

## **Cultural Festivals Funding Program**

**Date:** October 6, 2021

**To:** Economic and Community Development Committee

**From:** Interim General Manager, Economic Development and Culture

**Wards:** All

### **SUMMARY**

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The purpose of this report is to recommend the program objectives, guidelines and impact framework for a new Cultural Festivals Funding Program to support and increase the accountability and transparency of City funding to cultural festivals. The City of Toronto has long provided operating support to major, City-wide cultural festivals, but there is a growing need to also support a newer generation of festival producers from a wider geographic area, and from more recently established communities. These festivals provide residents and visitors with opportunities to engage with our shared cultural and artistic expression of Toronto's diverse community.

The proposed program has been developed in consultation with stakeholders and communities seeking City support. The proposed program meets Economic Development and Culture's commitment to grant reform; to increasing access by diverse cultural communities; to increasing support for activities outside the downtown core, and is part of the Division's overall development of a festival and events strategy for cultural, social and economic development.

A stakeholder engagement summary report outlining the consultations undertaken to develop the program is attached as Attachment 1. A comparative research report informing program design is included as Attachment 2, and recommended program guidelines are included as Attachment 3.

### **RECOMMENDATIONS**

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The Interim General Manager, Economic Development and Culture recommends that:

1. City Council approve the establishment of the Cultural Festivals Funding Program, substantially in accordance with the City of Toronto Cultural Festivals Grant Program Guidelines in Attachment 3 to this report, with implementation commencing in 2022.

## **FINANCIAL IMPACT**

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Base funding of \$1.785 million gross and net for the Cultural Festivals Funding program is included in the proposed 2022 Operating Budget Submission for Economic Development and Culture in order to support not-for-profit cultural festivals and events. Enhanced funding is not being sought. The funding for this program is comprised of annual operating commitments, \$1.285 million, that were made to the organizations previously funded under the festivals component of the Major Cultural Organizations program plus an enhancement of \$0.500 million that was previously approved in the 2020 EDC Operating Budget. In 2020, those funds were disbursed to annual operating clients and the enhancements were disbursed under the one-time Cultural Festivals Recovery Program. In 2021, funds were again disbursed to annual operating clients, and the remainder was reallocated as one-time funding to the ShowLoveTO initiative, which will conclude in December 2021.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

## **DECISION HISTORY**

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At its meeting on October 29, 2019, City Council directed the General Manager, Economic Development and Culture to establish a Cultural Festivals Grant Program, with the program design, eligibility criteria, assessment process and intended outcomes. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC8.8>

At its meeting of July 16, 17, 18, 2019, City Council adopted the Toronto Community Grants Policy to apply to all community grants disbursed by the City. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC6.19>

## **COMMENTS**

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The City of Toronto recognizes the importance of cultural festivals to the economic and social life of the city. The proposed Cultural Festivals Funding Program (CFFP) has been designed to support the development of the festival sector in a manner that is accessible, transparent and accountable. The establishment of the proposed Cultural Festivals Funding Program seeks to advance EDC's goals of access, equity and inclusion, service innovation and excellence, and promotes economic recovery and resilience.

The proposed program provides financial support to recurring cultural festivals whose programming supports city-building, focuses on engaging with the people of Toronto, serves Toronto residents across the city, and promotes opportunities for emerging artists, Indigenous artists, and artists from other equity-deserving groups. A significant programming component must be free to the public.

The CFFP, if approved, will support not-for-profit cultural festivals and events which strengthen the sector, grows capacity, encourages development and new ideas, and works towards organisational efficiency, sustainability and best practices. Funding will fill defined gaps in the city's festivals and events landscape, instigate collaboration and public engagement, and lead to greater impacts of the sector for public benefit. A strong festivals and events sector will lead to a vibrant tourism sector, a culturally engaged public in public spaces, and greater social cohesion and economic development.

## **Background**

The development of the CFFP was approved by City Council in October 2019 with the intention of implementation in 2020. This timeline was delayed as a result of COVID-19. In the intervening months, the global pandemic has had a devastating impact on the cultural sector, and in particular, the festivals and events sector, which is defined by in-person mass gatherings. This proposed program will position the sector to recover over the next several years.

