

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE APRIL 13, 2015
FROM:	ART ZUIDEMA CITY MANAGER
SUBJECT:	INVESTING IN THE ARTS BUILDING A NEW COLLABORATIVE ORCHESTRA MODEL <i>WE PLAY ON</i> PERFORMANCE FUND AND REALLOCATION OF CAIP ARTS FUNDING

RECOMMENDATIONS

That, on the recommendation of the City Manager, in consultation with the London Arts Council (LAC) Board of Directors and Staff, the following **ACTIONS BE TAKEN** with respect to Investing in the Arts; Building a New Collaborative Orchestra Model, *WE PLAY ON* Performance Fund for Professional Musician's formerly of Orchestra London, and reallocation of Community Arts Investment Program funding:

- (a) The LAC **BE PROVIDED** with one-time funding of \$300,000 from existing arts funding during the year 2015 to:
 - (i) coordinate the development of Building a New Collaborative Orchestra Model for \$150,000, with the goal of creating a new professional financially sustainable orchestral model that would be successful for London. The LAC would engage specific expertise to develop the business case for a new orchestral model well as provide office infrastructure for *WE PLAY ON* Performance Fund support; and,
 - (ii) work with the Professional Musician's formerly of Orchestra London to support orchestra concerts through leveraging a *WE PLAY ON* Performance Fund of \$150,000 during this time.
- (b) The source of funding **BE APPROVED** from the Community Arts Investment Program Category 1 for Building a New Collaborative Orchestra Model and creation of *WE PLAY ON* Performance Fund for Professional Musicians formerly of Orchestra London.
- (c) The LAC **BE ASKED** to provide the City Manager and the City Treasurer with quarterly progress updates concerning the progress of the Building a New Collaborative Orchestra Model and *WE PLAY ON* Performance Fund for Professional Musicians formerly of Orchestra.
- (d) The LAC **BE DIRECTED** to provide a report concerning Building a New Collaborative Orchestra Model and *WE PLAY ON* Performance Fund for Professional Musicians formerly of Orchestra London as a condition of this funding being provided to them in 2015 noted in clause (b) above of this report.
- (e) Community Arts Investment Program (CAIP) Category 1 funding of \$200,000 **BE RE-ALLOCATED** within the same granting program to CAIP Category 2 for each of the years 2015, 2016, 2017, and 2018 for the purpose of funding a new Development Acceleration Stream of this Category for specific organizations currently receiving operating funding, to increase the capacity of CAIP Category 2.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- CAIP Policy approved by Council (June 2000)
- CAIP Policy amendment to remove any reference to funding approved by Council (April 2011)
- Council Policy 8 (11) entitled “Grants and Capital Grants Policy”, as it relates to the Community Arts Investment Program Category 1 reporting requirements amended by Council (December 17, 2013)

BACKGROUND

The purpose of this report is to put forward a proposal for Building a New Collaborative Orchestra Model and *WE PLAY ON* Performance Fund for Professional Musicians formerly of Orchestra London by the LAC in 2015. It is also to recommend that existing funding of \$200,000 from CAIP Category 1 be reallocated to CAIP Category 2 to fund a new Development Acceleration Stream for six (6) multi-disciplinary arts organizations of CAIP Category 2.

BUILDING A NEW COLLABORATIVE ORCHESTRA MODEL

It is recommended in this report that the London Arts Council (LAC) be provided with one-time funding of up to \$150,000 from existing arts funding during the year 2015 to coordinate the building of a new Collaborative Orchestra Model.

The LAC would assist the Professional Musicians formerly of Orchestra London with short term professional expertise to support their future business model and current operational requirements.

Proposed Scope of Work

As a condition of receiving funding from the City, the LAC would be directed to provide a report detailing the Building of a New Collaborative Orchestra Model to municipal Council. The Professional Musicians will play a major role in building a New Orchestral Model and providing background information relevant to the task at hand.

The proposed scope of work for this Orchestral Model planning would include:

- Background research on best practices for successful orchestra models and trends in North America;
- An evaluation of the current orchestral conditions and needs in London;
- Identification of current challenges and future trends impacting orchestral organizations;
- Stakeholder and public consultation engagement, which would bring the community together to collaborate in the most effective ways to create a professional sustainable orchestral model in London. This would include creating a more comprehensive strategy for engaging the orchestra and performing arts in the community through partnerships and business planning with organizations such as: Business for the Arts, London Economic Development Corporation, Chamber of Commerce, Emerging Leaders, Arts Leaders and Organizations, Education Sector including but not limited to Western University and Fanshawe College and/or business leaders.
- Reviewing and evaluating any preliminary community proposals related to building a new Collaborative Orchestral Model.
- A proposed sustainable Orchestral Model including; for example:
 - Operating objectives and vision;

- Benefits of new model;
- Governance and organizational structure/policies;
- Artistic program plan;
- Performance space needs and agreements;
- Marketing and audience development plan;
- Donor development plan;
- Sustainable financial structure and fiscal practices;
- Implementation timetable and start up budget;
- Evaluation plan; and,
- Financial control system.

