



Hamilton

CITIZEN COMMITTEE REPORT

To:	Chair and Members General Issues Committee
From:	Tricia LeClair Arts Advisory Commission
Date:	June 18, 2014
Re:	Arts Community Support for the Proposed Arts Investment Program (AAC14001)

Recommendation:

N/A

Purpose of Report:

The Arts Advisory Commission supports the recommendations pertaining to the proposed Arts Investment Program in Staff Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program.

The Arts Advisory Commission is pleased to advise Council of the support of the arts community for the Arts Investment Program included in Staff Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program.

Introduction:

The Arts Advisory Commission (AAC), through its Arts Funding Task Force, has been working with the arts community for over three years to develop an investment program that would accomplish a number of goals:

- Strengthen Hamilton's reputation as a creative and vibrant City.
- Create a stronger arts sector, with more opportunities for employment, innovation and participation for all citizens.
- More effectively meet the funding needs of the arts sector.
- Increase the effectiveness of direct financial investment by the City of Hamilton.

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- Increase the ability to measure the impact of financial investment on the community and on the achievement of municipal goals.

The arts sector in Hamilton has shown itself to be a key contributor to the city's vibrancy in recent years. In order to sustain and build the sector's capacity to contribute to Hamilton's overall economic, social and cultural growth, strategic investment in the sector by the City is needed. Greater public access to and participation in arts activities will help Hamilton to realize its vision of being the best place in Canada to raise a child, promote innovation, engage citizens, and provide diverse economic opportunities.

Background:

The AAC brought two reports forward to Council for its consideration. It undertook extensive community consultation in completing this work, as detailed in Appendix A to Report AAC14001.

- In May 2012, Report AAC12001 regarding Strategic Municipal Investment in the Arts highlighted the funding issues facing the arts sector, and the gaps that exist between those needs and the City's current approach to arts funding. Through this Report, Council directed the AAC to develop a strategic arts funding model, to consult with stakeholders and the community on the model, and to report back to General Issues Committee.
- In June 2013, Report AAC12002(a) regarding Strategic Municipal Investment in the Arts presented an Arts Investment Model and related recommendations to Council. Council referred the report to staff for a report back to the General Issues Committee which would provide details including implementation, budget implications and impacts and provide a range of options/alternatives.

At that point, the mandate for the AAC's Arts Funding Task Force was complete, and staff in the Tourism and Culture Division took the lead in fulfilling Council's direction with AAC guidance. Staff were subsequently directed (Report FCS14024, approved by Council on March 26, 2014) to include their recommendations about the Arts Investment Program as part of a larger review of the Community Partnership Program, the results of which are being presented to Council concurrently with this Report.

Analysis/Rationale:

1. Arts Investment Program Guidelines

The Arts Advisory Commission supports the Arts Investment Program Guidelines, attached to Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program as Appendix B, as a strategic approach to municipal funding. The Guidelines align with the Arts Investment Model

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developed by the Arts Funding Task Force in 2013 and represent an appropriate municipal funding program for Hamilton.

The key principles that informed the work of the Task Force are:

- Transparency
- Equity
- Accountability
- Strategy.

The Guidelines for the eight funding streams are aligned with these key principles. We believe that they will meet the needs of the arts community for stable and equitable funding, the needs of Council for strategic investment with measurable impacts and the expectations of the community for accountability. They are in keeping with the best practices for arts funding in Canada, and will strengthen the arts sector, if implemented as presented.

There was substantial community consultation undertaken by the Arts Funding Task Force during its work to develop the Arts Investment Model that was presented to Council in 2013, as detailed in Appendix A to Report AAC14001. Since that time, consultation has been focused on key stakeholders with regular meetings with staff from the Finance, Administration and Revenue Generation Division and the Tourism and Culture division to discuss the development of the Program Guidelines. These stakeholders include: the AAC, the Hamilton Arts Council (representing the broader arts community), and four arts organizations that are currently funded through the Boards and Agencies funding stream (Art Gallery of Hamilton, Theatre Aquarius, Brott Music Festival and Hamilton Philharmonic Orchestra). Details of these consultations discussions are provided in Appendix A to Report AAC14001.

Through these recent discussions, it is clear that the larger arts organizations in Hamilton that have been funded through the Boards and Agencies funding stream have particular concerns regarding funding. Years of zero-growth municipal grants, despite organizational growth, have stretched organizational resources to the limit – especially for those organizations with significant capital asset management responsibilities and leadership roles within the arts sector and the broader community. The AAC acknowledges the challenges that these important organizations face, and is confident that the Arts Investment Program Guidelines presented as Appendix B in Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program will enable those organizations to receive appropriate recognition for their unique contributions to the sector and to the community.

