10,000 from trusts. This would leave \$20,000 from Council's annual grant to support the establishment of the new Creative Capital Trust. The Trust feels this is not enough to fund the development of the new trust.

It is proposed that the new Creative Capital Trust will stage a 'Fringe of the World Cup' in September and October 2011 as part of Wellington's Rugby World Cup Festival. This will provide the new trust time to establish itself, and also present an opportunity to showcase Wellington's diverse grassroots and emerging creative talent to an international audience.

5. Conclusion

The Subcommittee is asked review the Grant's Subcommittees recommendation (23 March 2010) to the Strategy and Policy Committee to fund the Fringe Festival Trust \$85,000 through 3 year contract funding.

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Supporting Information

1) Strategic Fit / Strategic Outcome

WCC General grants are allocated to support outcomes from the Cultural, Social, Economic and Environmental strategic areas.

2) LTCCP/Annual Plan reference and long term financial impact

The Cultural grants come under project C661, the Environmental grants under project C652, the Social & Recreational grants under C678 and the Economic grants under project C647.

3) Treaty of Waitangi considerations

Any grants application that could have implications for Maori are referred to WCC Treaty Relations Office for recommendations. The Treaty Relations Office is sent the full list of applicants and projects for comments.

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

The Grants Team sends the full list of applicants and projects for comment to appropriate Council officers prior to presentation to the Subcommittee. Applicants and persons or organisations referred to in the applications and others may be spoken to for comments where appropriate.

b) Consultation with Maori

The WCC Treaty Relations Office is sent the full list of applicants and projects for comment prior to presentation to committee.

6) Legal Implications

N/A

7) Consistency with existing policy

The grant pools have been created to assist community initiatives in line with Council strategy.

Appendix 1: Fringe Arts Trust March 2010 Application and Budget