OTTAWA CULTURAL ALLIANCE

ARM'S LENGTH CULTURAL SECTOR DEVELOPMENT FEASIBILITY STUDY
FINAL REPORT

December 2018

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We assist people, communities and organizations to realize and enhance cultural meaning and expression.

We distinguish ourselves through a comprehensive and integrated full-service offering built on a foundation of key competencies: visioning, planning and implementation.

We value and believe in cultural expression as essential for all people. We conduct ourselves with respect for collaboration, local adaptation and cultural diversity, embodying the highest standards of integrity, ethics and professional practice.

We help clients clarify their goals; we provide them with the tools to achieve those goals; and we leave a legacy as a result of training and collaboration

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ABBREVIATIONS

OCA	Ottawa Cultural Alliance
AHDU	Arts and Heritage Development Unit, City of Ottawa
CHPSB	Culture and Heritage Program and Spaces Branch, City of Ottawa
CFSS	Cultural Funding Support Section, City of Ottawa

GLOSSARY

Cultural Sector	organizations, educators, artists and workers participating or working in the arts, festival, heritage, music, and cultural fields
Cultural Sector Development	actively working together to ensure a strong and healthy cultural sector
Delegated Authority	giving all or some decision-making powers to another
Ecosystem	a network of related people and organizations
Government Official	an elected official e.g. city councillor
Municipality	local government e.g. the City of Ottawa
Municipal Fund	a pool of funds established by a city for a certain purpose
Spend per Resident	a common ratio from which to compare; the amount spent on each resident of the city
Tax Base	a pool of funds created through the taxation of residents

1. INTRODUCTION

This *Arm's Length Cultural Development Feasibility Study* has been commissioned by the Ottawa Cultural Alliance (OCA). The Alliance comprises six organizations that each serve to voice the needs, concerns and opportunities of their members. When aligned, these organizations come together to serve and advance the city's cultural community as a whole.

The OCA comprises six organizations. Working together, their goal is to collectively advance Ottawa as a culturally vibrant capital city. The OCA includes:

1. Arts Network Ottawa (formerly AOE Arts Council)
2. Council of Heritage Organizations in Ottawa
3. Heritage Ottawa
4. Ottawa Arts Council
5. Ottawa Festival Network
6. Ottawa Museum Network

Direction and guidance for the project is provided by the Steering Committee and an Advisory Committee.

- The Steering Committee, comprised of members of each OCA organization, oversees the project, including the terms of reference with the consultant, governance and decision-making processes.

- The Advisory Committee, made up of volunteer representatives from the cultural sector in Ottawa, provides recommendations and advice to the Steering Committee and the consultant.

WHY A STUDY?

Ottawa's cultural sector – arts, heritage, festivals, music, diverse communities - is dynamic, rich and vibrant. But the cultural community has voiced a growing need and desire for stronger strategic leadership and a more defined structure, as well as purposeful and sustained sector development.

One key aspect of the *Renewed Action Plan for Arts, Heritage and Culture in Ottawa (2013-2018)* included a recommendation to build sector leadership, governance, service and support by investigating ways to help Ottawa's cultural sector continue to advance and grow – thus contributing to the city's economy, enhancing its livability, providing a vibrant and diverse cultural scene for people to enjoy, and where cultural workers of all kinds can thrive and prosper. Another was to identify opportunities for cultural initiatives within the mandates of Ottawa Tourism, Invest Ottawa, local chambers of commerce and business improvement associations.

This *Arm's Length Cultural Development Feasibility Study* therefore began as a recommendation of the *Renewed Action Plan* to develop increased arms-length cultural leadership and participation. To implement this recommendation and ensure a community-led process, the City of Ottawa developed a service agreement with the Ottawa Cultural Alliance to provide sector leadership and direction, and generously provided financial support for the study.

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What is A Feasibility Study?

A feasibility study is an exploratory process that:

- Investigates "what is" and "what else is out there"
- Tests the realm of what is possible
- Provides direction on a way forward – "what if?"
  - o Would Ottawa benefit from a different way of developing the sector?
  - o Generally, how might it work?

Purpose of the Study

The purpose of the Feasibility Study is therefore to advance the recommendation of the *Renewed Action Plan*. It examines and assesses the state of culture in Ottawa and the current sector development and funding situation, as well as explores what is possible by investigating a series of alternative models that might better serve the cultural sector and considering the most beneficial course(s) of action.

In particular, the study seeks to accomplish the following goals:

- **To define what is meant by "cultural sector development"** and any key issues that may have an impact on its future success.
- **To gather input from the cultural sector** and others on the needs and gaps that exist and the opportunities available to foster a vibrant and growing cultural scene.
- **To assess the current cultural sector "ecosystem" in Ottawa** (i.e. the different "players" in the sector and their roles and connections) to identify the leadership and funding model that is currently driving its development, and to determine its strengths and weaknesses relative to Ottawa's potential.
- **To look at alternatives** by investigating other cities' approaches

to cultural development, and then assess their strengths, weaknesses and potential relative to Ottawa's situation to better understand if other approaches might help Ottawa achieve the desired goals for the sector.

- **And finally, to recommend the most beneficial course of action**, whether that be enhancing the current model, shifting to a radically new model, or something in between.

PROCESS AND METHODOLOGY

Our process for this study has included the following:

- **Environmental Scan**: A review of previous studies, as well as good practice in a wide variety of leading North American cultural cities to create a long-list of approaches to sector development, development activities, and potential models for consideration.
- **Background Review**: A review of the *Renewed Action Plan* and other essential materials, including from the City of Ottawa, to understand the state of culture in the city and how organizations in the funding and leadership "ecosystem" interact.
- **Needs Assessment**: Through an online survey, interviews and workshops, gather input from the Steering and Advisory Committees and stakeholders on the city's cultural sector development needs and aspirations for leadership.
- **Preliminary Options Appraisal**: Through continued consultation and workshops, use the results of the environmental scan and needs assessment as a filter to reduce the long list of all options to a shorter list for further investigation.
- **Benchmarking Analysis:** Additional research to examine

leading practice models used in other cities which may be relevant to Ottawa.

- **Feasibility Analysis:** An appraisal of the financial feasibility of the short list of options and consideration of the best way forward for Ottawa's arts, culture and heritage sector.

CULTURAL SECTOR DEVELOPMENT: KEY DEFINITIONS

At this point we define key terms to ensure a common understanding:

What is Culture?

For the purposes of this study, "culture" is organizations, education providers, artists and workers in the arts, festival, heritage, music and other cultural fields. This includes people from a diversity of ancestries, abilities, ages, countries of origin, cultures, genders, incomes, languages, races and sexual orientations.

What is "Cultural Sector Development"?

- "Cultural sector development" means actively working together to ensure a strong, dynamic and sustainable cultural sector according to an agreed set of strategic goals.
- A healthy cultural sector is a cornerstone of overall community well-being, a greener city and economic prosperity.
- A healthy cultural sector would include (but is not limited to):
  - Skilled and educated artists, administrators, technicians and producers, creatives and performers producing high quality cultural offerings and products
  - Engaged audiences and cultural consumers who buy

creative products, attend performances, tours and events, visit museums, read books, listen to music, etc.

- A balance of and access to various funding sources including public sector, private sector and philanthropic investment
- A dynamic public realm where heritage buildings and cultural landscapes are protected and celebrated

Who is Responsible?

Typically, a city's cultural sector development is fostered by a network of many different inter-related players both independently and/or collaboratively, rather than by a single organization.

There are four main categories of contributors:

- Government officials/departments
- Organizations and agencies working on behalf of the government
- Independent institutions/organizations
- Producers, business entrepreneurs, artist entrepreneurs and companies

How Does it Happen?

1. Cultural sector developers undertake a range of functions which can be categorized into three different levels based on how often these functions are performed.

2. The prioritization and combination of these different activities and functions – known as the cultural sector development "model" – play an important role in how a city's cultural sector "ecosystem" progresses and evolves.

3. Cities around the world approach cultural development in

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different ways depending on a wide range of factors unique to each city.

Table 1 below summarizes the different cultural sector development functions that may be undertaken by the various contributors in any given city.

TABLE 1 – CULTURAL SECTOR DEVELOPMENT FUNCTIONS	
CORE FUNCTIONS **(most commonly performed)**	• **Cultural planning** – control of the creation and fulfilment of a cultural plan or strategy to develop the sector • **Funding distribution** – giving out funds or grants to individuals and organizations • **Leadership/advocacy/advisory** – a voice for culture, input into decision-making, and a driving force for change and improvement
SECONDARY FUNCTIONS **(usually performed)**	• **Marketing/promotion/tourism** – creating greater public awareness for cultural offerings with specific audiences • **Professional development/organizational capacity** – helping strengthen individual expertise and skill, encourage good governance and improve operations • **Convening/partnerships/networking** – coming together around core issues, encouraging collaboration, breaking down silos, and brokering partnerships at all levels • **Fundraising/fund development** – soliciting donations, sponsorship and endowments to create pools of financial resources
OTHER FUNCTIONS **(sometimes performed, but not always)**	• **Knowledge/research** – organizing studies to collect evidence and report on key issues that affect the sector • **Space management** – developing new and managing existing space for cultural production, display, performance, sale, etc. • **Production/programming** – creating and putting on cultural work • **Audience development** – identifying and developing the market for cultural participation and consumption

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Organization of this Report

This Final Report is the third deliverable in this process. The report is organized in seven chapters:

- **Chapter 1, this Introduction;**

- **Chapter 2, The State of Culture in Ottawa** describes the current cultural sector development model in Ottawa;

- **Chapter 3, Alternative Cultural Sector Development Models** surveys the broad range of alternative models in use in North America and summarizes them in a "long list" for further consideration;

- **Chapter 4, Needs Assessment** summarizes our findings from the research and consultations to determine the priority functions that any alternative model must address in Ottawa, and provides guidelines for assessing the long list.

- **Chapter 5, Detailed Analysis of the Short List Models** measures each long-listed model according to the priority functions as outlined in Chapter 4 and, in doing so, reduces the long list to a short list of potential alternatives that are applicable to the Ottawa situation. The chapter then analyzes a series of best practice examples of each short-listed model.

- **Chapter 6, Quantitative and Qualitative Feasibility**, which uses comparable city data along with a series of assumptions to assess feasibility from both perspectives for each short-listed model;

- And finally, **Chapter 7, The Way Forward,** which summarizes the findings, recommends next steps and concludes the study.

The report also includes the following appendix:

- **Appendix A Survey Results.**

2. THE STATE OF CULTURE IN OTTAWA

This chapter examines the current state of culture in Ottawa in several key respects:

- **Market context:** a "snapshot" of the City of Ottawa in terms of its size, demographics, projected growth and its status as a capital city, tourist destination and cultural hub
- **Planning context:** the context in which this Arm's Length Cultural Sector Development Feasibility Study is being undertaken.
- And the **existing sector development model** in the city including a description of the current planning, management and support regime.

The goal is to develop a common understanding of the existing or current model employed in Ottawa and how it works, in order to set the stage for the long list of alternative models in Chapter 3 and the Needs Assessment in Chapter 4.

MARKET CONTEXT

Population and Demographics

The City of Ottawa is part of the Ottawa-Gatineau Census Metropolitan Area (CMA). The greater metropolitan area also encompasses the Ontario Municipalities Adjacent to Ottawa (OMATO) and the Québec Municipalities Adjacent to Gatineau (QMAG) as well as the Ottawa-Gatineau CMA.

The following section summarizes data related to the population living in and around Ottawa.

Ottawa is a major Canadian population centre. Ottawa is Canada's largest Canadian city in geographic size and is home to a population of 930,000 residents, which makes Ottawa the fourth-largest Canadian city and the second-largest in Ontario.

While considered a major population centre, the character of the area within the municipal boundaries of the City of Ottawa is a unique mix of urban, suburban and rural (80%).

Ottawa will reach 1 million residents by 2021. The Ottawa-Gatineau CMA straddles the border between Ontario and Québec. It benefits from the dynamism of its location and it's a 15-year projected population growth is forecast to outperform national averages.

	Actual		Projected	Projected	% Change	% Change
	2011	2016	2021	2031	2011-2016	2016-2031
Ottawa	883,391	934,243	1,031,000	1,153,000	6%	23%
Ottawa-Gatineau (CMA)	1,254,919	1,323,783	1,539,000	1,715,000	5%	30%
Ontario	12,854,821	13,448,494	14,980,000	16,659,000	5%	24%
Canada	33,476,688	35,151,728	38,409,000	42,100,000	5%	20%

Ottawa is a relatively young city but its population is aging.

Despite a median age of 40.1 years, slightly younger than the provincial and national averages, the average age of the Ottawa population is increasing at a faster rate than in the rest of the country: in 2016 the median age in Ottawa was 40.1 years (+0.9 years from 2011) against 41.2 years for Canada (+0.6 years from 2011). The following table illustrates the current population's age distribution:

	Ottawa	Ottawa-Gatineau (CMA)	Ontario	Canada
Under 14 years	16.7%	17.2%	16.4%	16.6%
15-29	20.3%	19.6%	19.2%	18.6%
30-49	26.8%	26.9%	26.1%	26.3%
50-64	20.9%	21.3%	21.5%	21.6%
65 years and older	15.4%	15.0%	16.7%	16.9%
Median Age	40.1	40.1	41.3	41.2
Sources: Statistics Canada 2016 Census.				

Ottawa has high levels in educational attainment. As the national capital and a centre of excellence in wireless telecommunications technologies, aerospace, life sciences, defence and digital media, and with the presence of two major universities and many government agencies, Ottawa attracts a population of highly-educated workers. The proportion of the Ottawa population with an educational attainment of bachelor level or higher is far above both provincial and national figures.

Ottawa's median income level exceeds the Canadian average. The difference is greater between the median income in Ottawa and in Canada for all private households (+22% in Ottawa) than the median total income for economic families.

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	Ottawa	Ottawa-Gatineau (CMA)	Ontario	Canada
% with university certificate, diploma or degree at bachelor level or above in 2016	38%	33%	26%	23%
Median total income of economic families in 2015	$92,624	$103,954	$91,089	$88,306
Median total income of households in 2015	$85,981	$82,053	$74,287	$70,336
Sources: Statistics Canada 2016 Census.				

Languages and Diversity

Ottawa reflects Canadian diversity. Built on traditional Algonquin Anishinaabe land, heir to centuries of French and English presence, and home to a large population of new Canadians, Ottawa is a stage for diverse voices. Diversity is a significant asset for creating and sustaining a vibrant cultural sector.

	Ottawa	Ottawa-Gatineau (CMA)	Ontario	Canada
% Visible Minority	26.3%	21.6%	29.3%	22.3%
% First Generation Immigrants	26.3%	21.9%	31.1%	23.6%
Sources: Statistics Canada 2016 Census.				

Ottawa is the heart of the Franco-Ontarian culture. As the capital of a bilingual country, Ottawa's population has a high rate of individuals who are fluent in both official languages. The proportion of bilingual speakers in Ottawa is twice that of Canada, although 61% of Ottawans reported English as their mother tongue, and only 14% French. While Ottawa is also an officially bilingual city, and municipal services are offered in French and English.

Knowledge of language	Ottawa	Ottawa-Gatineau (CMA)	Ontario	Canada
English only	59.5%	45.7%	86.0%	68.3%
French only	1.4%	8.3%	0.3%	11.9%
Both languages	37.6%	44.8%	11.2%	17.9%
Neither English nor French	1.5%	1.2%	2.5%	1.9%
Sources: Statistics Canada 2016 Census.				

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Many cultural organizations in the city offer bilingual programming or Francophone events that inspire and celebrate a community going back more than 400 years. In addition, many of the Francophone industry associations and organizations are located in Ottawa as well as organizations dedicated to promoting and developing *La Francophonie* in Ontario. For example, Ottawa hosts the annual Festival Franco-Ontarian Banque Nationale every June, one of most important Francophone celebrations in Canada.

Tourist Market

The Ottawa area constitutes Regional Tourism Organization (RTO) 10. A profile of Ottawa visitors can be drawn from the data collected by the Ontario Ministry of Tourism, Culture and Sport.

Ottawa is an attractive city to Canadians, but also to international visitors. In 2015, Ottawa welcomed more than 8,780,000 tourists, half of them visiting friends or relatives. The majority of visitors came from Ontario (67%), 27% from other provinces and 6% were foreign visitors. These numbers were boosted by the Canada 150 celebrations in 2017 (+5.5% in overnight tourist visits).

Reasons of Trip	% of person visits
Visiting Friends and Relatives	48%
For Pleasure	25%
Business	13%

Sources: Ontario Ministry of Tourism, Culture and Sport, Regional Tourism Profile RTO 10

Tourism is a significant source of economic activity. In 2015, visitors spent $1.69 billion in Ottawa and 5% of their spending was on cultural activities. In comparison to visitors in the Greater Toronto Area (RTO5), tourists in Ottawa seem to spend more on food and transportation and less on cultural activities.

	Ottawa and Countryside (RTO10)	GTA (RTO5)	Ontario
Average total spending	$192	$285	$179
Average spending on culture	$8.81	$13.58	$8.87

Sources: Ontario Ministry of Tourism, Culture and Sport, Regional Tourism Profile RTO 10, RTO5 and Ontario

Visitors to Ottawa typically dedicated 36% of their activities while in the city participating in cultural activities. Given the rich historic background of the city and the presence of the parliament buildings, sightseeing and historic sites are popular cultural activities among visitors.

Cultural activities participated	% of person visits
Sightseeing	9%
Historic Sites	8%
Festival/Fairs	4%
Cultural performances	4%
Museums/Art galleries	4%
National/Provincial Nature Parks	4%
Zoos/Aquarium/Botanical Gardens	2%
Indigenous	0.2%

Sources: Ontario Ministry of Tourism, Culture and Sport, Regional Tourism Profile RTO 10

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Ottawa underperforms when it comes to length of stay. With less than 3 nights of average overnight visits, Ottawa is below the provincial average. The longer visitors stay, the more likely they are to experience the cultural life of a city. On average, Ottawa visitors are also noticeably older.

	Ottawa and Countryside (RTO10)	GTA (RTO5)	Ontario
Average age	46.3	42.8	45.8
Average nights of overnight visits	2.81	4.10	3.15
Average party size	2.1	2.1	2.3
Sources: Ontario Ministry of Tourism, Culture and Sport, Regional Tourism Profile RTO 10, RTO5 and Ontario			

The data above indicate that there is an opportunity to better promote Ottawa's unique and vibrant local arts, culture and heritage offerings to extend tourist visits and increase tourism spending in the city.

Ottawa's Cultural Provision

As Canada's capital city, Ottawa is home to numerous national institutions that attract hundreds of thousands of visitors every year: Parliament Hill, the Canadian Museum of Nature, the National Gallery of Canada, the Canada Science and Technology Museum, the National Arts Centre, and many others.

But there are many more. In 2016, Ottawa Insights (Ottawa Community Foundation) identified 485 cultural facilities and venues in Ottawa, including (but not limited to) 104 arts education venues, 20 cultural centres, 28 museums and archives, 60 galleries and 85 theatres and performances facilities.

In 2015, Ottawa's Parks, Recreation and Cultural Services identified more than 3,000 performing and visual arts recreation programs.

Attendance to all these events was above 140,000 persons.

There is no doubt that Ottawa has a rich, diverse and vibrant local cultural offering, and it is impossible to list every organization here.

Culture's Contribution to Ottawa's Economy

Ottawa has an annual gross domestic product (GDP) of more than $40 billion. The city's economy centres on two major sectors – high technology and the federal government. Both sectors offer high-paying jobs for knowledge workers in a relatively stable environment and account for 37% of Ottawa's GDP.

In 2016, culture accounted for $3.4 billion or 8.5% of the total GDP. The following table breaks down the sector further.

Culture Domain	GDP	%
Heritage and libraries/Governance, funding and professional support	$1,272.8 million	48%
Live performance	$39.8 million	2%
Visual and applied arts	$243.5 million	9%
Writings and published works	$176.5 million	7%
Audio-visual and interactive media	$740.1 million	28%
Sound recording	$7.3 million	0%
Education	$159.5 million	6%

According to Statistics Canada, Ottawa had a population aged 15 years and over of approximately 761,420 in 2016. Approximately 67% are in the labour force. Of this active labour force, approximately 10,005 people are employed in the Arts, Entertainment and Recreation industry. This accounts for 2% of the total workforce. A further 13,980 people are employed in the Information and Cultural Industries or 2.8%.

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It is also important to note that there are other culture-related jobs not accounted for here as they typically fall into other industry categories, such as management, technology or educational services.

PLANNING CONTEXT

Since before 2003 the City of Ottawa and community cultural organizations have collaborated to develop Ottawa-specific culture plans. The 2003 "Ottawa Arts and Heritage 20/20 Plan" included a 5-year Arts Plan and a five-year Heritage Plan. The Museum Sustainability Plan was approved in 2005 which introduced increased funding to the City operated museums and community operated museums beginning in 2006. In 2007, the Arts Investment Strategy and the Festivals Sustainability Plan were approved. The strategy and plan recommended concrete steps for the City of Ottawa to take in order to invest, to spark investment and to sustain investment in Ottawa's local arts and festival sector and was aimed at closing the revenue gap for Ottawa's local arts and festival sector over an 8-year period. In 2010, the "Ottawa 20/20 Arts and Heritage Plan 5-Year Progress Report and Renewal Process" was undertaken, and finally the Renewed Action Plan for Arts, Heritage and Culture in Ottawa was developed for the 2013-2018 period.

The plan currently in effect is the **Renewed Action Plan for Arts, Heritage and Culture in Ottawa, a six-year strategy (2013-2018).** This is the second update of the 5-year action plan that was part of the Ottawa 20/20 Arts and Heritage Plan (approved by Council in 2003), following the first renewal process which began in 2009. This plan builds on the results and momentum set by previous strategies. It aims at continuing and reinforcing efforts based on identified strengths (diversity, historical heritage, attractiveness as the nation's capital, bilingualism, etc.).

