

BACKGROUND

Since adoption of the Cultural Plan in 2006, HRM has not formally benchmarked municipal investment in culture. However, in the past year, two studies have triggered dialogue relating to HRM’s municipal cultural investment. One study titled “Municipal Cultural Investment in Five Large Canadian Cities”, was prepared for the City of Vancouver, the City of Calgary, the City of Toronto, the City of Ottawa and the Ville de Montréal and is commonly referred to as the “Five Large Cities Study”.

The Five Large Cities Study examined cultural investment based on a definition of culture that was agreed to by the participating municipalities using a quantifiable measurement tool. Cultural elements reviewed in the study included: performing arts, visual and media arts, crafts, design, museums, heritage, special events, multidisciplinary activities, creative and cultural industries, city-owned cultural industries, city-owned cultural facilities, cultural districts, public art and other art purchases. The results of this study included data in several categories including:

- Municipal Cultural Investment per capita data between 2006 and 2009
- Per capita Municipal Operating Expenditures on Libraries
- Key Statistics on artists and cultural workers
- Per capita municipal operating expenditures
- Per capita municipal cultural operating expenditures
- Per capita municipal cultural grants

Table 1 outlines the per capita amounts of municipal cultural investment outlined in the Five Large Cities Study.

Table 1

Municipal Investment in Five Large Canadian Cities Per Capita Investment Results	2009/10
Montreal	\$55.00
Vancouver	\$47.00
Calgary	\$42.00
Ottawa	\$28.00
Toronto	\$19.00

The second study was undertaken by the City of Hamilton which included comparisons of various components of cultural investment through a two part process. The first part involved an on-line survey regarding the city’s cultural services. The second part of the study included research comparing the role and structure of arts funding in Hamilton to other Canadian cities. It

is commonly referred to as the “Hamilton Study”. This study analyzed the funding support provided through granting to the art sector including direct funding to artists and operating funding to arts organizations. Much discussion has been generated over results published which indicated that HRM’s per capita municipal investment was lowest at \$0.55 per capita as compared to the other cities which ranged from \$3.08 for the City of Hamilton to the City of Ottawa with the highest funding at \$10.10 per capita.

Pursuant to the release of these studies, both of which were facilitated by Hill Strategies Research Inc., Regional Council requested that Community Development and the Economic Planning Standing Committee review the comparative analysis resource tool for municipal cultural investments and consider requesting a similar analysis for HRM. At the June 14, 2012 meeting of the Community Planning and Economic Development (CPED) Standing Committee, CPED requested that staff undertake a municipal comparative analysis of support for arts and cultural programs.

DISCUSSION

HRM provides funding to a wide range of cultural programs and initiatives which include: heritage, performing arts, visual arts, media arts, public art, libraries, archives, craft, festivals, special events, as well as operating and capital spending for facilities. With the adoption of the Cultural Plan in 2006, high level guidance was provided related to the overall support and direction for arts and culture in HRM. While broad reaching, 7 years after its adoption, many aspects of HRM’s Cultural Plan are dated and may no longer be relevant. Therefore, the scope of the current review of the Regional Plan (RP+5) includes a review of HRM’s Cultural Plan. While significant aspects of work related to culture are required to be completed, the full completion of the RP+5 review is expected to provide updated and relevant policy direction related to arts, culture and heritage which can be effectively implemented.

Council’s direction for an analysis reinforces aspects of HRM’s Cultural Plan which provides direction to benchmark and compare whether HRM’s support for art and culture is comparable to similar cities. In addition, analysis on current support levels will be useful in providing baseline data to which will continue to inform the creation of operational plans and appropriate policies through the RP+5 review. Consistent with the Council direction, staff has reviewed the work of Hill Strategies Research Inc. to determine if it would provide applicable and effective analysis for HRM.

Hill Strategies Research Inc. provides benchmarking and resultant comparative analysis of funding in the arts and culture sectors. Rather than a specific and standard tool, Hill Strategies Research Inc. uses a social science approach that is designed to address the defined scope of each study and routinely includes both a qualitative and quantitative analysis of art and culture sectors. While not the only analysis tool available, the analysis undertaken by Hill Strategies Research Inc. has been used by several Canadian cities to benchmark and analyze their respective art and cultural sectors and as such is expected to be an informative process for HRM.

