

Reignite Adelaide Update and Reallocation of Funds

Strategic Alignment - Strong Economies

Public

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Council

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EXECUTIVE SUMMARY

At its meeting on 21 January 2022, Council resolved to implement 24 initiatives as part of the Reignite Adelaide plan, designed to encourage visitation, economic recovery and growth across the city and North Adelaide in the wake of the Omicron variant of the COVID pandemic. This report provides a summary of each of these initiatives, current status, indicators of performance, and insights gained through their implementation.

Based on the insights gained and opportunities to review the effectiveness of the initiatives, this report recommends some reallocation of funds between initiatives for Council consideration. This will ensure that the maximum benefits are realised through Reignite Adelaide plan to support city businesses and encourage more people to return to the city and North Adelaide.

RECOMMENDATION

THAT COUNCIL

1. Notes the report.
 2. Approves the following reallocation of funds from Reignite Adelaide initiatives:
 - 2.1. Streetside Activations in the amount of \$250,000 to the Mainstreet Activation Grants program.
 - 2.2. Rates Hardship Provisions in the amount of \$10,000 to the City Business Saver Grant program.
 - 2.3. Tenant Assistance in the amount of \$10,000 to the City Business Saver Grant program.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Strong Economies <i>Whilst the focus of COVID Recovery is supporting Strong Economies with regards to Reignite Adelaide, Council's Recovery Principles cover all pillars of Council's Strategic Plan, through supporting Thriving Communities, Dynamic City Culture, Environmental Leadership and continuing the Enabling Priorities.</i>
Policy	Not as a result of this report
Consultation	In the delivery of the Reignite Adelaide program, the needs and desires of the community have been prioritised. As such, consultation and engagement with the community and key stakeholders has occurred in line with Council's Community Engagement Policy and Framework.
Resource	The Reignite Adelaide program will continue to be delivered within existing resources and budget, and in partnership with State Government and other key partners.
Risk / Legal / Legislative	The Reignite Adelaide program seeks to manage the impacts of COVID as an economic risk. Individual risks associated with each Reignite Adelaide initiative have been identified and management actions and controls have been implemented where necessary. Key risks will be managed via the Strategic Risk and internal Audit Committee (SRIA) where necessary.
Opportunities	The opportunity to support economic recovery is the primary purpose of Reignite Adelaide. The incidental opportunities to build relationships with businesses, residents, government and visitors is significant and important and can continue to be fostered into the future. The consideration of the performance of each Reignite Adelaide initiative
21/22 Budget Allocation	Reignite Adelaide will be funded from within existing program budgets given the short-term nature of the program.
Proposed 22/23 Budget Allocation	Reignite Adelaide will be funded from within existing program budgets given the short-term nature of the program.
Life of Project, Service, Initiative or (Expectancy of) Asset	The timeline for individual Reignite Adelaide projects is within the 21/22 and 22/23 financial years as a direct and immediate response to COVID related risks to the economy. The individual schedules and timelines for delivery have been established on an individual initiative basis.
21/22 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (e.g., maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. At its Special meeting on 21 January 2022, Council resolved the following:

'That Council:

1. *Immediately launches a City Business Saver cash grant to small businesses in the City of Adelaide per the framework detailed in Item 10.8 on the Agenda for the Meeting of Council held on 10 November 2020, with the following amendments: -*
 - a. *Requests an update on the rollout of the program be provided to the scheduled February meeting of Council.*
 - b. *To include all businesses who pay rates from \$0 - \$15,000 with a 30% loss of revenue from 27th December 2021 to March 2022, to align with the State Government Business Support Grants (currently \$40 million).*
2. *Undertakes the following initiatives under the Reignite Adelaide 2.0 program:*
 - a. *Pedestrian crossings set to automatic for January and March 2022 request to DIT.*
 - b. *Continue to assess need for additional cleansing (extent and frequency).*
 - c. *Rates hardship provisions have been reviewed and will continue to be made available to ratepayers experiencing financial difficulty. These provisions will be promoted. (\$10K).*
 - d. *Welcome Back lunch/dinner voucher program to be delivered by AEDA (\$250k).*
 - e. *Fast track the Digital Marketplace delivered by AEDA (\$250k) subject to a briefing to elected members.*
 - f. *Extend the Reignite Adelaide temporary parklets scheme to support the hospitality industry to expand into the public realm, optimise outdoor capacity limits and attract visitation through inviting, green, safe spaces from January through to 1 June 2022 (up to \$100k from existing budget).*
 - g. *Extend the Reignite Adelaide fee free scheme for Permit and Development Applications for businesses applying for temporary activations that will support people to return to the city from January through to 1 April 2022 (foregone revenue TBC).*
 - h. *On Street Parking – free parking from 6pm weeknights and free weekends in key precincts to support a successful festival season in February through to March (foregone revenue TBC).*
 - i. *UPark Plus Campaigns: \$8 capped price parking for new and lapsed customers from January 2022 to March 2022. 20% off next 5 carparks for the existing customer base until March 2022. Central Market UPark customers will receive 2 hours free parking when they spend more than \$50 within the Central Market effective 18-31 January (foregone revenue approximately \$15k).*
 - j. *Investigate and consult with traders of Rundle Mall with a sidewalk sale event to be held in conjunction with parking offers and report back in February 2022.*
 - k. *CoA Tenant Assistance: Work with tenants across all CoA properties to leverage State Government Grants and assess support options where significant financial stress and hardship is present e.g., 30-50% decline in turnover per guidelines (foregone revenue TBC).*
 - l. *Additional promotion for the Council's subsidiaries to promote new and existing programs (\$500k). Allocating \$100,000 to ACMA and \$400,000 to AEDA.*
 - m. *Commission comprehensive independent market research of major City employers and their employees and consumers to understand drivers for workers to return to the city and spend time/money to be completed by March 2022 (\$200k).*
 - n. *Public Art – Strategic Partnership to match artists with business owners to enliven City buildings in all precincts and encourage visitation to be implemented June through to December 2022 (\$300k).*
 - o. *Double the current allocation for Friday Night Live to \$180k (additional \$90K).*
 - p. *Small business promotion campaign (\$200k Reignite Adelaide) from February 2022.*
 - q. *Request funding from the State Government for the CoA to deliver a City-Wide Activation Program (Adelaide Unleashed) to be implemented through February – April 2022 (\$1m).*
 - r. *A Streetside Activation Grant scheme of up to \$5,000 in value for business to activate immediately outside their location (\$250k).*
 - s. *A Shopfront Improvement Grant scheme grant of up to \$10,000 in value with a co-contribution of 25% from the applicant (\$700k).'*

2. With the city on its journey to recovery from the impacts of COVID, Council has invested an additional \$7.5million in 2022 into community support activities, bringing Council's total investment to \$20million. Council has allocated these funds to in a manner that encourages and welcomes people back to the city and North Adelaide by supporting:
 - 2.1. Economic development by drawing residents and visitors back to local businesses and encouraging investment.
 - 2.2. Wellbeing improvements by creating safe, interesting and active spaces and places for people to visit.
 - 2.3. Arts and cultural development by creating new or expanded events opportunities for people to enjoy and connect.
 - 2.4. Engagement by creating conversations with our community, understanding the impacts and opportunities for the future.
 - 2.5. Partnership and a shared vision for Adelaide, working with State Government and large businesses to create new ways to collaborate for the benefit of our city and its people.
 - 2.6. Red tape reduction by making it faster, easier and cheaper to engage with Council services.
 - 2.7. Successfully advocated for the state government to provide free public transport to support a thriving festival season.
3. To support our community to access Reignite Adelaide initiatives, the following marketing activities were undertaken:
 - 3.1. Business Grants Wizard – short online survey wizard developed to support businesses to assess their eligibility for any grants available and recommend opportunities that best meet their needs.
 - 3.2. Website – Reignite Adelaide webpage created on City of Adelaide website, with initiatives also showcased on the Adelaide Economic Development Agency's (AEDA's) website.
 - 3.3. Organic social media (Facebook, Twitter, Instagram, LinkedIn).
 - 3.4. Paid social media (Facebook, LinkedIn).
 - 3.5. Print advertising (The Advertiser, South Australian Business Journal).
 - 3.6. Digital Screens (various locations across city).
 - 3.7. Flyers distributed to city businesses by City of Adelaide staff.
 - 3.8. Media releases.
 - 3.9. TV, Radio and Print stories generated.
 - 3.10. State Government collaboration.
 - 3.11. Direct email marketing (City of Adelaide, AEDA, Rundle Mall).
 - 3.12. Partnerships (Business SA, Restaurant and Catering Association, Tourism Industry Council SA, Australian Hotels Association (AHA), SA Small Business Commissioner, SA Property Council).
 - 3.13. Sponsorship (Glam Adelaide and Solstice Media).
 - 3.14. Digital and radio advertising.