The strategy acknowledges the cultural sector as a contributor to the economic and social dynamism of Ottawa and acknowledges its positive contribution on the quality of life of residents and tourists.

The *Renewed Action Plan* is structured around four key strategic directions:

- **Celebrate Ottawa's Unique Cultural Identity and Provide Access to Culture for** All – The plan details a number of actions that would reinforce social cohesion through the arts and culture. Celebrating Ottawa's identity means also representing all voices, not only by supporting diverse artists but also by ensuring a fair representation of these voices in municipal planning, programming and decision making. The City has recognized aboriginal cultural identities and identified Indigenous funding as a priority, as well as Francophone arts. As an extension of the commitment to provide greater access to culture for all, the Youth in Culture Pilot program has been created, supporting young Ottawans aged 18-30 toward professional careers in the arts and culture sector. Several youth committees and councils have also emerged in cultural organizations.

- **Preserve and Develop Cultural and Creative Places and Spaces** – The Renewed Action Plan aims to enhance existing cultural spaces and develop under-used spaces. This has been achieved notably through major undertakings like the expansion and redevelopment of the Ottawa Art Gallery and Arts Court, a $38.8 million project primarily funded by the City, or the reconstruction project of La Nouvelle Scène Gilles Desjardins, reopened in December 2016. Unused spaces such as the Gamman House or the Gardener's House have been converted into artist studios. As recommended in the plan, a digital media facility has been inaugurated, the Made Mill, a maker space and Digital Media Lab located in the Bayview Yards Innovation Centre. City Council is also working on a policy framework for preservation of heritage buildings.

- **Get the Word Out About Ottawa's Vibrant Local Culture and Unique Identity** – This section puts the emphasis on local and experiential cultural tourism, marketing and promotion. The 2017 celebrations helped achieve this goal with many initiatives and projects showcasing Canada's history and diversity and putting the spotlight on the national capital.

- **Invest in Local Culture and Build Cultural Leadership** – With this axis, the City wants to renew its support to the local cultural sector to act as a lever for other sources of funding. The City increased its investment in local arts, heritage, festival and fairs by 15% over the 2013-2017 period, or a total over $47 million in cultural grants. The City wants to be a catalyst, encouraging collaboration with other cities, with the private sector, and within Ottawa's cultural sector. City research shows that with each City dollar, cultural organizations leverage between $6 and $12 from the private sector. Other resources have been created such as the cultural database, mapping all cultural venues, events and organizations in Ottawa.

Given that a key pillar in the *Renewed Action Plan* was diversity and inclusion, support for Francophone, First Nations, Métis and Inuit arts and culture has increased at the municipal level.

1. **Francophonie:** The *Renewed Action Plan* clearly set the objective to "Increase the provision of Francophone cultural programs and services delivered by the City and its partners, including the translation of promotional materials, and ensure that these programs and services are designed and delivered by Francophones..."

   All cultural funding officers are fluently bilingual, and applications can be sent in either French or English. The municipality has proceeded with important projects such as the redevelopment of La Nouvelle Scène, a major centre of Ottawa's Francophone culture.

   In addition to municipal support, the local Ottawa Francophone arts, culture and heritage community is also supported by a number of provincial Francophone cultural service organizations. **L'Alliance culturelle de l'Ontario, l'Association des auteures et auteurs de l'Ontario français, l'Association des Communautés Francophones d'Ottawa** or **l'Assemblée de la francophonie de l'Ontario** all represent the interests of the Francophone community and cultural sector in Ottawa.

2. **First Nations, Métis and Inuit:** The City has an important role to play in promoting Indigenous perspectives and building partnerships with the Indigenous community in Ottawa.

   Among many initiatives, City Council supported the development of an Indigenous cultural and intellectual space, **The Kabeshinan Minitig** This partnership between NCC, the Algonquins of Pikwakanagan First Nation and Omàmiwininì Pimàdjwowin transformed a historical stone pavilion on Victoria Island into an exhibit celebrating Indigenous visual arts and fine crafts.

   The *Renewed Action Plan* also encouraged a number of measures to serve an increasing community of Indigenous artists. Indigenous funding had been identified as a priority by the Cultural Funding Support Section and $200,330 was granted to 11 Indigenous organizations and artists in 2017. In addition, Indigenous perspectives are more represented in the Public Art Program thanks to an increased number of Indigenous jurors.

   Ottawa's Indigenous community is represented and supported by a number of organizations based out of or with offices in the city, e.g.: **Ottawa Aboriginal Coalition, Indigenous Youth Voices, Native Women's Association of Canada, National Association of Friendship Centre, Odawa Native Friendship Centre, National Aboriginal Capital Corporations Association**, etc. However, none of these organizations have a specific focus on supporting the development of the Indigenous arts and cultural community.

This document has now come to the end of its term and many of the strategies and recommendations have yet to be implemented. Of the 57 recommendations in the Renewed Action Plan, approximately 21% have been achieved as of mid-2018. Most new initiatives that have been implemented are now embedded in current practice and are ongoing. Of the remaining recommendations, 54% are underway and 25% are still outstanding.

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Related Initiatives and Planning Documents

In addition to the Renewed Action Plan, this study is being developed alongside other recent initiatives, including the Ottawa Music Strategy just recently approved by City Council in April 2018 and the Five-Year Ottawa Tourism Strategy launched in 2017.

1. **Ottawa Music Strategy**: In April, Ottawa City Council officially adopted Ottawa's first Music Strategy, recognizing the benefits of a robust music sector. This strategy resulted from recommendations included within the 2013 Renewed Action Plan and the 2015 Connecting Ottawa Music profile.

   The first phase included the creation of a Music Development Officer position. Other initiatives under the strategy include:

   - A $100,000 annual funding grant
   - The promotion of a music -friendly regulatory environment
   - The integration of the music industry into economic development and tourism strategies
   - The identification and redevelopment of spaces
   - The promotion and contracting of local musicians
   - The development of safer music space.

2. **Ottawa Tourism 2022 Strategy:** Ottawa Tourism promotes the City as a world-class destination and this five-year strategy aims at "delivering the right messages to the right people at the right time". Ottawa Tourism's strategy is built around 5 objectives:

   a) Diversify and develop experiences to deliver a unique service to **visitors;**

   b) Make Ottawa a top Canadian destination with a high satisfaction level;

   c) Position Ottawa as a leading touristic destination in Canada;

   d) Host an increasing number of international meetings and business events;

   e) Develop Ottawa Tourism's capacity and become a paragon of destination management organizations.

A number of discipline-specific support and advocacy organizations have their own strategic plans and other reports or plans in place, many of which have been redesigned in the wake of the *Renewed Action Plan* (e.g. AOE Arts Council Strategic Framework 2015-2020, OAC Cultural Sustainability Project, Shenkman 2015-2020 Strategic Plan, National Arts Centre Strategic Plan 2015-2020). These plans also form part of the planning context for the sector and there are a number of common themes that can be identified in them, such as:

3. **Strengthen human and financial resources:** focus on results and sustainability, without neglecting excellence and relevance, showcase the diversity, richness and multiplicity of Ottawa's cultural scene.

4. **Inclusive programming and governance:** promote respect for artists, equity and accessibility, ensure representativeness of cultures and perspectives.

5. **Connect artists, communities and partners**: animate, educate, train and create an engaging collaborative cultural environment.

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THE CURRENT SECTOR DEVELOPMENT MODEL

This section outlines the current model in Ottawa, including a description of the City of Ottawa's Recreation, Cultural and Facilities Services Department and the Arts and Heritage Development Unit (AHDU) which oversees the bulk of municipal funding and sector development functions, as well as information on other support organizations in the city.

Municipal Development Model

The current cultural sector development model employed in Ottawa can be characterized as a "**Municipal Department**" model, meaning:

- The local government is the main provider of core development functions and services related to culture, and there are few functions delegated by the municipality to other organizations.

- An annual or multi-year budget contribution to support culture comes from the tax base.

- Functions and services are organized into a stand-alone department or a smaller unit within a larger department.

- Functions and services are delivered by dedicated paid municipal staff who are supported by outside service providers

It is important to note that, while the vast majority of culture-related services are provided by the City of Ottawa through the Recreation, Cultural and Facilities Services Department, there are other departments and city-agencies that also contribute to development and oversight of culture. Heritage planning, City archives, economic development, the Ottawa Public Library and Ottawa Tourism all carry cultural development functions within their mandates and missions.

Also, while the city government is predominately responsible for sector development in this model, it is important to recognize that there are often many other organizations within the cultural "ecosystem" that also help contribute to development in more focused areas and to varying degrees. In Ottawa, organizations like the Ottawa Cultural Alliance and its member organizations help to support and augment sector development by

providing small scale grant funding, as well as professional development, marketing and translation.

Organizational Structure and Staff

The City of Ottawa restructured its municipal departments in 2016. This affected the delivery of cultural services and support; before restructuring, culture was its own department, but since 2016 it has been absorbed into a larger and reorganized department called the Recreation, Cultural and Facilities Services Department.

Culture-related activities are divided into three key areas within the reorganized Department: the Arts and Heritage Development Unit (AHDU); the Cultural and Heritage Programs and Spaces Branch (CHPSB); and the Arts Court Unit. Staff allocations are as follows:

BREAKDOWN OF CITY CULTURE STAFF	
UNIT	FTE
Arts and Heritage Development	19.8
Cultural and Heritage Programs and Spaces	87.91
Arts Court	6.1
Total Staff	113.81
Source: City of Ottawa, Recreation, Cultural and Facilities Services Department	

The Recreation, Cultural and Facilities Services Department is further supported by other city departments, partner agencies and by other external cultural organizations via targeted service level agreements.

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Cultural Resources

Core and Secondary Functions

The Recreation, Cultural and Facilities Services Department has responsibility for delivering the following sector-wide cultural development functions. Most development functions are delivered by the Arts and Heritage Development Unit.

- **Cultural Planning (core)** – The process to develop the *Renewed Action Plan for Arts, Heritage and Culture in Ottawa (2013-2018)* was led by the Cultural Development and Initiatives Unit (CDI) of AHDU in full partnership with the community and approved by Council in February 2012. From 2013 to 2018, it has guided the work of AHDU and of its service providers. This function also includes municipal policy development.

- **Funding Distribution (core)** – Municipal funding for arts, culture, festivals, and heritage in Ottawa comes from the municipal tax base and is distributed through the Cultural Funding Support Section (CFSS), a subsection of AHDU. Through a series of peer adjudicated funding and awards programs, there were 331 allocations totalling approximately $10.4 million in 2017. Since 2013, the grant budget has increased by 13%.

- **Networks and Partnerships (secondary) –** AHDU works to develop Indigenous and Francophone cultural partnerships and maintains service agreements with 20 key partner organizations in arts, museums, heritage, and festivals. Agreements are designed to assist the City in building and maintaining a solid base of cultural services and facilities.

- **Knowledge and Research (other)** - This section includes some cultural research and reporting through participation in the Ottawa Culture Research Group, Culture Statistics Strategy Consortium, and management of the XYZ cultural mapping project.

- **Space Management and Development (other)** – CHPSB and the Arts Court Unit are responsible for managing numerous arts, culture and heritage facilities across the city which provide space for cultural production, display, participation and rentals. This has also included major capital enhancements. Community centres and libraries are also included but managed by other City units.

- **Public Art and Culture Programs (other)** – Public art is responsible for the delivery of the Commissions, exhibitions and acquisitions programs. It is the steward of the public art collection and it delivers mentorship and capacity building projects for emerging, mid-career and established professional artists. Other programs for learning, community arts and social engagement projects, and public programing such as Doors Open Ottawa is delivered through arts, culture and heritage facilities, and service partners.

Budget Summary and Municipal Comparisons

Ottawa's municipal culture budget shows a total spend on culture of approximately $29.6 million in 2017 (excluding libraries). The total divisional culture spend is allocated as follows:

BREAKDOWN OF CITY CULTURE SPEND	
EXPENDITURE AREA	PERCENTAGE OF TOTAL SPEND
Staff & Administration	34%
Grants	37%
Facilities	17%
Professional Services	5%
Capital	7%
Source: City of Ottawa, Recreation, Cultural and Facilities Services Department	

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Cultural Resources

It is important to note that, because this is a municipality, some of the wider administrative and operational expenditure such as financial accounting, human resources, marketing, occupancy and maintenance are centralized into other departments. Therefore, these costs are not accounted for in the Culture Division's budget outline above.

The following charts compare Ottawa with other Canadian cities and summarize the most up-to-date statistics available from the Municipal Benchmarking Network Canada on:

- Chart 1 – Total spent annually by a city on providing municipal cultural services (gross) for its residents; and

- Chart 2 – Portion of total annual city culture budget spent specifically on making grants to arts, culture, heritage and festivals

Note: Ottawa did not report culture service spend for 2016, since it is no longer a participant in the Municipal Benchmarking Network Canada.

CHART LEGEND	
CITY	ACRONYM
Calgary	CAL
Hamilton	HAM
London	LON
Montreal	MTL
Ottawa	OTT
Thunder Bay	TBAY
Toronto	TOR
Windsor	WIND

Chart 1 - Total City Spending on Cultural Service Per Resident

	CAL	HAM	LON	MTL	OTT	TBAY	TOR	WIND	Median
2016	$23.4	$28.7	$16.5	$46.9	$-	$26.6	$32.0	$17.5	$26.6
2015	$21.7	$27.5	$15.6	$43.7	$33.2	$26.1	$31.8	$18.7	$26.8
2014	$21.8	$27.1	$15.9	$39.2	$34.0	$25.4	$32.6	$8.33	$26.3
2013	$21.7	$23.0	$13.5	$42.0	$30.8	$25.0	$30.1	$10.8	$24.0
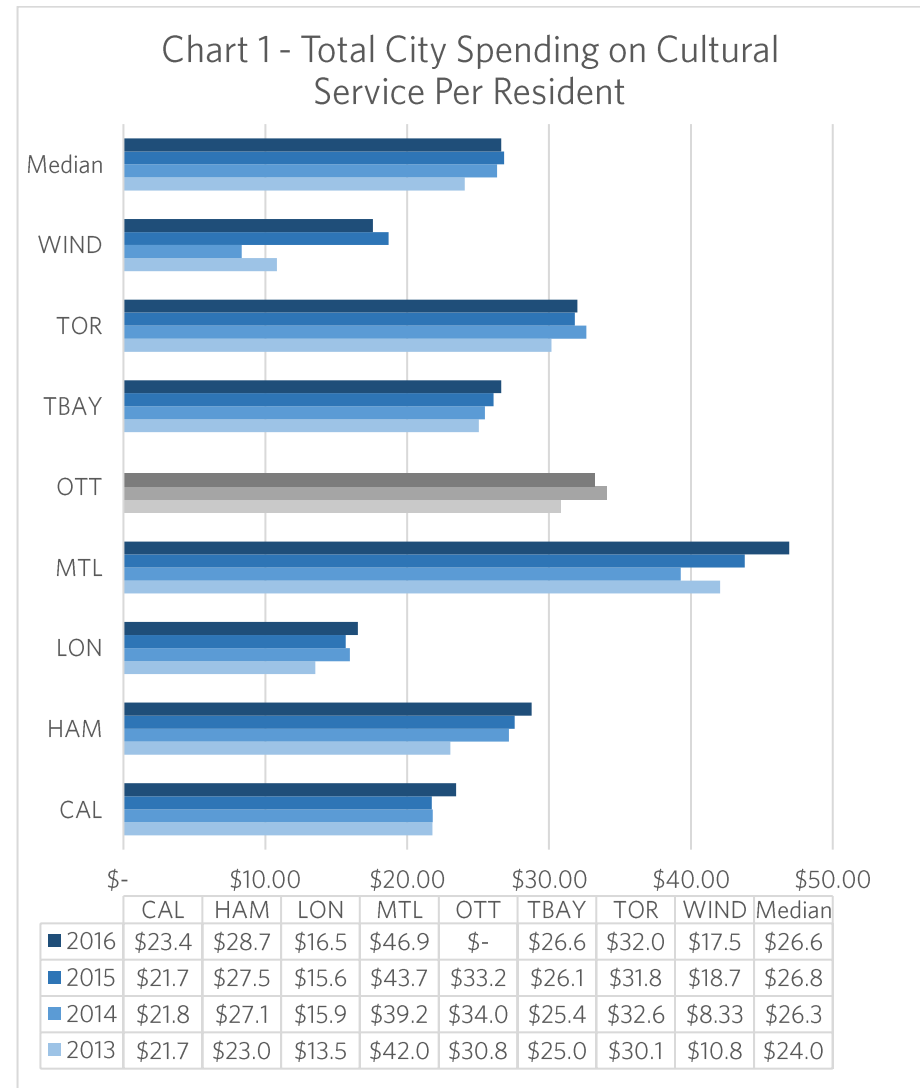
CHART 2 - City Spending on Arts, Culture, Heritage & Festival Grants Per Resident

	CAL	HAM	LON	MTL	OTT	TBAY	TOR	WIND	Median
2016	$9.47	$5.56	$4.72	$18.52	$9.91	$18.27	$10.34	$1.07	$9.69
2015	$8.30	$5.01	$5.79	$19.48	$9.70	$17.59	$8.90	$0.98	$8.86
2014	$8.27	$4.27	$5.89	$18.44	$9.57	$17.31	$8.96	$1.10	$8.85
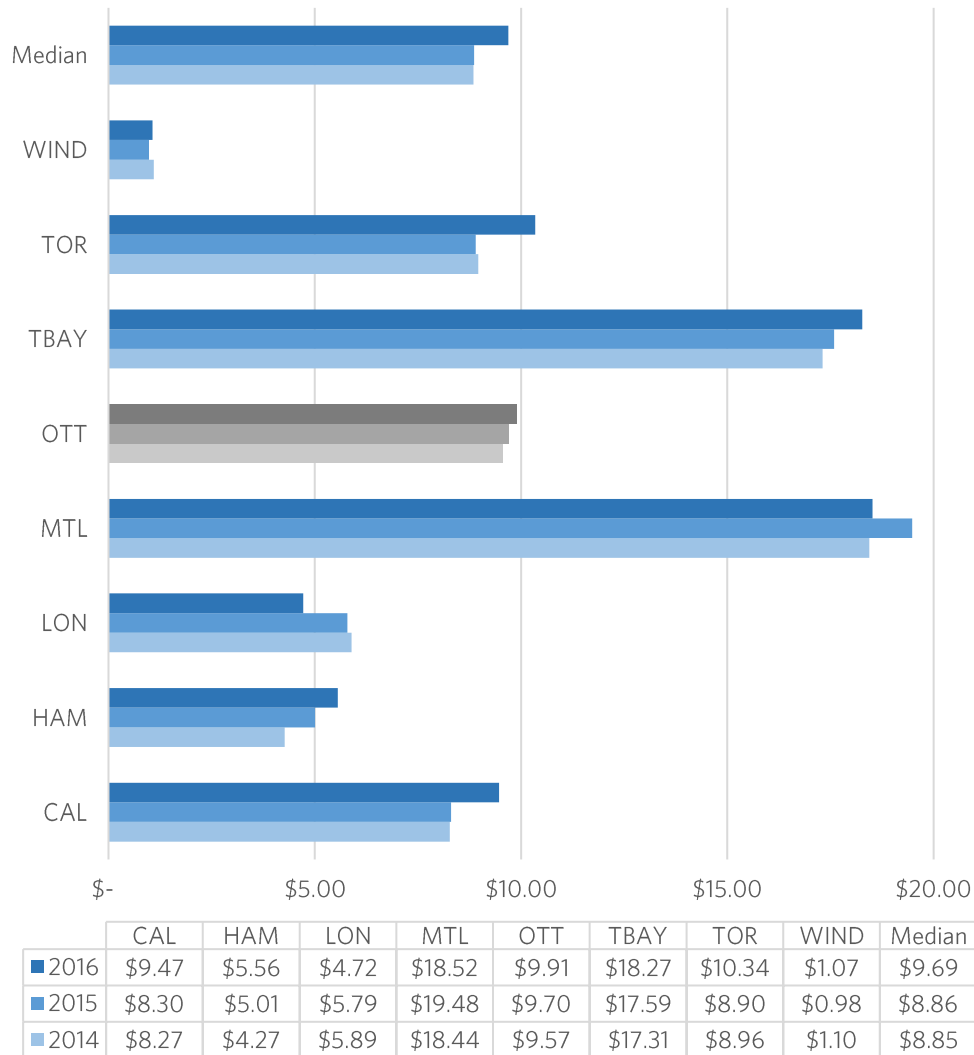
Funding Distribution and Process

The City of Ottawa invests in culture through its Cultural Funding and Awards Programs (a municipal fund). These programs provide support to local not-for-profit cultural organizations, professional artists and heritage workers. City funding for culture is essential to local organizations and individuals, and is often their first port of call for support as it provides an important foundational base from which to leverage additional sources. These sources include federal departments like Canadian Heritage, provincial ministries like the Ministry of Tourism, Culture and Sport, councils like Canada Council for the Arts, Ontario Arts Council, and foundations like Ontario Trillium Foundation and Ottawa Community Foundation. These contributions to the Ottawa culture sector are discussed later.

Municipal grant funds are distributed via the Cultural Funding and Support Section of the AHDU which manages some 18 separate funding and awards programs (although one has been discontinued and one is jointly managed with CDI).

The programs managed by CFSS appear in the next table, below.