In order to determine the most effective approach of analysis for HRM, an initial and indicative assessment of current funding for art and culture by HRM is important. Therefore, staff has captured preliminary data which can be used as a basis for analysis.

HRM Cultural Funding

A review of HRM’s cultural investment over the past 3 years includes municipal cultural investment levels in a variety of aspects of culture including the arts. Table 2 provides an indicative snapshot of HRM’s municipal cultural investment in categories similar to the Five Large Cities Study for the past three budget cycles.

Table 2

Halifax Regional Municipality Cultural Investment Overview - Net Funding*	2009/10		2010/11		2011/12	
	Total	Per Capita	Total	Per Capita	Total	Per Capita
Section 1						
Arts, Culture & Heritage Operating Funds	1,334,571	3.42	1,365,832	3.50	945,991	2.29
Section 2						
Cultural Grants and Community Partnerships	2,628,309	6.74	2,514,978	6.45	2,622,952	6.34
Section 3						
HRSB Supplementary Funding Contributions	3,341,254	8.56	3,428,303	8.79	3,510,011	8.48

*Per capita amount determined using annual population data and combined actual costs

For comparison purposes, funding amounts have been organized into comparable groupings. Therefore, Section 1 includes all funding that is directly delivered by HRM including public art commissions, asset maintenance, staffing and relevant costs for direct programming, etc. Conversely, Section 2 includes all funding provided by HRM through grants and partnership programs. This includes funding for events, artefact management, heritage facility management, tax exemptions, etc.

In order to provide for informed discussion on HRM’s support for art and culture, an awareness of the above noted indicative assessments of funding is important. While various funding components have been captured in Section 1 and 2 above, most support relates to direct funding and operating costs. Key support that has not been captured at this stage includes capital infrastructure funding provided in the provision of heritage and recreation facilities as well as subsidization of recreation programming which support the delivery of a variety of programs including arts, dance, music, etc. Through further in-depth analysis, all relevant aspects of HRM’s support will be determined and be assessed to provide an overall comparable analysis.

As well, HRM’s support for art and culture is varied and includes several components, some of which are unique to our region compared to other municipalities across Canada. As an example, HRM provides contributions to the arts through a supplementary funding program provided to the Halifax Regional School Board, as illustrated in Table 2, Section 3. While supplementary

funding is not a direct program, the amount of funding provided to this program can impact the amount of funding available to be directed to other arts and cultural municipal initiatives.

In addition, the Five Large Cities Study also included library funding in its analysis. Therefore, library funding amounts for HRM are outlined in Table 3 for information.

Table 3

Halifax Regional Municipality Library Funding Contributions*	2009/10		2010/11		2011/12	
	Total	Per Capita	Total	Per Capita	Total	Per Capita
Net Funding Total	14,678,764	37.62	14,948,996	38.00	15,526,647	38.00

*Per capita amount determined using annual population data and combined actual costs

Much discussion has been generated over results published in the Hamilton Study which indicated that HRM’s per capita municipal investment in arts and culture was lower than other cities in the study at \$0.55 per capita. While the general report commentary and analysis of the results of the Hamilton Study focussed on HRM’s overall support for arts and culture, the reflective financial information included in that study was only a portion of HRM’s financial support in the art and culture sector. In that study, it appears the primary focus was on granting support for individual artists and arts organizations. Therefore, only one segment of HRM’s cultural grants and partnership funding, funding for arts organizations, was deemed to be applicable and resulted in the \$0.55 per capita calculation. However, the total funding in the cultural grants and partnership category includes a variety of items including event granting, heritage incentives, tax exemptions of \$6.34 per capita (Section 2, Table 2) for cultural facilities and partnership funding (Dartmouth Heritage Museum Society, Alderney Landing, Discovery Centre, etc.). The large variance between the Hamilton Study results and the total cultural grants and partnership category highlights the fact that HRM does not provide direct funding to individual artists nor does it provide large scale operational funding to arts organizations. As a result, the Hamilton Study results were indicative of only one component of HRM’s funding support.