In 2020, in response to COVID-19, EDC launched a one-time Cultural Festivals Recovery Program. The program demonstrated the unmet demand for such a program and introduced City staff to many new cultural organizations that had not had access to municipal funding. One of the key criteria of the one-time funding was that applicants were not recipients of operating funding from the Toronto Arts Council.

The intended beneficiaries of this proposed funding program are not strictly arts presenters, but festival and event organizers who produce cultural activations in the public realm with an emphasis on community cultural expression, access, i.e. free programs, and a range of activities that can include activities not generally eligible under Toronto Arts Council funding such as food celebrations or fashion and design festivals.

The City of Toronto worked with third-party experts to inform the program design through community engagement and a comprehensive comparative research analysis. To begin, the City hired PROCESS to develop a thorough engagement process to collect feedback from the cultural festivals sector. Findings from PROCESS' engagement are included in Attachment 1. Building on the insights from the festivals sector, Ginder Consulting undertook an extensive research analysis in other jurisdictions to define clear objectives for the new CFFP, develop program guidelines including eligibility and assessment criteria, and determine performance measures for impact. The results of the comparative research analysis are included in Attachment 2, while Ginder's recommendations for program guidelines, criteria and performance measures are included in Attachment 3.

Three different streams are proposed for this program in recognition of the varying levels of size, sophistication, capacity and community impact of the festivals. Long-standing major annual events such as Pride Toronto, Luminato, Toronto Caribbean Carnival, and Salsa in Toronto will be eligible for multiyear funding and annual grants up to a maximum of \$500,000 per year. Other established festivals will be eligible to apply for annual operating funding up to \$100,000 per year. Smaller and newer organizations, and festivals produced by Business Improvement Areas (BIAs) will be eligible for project grants to a maximum of \$15,000.

## Eligibility Criteria

For the purpose of this proposed program, a cultural festival is defined as a collection of arts and cultural activities presented over a minimum of a one-day period with a common theme. A festival may be devoted to one or more artistic discipline and be produced annually or once every two years. Such a festival is primarily free to the public, takes place in the public realm, has general appeal and a public profile.

Cultural festival programming includes performing arts, visual arts, literary arts, interdisciplinary arts, craft, design and expressions of cultural identity.

The eligibility criteria for the three components of the proposed CFFP are:

### Multi-Year Operating

Requirements	Eligible for
Applicant has been incorporated for five years or more and has paid staff.	Multi-year operating funding (3-year cycle) Maximum grant: Up to 35% of eligible expenses, to a maximum of \$500,000 Type: Contribution agreement (90%/10% hold back)
Applicant has a history of sustained festival programming for five years.	
Audited financial statements demonstrating revenue of \$1 million or more.	

### Annual Operating

Requirements	Eligible for
Applicant has been incorporated for two years or more and has paid staff.	Annual operating funding Maximum grant: Up to 35% of eligible expenses, to a maximum of \$100,000 Type: Grant
Applicant has a history of sustained festival programming over at least two years.	
Audited financial statements demonstrating revenue of between \$100,000 and \$1 million.	

## Projects

Requirements	Eligible for
Applicant has been incorporated for two years or more; Business Improvement Areas (BIA) apply to this category.	Project funding Maximum grant: Up to 50% of eligible expenses to a maximum of \$15,000 Type: Grant
Applicant can demonstrate a history of successful festival programming	
Financial statement demonstrating revenue of less than \$100,000; except BIA may have higher festival revenue.	

If approved, the applications will be assessed against the above criteria, and will be reviewed by staff and community advisors representing a broad base of expertise. Community advisors will be selected for their professional experience in the cultural festivals sector.

### General Assessment Criteria for the Proposed CFFP

Applications will be assessed against four program priorities:

- Cultural vitality
- Public impact and citizen engagement
- Organizational capacity, resiliency and public health
- Financial sustainability

#### *Cultural Vitality*

- The applicant has a clear and compelling cultural mission for the festival demonstrating that arts and culture are key festival elements, as evidenced by the number of artists and the budget-allocated artist fees and expenses
- The artists represent Toronto's diversity and the festival has inclusive policies to support Indigenous artists and artists from equity-deserving communities; the festival offers opportunities for artist development and exposure to new audiences
- Any cultural programming partners are well established, add value to the festival and include diverse and under-represented communities
- The applicant's programming fosters creativity and cultural opportunities in the local community
- Any virtual, online programming demonstrates the potential for a broader audience across Toronto and beyond, and the opportunities for new partnerships