Funding programs administered by CFSS are Council-approved programs. While some are directed by the Renewed Action Plan, most of them pre-date the strategy. *(Note that the Capacity Building Fund was not offered in 2017 due to diversion of funds for Canada 150 celebration purposes, and that the former Cultural Facilities Fund (operating funding) was discontinued, with the funding transferred to recipient organizations' core funding.)*

The majority of spending comes under the **Arts Funding Program**, by which the City offers project, annual operating and three-year operating funding for organizations and a creation and production fund for individual artists, and the various **Service Agreement** programs which apply to arts organizations, community museums, heritage services and festival services, providing annual and three-year funding.

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Cultural Resources

2017 Summary of Cultural Funding and Awards Allocations		
Program	Program Amount	% Total Funding
Arts Service Agreements	$2,663,880	25%
Arts Funding Program	$2,986,095	29%
Book Awards	$34,500	0.3%
Karsh Award	$4,534	0.04%
Firestone Art Collection POS	$95,000	1%
Rural Arts Funding	$27,000	0.3%
Diversity Arts Funding	$75,000	1%
Capacity Building Fund [1]	$0	0%
Museum Service Agreements	$1,395,378	13%
Heritage Service Agreements	$603,625	6%
Heritage Funding Program	$103,000	1%
Festival Service Agreement	$238,160	2%
Major Arts & Cultural Festivals	$1,260,000	12%
Major Agricultural Fairs	$131,181	1%
Cultural Facilities Minor Fund	$108,000	1%
Cultural Facilities Major Fund	$248,870	2%
Youth in Culture Pilot Program	$34,000	0.3%
Poet Laureate Program	$25,000	0.2%
Cultural Facilities Operating [2]	$0	0%
New Initiatives [3]	$22,180	0.2%
Cultural Support [4]	$385,000	4%
One-time Payment without Reference to OAC	$32,200	0.3%
Total	**$10,472,603**	**100%**
[1] Program did not run in 2017; [2] Program ended and amounts were incorporated in groups' operating funding; [3] New Initiatives tied to Renewed Action Plan and delivered in partnership with Cultural Development and Initiatives Section through Purchase of Service with community partners; [4] One-time allocations of $250,000 to Great Canadian Theatre Company and $135,000 to Ottawa Cultural Alliance		

The Service Agreements were established to support local arts, museum, heritage and festival organizations that assist the City to build cultural infrastructure. Together these programs (Arts Funding and Service Agreements) comprise some 75% of total City funding.

The next largest category that does not fall under Arts Funding or Service Agreements is the Major Arts and Cultural Festivals Program, at nearly 12% of the total. The remaining 13% is spread among various other programs.

To determine who receives a grant, the City uses a peer assessment model in the evaluation process. Reviewers are drawn from annual applications and are evaluated according to a set of criteria. Approximately 7% is spent on administering the CFSS program (staff, administration, and adjudication). This is an allocation in addition to the cultural funding program.

As noted earlier, the municipal fund grants for culture are managed by CFSS within the AHDU. The total budget for AHDU in 2017 was about $13.2 million, of which $10.4 million was direct cultural sector funding and an additional $346,000 was spent on public art. This means that some 79% of the AHDU budget was actually distributed to cultural groups, about 3% went to public art and that 18% was taken up by internal costs.

City-Owned Cultural Facilities

The City also owns and operates several cultural facilities such as Shenkman Arts Centre (a five-year strategic plan for the Centre was launched in 2015), Centrepointe Theatre, ASP Gallery, Karsh-Masson Gallery, Ottawa Sports Hall of Fame, Gallery 112 and the Billings Estate National Historic Site. Budget-wise, these are accounted for under "Cultural and Heritage Programs and Spaces" within the City structure and costs were reported at nearly $12.9 million in 2017. The City also supports the Arts Court through its Arts Court Unit and spent about $3.4 million.

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In the context of the *Renewed Action Plan for Arts, Heritage and Culture (2013-2018)* the City launched a number of large capital projects to refresh and redevelop cultural infrastructure in Ottawa. Projects included the Ottawa Art Gallery Expansion and Arts Court Redevelopment for which the City contributed $34 million (33% of the total cost) as well as the redevelopment of La Nouvelle Scène.

Municipal Public Art Program

The Municipal Public Art Program, approved by the City Council in November 2015, aligns the municipal art policy with the Renewed Action Plan. It builds on its key values and missions (foster opportunities, promote local artists, celebrate diversity), and applies to the City of Ottawa Art Collection and municipal exhibitions and public education. As with most municipal public art programs, the program is funded on a "percent for art" basis. In this case 1% of the value of capital projects of $2 million or more is set aside for public art. In 2017, approximately $346,000 was spent on public art (3% of the total AHDU budget).

Other Municipal Organizations

Ottawa Tourism, the Destination Marketing Organization for Ottawa and its surrounding region, support the promotion of the City at the regional, national and international level. With its new 2022 strategy, Ottawa Tourism wants to build on the success of the 2017 celebrations to grow tourism in the region and build up Ottawa's profile as a top tourism destination. Ottawa Tourism works closely with arts, culture, tourism and business stakeholders to coordinate efforts and tailor adequate marketing campaigns.

Founded in 1906, the **Ottawa Public Library** (OPL) is North America's largest bilingual library service. Managing over 34 branch locations throughout the city (2,700 km2), as well as a mobile service, the OPL ensures that Ottawa's almost 1 million residents have access to books and other library services.

In 2017, the **Ottawa Film Office** became an independent supporting body. With an annual budget of about $290,000, the Ottawa Film Office's role includes facilitating administrative processes with the city and developing and promoting the profile of Ottawa's film and TV industry.
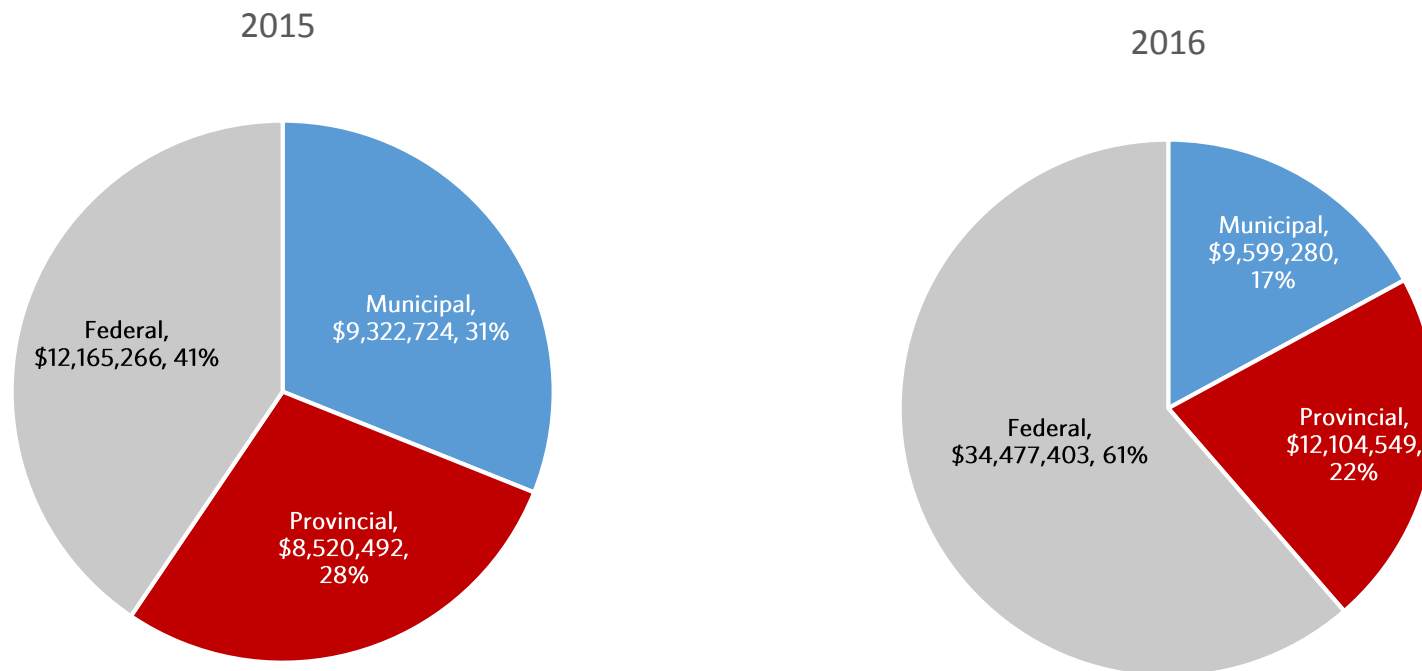
Within the context of Ottawa's first **Music Strategy**, it is worth noting the creation of a Music Officer position within the City. The aim of this strategy is also to help fill a key gap for the music sector in facilitating networking, connections and collaborations. The Music Officer will act as a liaison between sector stakeholders and City Council.

Non-Municipal Support for Culture

Like other cities, external cultural funders from outside the local "ecosystem" also play a key role in development the Ottawa cultural sector. City funding for culture is often used as a foundational base from which to leverage these additional sources. These sources include federal departments like Canadian Heritage, provincial ministries like the Ministry of Tourism, Culture and Sport, councils like Canada Council for the Arts, Ontario Arts Council, and foundations like Ontario Trillium Foundation and Ottawa Community Foundation. And there are other organizations and agencies that support the sector in a variety of ways, as outlined below.

OTHER GOVERNMENT SUPPORT FOR CULTURE

The following chart[1] shows the total amounts provided in culture grants by the federal, provincial and municipal governments in 2015 and 2016 to all types of cultural organizations, including both local and national institutions. It does not include direct operational funding provided to government-owned or operated institutions (such as the National Arts Centre or Ottawa Public Libraries).

2015

Municipal,
$9,322,724, 31%

Provincial,
$8,520,492,
28%

Federal,
$12,165,266, 41%

2016

Municipal,
$9,599,280,
17%

Provincial,
$12,104,549,
22%

Federal,
$34,477,403, 61%

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[1] *Counting on Culture,* Ottawa Culture Research Group 2018

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At the federal level, the Canada Council for the Arts and the Department of Canadian Heritage are key financial supporters. Provincially, the Ontario Ministry of Tourism, Culture and Sport, the Ontario Arts Council and the Ontario Trillium Foundation are cornerstone supporters.

The following table summarizes federal and provincial spending from 2015-16 to 2016-17[2].

Source	2015-2016	2016-2017
FEDERAL		
Department of Canadian Heritage	$8,077,543	$29,559279
Canada Council for the Arts	$3,819,381	$4,768,567
Total	**$11,896,924**	**$34,327,846**
PROVINCIAL		
Ontario Ministry of Tourism, Culture and Sport	$3,558,152	$6,919,990
Ontario Arts Council	$4,225,240	$4,227,959
Ontario Trillium Foundation	$737,100	$956,600
Total	**$8,520,492**	**$12,104,549**

In 2016, both federal and provincial grant funding to Ottawa increased considerably. This was due mostly in part to support for the Canada 150 celebrations and the fact that Ottawa is the capital city.

However, about 36% of Canada Council funding in Ottawa in 2016-17 was for multi-year operating grants and contributions. This was lowest amongst Canada's eight largest cities, where the average was 50%.

NON-MUNICIPAL UMBRELLA ORGANIZATIONS

Ottawa Cultural Alliance
The Ottawa Cultural Alliance was formed in 2015 in response to a perceived lack of leadership in implementing the *Renewed Action Plan*.

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[2] Counting on Culture, Ottawa Culture Research Group 2018

This is a collaborative organization of disparate groups that are working to identify common needs and opportunities and to align resources across the cultural sector for effective advocacy. The OCA comprises the following six organizations:

- Arts Network Ottawa (formerly AOE Arts Council)
- Council of Heritage Organizations in Ottawa
- Heritage Ottawa
- Ottawa Arts Council
- Ottawa Festival Network
- Ottawa Museum Network

Through service level agreements, the City currently invests approximately $1.2 million in these six local service organizations to independently provide a range of key sector development functions (leadership, advocacy, advisory, marketing, professional development, organizational capacity, convening, partnerships, network, fundraising) within their particular sub-sector/discipline.

Arts Councils
The **Ottawa Arts Council** was established in 1982 and receives operational funding from the City of Ottawa and the Ontario Arts Council. Special projects have been funded through Ontario Ministry programs, Foundations and corporate donors. The Council has maintained a long history of providing advocacy on behalf of the sector, including the importance of establishing a multi-disciplinary arts center in the downtown core. The Council has worked with a variety of stakeholders to develop opportunities including research projects, special reports and investigations. For instance, in the context of the Cultural Sustainability Report, the Council conducted more than 85 consultations across Canada to "explore the potential of creating a shared resources platform for Ottawa's cultural sector". Since 1988, the Council has adjudicated more than $300,000 through its Awards Program and has presented 191 artists and arts supporters with

financial recognition and support.

Located in the Shenkman Arts Centre with a satellite western office, **Arts Network Ottawa** (formerly **AOE Arts Council**) is a bilingual, multidisciplinary service organization working actively in the community to champion the arts in the Ottawa region. For over 30 years, it has been committed to amplifying the impact of local arts, promoting collaboration and increasing organizational capacity among arts and cultural organizations to build a thriving Ottawa arts community. Its primary role is to provide advocacy on behalf of its 440 individual and organization members and to support arts activity with resources including arts engagement projects, professional development, networking and arts promotion. Arts Network Ottawa also provides funding through a number of grant and award programs. The organization spent more than $75,000 on programs and arts promotion in 2016, a 25% increase from 2015.

Heritage Councils

The **Council of Heritage Organizations in Ottawa** is an umbrella organization serving cultural heritage organizations in the greater Ottawa area. It plays a leading role in developing and sustaining Ottawa's heritage sector and ensuring local residents have access to heritage. To achieve its objectives, the Council works closely with museums, archives, historical and genealogical societies, cultural communities, heritage buildings and sites as well as a range of heritage scholars, supporters and advocates. It also acts as an important liaison with all three levels of government.

Since 1967 **Heritage Ottawa** has championed the protection and stewardship of Ottawa's built heritage and cultural places, celebrating their value in enriching our shared environment. The largest not-for-profit organization in Ottawa devoted exclusively to heritage, Heritage Ottawa promotes the awareness, understanding and appreciation of Ottawa's wonderful built heritage and distinctive cultural places and advocates for the preservation of its built heritage and cultural landscapes. Heritage Ottawa keeps its volunteers, members and the public up to date on heritage issues through their newsletter and

provides a variety of resources on their website. An annual lecture series, Sunday walking tours and events offer a dynamic way to get involved and encourages the public to learn about local history and heritage while meeting like-minded people. Heritage Ottawa also provides support for heritage research and publication through the Gordon Cullingham Research and Publication Grant.

Museum Networks

Now considered one of the most effective museum networks in Ontario, the **Ottawa Museum Network** was created in 2007, in response to the need expressed in the City of Ottawa's Museum Sustainability Plan for a new service delivery model for museums. The Ottawa Museum Network works to provide a strong voice for Ottawa's 11 community museums and through collaboration, to strengthen the capacity of member museums; to celebrate, reflect and share the stories of Ottawa's diverse and evolving communities, and foster pride in heritage and a sense of belonging to the greater Canadian community.

Event and Festival Networks

The **Ottawa Festival Network** was founded by festival organizers, members of council and tourism industry leaders who recognized the need for Ottawa's events to be carefully scheduled, properly planned and effectively promoted. A not-for-profit service organization, the Network advances a dynamic industry through research, advocacy and education and creates an effective networking environment for festivals, special events and fairs in Canada's Capital Region.

Other Organizations

Ottawa's arts, culture and heritage community boasts a rich network of support organizations, councils and advocacy groups. Among them are the six members of the Ottawa Cultural Alliance as well as **the Ottawa Music Industry Coalition, Ottawa Community Foundation, Ottawa Film Office** and others.

These organizations provide discipline-specific sector strategies and

leadership as well as advocacy. They support Ottawa's cultural sector through capacity building and professional development programs and by facilitating communication, connection and collaboration among their constituents.

Invest Ottawa / Chamber of Commerce / BIAs

Invest Ottawa initiatives focus on improving the local entrepreneurial environment to facilitate business opportunities and job creation in Ottawa. Invest Ottawa programs include mentorship and workshops, promotion of Ottawa's economy and start-up incubation. This non-profit organization is mostly funded by the City, which oversees the execution of Invest Ottawa's strategy. Invest Ottawa has been a strong proponent of Ottawa's film, TV and digital media industries. As an economic development body, Invest Ottawa also promotes the local cultural sector and its contribution to quality of life as part of Ottawa's investment attraction strategy.

The Ottawa, West Ottawa and Orléans **Chambers of Commerce** help hundreds of business members increase their visibility and grow their companies through partnerships and new opportunities. Chambers of Commerce organize networking events and lead advocacy initiative with local decision makers. They are a key stakeholder as they provide the connection between the cultural sector and its corporate supporters.

Business Improvement Areas organize the development of commercial districts (e.g. Downtown Rideau, Quartier Vanier, ByWard Market). With the City's support, they manage marketing, promotional special events, and the improvement of local facilities within a defined area. BIAs can be an important ally for the sector and often promote local cultural activity as part of their business attraction and destination marketing strategies.

SUMMARY

Founded on the foregoing document-based research and analysis, the consultant team has identified the following summary observations:

- Two of the core cultural development functions – strategic planning and funding distribution – are municipal responsibilities. Other smaller pools of funding are available for culture from a community foundation and others.

- Funding resources provided by the municipality are distributed to non-profits in the form of annual operating, project and capital grants determined by an independent adjudication process. This is one of the largest financial sources for the sector, making it essential to sustainable operations and development.

- There are other organizations active in the cultural sector responsible for delivering programs/projects and providing/managing space, as well as professional training/education, development and capacity building.

- There are other organizations in the city that are responsible for development in other sectors – tourism, economic development, housing, community – and who leverage culture as part of their overall development strategy.

- There are also other grant funders such as the Ontario Arts Council, Ontario Trillium Foundation and the Canada Council for the Arts who provide financial support.

We have also identified a preliminary list of strengths, gaps, needs and opportunities for Ottawa's cultural sector in advance of a fuller accounting of sector needs which is outlined in Chapter 4 and is based on the consultation process:

STRENGTHS

- Ottawa has a rich, diverse and vibrant local cultural scene and is home to both local and national institutions.

- Culture is an important part of the city's economy, accounting for $3.4 billion or 8.5% of the total GDP.

- The City has reached out to Indigenous and other independent

and/or groups at greater risk of exclusion to build relationships, develop strategic cultural partnerships, focus on reconciliation and build access to municipal cultural opportunities for all.

- Several of the City's cornerstone culture facilities have recently reopened to positive feedback after much needed improvement and expansion.
- There are a wide variety of cultural organizations in the city who are actively supporting and strengthening sector development by augmenting the municipal department model like the OCA.
- Ottawa is the epicentre of the Francophone arts, culture and heritage community in Ontario and the bulk of Francophone cultural leadership is based in Ottawa.

GAPS

- Reorganization at the municipal level (including the elimination of a senior position dedicated to culture) may have weakened the ability of the City to provide strong leadership and develop the sector.
- Implementation of the *Renewed Action Plan* has not met community expectations. Of the 57 recommendations, 12 (21%) have been achieved. Currently 54% of the recommendations are underway and 25% are still outstanding. The plan expires at the end of 2018.
- There is no single organization whose mandate is to watch over and develop the entire sector, nor is there an organization that provides other key sector-wide functions such as marketing, cultural entrepreneurship/ creative industries development, fundraising, or urban development of creative spaces.
- Increased need for diversity, inclusivity and equity were key themes which were heard repeatedly during consultation, and touched on a number of key areas beyond cultural offerings and audiences, particularly funding distribution and sector leadership. More efforts are needed to ensure that there is a visible, diverse

(by culture and discipline) representation throughout leadership the sector.

OPPORTUNITIES

- Ottawa is home to a huge and highly professional talent base in culture – arts, heritage, festivals, music, etc. – that could have the ability to undertake further sector development work and could be more fully tapped to provide sector leadership.
- There are successful examples of alternative sector development models that the City of Ottawa is currently employing in other sectors or subsectors, such as the Ottawa Film Office, Invest Ottawa, and Ottawa Tourism.
- Recent advances like the Ottawa Art Gallery and National Arts Centre renewals along with a diversity of festivals have generated momentum for cultural sector development.
- In summary, Ottawa is a city with a high degree of cultural vibrancy. Its demographics are highly favourable to cultural participation, and its status as the national capital ensures the presence of both national-level and local organizations.
- The current sector development model in Ottawa is dominated by the municipality with secondary support from municipal fund/service agreement and non-municipal sources.

There is a final point to make with regard to this analysis. It is important to note that grant funding has increased 15% between 2013 and 2018 which would normally be a strength. But total department spending for culture has grown by just 8% since 2013. Spend per resident has remained relatively consistent on a dollar-for-dollar basis but the increase referenced above has not kept up with inflation and increases in the cost of living.

This chapter has provided a snapshot of the current situation in Ottawa. The next chapter reviews alternative models – how things

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could potentially work – culminating in the development of a "long list" of other cultural sector development models in use across North America.

3. ALTERNATIVE CULTURAL SECTOR DEVELOPMENT MODELS

The previous chapter reviewed the state of culture in Ottawa and the current "municipal department" cultural sector development model, in which the city government is the main provider of core development functions and services related to culture.

Given that the *Renewed Action Plan* pointed to increased community participation in cultural sector leadership, this chapter examines a number of alternative models that could achieve this goal. The goal of the chapter is to outline a "long list" of alternative models that could potentially be applied to the Ottawa situation for evaluation. To provide a common basis for comparison, we have characterized each model according to a set of key functions. Priority functions corresponding to sector needs for Ottawa are identified in Chapter 4, followed by an evaluation of each model and development of a "short list" and a detailed comparables analysis in Chapter 5, according to the results of Chapter 4's needs assessment.