2. Arts Investment Program Decision-making

The AAC concurs with the assessment in Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program

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that additional transparency is needed to ensure the success of the City's revised granting programs. The AAC supports these approaches as effective ways of building transparency into the Arts Investment Program:

MERIT-BASED ASSESSMENTS – Thorough assessment of the merits of organizations and projects, and the use of those assessments in determining grant amounts, are essential contributors to the transparency of any granting program. Mandatory reporting by the recipient is also an essential element of the merit-based approach and heightens accountability for the investment of public dollars. The proposed Guidelines for the Arts Investment Program include assessment of the cultural, social and economic impacts of that organization, as well as its viability and mandatory reporting. The AAC strongly supports this approach.

PEER ASSESSMENT – Peer assessment is a best practice in many funding programs and is practiced by funders such as the federal Social Sciences and Humanities Research Council (SSHRC), Canada Council, Hamilton Community Foundation, United Way of Burlington and Greater Hamilton, as well as in municipalities such as the City of Ottawa, the City of Regina and the City of North Vancouver.

Within the arts sector it is defined as an evaluation of a submitted application that is made by an assessor or assessment panel that is comprised of artists and/or art professionals who are currently practicing and/or knowledgeable in a discipline relevant to the applications being considered. The proposed Guidelines for the Arts Investment Program recommend peer assessment for funding streams 1, 2 and 5 (Operating Grants for Arts Organizations, Arts Festivals, and Creation and Dissemination Grants for Arts Professionals). This assessment will bring robust and rigorous review of such factors as the social, economic and cultural impact and merit of the proposed activities, and organizational or project viability as appropriate. The advice of peer assessors will inform the staff developed recommendations for funding. The AAC strongly supports this approach.

ARMS-LENGTH DECISION-MAKING – One of the key principles adopted by many federal, provincial and municipal governments, as well as other funders, is arms-length decision-making for arts granting programs. This removes political influence or pressure from funding decisions. In an arms-length decision-making model, politicians approve the investment objectives, the annual total budget to be allocated, and general program guidelines, but do not review or approve each grant that is recommended. Typically, there is an appeal process.

The AAC strongly supports arms-length decision making for arts funding and therefore supports with reservation the staff recommendation regarding governance structure for the revised Community Partnership Program in Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program, which recommends that the Grants Sub-Committee of the Audit, Finance and Administration Committee of Council continue to review funding allocations and

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make funding recommendations to Council. The AAC prefers a process by which funding allocations are presented directly to the General Issues Committee of Council for high-level discussion and approval only and that the decisions of Council are based on staff developed recommendations which, depending on the funding stream, are informed by peer assessors.

3. *The need for additional arts funding*

Key to the success of the new Arts Investment Program is the allocation of new funds to increase the overall envelope for arts funding. Without new funds, the only way that one organization can increase its allocation is at the expense of another organization. This sets up a divisive and destabilizing dynamic that will dampen the positive sectoral outcomes that can be expected from the implementation of the Arts Investment Program.

The arts-based Boards and Agencies organizations have expressed the concern that funds that are currently allocated to them might be used as a funding source for new applicants or to supplement grants to existing recipients, especially if new funds are not allocated to the Arts Investment Program. The AAC does not support the removal of funds from one organization specifically to fund other organizations.

In the 2012 report to Council on Strategic Municipal Funding for the Arts, the AAC identified \$1 million as a reasonable starting point for additional investment in the arts sector. The AAC recognizes the financial realities that Council faces, and therefore supports the staff recommendation in Report FCS14024(a) regarding Terms of Reference for the Evaluation of the City of Hamilton Community Partnership Program to provide a phased-in approach to increased funding. The Operating Grants Stream and the Arts Festivals Stream require additional funds to bring them to the funding level recommended by the Arts Funding Task Force. Of the six remaining Streams, the Capacity Building and Creation/Presentation Streams are the priority for new funding. (The Hamilton Arts Council and Hamilton Community Foundation have jointly submitted an application to the Future Fund that would assist in funding the Creation/Presentation Stream; the results of this application will not be known until summer 2014.)

The AAC reminds Council that \$1 million was seen as a reasonable starting point, and does not represent the total investment needs of the arts sector.

Appendices and Schedules Attached:

Appendix A to Report AAC14001 – Summary of Community Consultation Undertaken in Developing the Arts Investment Program