#### *Public Impact and Citizen Engagement*

- The festival program enhances social equity and citizen engagement to benefit all Torontonians. There are opportunities for participation by equity deserving groups, people of all ages, abilities, sexual orientations, gender identities, ethnicities, cultural background, religion, language, and socio-economic conditions
- The festival has an effective accessibility plan

- Festival programming is expected to attract a large attendance; a significant portion of activity is free or at a nominal cost (less than \$5)
- Local community engagement is demonstrated by the support of local business and community partners
- There is a viable and well-resourced volunteer program; the volunteers participate in and contribute to the planning and realization of the festival
- Tourism and economic impact measures, if relevant

*Organizational Capacity, Resiliency and Public Health*

- The applicant has the financial and human resource capacity to plan and execute the festival
- The quality of the marketing and promotional plan
- The quality and breadth of the contingency plans e.g. meeting public health guidelines, extreme weather, violent incidents, infectious disease outbreaks, etc.
- The Board, management, and staff of the festival reflect the population of Toronto, and measures are in place to ensure diversity on the Board

*Financial Sustainability*

- The organization is financially stable and demonstrates the potential for growth and/or sustainability, based on previous iterations of the festival (bearing in mind the impact of COVID)
- Applicant's proposed budget is appropriate based on the festival's history (bearing in mind the impact of COVID)
- Funds are allocated towards health and safety and accessibility measures
- The organization has a revenue generation strategy and diverse revenue sources
- Internal financial controls are in place

**Performance Measurement**

In order to track the impact of public investment in this program, the following objectives and performance indicators are proposed:

Objective	Measure
Building capacity: Strengthen the festival sector	<ul style="list-style-type: none"> <li>• Number of first time applicants in each of project, annual and multi-year operating streams</li> <li>• Number of project grant applicants who subsequently advance to operating grants</li> <li>• Number of annual operating applicants who subsequently advance to multi-year</li> <li>• Increase in festival budgets (individually and aggregated)</li> <li>• Trend lines in revenue mix</li> <li>• Increase in number of festival days funded</li> <li>• Number of artists paid to perform</li> <li>• Number of artists exhibiting/reading</li> <li>• Number of paid administrative staff</li> </ul>

Objective	Measure
Engaging communities / Accessibility	<ul style="list-style-type: none"> <li>• Total attendance at free events</li> <li>• Total attendance at paid events (nominal fees)</li> <li>• Downtown core: <ul style="list-style-type: none"> <li>• Number of festival days</li> <li>• Number of public performances/events</li> <li>• Attendance</li> </ul> </li> <li>• Outside downtown core: <ul style="list-style-type: none"> <li>• Number of festival days</li> <li>• Number of public performances/events</li> <li>• Attendance</li> </ul> </li> <li>• CFFP information provided in accordance with AODA</li> <li>• Program information sessions hosted in accessible locations through the city</li> </ul>
Transparency/ accountability	<ul style="list-style-type: none"> <li>• Number of application deadlines</li> <li>• Number of first time applicants</li> <li>• Number of workshops/information sessions for potential clients</li> </ul>
Equity and inclusion	<ul style="list-style-type: none"> <li>• Number of applications from Indigenous-led, Black and equity deserving groups in each stream (project, operating)</li> <li>• Number of successful applications from Indigenous-led, Black and equity deserving groups</li> </ul>
Public benefit: Economic and social Impact	<ul style="list-style-type: none"> <li>• Total festival expenses</li> <li>• Number of community partnerships</li> <li>• Number of local businesses engaged with the festival</li> <li>• Client economic impact data (if available)</li> <li>• Number of volunteers</li> </ul>

Should City Council adopt the proposed program objectives, criteria and performance measures, staff will seek to implement the program beginning in 2022. EDC considers this open, accessible, transparent, and accountable festival funding program an essential component of cultural grant reform and economic and cultural recovery.

**CONTACT**

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## **SIGNATURE**

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## **ATTACHMENTS**

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Attachment 1 - City of Toronto Cultural Festival Grants Program Engagement Summary  
Attachment 2 - Comparative Research Report for a Cultural Festivals Grant Program  
(July 2021)  
Attachment 3 - City of Toronto Cultural Festivals Grant Program Guidelines