"LONG LIST" OF POTENTIAL DEVELOPMENT MODELS

In an effort to produce a simplified "long list" of alternative models, we have created a general typology for each cultural sector development model. This is a **general classification system** that focuses on what research has revealed as being "typical" for each model and uses it to create a common definition of role and function. The purpose of such a classification is to be able to better understand at a high level what each model does and how it differs from the other models.

The "long list" includes:

- Municipal Office/Commission
- Municipal Fund/ Partner or Service Agency
- Cultural Development Authority
- Municipal Fund/ Service Contract
- Member Alliance/ Network
- Arts & Business Council
- United Arts Fund/ Foundation
- Umbrella/ Incubator
- Urban Developer

We define these models in more detail below, and use these definitions to help determine which model(s) other Canadian cities are using to develop their cultural sectors and could be employed in Ottawa. While it is not possible within this scope of work to provide the same level of detail for all other cities as has been provided for the City of Ottawa, we believe there is a sufficient level of detail for order-of-magnitude comparisons for the purposes of this feasibility study.

There is another important caveat that must be made. Each city and its cultural sector is unique and has developed according to a unique set of circumstances. While these definitions provide a categorization system, **it is important to note that they are idealized types**, and in fact this is the only possible way forward for the purposes of this feasibility study. No comparisons can possibly be perfectly aligned, because in actual practice, there are variations within each model and implementation of each model will differ from city to city. In some cases, more sector development functions are delivered than is typical, while in others fewer of the listed functions may be delivered. Relationships to government and the level of involvement may also differ.

A key differentiating factor for each model is its respective level of autonomy from municipal government. These are illustrated by the diagram below (Figure 1):

FIGURE 1 – SPECTRUM OF CULTURAL SECTOR DEVELOPMENT MODELS

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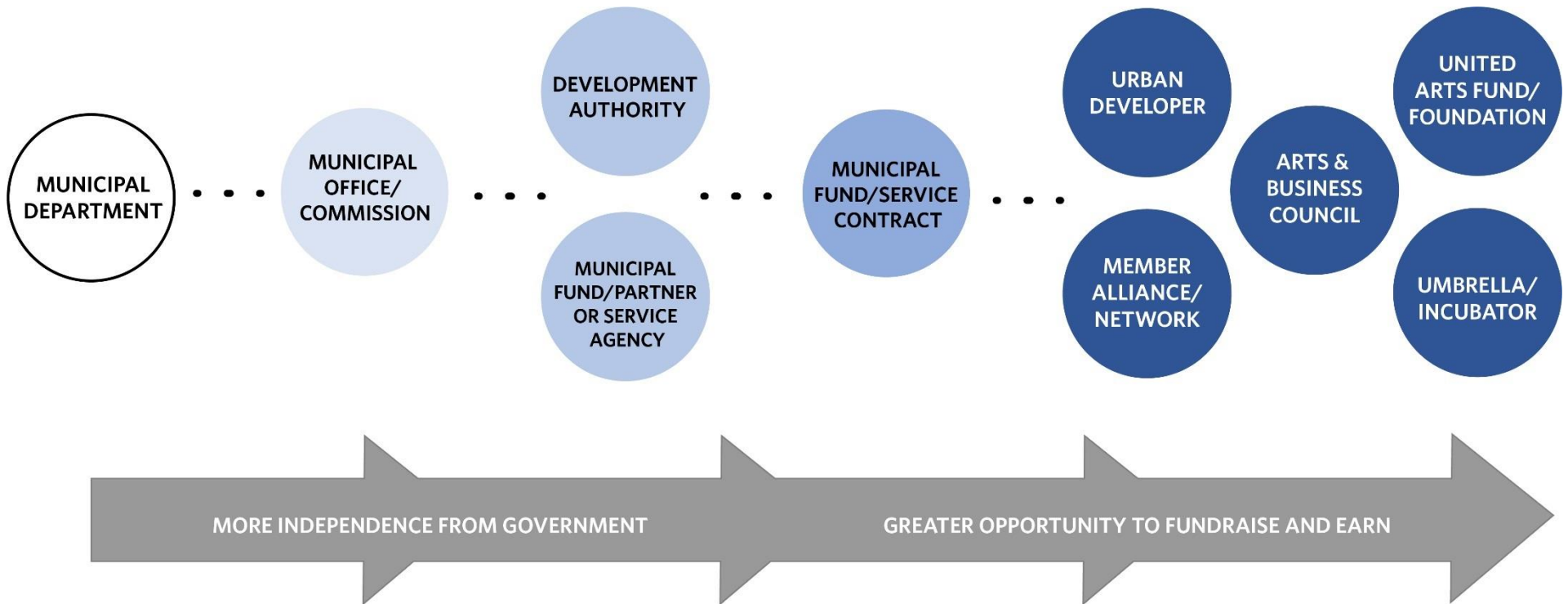
From this diagram we can see that;

- Those models on the far left are part of or the closest to government and therefore subject to the highest level of political control over the mandate, budget and decision-making, as well as adherence to public policies.

- Those models on the far right of the diagram are self-governing and have the greatest level of independence from government with regards to decisions and activities. They remain accountable to the general public, the constituents they serve and the Canadian Revenue Agency (if they are a registered non-profit or charity) but are less directly accountable to the municipality.

- Those in the middle of the diagram are self-governing but have an established partnership with the municipality through a formal agreement. This relationship and the degree to which the organization collaborates with municipal government varies widely.

- Models located further away from the municipality have a greater opportunity to generate additional revenues from earned income and contributed sources such as private individuals, companies and foundations.

The reason why some cultural sector development models are closer or farther from a municipality often stems from:

- Origins – circumstances surrounding and reasons for establishment, who established it, etc.

- Governance model – level of municipal/political influence in setting the mandate and decision-making (if any)

- Funding arrangements – level of municipal support (if any) and other sources of income

- Local political culture;

- And other factors specific to the locality.

THE "LONG LIST" DEFINED

The "long list" of alternative models are described in more detail in the pages that follow, along with a check list of common functions that can be considered typical to the majority of organizations that fall within that model.

Municipal Department

A local government (the municipality) is responsible for providing a range of services for its community, which sometimes include cultural services. In some cities, culture is a department unto itself. In others, culture is one division in a larger department with other services (usually recreation, parks, or economic development). In this model, core cultural functions and services are predominantly delivered by dedicated paid municipal staff, although they may be supported by outside agencies or third-party providers through service agreements and advisory committees. An annual department budget is set each year during the municipal budgeting process.

Municipal Office/Commission

The municipality establishes a "commission" to work alongside the municipal office (department or unit) responsible for culture. The commission is a board of volunteer citizens, arts, culture and heritage professionals, and councillors. Its members are appointed by the mayor and city council, sometimes with input from the sector. A commission's mandate is enacted by legislation through policy, charter or bylaw, etc. and some decision-making power is given to the board. The commission meets regularly to discuss relevant issues, direct municipal staff and city council in overall matters concerning the sector, and advises on other matters which are referred to it. This often includes developing policy and planning recommendations, making decisions on funding and programs, and working to increase public awareness of arts and cultural activities. An annual department budget is set each year during the municipal budgeting process and the commission is granted a small administration budget.

Cultural Development Authority

A cultural development authority is established by the municipality as an arms-length non-profit or charitable organization and its mandate is enacted by legislation. Typically, all staff, the full annual budget, decision-making authority, and any service delivery that would normally be performed by a municipal culture department is transferred in its entirety to the cultural development authority. The unit or department that formerly held this responsibility is eliminated from the organizational structure of municipality. This allows an authority greater opportunity to pursue private fundraising from individuals, organizations and corporations to augment that which it receives from the municipality to support operations and programs. An annual city contribution towards overall operation is set each year during the municipal budgeting process. The amount given depends entirely on the municipality, and it is often expected that the authority's operating budget is supplemented from other (usually both earned and contributed/donated) revenue sources.

Municipal Fund/Service or Partner Agency

In this case, the municipality establishes an arms-length non-profit or charitable agency and its mandate is enacted by legislation. A board of citizens, professionals and councillors are appointed by the mayor and city council to manage it. This model is similar to the cultural development authority model; however, it is primarily a vehicle for the delivery of select programs and services, rather than a comprehensive array.

With regard to culture, an agency's key function is most often the administration of a municipal fund through a grant-making program. The agency also advises on other sector-related matters which are referred to it by council. In the previous model, the culture department was eliminated. In this model the municipality maintains its culture department to deliver other cultural functions and services and coordinates with the agency. The agency must adhere to its legislated mandate only, and any changes to its operations or activities would require a motion to be passed at council. An annual city contribution towards overall operation is set each year during the municipal budgeting process. The amount given depends entirely on the municipality, but it is often expected that the agency's operating budget is supplemented from other sources.

Municipal Fund/Service Contract

Often embodied in the form of a fully-independent "arts council", the municipal fund/service contract model consists of a self-governing private non-profit or charitable organization that is contracted by a municipality through service level agreement to administer the municipal fund/grants and to deliver other funding, programs and services as it sees fit. In some cases, this is a pre-existing organization that already has been working within the sector with an established reputation, level of trust and operation. In other cases, a new organization is established with the specific purpose of delivering these services. While very similar to the municipal fund/service or partner agency model, it is the independent governance of the municipal fund/service contract that differentiates it from the other. In this model, the contract provider's mandate is independently set by its board and typically its trustees are independently appointed or elected, although municipal representation is not abnormal. Its relationship with the municipality is governed by the terms set out in the contract. An annual fee for service is paid by the city each year and the use of these funds restricted as per the agreement. The amount given depends entirely on negotiations with the municipality. The remainder of the contractor provider's operating budget is generated from earned and contributed sources.

Umbrella/Incubator

The umbrella/incubator model is chiefly concerned with the stewardship, support and growth of new or smaller arts, culture and heritage organizations. Typically, the umbrella/incubator model "nests" or nurtures these new organizations within its larger operations until they grow to a point where they can independently support themselves. To do this, the umbrella/incubator collects, invests and holds funds for investment in and support of these new organizations on their behalf. A fee for service is taken and other common services such as space management and human resources are provided to the collective.

Member Alliance/Network

A completely independent entity, a member alliance/network exists primarily to serve its membership. This usually means to raise public awareness on particular issues, to pursue collective marketing and promotional efforts, to develop and implement joint programming initiatives and to disseminate research information and professional development training. In some cases, fundraising and resource allocation are also functions, but these are rare (especially in the Canadian context). Annual dues are paid each year by the members which provides them access to special benefits and services, as well as the right to vote on particular issues and initiatives.

United Arts Fund/Foundation

A united arts fund/foundation is an independent charity that is predominantly focused on serving the cultural sector by consolidating fundraising efforts in one organization. Its functions are almost entirely related to fundraising: it cultivates philanthropic giving, raises money from local individuals, businesses, and private foundations to support grant programs, advises on financial investments and endowments, distributes funds to local arts, culture and heritage institutions, and provides support to the cultural community.

Arts and Business Council

Also an independent entity, an arts and business council is a non-profit or charitable organization that works to unite the cultural and business communities by leveraging the unique assets and skills of both to develop mutually beneficial partnerships. This includes enhancing the business and entrepreneurial skills of cultural performers, producers and administrators, encouraging business leaders to become board members for cultural organizations, and providing meaningful cultural engagement opportunities to the business sector to inspire employees, stimulate innovation and foster creativity.

Urban Developer

An urban developer model focuses on building cities and communities through creative placemaking and real estate development. This typically includes new construction or adaptively re-using existing spaces to provide room for the creative industries, creating cultural hubs and co-working facilities, and leveraging culture as a way to make the public realm more liveable for its communities. Key partners typically include the city real estate and planning departments, as well as public and private land developers. An example of this model in practice is Artscape, based in Toronto.

Functions Check List

To add greater depth to our understanding of the "long list" of potential alternative models, the next table compares each model by the cultural sector development functions it performs:

- **Cultural planning** – control of the creation and fulfilment of a cultural plan or strategy to develop the sector

- **Funding distribution** – giving out funds or grants to individuals and organizations

- **Leadership/advocacy/advisory** – a voice for culture, input into decision-making, and a driving force for change and improvement

- **Marketing/promotion/tourism** – creating greater public awareness for cultural offerings with specific audiences

- **Professional development/organizational capacity** – helping strengthen individual expertise and skill, encourage good governance and improve operations

- **Convening/partnerships/networking** – coming together around core issues, encouraging collaboration, breaking down silos, and brokering partnerships at all levels

- **Fundraising/fund development** – soliciting donations, sponsorship and endowments to create pools of financial resources.

- **Knowledge/research** – organizing studies to collect evidence and report on key issues that affect the sector

- **Space management** – developing new and managing existing space for cultural production, display, performance, sale, etc.

- **Production/programming** – creating and putting on cultural work

- **Audience development** – identifying and developing the market for cultural participation and consumption.

LONG LIST OF CULTURAL DEVELOPMENT MODELS & FUNCTIONS MODEL/KEY FUNCTIONS	Cultural planning	Funding distribution	Leadership/advocacy/advisory	Marketing/promotion/tourism	Professional development/organizational capacity	Convening/partnerships/networking	Fundraising/fund development	Knowledge/research	Space management	Production/programming	Audience development
Municipal Department	✔	✔		✔					✔	✔	
Municipal Commission/Committee	✔	✔	✔		✔	✔		✔	✔	✔	
Cultural Development Authority	✔	✔		✔			✔	✔	✔	✔	
Municipal Fund/Partner Agency		✔	✔		✔	✔					
Municipal Fund/Service Contract		✔	✔		✔	✔	✔				
Umbrella/Incubator		✔			✔		✔				
Member Alliance/Network			✔	✔	✔	✔		✔		✔	✔
United Arts Fund/Foundation		✔					✔	✔			✔
Arts and Business Council					✔	✔	✔				✔
Urban Developer			✔		✔		✔	✔	✔		

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Cultural Resources

SIMILAR EXAMPLES OBSERVED IN OTTAWA

When viewing these cultural sector development models in the wider Ottawa context, we can see that several of these models (or something very similar to what has been described) are already being employed by other sectors in Ottawa.

Note that the above definitions pertain to cultural sector development in particular. The purpose of this exercise cannot be to find *exact* comparability – as noted, each city's model has emerged from its individual context - but to illustrate that many of these models are already at work in Ottawa and to provide a point of familiarity and reference going forward.

Municipal Office/Commission

Transit Commission – A city appointed board responsible for ensuring the development of a safe, efficient, accessible and client-focused transit system and for providing overall guidance and direction to the Transportation Services Department on all issues relating to the operation of public transit, including the O-train and Para Transpo.

Municipal Fund/ Partner or Service Agency

Ottawa Public Library - An agency of the City established by municipal by-law under the authority of the Ontario Public Libraries Act. It is governed by a Council-appointed board, including elected councillors and citizen trustees. The Board reports directly to Ottawa City Council.

Municipal Fund/ Service Contract

Dovercourt Recreation Association – An independent charitable organization that offers community recreation programs. In 1987, Dovercourt was given the responsibility of managing Westboro Community Centre through a service agreement. While part of the City's recreation system, DRA is empowered to choose what programs are run and how those programs are delivered.

Member Alliance/ Network

Ottawa Tourism – A non-profit, membership-based organization that focuses on destination marketing. Working on behalf of more than 400 tourism-related member businesses, it promotes Ottawa and Canada's Capital Region as a diverse place to visit.

Arts & Business Council

Capital Angel Network – An organization that hosts special events throughout the year in order to engage a group of "angel investors" and provide a platform for start-ups and the entrepreneurial community to pitch ideas. The goal of the group is to mentor entrepreneurs and secure long-term funding for start-ups.

United Arts Fund/ Foundation

Ottawa Community Foundation – A public, non-profit organization, the Foundation partners with the community to fulfill impact philanthropy and bring about positive, systemic and sustainable change in our city, regionally, nationally and beyond.

OTTAWA COMMUNITY FOUNDATION

WHAT OTHER CANADIAN CITIES DO

The models used by many other Canadian cities have been mapped onto the spectrum of potential models. Categorized using the above typologies, it shows connections to and independence from government (see Figure 2). The current Ottawa model has also been placed on the diagram for context.

It is important to note that each city is unique, as are the needs of and the organizations within its cultural sector. These sectors are dynamic and could be described as an "ecosystem"– a complex network of independent, interdependent and interacting organizations of varying size and scale.

The examples outlined in the diagram therefore illustrate as accurately as possible the **major players responsible for the core development functions outlined in Chapter 1**. That is, the organizations present in each city that are of a scale and capacity to take on leadership in developing the cultural sector and have the broadest possible mandate for cultural sector development i.e. they focus on the "big picture" and the sector as a whole, as opposed to any one single discipline.

From this exercise we can see that:

- Most Canadian cities operate on a dual model approach (denoted by the dotted line) which often includes both a municipal department/unit for culture and either a designated authority in the form of an agency or an independent foundation with a broad view on the cultural sector as a whole. Ottawa does have smaller organizations contributing to cultural sector development, but not to the same scope or scale as other cities.

- Most of these partnerships are with foundations which are arts-focused and are primarily responsible for advocacy, marketing and promotion. Some undertake fundraising and funding distribution. However, all have membership programs and present what could be characterized as a hybrid foundation and member alliance/networks model.

- In many cities, there are two separate organizations for arts and for heritage. In some cases, a heritage council was nurtured within the arts council before becoming independent. In Ontario, the province has legally given a municipal heritage committee an advisory role that links it to city government.

- Ottawa is the only city with its own dedicated festivals development organization. Festivals support is often part of an arts council's portfolio and/or in some instances, delivered through the city's economic development department (such as in Calgary). This is because of the important role festivals play in tourism. This department may also support the creative industries like film, media and music. In Toronto, culture and economic development are combined into a single department.

- In smaller cities with a smaller cultural sector, development is often a joint responsibility between the municipality and an independent provincially-focused organization (such as Saskatoon, where arts administration is undertaken by the Saskatchewan Arts Board and Saskatchewan Arts Alliance).

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- Ottawa is unique as a fully bilingual city, providing cultural development materials, support and services in both official languages, and equitably between English and Francophone communities.

- Many of the organizational names employed do not necessarily accurately reflect the definition or typology of the model.

Some cities of specific interest for the purposes of this study include:

- In **Toronto,** the Toronto Arts Council is a non-profit organization under contract to the City of Toronto to distribute a municipal fund and is further supported by an independent foundation. Heritage Toronto, a separate municipal service agency, is responsible for heritage (this is illustrated for Toronto and Edmonton but not all models due to space limitations).

- **Halifax** is currently in the process of moving from a Municipal Office/Commission model to what will likely be a Municipal Fund/Partner Agency model (an arm's-length charitable authority established by the municipality to distribute municipal funds with an appointed board of citizens, professionals and councillors).

- The **City of Edmonton** has chosen to give cultural functions, including responsibility for implementation of the Culture Plan, to two semi-independent organizations: the Edmonton Arts Council and Edmonton Heritage Council, both of which are funded by the City of Edmonton through a contract arrangement.

- The Conseil des arts de **Montréal** reports to city council. It provides many development functions including making grants, awards, and fiscal sponsorship, soliciting funds from the private sector, and creating the Montreal Arts-Affaires portal in collaboration with the Board of Trade.

- The Greater **Vancouver** Alliance for Arts and Culture is one of the only examples of Member Alliance/Networks. In 2014, the Alliance voted to adopt a wider provincial mandate and changed its name to the BC Arts Alliance.

From our analysis, we can see that most major Canadian cities have a form of dual responsibility in which the partners (municipality and other organizations) are of similar scope in terms of their cultural sector development responsibilities. While dual responsibility does exist in Ottawa (since the City funds arts councils and heritage umbrella organizations, for example), it is not of the same scope or scale as in other cities. Clearly the trend in major Canadian cities is to move to the types of partnership between independent or semi-independent organizations and the municipality as illustrated by the examples given.