Insights, Observations and Learnings

4. All of the 24 initiatives are in progress, and 10 are now complete or have been incorporated into business as usual. An update on each initiative can be found at Link 1 view [here](#). The insights and key learnings are as follows:
 - 4.1. The voucher systems, such as the \$30 Eats City Dining voucher, are popular with both businesses and consumers and can be implemented efficiently.
 - 4.2. Doorknocking and visiting businesses has received positive feedback from our business community, has increased their awareness of grant funding opportunities. This an approach that will be continued for similar initiatives in the future.
 - 4.3. The reference to rates as criteria for a grants program has caused some confusion on eligibility and may detract from the intention of creating opportunities for businesses to access support.
 - 4.4. Engaging and working with State Government to facilitate and deliver COVID support has created efficiencies for our business community in the awareness of opportunities, applying for, and accessing funds.

5. Several infrastructure projects have been identified as suitable for state government support and advocacy for these has commenced as outlined in Link 2 view [here](#). A letter was sent to the Treasurer and a meeting held prior to the State election. These items will be discussed with the new Premier and relevant Ministers in coming weeks.

Recommendations to Council

6. At its Special Meeting on 22 March 2022, Council resolved to amend the conditions of the City Business Cash Saver Grant to extend the application time for an additional month, and to change the requirement of having 1-20 employees, to reflect the fact that some businesses are owner operated and do not have employees. This was an important change to reflect community needs based on insights and evidence of the operation of the grant and community interest.
7. Through the ongoing assessment of the insights, performance and interest in the Reignite Adelaide opportunities, Administration has identified several grants which are currently over and under subscribed and have made recommendations to reflect the opportunities to enhance businesses access to support.
8. Streetside Activation Grant has \$500,000 allocated with \$250,000 from CoA and \$250,000 State Government funding. Currently, there have been 18 applications received, six of which could not be approved as they did not meet the criteria. The total expenditure so far is \$24,985.
9. The Mainstreets Grants has an allocation of \$200,000 to support mainstreet businesses to activate their area. Currently, CoA have approximately \$468,000 worth of submissions for business led initiatives that have been assessed as meeting the objectives. Whilst it is excellent to see so many business-led initiatives and proposals, the current budget allocation will not enable Council to support all of these opportunities.
10. In an effort to assist these businesses, the submissions have been assessed against the existing Streetside Activation Grant (which is currently under subscribed and not anticipated to expend all allocated funds), and unfortunately, have not met the criteria. The main difference in grant schemes is the Streetside Activation Grant targets temporary activations/events/promotions, and informally is being aimed at non-hospitality businesses. The ideas submitted via Mainstreets Grants are mainly property/outdoor dining upgrades, and applications are largely hospitality businesses. Mainstreet Grants have a \$10,000 cap whilst the Streetside activation has a \$5,000 maximum grant. It is noted that equity in access to grant opportunities is important, noting that there may be a perception that those businesses located on a Mainstreet may have access to more financial assistance than others. Given the number of submissions, it is clear that the interest is higher from those businesses on Mainstreets and, therefore the perception of equity can be somewhat addressed.
11. Whilst it is noted that the intent of the grants is different, the overall intention of the Reignite Adelaide program is to support businesses to access support to continue during these challenging times. For these reasons, it is proposed that funds are redirected to the Mainstreets Grants.
12. Given that \$250,000 of the Streetside Activation fund is contributed by Council, it would seem more expedient to reallocate the Council funds. Discussions are currently underway to ensure state government understanding and support of this.
13. The Rates Hardship provision was aimed to promote the options available for ratepayers to seek support arrangements if they were experiencing financial hardship. This initiative is now complete with unspent funds remaining allocated to this initiative. It is recommended that the remaining \$10,000 be moved to the City Business Saver Grant which is wide reaching. Tenants Assistance initiative is attracting less interest than the City Business Saver Grant and often, applicants are more likely to access assistance through the latter. For this reason, \$10,000 has been recommended to be reallocated to the City Business Saver Grant.

DATA AND SUPPORTING INFORMATION

Link 1 – Reignite Initiatives Update Table

Link 2 - Infrastructure Items: Advocacy for State Government Funding

ATTACHMENTS

Nil

- END OF REPORT -