The LAC would engage specific expertise to undertake the components required to build a new Collaborative Orchestra Model.

For example, audience and donor development planning for performing arts are critical pieces especially in this rapidly changing landscape of digital consumption. This work will not only benefit the musicians and create a new model it will bring experience, information and training to the performing arts profession in London. This area also includes outreach, attraction and retention strategies consulting with the broader community such as: CAPACOA (Canadian Arts Presenting Association), National Arts Centre, Ontario Presents, Orchestras Canada, the Ontario Arts Council and Canada Council for the Arts, Canadian Network for Arts & Learning and other experienced local, provincial and federal organizations and individuals.

WE PLAY ON PERFORMANCE FUND FOR PROFESSIONAL MUSICIANS FORMERLY OF ORCHESTRA LONDON

It is recommended in this report that a *WE PLAY ON* Performance Fund for the Professional Musicians formerly of Orchestra London be created immediately for one-time funding of \$150,000 through the London Arts Council to assist the development of orchestral performances throughout London and to support leveraging other funds currently being sought for this purpose.

This Fund would contribute financially to the production of community performances and concerts for the benefit of the citizens of London for a one (1) year period. It would provide support to encourage the professional musicians formerly of Orchestra London to continue to live in London while a new orchestral model is being researched and created. It will provide the professional musicians with the opportunity to increase their visibility in the community and present additional performances raising additional revenue and create partnerships in the community.

The London Arts Council (LAC) is a charitable not-for-profit organization incorporated in 1995. As an umbrella organization for the arts in London, it is in a unique position to provide a temporary home for this project. The LAC can receive and allocate restricted funds for purposes related to its mandate such as this project; donations, education, sponsorships and event activities.

Should this funding be approved, it would be distributed in the following manner:

- the development of an administrative support system to assist the musicians as performances and responsibilities of scheduling and promotion increase. An administrative support person for this purpose would work out of the LAC office as required; and,
- establish a separate accounting and bank account engaging the services of a professional bookkeeper related to the *WE PLAY ON* Performance Fund for Professional Musicians formerly of Orchestra London and any revenue and/or donations related to their work.
- accounting would be monitored by both the Executive Director of the LAC, the Board Directors of LAC and LAC's auditor (2015 and 2016 activities).

SUPPORT FOR THE LONDON ARTS COUNCIL

The London Arts Council is a service provider to the City of London Culture Office, who will consult with the City's administration. It is a neutral, charitable arts umbrella organization, and it can collect donations and leverage additional funding raised through various sources related to this project. On behalf of the Board of Directors, Betty Anne Younker is pleased to provide support for this project.

A Letter of support from the Musicians formerly of Orchestra London is attached as Appendix A to this report.

This initiative is a multifaceted, collaborative approach and while the City of London could hire a consultant directly, this option is not recommended to Municipal Council for consideration. The role of the City is to create the supportive environment for the community to flourish through granting and resource support, as building and running an orchestra and hiring musicians is not a municipal responsibility.

DEVELOPMENT ACCELERATION STREAM OF CAIP CATEGORY 2

The Culture Office would like to re-allocate within the same granting program \$200,000 CAIP Category 1 funding to CAIP Category 2 to keep this funding within the arts community of London and increase capacity within this category that supports (50+) applicants who apply to this category each year.

CAIP Category 2

CAIP Category 2 is administered by the London Arts Council on behalf of the Culture Office. It provides funding support to local arts organizations and professional artists who operate on a not-for-profit basis with operating revenues that are less than \$1,000,000. The overall budget for this category is currently \$250,000.

CAIP Category 2 is at capacity as the demand for this program exceeds current funding and there is increased pressure from emerging arts organizations to be part of this granting program for leveraging purposes. The grant requests are reflective of the amount of funding available over the history of the program. In 2013 there were requests for \$407,499 in funding from 61 applications; \$157,499 over the amount of available funding. In 2014 the requests from 51 applicants for \$361,037 were \$111,037 over the amount of available funding.

Currently CAIP Category 2 has four separate application streams:

- Development Acceleration Stream for not-for-profit arts organizations (new category);
- Operating funding for not-for-profit arts organizations;
- Project funding for not-for-profit arts organizations; and,
- Project funding for professional artists and artist collectives.

Goals and Objectives of the New Development Acceleration Stream

It is proposed that the new Development Acceleration Stream will provide financial investment to professional non-profit arts organizations that currently, through their programs and services, demonstrate a significant contribution to: community impact and revitalization, job creation, youth retention, the development of new audiences for London's cultural sector and cultural tourism potential.