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FIGURE 2 – COMPARISON OF CULTURAL DEVELOPMENT MODELS BY CANADIAN CITY
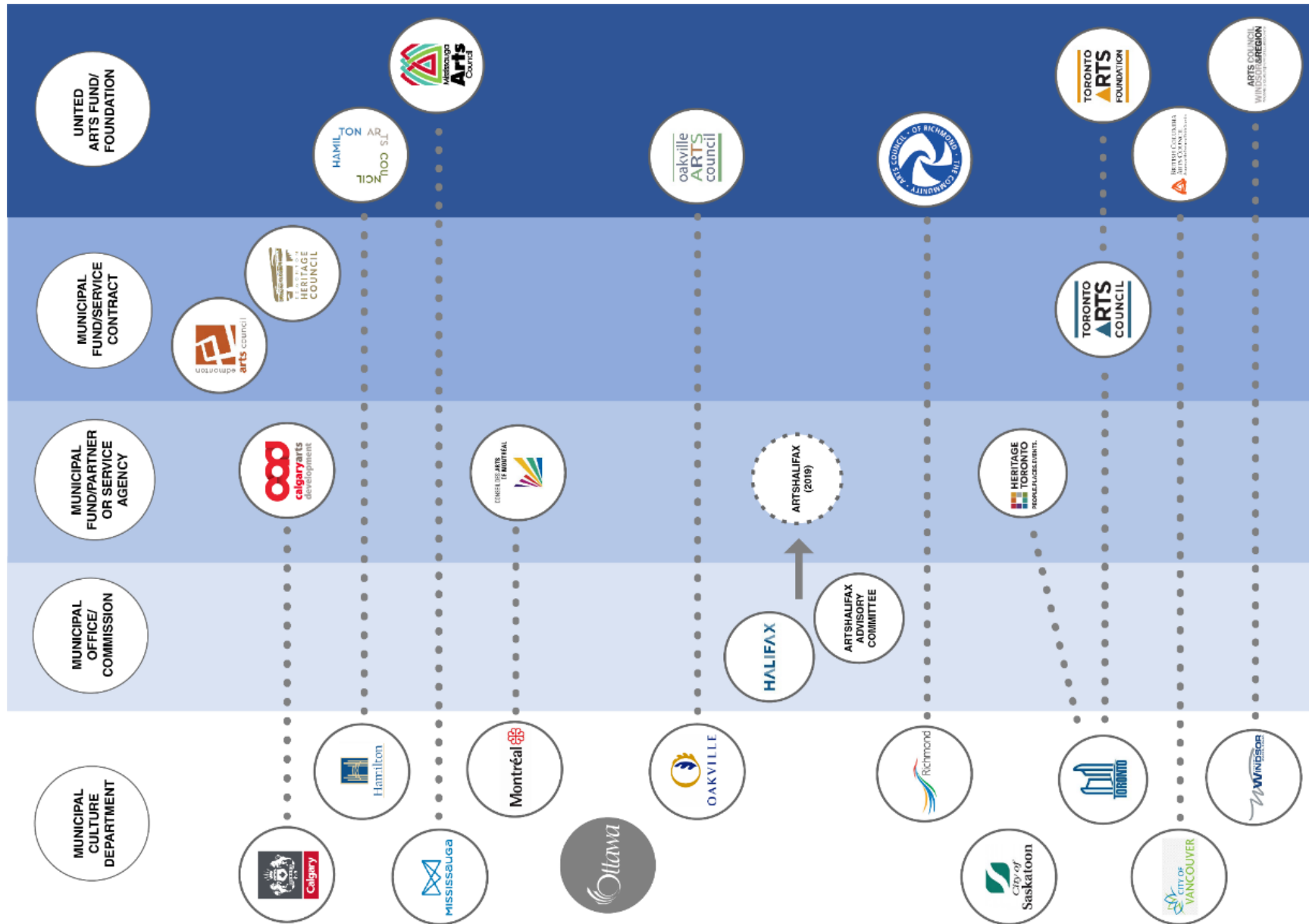
SUMMARY

We have noted that the *Renewed Action Plan 2013-2018* directed that some degree of community leadership in cultural sector development be explored, which is of course the genesis of this study. By way of fulfilling that direction, this chapter has provided a description of a number of alternative arm's length sector development models and has compared their range of functions with the situation in Ottawa.

In the next chapter we evaluate the particular needs of the Ottawa situation prior to evaluating the potential models for applicability to the Ottawa situation based on a key stakeholder and community consultation process conducted in Ottawa in 2018. The forthcoming analysis takes the existing state of culture into account, assesses gaps in functions and service provision and examines the development needs identified through the consultation process.

4. NEEDS ASSESSMENT

Having now outlined both the dominant sector development model in use in Ottawa as well as a long list of potential alternative models in use in other cities, it is now necessary to examine the strengths and gaps in the current Ottawa system, as well as key needs emerging from the analysis, from the perspective of those working in the arts, culture and heritage community in Ottawa. This chapter outlines the key issues arising from the environmental scan and the Visioning Workshop with the Steering Committee and Advisory Group, as well as the supporting consultation process (the key informant interviews, the cultural community information sessions, the targeted stakeholder workshops and the online survey).

RENEWED ACTION PLAN FOR ARTS, HERITAGE AND CULTURE (2013-2018) IMPLEMENTATION

Generally speaking, those consulted believe that the *Renewed Action Plan for Arts, Heritage and Culture (2013-2018)* is a solid plan. But implementation has been spotty and has not met community expectations. Many items are marked as either "underway" or "not achieved". There is frustration that the time, thought and money that went into the creation of what is believed to be an excellent plan has not borne fruit in terms of outcomes and results.

Visioning Workshop

As noted earlier, this study is actually an outcome of the *Renewed Action Plan* which directed that such a study explore ways and means of increasing cultural community involvement and leadership in cultural sector development. As a first step in obtaining community perspective on what that might actually mean, the consultants held a visioning workshop with members of the Working Group, Steering Committee and Advisory Group for this project on Feb. 22, 2018.

Participants were asked to map the state of the current development model in Ottawa vis-à-vis where they believed the model should go in the future. The yellow dots indicate the current position, where green dots indicate the future preferred position.
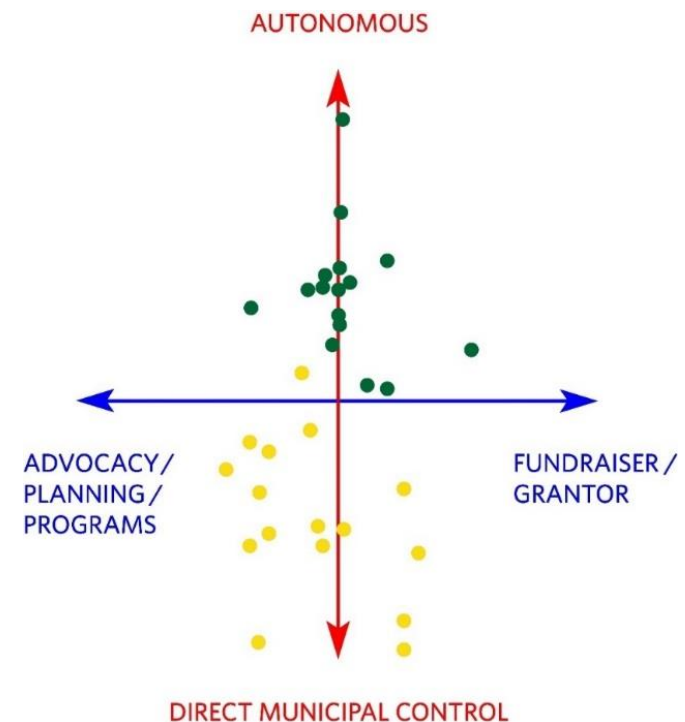
Workshop participants noted that the current situation favoured direct municipal control on one axis, with some believing the balance between advocacy/planning/programming and fundraiser/grantor to be on one side or the other, likely depending on their particular organization's point of view.

Going forward, a greater degree of autonomy from the municipality was desired on the one hand, with an even balance between advocacy/planning/programming and fundraiser/granting functions on the other. While perceptions regarding the current situation varied somewhat, a significant degree of consistency regarding the preferred future direction is apparent.

With regard to characteristics of a successful sector development model, the following main themes emerged:

- Be visionary, bold and strategy-driven

- Practice informed, rapid and pro-active decision-making

- Be collaborative (both within the sector, and with municipal and private-sector partners) and attentive to the needs of the entire arts, culture and heritage community

- Be inclusive and diverse

- Be an organization that "gets" the community and can keep pace with rapid changes

- Be transparent and accountable.

COMMUNITY AND STAKEHOLDER CONSULTATIONS

The research and analysis phases of the feasibility study process included a total of three rounds of consultations that took place between April and September 2018. As illustrated below, the result of these different consultation activities was the identification of the strengths, gaps and opportunities from the existing sector support model as well as the needs and priorities of the sector.
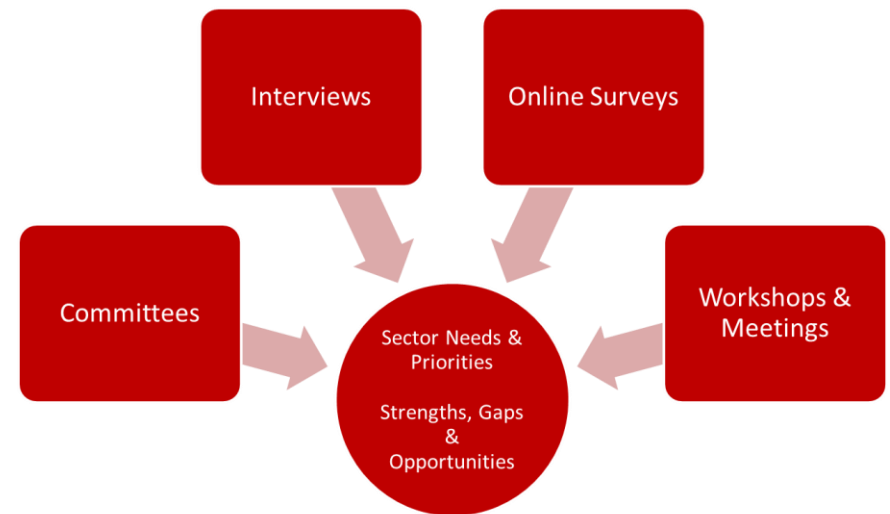
The overall stakeholder and community consultation process undertaken throughout the study included the following activities:

- An online needs assessment survey. A total of 266 completed responses were submitted through the survey. A number of partial responses were also submitted and were included in the analysis where relevant. Most respondents indicated they most identified as being from the visual arts discipline (42%). Over one quarter identified as being from the performing arts discipline (26%) and another quarter indicated they were from the festivals, fairs and events discipline (23%). Detailed responses can be found in Appendix A.

- Three (3) needs assessment workshops and four (4) short-list discussion workshops. For the most part the workshops were used to engage the Indigenous community and the Francophone community in order to ensure that the process took into consideration the particular needs and challenges faced by those communities. Other workshops had a more a more general focus, with an effort made to ensure representation across

diversity and inclusion categories (gender, cultural diversity, youth, etc.) and across the different sector disciplines.

- Three (3) community feedback sessions, including a needs assessment session and two results and analysis sessions. These sessions were open events and widely promoted through the OCA and City of Ottawa mailing lists, on the OCA website and via social media.

- Over twenty (20) interview sessions with more than forty (40) people from across multiple disciplines and organizations, and City departments and agencies.

- Four (4) workshops with the Advisory and Steering Committees supported by additional review and input on written materials.

The following sections provide a summary of the highlights and key findings from the above-listed consultation activities.

Additional meetings (4) were held with core City culture staff at certain intervals in order to better understand how cultural development activities in the city are currently organized and delivered. Further study progress meetings were also made.

Summary of Key Needs and Priorities

A primary objective of the survey, workshops and community feedback sessions was to identify sector needs and priorities first, and then discuss the existing and short-listed support models in the context of those needs and priorities. Although the arts, culture festival and heritage sector in Ottawa is broad and varied, there are a number of common needs that have emerged over the course of this research, consultation and assessment process, which are outlined below.

- **Access to diverse, transparent and sustainable funding.** Access to funding was a number one issue for many participants at the needs assessment workshops and community feedback sessions. It was also the most frequently selected challenge by survey respondents when asked about the challenges that they or their

organization face. Indeed, 62% of respondents cited access to sustainable funding/financing as the most significant challenge. Fundraising was also identified as the highest priority for the sector with 88% of respondents indicating it was a top priority for their success or that of their organization.

We have noted earlier that there are funding opportunities available from multiple levels of government. Overall the two key perceived gaps or weaknesses that stakeholders identified regarding the current funding model were:

- There is the general perception that **funding eligibility criteria** are limited in that they limit or inhibit access to funding for individual artists and practitioners, emerging organizations or initiatives, as well as informal groups and collectives that lack the formal structures required to access existing funding programs. While municipal funding criteria does indeed allow for applications from collectives and individual artists, it may be a lack of knowledge of procedure that has led to this perception.

- **Annual funding cycles** (as opposed to multi-year operational funding) increases the administrative burden of applicants (applications must be re-submitted every year) and inhibits longer-term planning due to a lack of financial security over the longer term. This is an issue with municipal and other government funding programs.

Stakeholders indicated that potential opportunities to improve the current funding model included **harnessing private funding to create alternative funding programs**, such as micro-grants, that could offer support to underserved groups such as independent artists and practitioners, informal groups, collective and initiatives, and emerging organizations or initiatives that need seed funding.

Participants also felt that there was an opportunity to provide the sector with more support to help them better tap into local sources of private funding (e.g. large private donors and corporate donors located in Ottawa), whether through capacity

building and professional development or through an organization that could harness private funding on behalf of the sector.

Fundraising was the support function that received the lowest satisfaction score by survey respondents in terms of the current state of sector support and development in Ottawa. Survey respondents gave fundraising on behalf of the sector an average score of 2.6 out of 5. Moreover, more than half (55%) of survey respondents identified fundraising as a top priority function. These results corroborate the feedback received during other consultation activities that **there are opportunities to improve the sector's ability to harness private-sector funding through the local sector development model**.

- **Reaching and attracting audiences.** The theme of marketing and promotion came up repeatedly during consultations. In fact, discoverability, promotion and audience development was one of the most selected challenges faced by respondents (39% of respondents indicated that it was a top challenge faced by themselves or their organization). In addition, 81% of survey respondents identified marketing and audience development as a top priority critical to their success.

An underlying theme regarding audience development is the sense that the local arts, culture and heritage sector in Ottawa struggles to raise its profile. Many felt that awareness was a big challenge, both in term of promoting the local activity to local residents in both Ottawa and Gatineau and in terms of promoting local activity to tourists. Several individuals made reference to the "sleepy Ottawa" trope and how the sector struggles to break through this conception about life in Ottawa, including among local residents. Stakeholders expressed the need to raise the profile of the wealth of vibrant local cultural activity that takes place in the city. In particular, participants expressed a concern that much of the audience development efforts were outward-facing (i.e. focused on tourism), and consequently benefitted the national-level institutions more than the local ones. **There is a need to both promote local grassroots activity as part of**

Ottawa destination marketing messages and to raise the profile of local activity among local audiences, on which the sector relies more heavily.

Other points regarding the challenge of audience development included attracting and engaging youth audiences and the need to attract new audiences that are not already affiliated or involved in local-level sector activity in some capacity.

- Feedback received during the consultations also pointed to a need for stronger **sector leadership and advocacy**, including sector-level advocacy. In addition, survey respondents identified sector leadership and advocacy as the third most critical support function for the success of individuals and organizations in the sector. Over two-thirds of respondents (65%) selected that function as a top priority for them or their organization.

More specifically, stakeholders noted the lack of an overarching driver for sector development (as noted, one of the major drivers for this study identified by the Renewed Action Plan). Participants did acknowledge and underline that there are many discipline-specific organizations that provide important support and services, play a key strategic and leadership role, and provide important advocacy on behalf of their members**. However, the discussion also revealed concerns about how the siloed nature of these efforts and the need for strategic leadership and advocacy at the overarching sector level.**

As discussed above, one of the main pieces of evidence that was used to illustrate this need was the slow implementation of the Renewed Action Plan, which was under the strategic direction of City's Arts and Heritage Development Unit. Many felt that there was a need for stronger sector leadership and that the current model, particularly following the restructuring and reorganization of the Recreation, Cultural and Facilities Services Department, posed challenges for the City to provide the level of leadership required.

Advocacy for the sector as a whole was also identified as a need – and by this we mean the entire sector, not just that part of the sector that is represented by existing arts, culture and heritage organizations. There is a particular need for advocacy on behalf of individuals, new organizations, or weaker ones, particularly with regard to the City of Ottawa and other potential supporters so that all have access to funding sources or at least are in a position to compete for available funding on as equal a playing field as possible.

- **Professional development and capacity building** services were cited repeatedly as gaps in the current support ecosystem, including in the survey where organizational capacity was selected by 43% of respondents as a top challenge. Attraction and retention of talent of administrative talent at all levels of experience and seniority was described as a major part of the organizational capacity challenges being faced by culture sector organizations in Ottawa. Organizations are unable to afford competitive compensation packages and often struggle to attract or retain skilled administrative talent, particularly in the face of competition from the large public-sector labour market. Arts, culture and heritage organizations are hard-pressed to compete with the salaries and benefits offered in other active industries in the city. But artists and practitioners who are transitioning into administrative roles may have skills gaps that can ultimately impact organizational capacity.

Professional development was also considered to be a particularly significant issue for individual artists and practitioners who felt that they needed more opportunities for knowledge sharing and professional and career development support (e.g. grant application skills, marketing and promotion, etc.). There is also an active (yet less visible) group of independent arts and creative producers who do not belong to one or another of the major arts, culture or heritage organizations in the Ottawa area. These individuals tend to be younger and are often at a disadvantage when it comes to space, advocacy and information resources – for example, knowing how

local grant funding cycles work or navigating the granting bureaucracy. The City of Ottawa is actively working with these producers to assist them with these and other issues, however stakeholders indicated that there is still a need for more support for these individuals.

- **Support Infrastructure**: Participants in the consultations identified gaps in this area as well. Indigenous stakeholders, for example, noted that there is almost no support infrastructure in place to specifically support indigenous artists or cultural organizations or support community initiatives. Apart from this very particular need, generally speaking there is a need or desire for two types of infrastructure support that are related to and could help address some the gaps in professional development and capacity building:

  - **Facilitating more proactive knowledge sharing and networking** across and within the different disciplines through mentorship programs, symposia, online platforms, etc. This would contribute to solving some of the skills and capacity gaps in the sector.

  - **Investing in culture sector hubs** that would provide **access to affordable, and properly-equipped spaces** suitable for use as studio or rehearsal space as well as exhibition and performances. More hubs would also support knowledge sharing and cross-pollination, and could include professional development and capacity building programs (e.g. shared services, mentorship, training).

Access to affordable and accessible working spaces is often a problem for the arts, culture and heritage communities. Indeed, access to space was the fourth most frequently selected challenge by survey respondents (38% selected it as a top challenge). Ottawa benefits from facilities such as the Shenkman Arts Centre or the Ottawa Arts Court (to name just two), but feedback to our process indicates a lack of affordable and accessible space, particularly working spaces for artists. This problem is magnified for independent, disabled or Indigenous

artists. There is no arts developer in Ottawa (such as Artscape in Toronto) and space provision to date has been mostly managed by the individual organizations and the City of Ottawa. In addition, stakeholders during workshops and interviews expressed that rapid development has eliminated the possibility of the community developing affordable spaces at a grass roots level in old industrial areas in the city and while there are spaces available in the national institutions and at some of the new or redeveloped marquee venues (e.g. La Nouvelle Scène, Shenkman, Arts Court, etc.) these spaces are often cost prohibitive.

- **Communication and Consultation**: The need for enhanced communication amongst sector participants, as well as consultation and involvement in discussions around sector strategy and planning, were a theme in some of the discussions. The theme came out particularly strongly in consultations with the Indigenous and Francophone communities; while other feedback from these groups largely aligned with feedback from other groups, these were particularly strong in identifying the need to break down barriers between linguistic and cultural groups in the city. For example, Francophones noted that they are often unaware of what is happening more broadly in the sector in Ottawa outside of the Francophone community. From an Indigenous point of view, whatever model is adopted for cultural sector development in Ottawa, **the indigenous community members who were consulted expressed that first and foremost the Indigenous community needs to be an integral part of the ongoing governance of sector development and support in Ottawa.** As well, Francophone stakeholders pointed to linguistic siloization as a key issue, and noted that anglophone and francophone cultural groups rarely coordinate or collaborate.

PERSPECTIVES ON FUTURE DIRECTIONS

State of the Existing Support Model

There was a great deal of variation in opinion among stakeholders regarding the state of the current sector support model. Most stakeholders agreed that there is room for improvement and that certain gaps exist in the current model that should be addressed. The general indication is that there are likely some things that are working well in the current model while other things are not and that there may be some gaps in the delivery of priority functions under the current model. Indeed, going back to the survey, respondents indicated that they were neither dissatisfied nor particularly satisfied with the existing sector support model in Ottawa. The average satisfaction score across all respondents was 2.89 (on a five-point scale from very dissatisfied to very satisfied). When examined by sector discipline there was very little variation with overall satisfaction.

When the survey analysis was broken down by support function, there was only slight variation in the average satisfaction, although respondents were most satisfied with facilities management, rating it slightly higher than "Neutral". On the other hand, respondents were least satisfied with marketing and audience development, rating it between "Dissatisfied" and "Neutral". In addition, respondents who identified themselves as Freelance cultural professionals had a higher tendency to give a low satisfaction score regarding the fundraising and professional development support functions under the current model.

The general consensus appears to be that some aspects of the existing model are working very well and should be retained, although there are some areas where the support model does not quite meet the needs of the community in a number of ways.

While stakeholders seemed to agree that there is room for improvement, they were more divided on whether that indicated a need for a major overhaul and the adoption of an alternative sector support model. Some stakeholders hold a strong view that sector support should become fully

decentralized, independent and sector-led (with financial support from the City of Ottawa). However, a larger portion of stakeholders who participated in the consultations seemed to express a sense that a new model should build from and amplify the existing model.

Of all groups consulted, Francophone stakeholders appeared to feel most strongly that the existing support model should be maintained, although they did acknowledge that some improvements were possible and necessary with regard to communication, inclusion in overall sector planning and ensuring equity in funding.

Overall, the various consultations appear to indicate that the culture sector community in Ottawa is hesitant to support a major change in the sector development model, despite agreement that some things could work better than they currently do. **The community continues to perceive risks in any change and in particular there is a perception that the City of Ottawa works hard to distribute funds in an unbiased way and makes an effort to maintain strong relationships with the sector.**

Perceived Risks and Concerns

Over the course of the various consultations with the culture sector, a number of perceived risks and concerns were raised regarding a major change in the sector development model in Ottawa. These are discussed below:

- **Equity**: The community had concerns about whether a new model would require the creation of a new entity or whether an existing entity would take on that role. In the case of an existing entity there were concerns about ensuring that the entity is governed properly and would serve the needs and interests of the entire sector equitably. In the case of a new entity there were concerns about duplication and adding yet another player to the ecosystem in Ottawa. Francophones in particular noted the risk of duplicating efforts by adding another organization or body to the mix of organizations in the sector ecosystem, and worried about the

continuation of full French-language services under another model.

- **Efficiency:** The community also expressed concerns that moving sector support functions to an arm's length entity could result in a drain of resources from the community to the operations of that entity, especially if City needs to maintain some staff to manage the relationship with that arm's length body. The perceived risk stems from a concern that the operations of that entity might take more resources, time and effort than anticipated (whether because an existing entity will need to drastically increase its operations or because launching a completely new entity will be extremely complex). The community perceives a risk that implementing a new model could detract focus from addressing the issues and implementing solutions for the sector itself.