Legislative Authority

HRM’s Municipal Charter outlines those areas in which the municipality is authorized to expend money. Currently, the HRM Charter permits the provision of grants to “any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province”. HRM may also expend money for recreation programming which would include art and cultural programming and “furnishing and equipping any municipal facility” which would include public art infrastructure. As such, mechanisms available for provision art and cultural funding in HRM are limited to these three areas, that is support for not for profit organizations, provision of municipal public art and recreation programming. In the case of recreation programming, the Charter permits HRM to expend money on both the direct delivery of programming and through partnerships with not for profit agencies for the alternate service delivery of recreation programming.

HRM's Charter does not permit the provision of granting to businesses or individuals. As such, HRM is not permitted to provide funding to individual artists or art businesses. In addition, the HRM Charter does not preclude the provision of operating funding or capital contributions to not for profit organizations, however, HRM's existing grants framework does not include these items. As a result of the Auditor General's report on Grants and Donations, staff is reviewing the existing granting framework to determine an appropriate and balanced approach to granting. Through this work, assessment of expanded granting opportunities for art and cultural organizations will be considered. However, even with potential changes to HRM's granting framework, HRM would still not be able to provide funding to individual artists without legislative changes to HRM's Charter.

Comparative Analysis Studies

It is important to note that the findings from Hamilton study and the findings from the Five Large Cities Study provide insights into different aspects of municipal cultural investment. The Five Large Cities study reviewed culture investment from a holistic perspective, providing insights into broader municipal cultural investment, while the Hamilton study focused more on investment in the arts component of culture. At this early point in HRM's analysis of municipal cultural investment it is important to bench mark total municipal investment in addition to gaining a better understanding of specific funding areas. HRM's economic strategy recognizes art and culture as a key component of our economic viability; therefore, undertaking assessment of HRM's cultural investment will verify the impact on HRM's economic development in addition to providing insight into the role of HRM's cultural investment in the vibrancy of our city.

Accordingly, HRM is participating in a new study aimed at identifying municipal cultural investment for a variety of midsized cities across Canada under the guidance of Hill Strategies Research Inc. During the background preparation for this report, the opportunity to participate in the study was presented to HRM and staff has confirmed participation consistent with both the CPED motion and HRM's Cultural Plan. The study will examine municipal cultural investment following a similar comparison approach used in the Five Large Cities Study with a group of peer cities across Canada. Similar to past studies, the full scope and details of analysis will be informed by the participating cities, which are still being confirmed at this time. This approach is used by Hill Strategies Research Inc. to ensure that the analysis provides relevant data and meets the needs of the participating cities. Expected to be completed by December 2013, this new study intends to review cultural investment between 2009 and 2012 which will assist Regional Council when making decisions for future investment and provide a framework to be used for continued tracking. The analysis will allow HRM to determine whether the level of investment in art and culture is deficient or whether the funding levels are comparable but the alignment of funding is not appropriate to meet Council's expectations. In addition, the study will assist HRM in determining if there are gaps in the delivery of services expected by its residents. Funding for the study is expected to be approximately \$5,000 and can be accommodated in the Community & Recreation Services Operating Budget.

In addition, HRM is entering into the initial stages of work with the Provincial department of Communities, Culture and Heritage to access new research being conducted to gain a better

understanding of outcomes and outputs relating to the arts, heritage and culture within the Province and HRM. The department is working with Canadian Heritage and the other provinces and territories across Canada to develop a new research tool called “Culture Satellite Account (CSA)”. The CSA is being developed as an accounting framework to measure the economic importance of Culture, the Arts, Heritage and Sport to the Canadian economy.

Expected to be completed in 2013, the CSA will be able to produce regular, credible estimates of the contributions to gross domestic product (GDP) from the arts, heritage and culture domains and allow for greater comparability with other industries and economic activities (e.g. tourism), as well as to other jurisdictions. This information will allow HRM to assess the impact of the cultural sector to the city’s economy.

FINANCIAL IMPLICATIONS

There are no financial implications.

COMMUNITY ENGAGEMENT

None required.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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