To be eligible an applicant must:

- be a professional not-for-profit art organization within the City of London that has received operating funding through the CAIP – Category 2 Operating Stream for a minimum of three years;
- be a multi-disciplinary arts organization with operating revenues greater than \$250,000 in any of the last three operating years;
- employ the equivalent of at least one full-time employee; and,

- cannot be operating in a current deficit position of greater than 15% of overall operating budget. A Board of Directors approved deficit reduction plan must be included.

This increase would be directed toward a new Development Acceleration Stream that has been in development since September 2014. Six (6) professional arts organizations that include a mixture of disciplines are currently receiving CAIP Category 2 operating funding:

- arts organizations/venues (Palace Theatre, Aeolian Performing Arts Centre, The Arts Project); and,
- arts organizations/festivals (Home County Folk Festival, Sunfest and London Fringe Festival).

Measurements of Success for this Development Acceleration Stream

The purpose of this development acceleration stream is to assist with the implementation of the Strategic Directions of London's Cultural Prosperity Plan. This Plan is a strategic document that builds on the successes of past initiatives and provides a collective vision and direction for cultural growth. Culture is recognized by our city for its important role in building economic and community growth, attracting and retaining talent, informing municipal decision-making processes, and elevating the profile of London as a regional cultural (and therefore) centre for investment.

Culture is part of Council's Vision in the new Strategic Plan along with strengthening our community, building a sustainable city and growing our economy. Investments made through the Development Acceleration Stream will allow these arts organizations to strengthen their management abilities, artistic programming, ability to encourage new and existing collaborations and to advance the organization to a new level of contribution to London's community and economy while advancing cultural development at the local level.

The Development Stream application requires arts organizations to describe how they would expect an investment from this Stream would assist their organization in executing the following:

- a) impact the community and contribute to community revitalization;
- b) program for audience accessibility;
- c) contribute to job creation;
- d) attract and retain talent, including youth, new immigrants and creative professionals;
and,
- e) encourage and attract tourism.

It is recommended that an investment of an additional \$200,000 from CAIP Category 1 be moved to this stream, so that the potential outcomes identified can be achieved. These potential outcomes are reported by the London Arts Council to the Culture Office and will be shared with City Council as part of a Cultural Prosperity Plan update.

NEXT STEPS

The Culture Office would create a service agreement with the London Arts Council specifying the parameters for this proposal, which would be brought back to Municipal Council for execution approval. The LAC will be asked to provide the City Manager and the City Treasurer with quarterly progress updates concerning the progress of Building of a New Collaborative Orchestra Model and *WE PLAY ON* Performance Fund for Professional Musician's formerly of Orchestra London.

SOURCE OF FINANCING FOR THIS PROPOSAL

The proposed source of \$500,000 funding for this Report is from the Community Arts Investment Program (CAIP) Category 1.

The CAIP Policy (Category 1 and Category 2) was approved by Council in June 2000 as a granting program for the arts. The Culture Office has \$1,000,000 in its budget to allocate through the Community Arts Investment Program Category 1 and the Grand Theatre has qualified for \$500,000 of these funds in 2015.

CAIP Category 1 provides funding support to incorporated, not-for-profit arts organizations that have operating revenues in excess of \$1,000,000 and an operating season of no less than five months duration. The grant amount is based on a formula approach of up to 15% of its operating revenues, exclusive of City grant revenues up to a maximum of \$500,000 per annum based on available funding through the current year's budget process. In the 15 year history of the program, two organizations have qualified for funding under this Category: the Grand Theatre (\$500,000 annually) and Orchestra London (dollar amount has varied from year to year). Since 2008 Orchestra London funding has not been administered through the CAIP program, due to the size of their accumulated deficit however, the funding has remained in the program.

CONCLUSION

The purpose of recommending this proposal is:

- for the musicians formerly of Orchestra London with the assistance of the London Arts Council to develop a new collaborative model for an orchestra in London. London, Ontario has had one of the top orchestra's in Canada artistically; we want to encourage this professional talent to remain in London noting that a professional orchestra has economic spinoff and benefits for the London community.
- to ensure that the funds from CAIP Category 1 remain in the CAIP Granting Program and continue to be utilized to support the arts sector, which includes music, theatre, new media film and visual arts, literary and craft organizations, collectives and artists, through the CAIP Category 2 Granting Program.

The arts are a tremendous asset in fostering the attractiveness of London, and in building a solid base for the growing knowledge economy. The arts contribute significantly to economic wealth through job creation, cultural tourism, and by attracting investors and creative workers. The arts are instrumental in developing the quality of life of our community through social cohesion, pride of place, and learning.

PREPARED BY:	RECOMMENDED BY:
ROBIN ARMISTEAD MANAGER OF CULTURE AND MUNICIPAL POLICY	ART ZUIDEMA CITY MANAGER

cc: Betty Anne Younker, President of the London Arts Council
Andrea Halwa, Executive Director of the London Arts Council
Martin Hayward, City Treasurer