- **Connection to Council:** Another concern with moving key sector support functions outside of the City was that over time it could result in distancing the sector and its support from politicians' focus, meaning that the sector could lose the hard-won engagement, support and advocacy of local politicians they have built.

- **Financial Insecurity:** Several stakeholders also expressed trepidation with developing a model that would include an entity engaged in fundraising on behalf of the sector. Several stakeholders felt that there is already a great deal of competition for private sector funds (whether major donors or corporate sponsors) from the National institutions and other non-profit organizations located in Ottawa. And local organizations in the sector already struggle to compete for private dollars. There is a concern that an entity fundraising on behalf of the sector may cannibalize the fundraising efforts of individual organizations (which they rely on), without adequately compensating for that potential loss through the redistribution of any funds raised.

- **Accountability and Transparency:** Some stakeholders expressed concerns that having sector support more arm's length and independent could remove some of the accountability and transparency, especially around funding, and might create a risk of bias. It was perceived that the current centralized model provides a more neutral ground as a result of being controlled entirely by the municipality.

In particular, stakeholders were concerned about protecting the equitable distribution of funding and maintaining a funding distribution process that ensures equitable, fair and unbiased distribution of funding (e.g. through a juried system). In fact, when survey respondents were asked how centralized (municipally driven) or autonomous (sector-led) they thought culture sector support should be, respondents largely leaned towards a support model that was roughly in the middle between full autonomy and fully centralized. The average autonomy score was 40 (where 0 = full autonomy and 100 = direct municipal control). These results corroborate the findings from other consultations that indicate that the community desires a model that maintain a certain amount of direct municipal control.

- **Need for Further Study and Planning**: Finally, the community expressed some apprehension around making a decision on a new sector development model without fully understanding how that model would look, what the governance approach would be, or what the funding process and approach would be. Stakeholders also felt uncertain about whether alternative models would in fact result in better outcomes for the sector.

SUMMARY: PRIORITY FUNCTIONS

This concludes our analysis of the community's perception of strengths, gaps and needs for cultural sector development in Ottawa. In earlier sections of this report, we have defined the broad range of functions that can be undertaken across a variety of potential or alternative cultural sector development models. Based on the findings from the consultation process, six of these potential functions have emerged as priorities for the community, in no particular order:

Taken together, these functions respond to the common challenges, gaps, needs and priorities that were identified by the community. These priority functions are used as the basis for identifying the short list of models for further investigation and analysis in the next chapter of this report.

# 5. DETAILED ANALYSIS OF SHORT LIST MODELS

SHORT LISTING OF MODELS

Evaluation Overview

The research phase of this study sought to answer the question "what is cultural sector development?" and by doing so, identify a long list of potential models or approaches for developing the cultural sector. Part of this research was also to create an overarching typology for each of the models, around governance, independence from government and the different activities, functions and services it might provide.

A key outcome of this study is to recommend the most beneficial course of action for increasing sector leadership, governance, service and support to help further develop and grow the Ottawa cultural sector; whether that be enhancing the current model, shifting to a radically new model, or something in between. However, not all models on the long list are immediately applicable to the current situation in Ottawa.

In order to focus additional research and ensure efficient use of time, a set of criteria for evaluating and reducing the long list to a short list of models was established.

FIGURE 3 – REDUCING THE LONG LIST TO A SHORT LIST

45
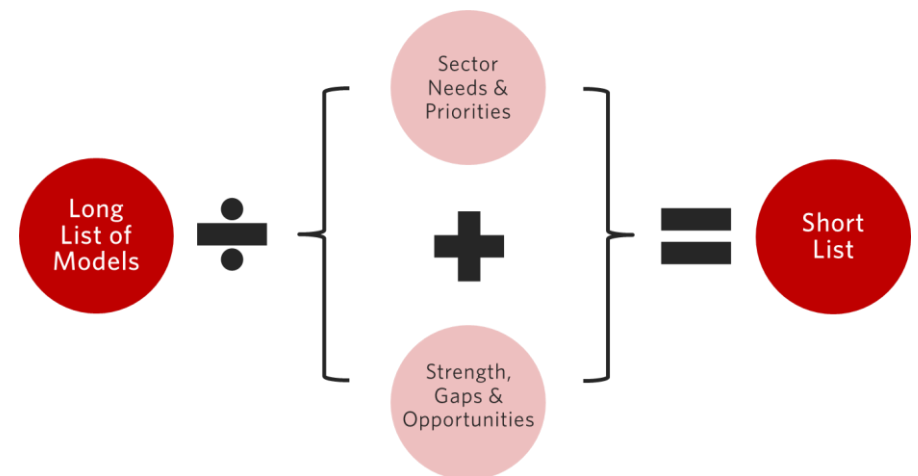
Top Line Priorities

Through considerable consultation the consultant team identified sector needs and priorities. Together these formed a common set of top line priorities which were used as a filter, as well as the strengths, gaps and opportunities. Those models in the long list that did not meet the following top line priorities or that were too narrow in focus (i.e. only focused on one particular area such as space provision, or discipline) were removed from further consideration:

- Professional development and organizational capacity building
- Leadership/ advocacy/ advisory
- Strategic visioning and cultural planning
- Networking/ amplification
- Marketing and promotion of the sector
- Funding distribution and fundraising on behalf of the sector (as opposed to fundraising for operation of the model)

Short List Models

Application of the top line priorities to the long list of cultural sector development models identified resulted in the following short list:

- Municipal Office/ Commission
- Municipal Fund/ Partner or Service Agency
- Municipal Fund/ Service Contract
- Membership Alliance/ Network

MODELS IN PRACTICE

In order to better evaluate the short-list of models, understand the differences between them, and the pros and cons of each model, the consultant team undertook a detailed comparables analysis. One comparable was chosen as a best practice example for each model.

Exact like-for-like comparability is not always possible. These comparables were identified as being a good match for the definition of the short-listed model, a leader in broad cultural sector development practice, and, where possible, operating at a scale and in a sector/city similar in size to Ottawa. The comparables examined include:

- Seattle Arts and Culture Office and Seattle Arts Commission (SAC)
- Toronto Arts Council (TAC), Toronto Arts Foundation (TAF) and Heritage Toronto
- Edmonton Arts Council (EAC) and Edmonton Heritage Council (EHC)
- Greater Philadelphia Cultural Alliance (GPCA).

The following diagram illustrates how they connect to the short list of models:

FIGURE 4 – SHORT LIST OF MODELS
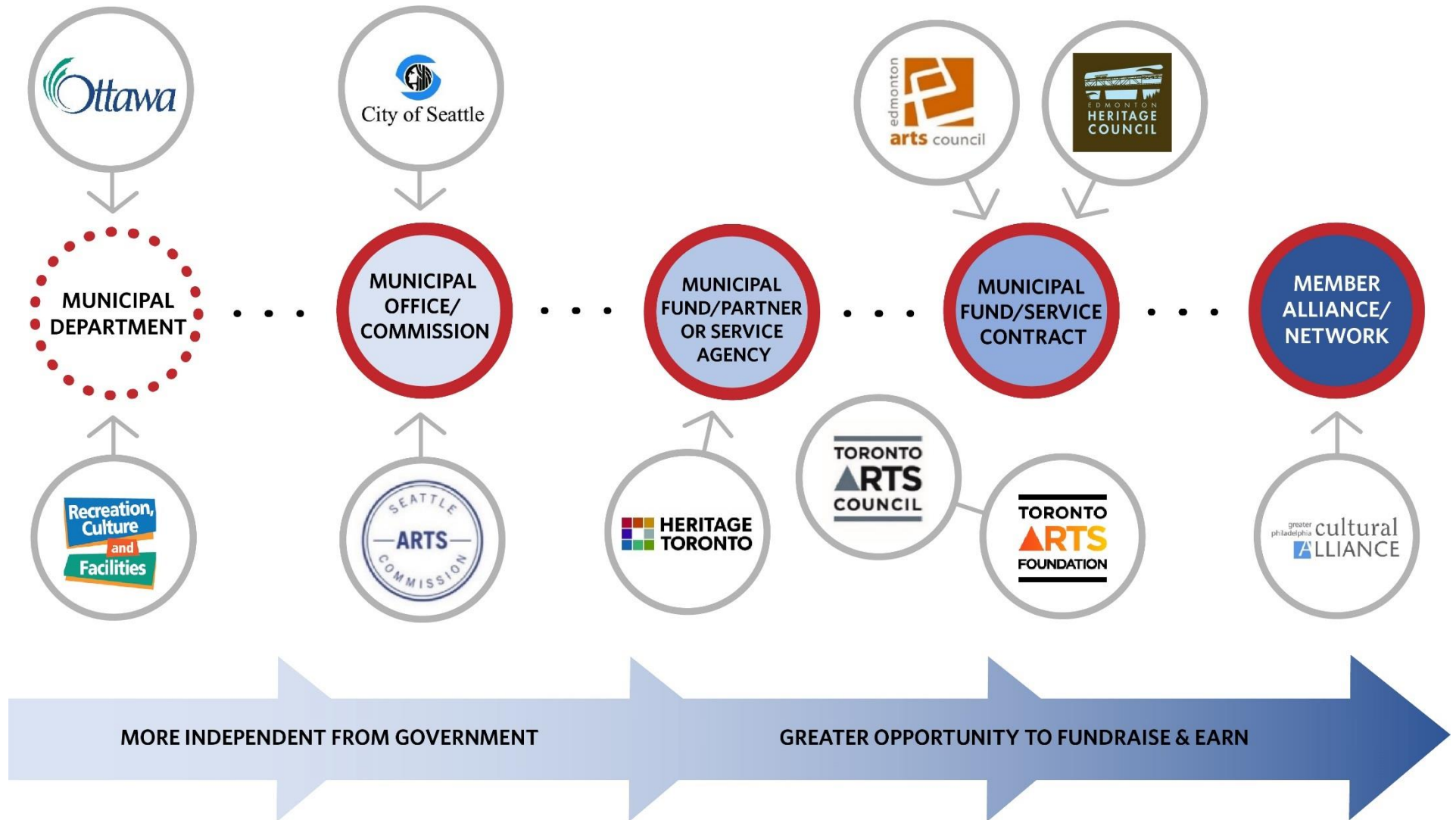
Using these real-life examples, we have been able to gain a deeper understanding of the origins and evolution of each model, how each model works in practice, the cost to operate such a model, and the benefits they provide.

Additionally, given the complexity of each model, and in order to directly address the needs of the Ottawa cultural sector, the consultant team has chosen to focus specifically on comparing the models across the six top line priority areas that emerged during the consultation process.

Focus on Ottawa's Arts and Heritage Development Unit

We have also been able to contrast this against the existing Ottawa model. To do this, we have focused specifically on the Arts and Heritage Development Unit (AHDU) rather than on the entire culture division. This is because early consideration of the definition of "cultural sector development" and the long list revealed that facilities management and public programs were not core functions of the majority of cultural sector development models. As this drastically skews staffing and operations costs, consideration of the other two division units - the Cultural and Heritage Programs and Spaces Branch (CHPSB); and the Arts Court Unit were removed from our comparison.

Addition of Calgary Arts Development Authority

Through the course of our investigations it became clear that neither the Heritage Toronto example, nor the Toronto Arts Council and Toronto Arts Foundation example were able to demonstrate the Municipal Fund/Partner or Service Agency model as clearly as was hoped. Therefore, additional research into **Calgary Arts Development Authority (CADA)** was undertaken to supplement our knowledge, particularly from a financial operations perspective.

History and Evolution

Origins and Foundation

- Most of these models began in some form during the mid-20th century. Later models, like the Toronto Arts Foundation, Edmonton Arts Council, and Calgary Arts Development Authority were implemented in the 1990s.

- Mayors and other champions have played an important role in helping each city recognize the value of culture and creating the political will needed to establish the infrastructure necessary to support grow and develop culture city-wide.

- While many of these models were formally created by their respective city governments, the cultural sector has played an important and crucial part of the instigation, planning and implementation process through advocacy and by providing expert advice as members of a task force.

- Edmonton Arts Council was first proposed and advocated for by the Edmonton Professional Arts Council (now the Professional Arts Coalition Edmonton) in response to a decline in cultural support at the city level and a dilution of decision-making about grant funding. Now in its 21st year of operation, it took approximately 6 years to establish, from first proposal to full incorporation and operation:
  - Idea and Advocacy – 1991-1992
  - Task Force Planning – 1993-1995
  - Pilot Operations – 1996
  - Incorporation – 1997
  - Operational agreement renewed every 3 years

- Calgary Arts Development Authority was established after a 2-year review of the Civic Arts Policy, which called for all municipal arts funding to be allocated through a "single arm's-length arts authority" for improved efficiency. An agency of the city, CADA represents a merger of the Calgary Regional Arts Foundation and the Calgary Allied Arts Foundation which had previously distributed funds on behalf of the city. It is currently in its 14th year of operation and represents the city's first official, professionally-run lobby group for the arts.

- The Greater Philadelphia Cultural Alliance differs from the other models. It began as a partnership of 9 leading city cultural institutions planning the 1976 Bicentennial celebrations. The successful collaboration led to formalization and incorporation as a charitable membership organization.

Evolution and Change

- Early examples have gone through several changes over the years, often starting as a citizen advisory committee or small-scale operation, and then evolving into a more formalized model. These models of pre-date even a dedicated civic department/unit for culture. For example:

  - Seattle established a Municipal Arts Commission in 1955 as a citizen advisory board to the Mayor. In 1976, the Mayor creating a new city department by elevating culture to equal standing with other divisions. The volunteer committee was maintained as the SAC to support and direct new municipal staff.

  - Toronto Arts Council began its life as the Toronto Cultural Advisory Corporation in 1974, a civic agency serving the old Toronto City Council with 2 FTE staff. In 1994, the group lobbied for and signed an arms-length grant agreement with the city to "ensure that funding decisions are made by peers, not politicians." After amalgamation of Toronto's six

municipalities, TAC became the official municipal granting body for the city.

- Those models founded in the last 30 years remain relatively unchanged in governance structure and business model, although strategic direction, priorities and programs have evolved in response to sector and organizational needs.

Governance and Autonomy

Relationship to Government and Mandate

- Like Ottawa's municipal department model, the Seattle Office of Arts and Culture is also an official department of the city. These departments are governed by the municipal code and other planning documents and strategies. However, the Seattle Arts Commission provides stronger direction and guidance to the department than an advisory committee might do. The city has responsibility for appointing members of the commission and sets out the commission's roles and responsibilities.

- Heritage Toronto and Calgary Arts Development Authority were enacted by the city council through formal bylaws, codes and policies and can be considered examples of an agency model. The mandate of these models is set by the city. To change them would require a legislative change, meaning the current sitting city council would have to hear, debate and approve an official motion.

- Toronto Arts Council, Edmonton Arts Council and Edmonton Heritage Council, as well as the Toronto Arts Foundation and the Greater Philadelphia Cultural Alliance all adhere to mandates that were set independently of local government and form the basis of their articles of incorporation as not-for-profits or charities.

- However, the first three institutions (TAC, EAC and EHC) were developed in partnership with the city and currently provide services on behalf of their cities. These actions and activities are governed

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through one or many contractual agreements that are renewed on a regular basis. For the Toronto Arts Council, the main service contract is renewed every 5 years, where in Edmonton it is renewed every 3 years.

- From our research, autonomy from government (i.e. independence for each organization from political involvement in decision-making) is directly linked to a number of key areas:

  - Who was responsible for/involved in establishing the organization;

  - Who set the mandate that officially governs the activities of organization;

  - The type of governance structure that was adopted; and

  - Any ongoing relationships, partnerships and contractual agreements that may be in place.

Accountability

- Like Ottawa's municipal department model, the Seattle Office of Arts and Culture/SAC, Heritage Toronto and CADA are directly accountable to their respective city councils, and therefore to the local taxpaying citizens.

- Toronto Arts Council, Edmonton Arts Council and Edmonton Heritage Council, as well as the Toronto Arts Foundation and Greater Philadelphia Cultural Alliance are all directly accountable to their board of directors and the constituency they choose to serve. In the case of the EAC, EHC and GPCA, this is specifically their paid membership who have voting rights on board elections.

- Because Toronto Arts Council, Edmonton Arts Council and Edmonton Heritage Council are all under contract to provide services on behalf of their respective cities (in some cases the only or main service provided), they are also accountable to city council. This is usually managed through a particular city department or

committee who has responsibility for negotiating such agreements. For example, TAC reports to the Economic Development and Parks Committee.

- All those who are registered non-profits and charities are also accountable to their respective federal revenue agencies.

Board Appointments and Representation

The following table summarizes the composition of the related advisory body and board of directors for each model. Tabulations for AHDU and Seattle reflect their advisory body.

MODEL	AHDU	SAC	TAC	TAF	HT	EAC	EHC	GPCA	CADA
Executive	-	1	4	4	2	4	4	4	2
Members	11	15	22	10	23	11	12	27	7
City Reps	1	-	4	-	4	2	3	4	1
Total	12	16	30	14	24	17	19	35	10

- As a government department, neither Ottawa nor Seattle have a board of directors governing their operations. Instead they both report directly to council and have an advisory body that acts as a resource for all city staff, providing input on issues pertaining to culture.

  - In Ottawa, this advisory body is the Arts, Culture, Heritage and Recreation Advisory Committee. The city also takes direction

from consultative groups, juries and strategic partners.

- In Seattle, this body is the Seattle Arts Commission.

- Membership is appointed by the Mayor and city council. Appointments and terms are is governed by certain policies and procedures.

- In some cases, a Member of Council is appointed to the committee in a liaison capacity

- As city agencies mandated by city council, the boards of both Heritage Toronto and Calgary Arts Development Authority are also appointed by the Mayor and city council.

  - Like the city advisory bodies above, appointments, qualifications, and terms, etc. of these boards are governed by certain policies.

  - To ensure representation/equity, Heritage Toronto arranges for the nomination of 1 member from and by the Indigenous community.

- For all other organizations, board representatives are elected by the general voting membership at an annual general meeting.

- However, Toronto Arts Council, Edmonton Arts Council and Edmonton Heritage Council all include a small proportion of city representation on their boards. This is due to provisions in the contractual service agreements with their respective city government and is commonly employed as a way of ensuring the city interests are considered and represented during decision-making.

- Ottawa is unique to most other cities in Canada and across North America in that it is a fully bilingual city, providing services in both official languages and ensuring equitable representation between English-speaking and Francophone communities.

Staffing & Operations

Staffing

The following table summarizes the total number of full-time equivalent staff (FTE) for each model relative to their annual operating budget (Canadian dollars). In Seattle, this includes the Office of Arts and Culture, as the SAC is voluntary and has only a small administrative budget.

MODEL	AHDU	SOAC	TAC	TAF	HT	EAC	EHC	GPCA	CADA
Total FTE	20	33	11	9	7	19	5	12	14
			7 shared						
Annual Budget (millions)	$13.5	$14	$20.4	$2.3	$0.8	$8.8	$1.3	$3.1	$10

- SOAC has the highest number of staff at 33, where Edmonton Heritage Council and Heritage Toronto have the least, with 5 and 7 respectively.

- AHDU has a comparable level of staff to the Edmonton Arts Council, and slightly higher than that of TAC, GPCA and CADA.

- As sister organizations, it is important to note that the Toronto Arts Council and the Toronto Arts Foundation share 7 staff positions. These include: Director, Deputy Director, Research Manager, Communications Manager, Stakeholder Relations Manager, Finance Officer, and Office Manager.

- Operating Revenue

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The following diagram (Figure 5) summarizes the total operating revenues generated by each model and outlines the key sources this income is generated from.

For agencies and municipal-led contractual models, a substantial proportion of their income comes from municipal funding i.e. it is generated almost entirely from the city through the tax base.

- The City of Seattle is the only model that has created separate tax measures in order to directly fund culture in the city. They do this by levying an admission tax of 5% on all ticketed events held in the city. This particularly focuses on large-scale, commercial events. Some exemptions apply to non-profits and smaller music venues. Of the revenue generated, 75% goes to the Seattle Arts Account, the other funds go towards parks.

- Many cities such as Toronto, Montreal, Ottawa, Edmonton and Calgary all have a Destination Marketing Fund (DMF). Essentially, a fee is voluntarily levied by hotels on their guests and is contributed to a collective fund used to enhance tourism marketing and community initiatives. These fees are not legislated by government. In Calgary, part of this fund was allocated by the Calgary Hoteliers Association to the Calgary Arts Development Authority to specifically fund their Remarkable Experience Accelerator (REA) Program. This program develops customized, multi-year investment strategies with arts organizations who present a compelling vision for remarkable experience. In 2018, the Municipal Accommodation Tax (MAT) replaced the voluntary DMF in Ottawa, and supports Ottawa Tourism's ongoing sales, marketing and destination development efforts.

FIGURE 5 – COMPARISON OF REVENUE SOURCES
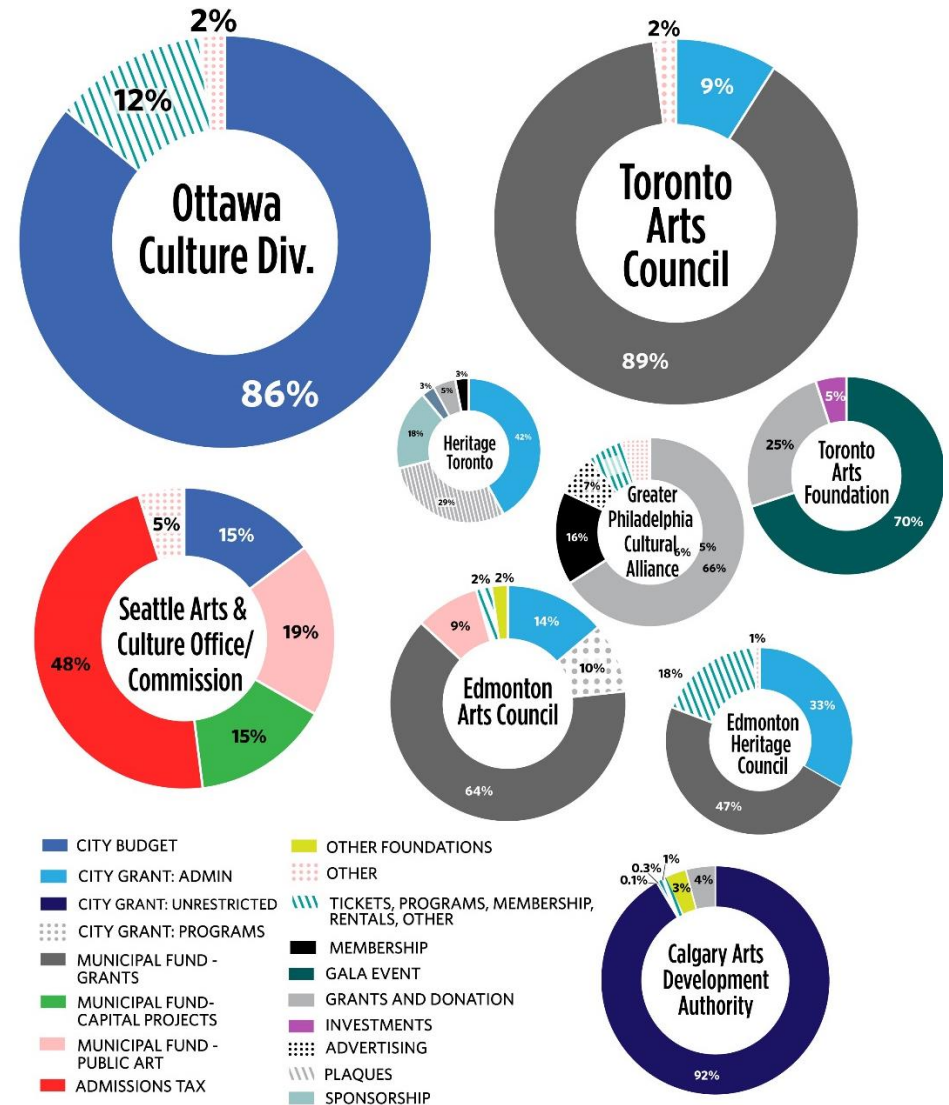
- Several of the models have contractual agreements with the city. These agreements come with allocated funds specifically intended to be distributed through grants and/or used to deliver programs. Often, the city provides additional funds for administration costs of grants.

Arms-length and independent models are able to supplement their municipal support by generating additional revenues from:

- Fundraising: gala events, sponsorship, private foundations and grants, and investments/ endowments

- Public or "Friends" Memberships – generates income and creates a base of supporters

- Organizational Memberships or Dues – most important for Membership Alliance/Network (16% of income for GPCA)

- Other earned income opportunities exist for all to help supplement income, but depend on the type of activities, scale, and assets available. Most models are able to earn income from programs, performances and tickets, and rental of space. Heritage Toronto is able to generate income from commemorative plaque sales. Greater Philadelphia Cultural Alliance generates earned income from advertising.

Operating Expenditure

The following diagram (Figure 6) summarizes the total operating expenditures for each model and outlines the key expenditures made.

The full Ottawa culture division budget includes the management and operation of several facilities. The financial impact of this on the budget is high. As many of the comparable models examined do not manage facilities, the Ottawa Arts and Heritage Development Unit budget has been separated from the full culture division budget to provide a greater level of like-for-like comparison (although, as noted elsewhere in this report, perfect comparability is not possible).

FIGURE 6 – COMPARISON OF EXPENDITURES
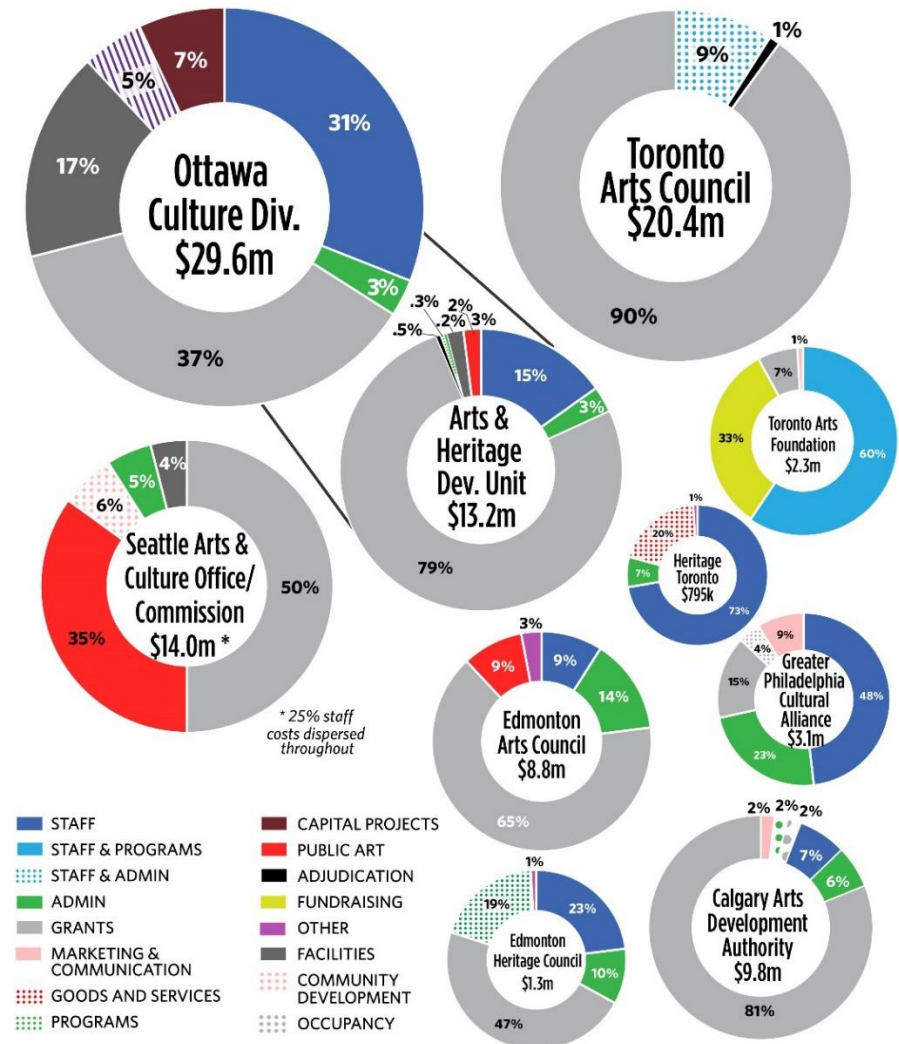
- Typically, staff costs are one of the highest cost areas. This also includes program delivery, as several institutions account for/report staff costs as part of overall program activity.

- As mentioned above, many of these models have contractual obligations to provide specific services. Therefore, much of their spending activities are restricted i.e. the city support they receive is often earmarked or ring-fenced for specific activities and expenditures and can only be spent as agreed.

- Those models which focus their activities heavily on grant-making transfer the majority of their operational budget to the cultural sector via grants.

- Many arms-length and independent models do not have responsibility for operating and managing facilities. This helps to reduce their overall budgetary obligations, as facility management is large financial burden, adding extra expense in terms of rent, occupancy, and additional staffing.

- Edmonton Arts Council is the only non-government model examined that has responsibility for managing the public art program.

Update: In November 2018, Calgary City Council debated and voted 10-5 against a motion that would have frozen the Calgary Arts Development Authority's annual funding from the municipality. Instead, they chose to increase the agency's budget to $11.4 million annually for the next 4 years. This money will be used to fund more artists, arts organizations and salary increases for CADA staff with a minimum of 75% will going directly into the hands of artists and arts organizations.

Funding Distribution

As funding distribution has been an important part of the discussion around the development of the cultural sector, the following section provides greater detail in the area of grant funding. The table below compares the number of programs delivered, the number of grants administered and the overall value of grants delivered to the sector.

Model	Grants Per Capita	Total Value of Grants 2017	No. Grant Programs	No. Grants Made
AHDU	$10.19	$9,974,244	18	-
EAC	$10.04	$9,366,376	12	434
TAC	$6.68	$18,257,934	31	966
CADA	$5.60	$6,937,477	12	545
SOAC	$4.83	$3,500,000	8	375
EHC	$0.64	$600,000	6	48
GPCA	$0.08	$123,400	2	71
TAF	$0.07	$202,000	3	8
HT	$0.00	$0	0	0

- AHDU makes a comparable level of culture grants to the sector as Edmonton Arts Council.

- While Toronto Arts Council has the largest grant budget of all models examined and the largest number of grant programs, it also serves the largest population of all models.

  - It is also important to note that, while TAC is responsible for distributing a large municipal fund, it is also supported by the city's Economic Development and Culture Department (EDC). EDC also makes grants to "major" cultural organizations, specialized collections museums, local arts service organizations, and Indigenous arts and culture organizations, as well as to the wider sector in the form of capital and partnership grants. This amounts to about $12 million on top of the TAC grant budget. Combined with TAC, this amounts to approximately $11.06 per capita.

  - The City of Edmonton does not appear to make grants to the sector in addition to the EAC or EHC.

- The majority of models that make grants to the sector employ a peer-reviewed, juried processes in order to ensure equity, accountability and transparency.

- Heritage Toronto is the only model without a grant-making program. The Greater Philadelphia Cultural Alliance focuses predominantly on advocacy work for the sector, but still administers a small grant program.

PERFORMANCE OF MODELS ACROSS TOP LINE DEVELOPMENT PRIORITY AREAS

Investigations sought to further understand what specific services or activities each model was delivering in order to fulfill its sector development role. To focus research, this section examines each comparable model across the top line development priority areas identified from our consultations. It provides an overall summary how development services are provided generally in these areas and gauges the level of intensity/activity at which each individual short list model provides these services.

It is important to note that some models, like the current municipal department model (AHDU), may provide some of these services indirectly through service level agreements (i.e. by third parties).

Top Line Priorities Defined

Using a number of examples, the following table summarizes how the top line priority develop services could be and are being provided by some of the short list models examined

Top Line Priority	Activities/Services Examples
Professional Development and Organizational Capacity Building	• Job board, open call notices, residencies, career days • Board recruitment and training • Diversity, equity and inclusion initiatives • Information sessions, workshops, "how to" publications • Grants for training, administration and travel • Youth programs and professional arts management education • Accelerator programs • Volunteer pools and programs • Subsidized staff positions
Leadership/ advocacy/ advisory	• Issues call to action on key topics • Database of supporters • Mobilization for rallies • Advocacy alerts and hotline • Speaking before council and peers • "Case for culture" materials • Circulation of petitions • Key messages, templates, tools for lobbying politicians
Strategic visioning and cultural planning	• Leadership of sector-wide cultural planning process • Responsibility for culture plan implementation • "Status of" or "Sector Health Check" reports • Targeted strategic initiatives
Networking/ amplification	• Social events which encourage connections between peers, businesses, community, etc. • Public directory of organizations and artists • Mapping, "connector" and "finder" tools • Convenings on key issues – summits, symposia, campaigns, etc. • "Friends of" and professional membership programs • Partnership development and instigation • Newsletters, e-blasts, etc.

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Marketing and promotion of the sector	• Branding and identity • Social media, websites and blogs • Centralized event calendars • Print materials, posters, brochures • Swag • Press kits • Organize sector-wide promotion events (e.g. Culture Days and Doors Open) • Ambassador program • Conference and convention booths
Fund distribution	• Administering grant funds on behalf of the city and other public sector organizations and private foundations • Grant programs • Awards, prizes and recognition • Scholarships, fellowships and residencies • Loans and investments
Fundraising on behalf of the sector (as opposed to fundraising for operation of the model)	• Cultivating the spirit of giving with individual donors and philanthropists • Soliciting donations and corporate sponsorship • Hosting fundraising events • Crowd-sourcing campaigns • Investment and endowment management • Taxes and levies • Angel investors

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Notable Initiatives

The following highlights select initiatives that were identified from the detailed research and are noted here for interest and inspiration.

- **Turning Commitment into Action** (Seattle Office of Arts and Culture/Seattle Arts Commission) - Programs centring on racial equity and social justice have been in place since 2004. Turning Commitment into Action is a free racial equity learning program designed to give organizations of various disciplines and sizes as set of tools that can be used to turn their commitments to racial equity - both internally and externally - into real and actionable institutional and structural change.

- **Neighbourhood Arts Network** (Toronto Arts Foundation) – Launched in 2011, the network now has over 1,900 individual and organizational members who embrace arts for social change and community building through the arts. Free to join, members are expected to take an active, participatory role from attending Networking sessions, contributing to the blog, completing surveys, or taking part in a committee. In return, members receive a range of benefits including promotion, professional development and eligibility to apply for seed funding.

- **#SaveTheArts Toolkit** (Greater Philadelphia Cultural Alliance) – Developed in response to the announcement by the Trump administration to eliminate federal funding for arts and culture, the #SaveTheArts Toolkit includes everything an individual or organization would need to advocate against this decision. This includes, background information on the issue, action steps to take, links to relevant news coverage, a list of government officials and representatives to contact, draft social media posts and letters, downloadable branded campaign graphics, draft letters and draft phone scripts. Other advocacy tools include Advocacy Alerts, Legislator Lookup and documents outlining the value and impact of arts and culture.

- **TIX on the Square** (Edmonton Arts Council) – TIX is a not-for-profit community box office and store owned and operated by the Edmonton Arts Council. TIX strengthens the sector by providing box office services on behalf of the arts community and helps to expand audiences and promote smaller scale events, artists and performers. In 2017 it sold more than 40,000 tickets to 850+ performances.

- **Invest YYC** (Calgary Arts Development Authority) – Active from 2012 to 2016, Invest YYC was a crowdfunding website exclusively for Calgary-based artists and arts organizations to raise funds, find volunteers and generate awareness. The initiative generated over $500,000 for the arts.

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Models	Prof Dvlpmnt/ Org Capacity	Leadership/ Advocacy/ Advisory	Strategic Visioning/ Cultural Planning	Network/ Amplify	Marketing/ Promotion of the Sector	Funding Distribution	Fundraising Towards Sector Grants
SEATTLE							
Office of Arts & Culture/ Seattle Arts Commission	✓	✓	✓	✓	✓	✓	✗
CALGARY							
Calgary Arts Development Authority	✓	✓	✓	✓	✓	✓	✓
TORONTO							
Toronto Arts Council	✓	✓	✓	✓	✓	✓	✗
Toronto Arts Foundation	✓	✓	✓	✓	✓	✓	✓
Heritage Toronto	✓	✓	✓	✓	✓	✗	✗
EDMONTON							
Edmonton Arts Council	✓	✓	✓	✓	✓	✓	✓
Edmonton Heritage Council	✓	✓	✓	✓	✓	✓	✗
PHILADELPHIA							
Greater Philadelphia Cultural Alliance	✓	✓	✓	✓	✓	✓	✗
OTTAWA							
Arts and Heritage Development Unit	✓	✓	✓	✓	✓	✓	✗

LOW | MEDIUM | HIGH

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Level of Activity

Using the definition of each of the top line priority areas outlined above as a guide, each of the short list models was examined to determine their level of activity in each area – i.e. the volume or the intensity with which it delivered these types of activities or services. Each model was given a score of high, medium and low. Where these activities were not observed, no score was made and is represented by a red X.

The intention of this chart or "heat map" is to provide a clear visual or "snapshot" understanding of the performance level of each model in these priority areas and how they compare with each other. From this chart we can see that:

- AHDU provide some of these services indirectly through service level agreements (i.e. by third parties like members of the OCA). It is not possible to capture the full extent of third-party activity, and therefore they are not captured in the evaluation of the AHDU. This does have the potential to understate activity level.

- There is no single model examined that provides all of the top line priority services to a high (green) level. As non-profits and charities, funding and capacity is likely limited. Therefore, most choose to be very targeted in the services they provide and choose to focus on a few key cultural sector development functions/service areas.

- While several of these models may undertake fundraising activities, most do it to support their own operations and the delivery of programs and services. Only Toronto Arts Foundation and the Edmonton Arts Council seem to engage in fundraising or solicitation of financial support on behalf of the sector, or with the intention of redistributing this to the wider sector.

- Funding distribution and fundraising on behalf of the sector do not have to be mutually exclusive activities.

- Edmonton Arts Council and the Calgary Development Authority administer a municipal fund and are also expected by their respective municipal partners to augment the funding pool for the sector through fundraising and sponsorship.

- In Toronto, the Toronto Arts Foundation provides this service on behalf of its sister organization Toronto Arts Council. This is done as a way of expanding the narrow mandate and contract/grant agreement between the Toronto Art Council and the city.

SUMMARY

This section has presented a detailed analysis of the short-listed models, synthesizing the comparables research into a series of core findings. These findings are carried forward into the next chapter which tests the financial feasibility of each. Findings that shape the underlying assumptions and financial estimates include:

- Many of the best practice models examined are a product of their time and local circumstances. Their origins, governance model and evolution speak to the local economic conditions at the time of establishment, as well as municipal attitudes towards culture and its contribution to the city's economic, social and environmental wellbeing and development, and the government's relationship with the local cultural community. These models are subject to change over time as they continue to adapt to stay relevant and meet sector needs.

- Most models are supported financially by the municipality, some more heavily than others. Almost all non-municipally-led models were established in partnership their municipality and have a productive and collaborative working relationship. Interviews with representatives from comparable organizations confirmed this as being extremely beneficial.

- Those organizations with greater independence from government are provided the opportunity to attract and explore alternative funding sources from private individuals, companies and foundations.

- Although "arts" often appears in the title, many organizations have a broad remit for culture. However, heritage is often the responsibility of a separate partner entity.

- Typically, non-municipally-led models do not have responsibility for managing facilities, nor do they usually take on responsibility for administering the public art program. Edmonton Arts Council is the exception to the rule in this case.

6. QUANTITATIVE AND QUALITATIVE FEASIBILITY

The previous chapters of this report included research regarding a variety of cultural sector development models, including the existing Ottawa model and models from other Canadian and American cities that might be considered applicable. A long list of models was evaluated and led to a short list for additional research and analysis, based on the top line priority functions as identified in the research and via the extensive consultation process.

The short-listed models were originally as follows:

- Municipal office/commission
- Municipal fund/ service or partner agency
- Municipal fund/service contract
- Member/alliance network

In subsequent consultations, it became clear that neither the municipal office/commission model nor the member/alliance network model would adequately serve the needs of the community. These two models have therefore been eliminated from further consideration. The financial feasibility exercise therefore, focuses on the municipal fund/ service or partner agency and the municipal fund/service contract models only, comparing it against the current municipal department model.

In this section the baseline and benchmark financial models are first laid out for information and comparison, then the financial implications or each are analyzed. This is followed by a series of conclusions and assumptions which provide the basis for our financial projections. This is the *quantitative* feasibility analysis.

The *qualitative* feasibility analysis allows for non-quantifiable inputs into the process, allowing conclusions and recommendations to include both aspects. Thus the section concludes with an analysis of the costs and benefits of each model which seeks to add depth to our analysis by examining the feasibility of each model from a qualitative perspective.

SNAPSHOT IN TIME: BUILDING A BASELINE FOR PROJECTIONS

Chapter 5 set out not only the short list of models, but also the most comparable Canadian cities in which those models (or an approximation of them) have been implemented in practice. These cities are Ottawa, Toronto, Edmonton and Calgary. Comparative data for each is provided in the previous chapter.

Reconsideration of Toronto Arts Council and Toronto Arts Foundation

The case of Toronto requires further explanation. While the Toronto Arts Council and the Toronto Arts Foundation provide an interesting case study and much has been learned, these organizations have a complex working relationship as sister organizations and report their financial operations in different ways. The complexities are such that it becomes unwieldy for the consultant team to develop a robust enough conjoined financial model that could be used as a base for developing reliable

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projections based on the Toronto example.

While the Toronto model is *not* to be discarded or eliminated from future consideration, and a potential benefit of parallel organizations (as in Toronto) might be the ability for the sister foundation to be more a more outspoken advocate for sector issues, the financial and organizational complexity of this situation renders meaningful comparisons difficult, and we believe the Calgary example offers greater comparability for the general agency model and greater clarity for the purposes of this feasibility analysis. Calgary is thus used as a proxy for the municipal fund partner/service agency model, rather than Toronto.

For brevity, we refer to the Ottawa model as "municipal department", the Edmonton model as a "service contract" and the Calgary model as an "agency".

2017 Snapshot

Ottawa's existing financial data and operation in 2017 provides a "base level" (a characterization of the existing situation) while median 2016 and 2017 financial information from the other cities helps provide benchmarks for the alternative models. These comparative data will guide our order of magnitude projections.

Even for the chosen examples, which organize their operations in such a way so that their data may be fruitfully compared, it must be recognized that the available data are not always exactly comparable and there are clearly differences in how revenues and expenses are categorized and calculated in each city. The objective here must therefore be to provide an order-of-magnitude assessment of what the financial implications would be for the alternative sector development models in comparison to the current municipal department model in Ottawa.

Additionally, we focus our projections on a scenario that considers how

each of these models would work today i.e. in 2018. While we recognize that these are dynamic organizations which shift and change in response to a dynamic economic situation and sector needs, we must hold the existing model and comparable organizations static in order to make a reliable attempt at making a projection for income and expenditure, and testing its financial feasibility. Therefore, we must use actual reported operational figures as our baseline in order to facilitate the greatest possible accuracy.

The following tables provides a consolidated financial summary and account of the Ottawa baseline (the existing "municipal department" model) as demonstrated by the Arts and Heritage Development Unit (AHDU) and benchmarks from the comparable cities of Calgary (the agency model) represented by Calgary Arts Development Authority (CADA) and Edmonton (the service contract model) as represented by the Edmonton Arts Council (EAC). This is followed by analysis of the key findings regarding comparative expenditures and revenues. Note that these reflect actual revenues and expenditures from the benchmark models and financial decisions could vary in a new sector model even if based on one of these precedents.

Notes on the tables:

- Ottawa figures represent the 2017 operations of the Arts and Heritage Development Unit only and were provided by the City of Ottawa. The other city units – Cultural Heritage Programs and Spaces and Arts Court – deal predominantly with the management and operation of cultural facilities and were removed from analysis in order to facilitate greater comparability with the short-listed models. Furthermore, it must be recognized that other operational expenditures such as accounting, human resources and marketing are centralized in a government model and are not included here.

- Figures for the other two models represent the median income and expenditure for these organizations in 2016 and 2017.

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Baseline and Benchmark Operating Expenditures

EXPENDITURE	AHDU: MUNICIPAL DEPARTMENT		CADA: AGENCY		EAC: SERVICE CONTRACT		NOTES
	Baseline	%	Benchmark	%	Benchmark	%	
Staff Costs	$1,974,196	15%	$668,721	8%	$1,670,392	12%	Compensation, benefits and over time
Administration/Office	$38,398	0.3%	$660,774	8%	$624,286	4%	Office supplies, telephone, internet, board costs, AGM, equipment, conferences, bank charges, ecommerce; consulting fees, professional fees, translation, legal, travel and parking, etc.
Grants and Contributions	$10,474,756	79%	$6,937,477	80%	$10,288,036	71%	Combined grants for arts, culture, heritage, etc.
Activity Allocations/Programs	$344,259	3%	$182,460	2%	$446,278	3%	Programs and initiatives delivered, AHDU provides considerable facility subsidy to funded organizations
Public Art	$345,584	3%	-	-	$1,297,346	9%	Commission, management and maintenance
Juries and Honorariums	$63,556	0.5%	-	-	$54,349	0.4%	Administration of the grants program
Fundraising Activities			-	-	$2,443	0.02%	Costs associated with holding events or initiatives that solicit funds from private individuals, corporations and organizations
Marketing			$112,616	1%	$19,064	0.1%	Promotional activities of the organization or sector
Rent, Occupancy and Facility Costs			$151,016	2%	$69,614	0.5%	Rent, insurance, heating, lighting, etc.
Total	$13,240,748	100%	$8,713,064	100%	$14,471,808	100%	

City Population, 2016 Census	964,743		1,239,220		932,426		
Allocation per Capita	$13.72		$7.03		$15.52		

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Baseline and Benchmark Operating Revenues

REVENUE	AHDU: MUNICIPAL DEPARTMENT		CADA: AGENCY		EAC: SERVICE CONTRACT		NOTES
	Baseline	%	Baseline	%	Baseline	%	
Municipal Fund - Grants	$10,474,756	79%	$6,607,150	76%	$10,797,156	66%	Restricted funds provided by the city for the express purpose of making grants to the sector
City - Admin	$2,076,149	16%	$1,450,350	17%	$2,182,587	13%	Restricted funds provided by the city for the express purpose of staff, administration and operations. The grant made to CADA is not restricted, currently 16% of total expenditure is spent on admin and staff
City - Public Art	$345,584	3%	-	-	$1,345,875	8%	Restricted funds provided by the city for the express purpose of commissioning, managing and maintaining public art
City - Programs			-	-	$1,464,715	9%	Restricted funds provided by the city for the express purpose of delivering agreed programs and services
City - Other	$344,259	3%	-	-			Unrestricted funds provided by the city for other purposes
Tickets	-	-	-	-	$229,100	1%	Edmonton's TIX on the Square is a community box office this figure represents sales for distribution minus sales reimbursement
Membership	-	-	-	-	$6,600	0.04%	A low-level membership program that encourages public support of arts and culture
Contributed Income	-	-	$618,846	7%	$340,000	2%	Income earned from donations, grants from other foundations and sponsorship. In Calgary, the Destination Marketing Fund is 57% of this.
Investment Income	-	-	$6,934	0.1%	$34,401	0.2%	Income generated from financial investments or endowments
Fundraising Activities	-	-	$34,250	0.4%	$75,315	0.5%	Income generated from fundraising
Other Income	$2,500	0.02%	$9,187	0.1%	-	-	Miscellaneous
TOTAL	$13,243,248	100.00%	$8,726,717	100%	$16,475,749	100%	

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Analysis of Comparative Operating Expenditure Data

The following key points emerge from the detailed data in the above tables:

- **Allocation to Culture – Total Operating Budget and Per Capita:** The City of Ottawa's AHDU allocates about $13,241,000 ($13.72 per capita). This is less than the $14,472,000 allocated in Edmonton ($15.52 per capita), but substantially more than is spent in Calgary at $8,713,000 ($7.03 per capita). The lower figures for CADA in Calgary may be explained by the fact that the organization <u>does not</u> have responsibility for the public art program (where Ottawa and Edmonton do) and that the City of Calgary still provides other cultural programs and services through its Recreation Unit, where Edmonton's Arts and Heritage Councils are expected to provide public programming in the absence of a city department for culture.

- **Allocation of Funds to Grants to Cultural Organizations and Individuals**: AHDU appears to allocate a higher percentage of its available funds to grants at 79% compared to CADA (agency) at 80% with EAC (service contract) at 71%. However, EAC is the only model responsible for delivering significant public program as well. Since a core objective is to support arts and cultural groups and individuals, the greater the percentage allocation to grants the more positive the potential outcome. This is why many organizations operate with a restricted fund for grants and provide additional and separate funds specifically for administration.

- **Allocation of Funds to Public Art**: Both the AHDU and EAC are responsible for commissioning, managing and conserving public art. In Calgary, this responsibility remains with the city rather than being delegated to CADA. In Ottawa, approximately 3% of the AHDU total budget is allocated to public art, where in Edmonton this proportion is higher at about 9%. Research into other models and best practice examples shows that management of public art is typically a responsibility of a city-based development model

rather than arms-length. Therefore, Edmonton Arts Council is unique in this respect.

- **Allocation of Funds to Staffing Costs**: These costs include compensation, benefits and over-time payments. The table above indicates that AHDU allocates 15%, EAC 12% and CADA 8% of total expenditures to staffing costs. This may reflect a variety of factors, including that municipal salaries and benefits tend to be higher than those of its agencies and other non-profits that provide community services on its behalf. A municipal government is also a unionized situation for most non-executive staff and salaries in the cultural sector are typically much lower than other industries overall. Benefits for City of Ottawa employees are reported to average 25%. For many non-profit organizations, benefits as a percentage of salaries are commonly in the range of 20-22% or less.

- **Allocation of Funds to Administration:** The table above indicates the expenditure categories that have been combined to be included in what we have termed administrative costs. The data indicate that AHDU spends substantially less (0.3%) than both CADA (8%) and EAC (4%). However, this may reflect a greater allocation to consulting and other professional services in Calgary and Edmonton and suggests the need to combine and compare staffing and administration funds, as described in the next point below.

- **Allocation of Funds to Staffing and Administration:** Combining staffing and administration costs indicates that AHDU spends 15%, CADA 16% and EAC 16%. The differences are not as substantial in comparison to the more independent arm's length relationship in Edmonton than when just considering the staffing allocations.

- **Allocation to Rent and Other Occupancy Costs**: In Ottawa, AHDU does not allocate funds to these expense categories as the team occupies space within City-owned offices and the costs are not allocated to the specific unit. Even though it is an agency of the

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City of Calgary, the CADA does not occupy a City-owned space and so allocated $151,000 (1% of the budget) to rent and occupancy costs. EAC is housed in a City-owned cultural facility along with Edmonton Heritage Council and others, allocating about $69,600. Such costs would likely also need to be allocated in Ottawa if the model changed. This cost could be minimized depending on the type of property occupied, and whether this property was privately owned or city owned.

- **Allocations to Activities and Programs:** EAC is the only model responsible for delivering a significant public program of events and reports spending about $446,300 (3%) to deliver this. CADA does provide minimal public engagement programs in the form of conferences, lectures, dinner and strategic development, allocating about $182,500 (2%). While it appears that AHDU allocates a small proportion of its budget towards programs (3%), this is somewhat misleading. A large majority of this program cost represents a subsidy of about $306,000 in facility costs for a funded organization leasing a city facility. However, large public programs such as Doors Open and Heritage Days are not accounted for here as they are managed by the Cultural Heritage Programs and Spaces Unit. Furthermore, AHDU often elects to use its service agreements to deliver potential sector development programs and ensure activities are community-led. These are accounted for in the grants expense category.

Analysis of the Key Comparative Operating Revenue Data

- **Municipal Revenues and Restricted Funds:** Each of models examined has a specific role for the distribution of municipal funds to the wider cultural sector in the form of a grant. In most cases, where a third party is used to deliver grants on behalf of the municipality, these funds are restricted to ensure the full amount is passed on to the sector. Typically, an additional subsidy is given specifically for administration of the grants. For AHDU, 79% of the budget is earmarked for grants and service agreements with the sector. At EAC, city funds given for grants represent 66% of the total income and a further 13% is given by the city specifically for administration. For CADA, no restriction appears to be made on funds received from the city. When municipal support is compared to the outgoing grants, approximately 82% is transferred directly to the sector. A city may also contract additional services of an agency or service contract partner such as the management of public art and/or delivery of programs. Overall, municipal revenues represent 92% of CADA's budget, and 96% of EAC's budgets.

- **Non-Municipal Revenues:** For AHDU only about $2,500 of the operating revenues are from non-municipal sources. Much of the income generated through ticket sales and programs at city-run cultural facilities are reallocated back into the management and upkeep of those facilities. For CADA, as a municipal fund/service or partner agency, about $669,200 is generated from a combination of contributed income, tickets and programs, fundraising and other sources, accounting for 8% of total operating revenues. As a municipal fund/service contract model, EAC generated about $685,400 from such non-municipal sources, or 4%. It is important to note that approximately 52% of the total non-municipal revenues that CADA receives comes from a Destination Marketing Fund collected by the Calgary Hotels Association and is used to deliver grants to the sector as part of the accelerator program. A similar fee is levied in Ottawa, but is used to support the city's destination tourism agency.

Key Conclusions Emerging from the Comparative Financial Analysis

The financial analysis helps to identify or confirm the following key conclusions. These help to inform our assumptions in the next section.

Expenditure

- Salaries and benefits will likely be lower for a municipal fund partner/service agency, municipal fund/service contract provider and a foundation than for a city department, particularly if that department is unionized.

- Municipal fund partner/service agencies, municipal fund/service and contract providers often need to allocate funds for rent and occupancy costs, whereas city departments are able to absorb these costs. Location of these premises in the downtown core would also have an impact on the cost of rent. These costs can likely be minimized or even possibly subsidized if occupying a city-run facility. However, it is understood that many of Ottawa's current city-run facilities are fully occupied and it will be likely that any new model would have to seek another option. In Ontario, new property tax breaks will soon come into effect for buildings classed as creative hubs.

- A core objective is to maximize the distribution of funds and the provision of services to arts and cultural organizations and individual artists.

- The responsibility for and planning of public art is, more often than not, kept within the municipality. This is likely due to the complexity of public art, in so much that funds typically generated via "percent for art" programs from private real estate development and implementation often requires coordination with the city planning division and others. Furthermore, investment

public art results in the creation of a publicly owned asset that must be managed and maintained.

Revenue

- Many of Canada's leading cities have devolved responsibility for the distribution of municipal funds and the administration of grants programs from the municipality to another agency or service contract provider. This responsibility often comes with additional support towards administration.

- Philanthropic research[3] confirms that Canadians have more confidence in the charitable sector than the public sector (including municipal governments). Private funders, whether corporations, foundations or individuals, are far less likely to donate or contribute to fundraising initiatives of a City department than to an arm's length "arts council", agency or foundation.

- But it must also be recognized that obtaining private funding support is challenging in a government-dominated city like Ottawa where the public service comprises a large portion of total economic activity, and where smaller local institutions are competing with large national institutions for attention and fundraising dollars, as we heard during our consultation process.

- According to the Conference Board of Canada, the technology industry is equal to the federal government in GDP contributions in Ottawa. This growth is a potential opportunity for culture. However, while such companies are well known for their philanthropic contributions, considerable development will need to be done to cultivate this market and encourage giving to the arts.

- Currently, Ottawa hotels already levy a Municipal Accommodation Tax which supports Ottawa Tourism's operations. Generating additional income for culture through new taxation or levies would be a municipal decision.

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[3] What Canadian Donors Want (2017), AFP Foundation for Philanthropy Canada

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ASSUMPTIONS DEVELOPMENT

All of the findings and conclusion from our extensive research and consultation throughout the study have had a direct impact on the development of a core set of assumptions that underlie the financial projections.
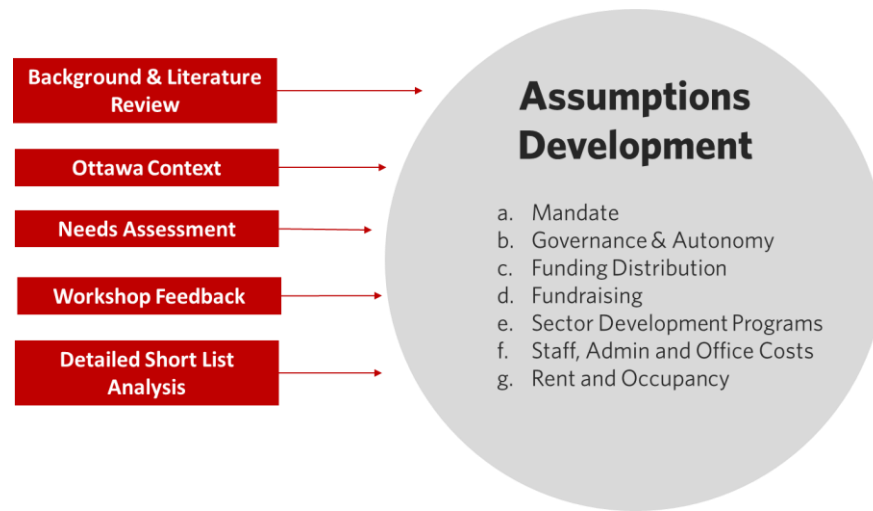
Assumptions are important in developing financial projections because they help to:

- Establish parameters around how things might work, so that realistic predictions or estimates can be made

- Explain the rationale for why certain financial estimates were made

- Reinforce the credibility of the estimates by showing on what evidence or knowledge they were derived from

Therefore, assumptions should be:

- Based on reliable evidence, knowledge or experience

- Reasonable at the time they are made

ORDER OF MAGNITUDE ASSUMPTIONS & COMPARATIVE FINANCIAL PROJECTIONS

The projections in this section compare the order of magnitude financial implications of the two short-listed models compared to the status quo municipal department model in Ottawa.

The projections are based on the current level of service and operation at the Ottawa Arts and Heritage Development Unit and the benchmarks from Edmonton Arts Council and the Calgary Arts Development Authority, as well as a variety of other cities that were researched, the assumptions and conclusions above, additional industry figures relevant to Ottawa, and our judgment and experience.

Note that we have focused only on the revenue and expense items which, in our judgement, could vary substantially depending upon which governance/operational model is assumed.

The following provides a description of each assumption that forms the basis of our estimates.

Mandate: Range of Activities & Disciplines

The municipal department scenario assumes the status quo or "business as usual". This means that the level of service, staff, programs and operations for this scenario is consistent with that currently delivered by the Arts and Heritage Development Unit in Ottawa and that this activity, and level of service would be expected to remain constant and unchanged in future.

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Under the municipal fund/service or partner agency model and the municipal fund service contract model scenarios, it is assumed that programs, services and operations would focus on the six top line priorities identified as part of the needs assessment. These functions are primarily focused on sector development, rather than public programs or facilities management. Many of these functions are currently provided by the existing municipal department model or through service level agreements. Therefore, to avoid duplication, responsibilities for these efforts would be transferred from the municipality to the alternative model. It is expected that the culture division within the City of Ottawa would continue and would operate in parallel, but in partnership with the alternative model to avoid duplication. All service level contracts for the delivery of sector development services would be maintained.

Cultural Planning
The coordination, development and implementation of a strategic, sector-wide cultural plan for the sector would be a joint effort between the alternative model and the existing municipal department. Outputs from these activities such as mapping, databases or research reports would be publicized and maintained by the alternative model.

All models would maintain a broad scope and definition of culture.

Governance, Autonomy and Accountability
Each scenario will follow the structure, mandate, budget, oversight, accountability, and level of government/sector involvement as set out by the model typologies defined earlier in this study. Membership would be defined broadly in the articles of incorporation and would provide the right to vote. No membership fee is assumed.

Municipal Funds
We have assumed that the responsibility for administering the grant program would be transferred to either new alternative model (since this is a function of the short-listed examples) and that the current grant budget of about $10.5 million from the City of Ottawa would be

maintained at its current level. An appropriate level of additional funds to support administration of the grant program is also assumed. Adjudication by peer review would be maintained to ensure equity, accountability, and transparency.

Public Art
Public art would remain the responsibility of the City of Ottawa. Therefore, no income would be received, nor expenditure made in the management or delivery of this program for the municipal fund/partner or service agency model nor the municipal fund/service contract model.

Non-Municipal Income Sources
It is recognized that the City of Ottawa through the culture division does apply for grants from provincial and federal sources. However, it does not engage in fundraising activities that generate income from private sources. We have estimated that the alternative models would be able to engage in these types of fundraising activities. Both would increase revenues mostly from private sources, but not to the level experienced in other cities (even provincial capital cities) because Ottawa is a primarily "government town" with fewer private funders and experiences competition with national organizations. Our estimates are that the additional private and fundraising income in the municipal fund/partner or service agency model would be $270,000. By comparison, this income would be $350,000 in the municipal fund/service contract model with the difference reflecting increases in private support that grow with distance from the city government. These estimates are based on the performance of the CADA and EAC benchmarks respectively.

Cost of Fundraising
Fundraising efforts would also trigger a new expenditure category. The average "cost to raise a dollar" is about $0.20. We project that the cost to raise a dollar would be $0.35 for the municipal fund/service or partner agency model and would be $0.30 for the municipal fund/service contract model. These higher than average costs assume

that a new organization will require greater efforts at the outset to establish a reputation and develop philanthropic support, as well as knowing the difficult fundraising climate in Ottawa. These projected costs are less for the municipal fund/service contract model base on above the logic that it is easier to raise funds the further an organization is from city government.

Staff Costs

We have also projected that the new model would require a similar staffing level of about 20 FTE. As responsibility for public art would remain with the City, positions previously dedicated to the public art program would be maintained within the culture division. New staff positions would be created for both alternative models to support new duties in administration, fundraising and development, equity and diversity, outreach, and programs, etc. This would ultimately mean the creation of 7 additional FTE jobs.

	Municipal Department	Agency	Service Contract
Public Art Program	7.3	-	-
Cultural Development, Grants and Support	12.5	12.5	12.5
New Positions	-	7.5	7.5
Subtotal	19.8	20.0	20.0
City of Ottawa (Public Art)	-	7.3	7.3
TOTAL	19.8	27.3	27.3

Staffing and benefits costs would also be lowered somewhat. We estimate 10% lower for the municipal fund/service contract scenario and 8% for the municipal fund/partner or service agency. The reason for this is because an agency is likely to receive higher staff benefits thanks to its close relationship with a municipality than if it were a more independent operation.

Administration and Office Costs

The creation of a new model is also accompanied by an increase in administration and offices costs relating to supplies, telephone, internet, board and meeting costs, equipment, conferences, bank charges, website, professional fees, travel and parking, etc. Where in a municipal model, these costs are part of a centralized system. In Ottawa, this must also include the provision of services in both official languages and therefore translation costs.

We have assumed about $150,000 for this expense category, including translation. This is considerably less than the benchmarks presented by CADA and EAC. With appropriate staffing levels, an alternative model can avoid the substantial expenditure on professional and project management fees (CADA currently spends approximately $542,000 or 82% of all administrative costs on this). With EAC, the high administration costs can likely be explained by the additional costs incurred to run the TIX on the Square box office, as well as for an enhanced website and internet costs as they have to manage an e-commerce platform.

Sector Development Program Costs

Any new model would be expected to deliver programming related to sector development that would celebrate achievements, raise awareness of and generate new insights into cultural issues, provide professional development for the sector and help to build relationships and the network overall. We project this to be around $150,000 per year for both alternative models. This is much lower than the EAC benchmark as they are responsible for a high level of public programming and a well-established organization. This level is also slightly lower than CADA, which is again a well-established organization. It is expected that any new organization would have to work for several years to build to the level that the benchmark organizations currently achieve. AHDU baseline figures for programming includes rent discounts/subsidies to grant funded organizations leasing a city facility. As the city would continue to own and manage their own facilities, these subsidies would remain at the

discretion of the City of Ottawa, rather than any new model.

Rent and Occupancy Costs

A new model would be required to seek out office space, incurring additional rent and occupancy costs. Rent and occupancy costs have been estimated using 2017 published figures by the Ottawa Business Journal for office space in downtown Ottawa and assumed staffing levels.

As with the above case, the further from the municipality, the greater the independence and the less likely an organization would benefit from a relationship with the municipality. However, this is entirely dependent on the relationship between the development model and the municipality. We assume that the rent and occupancy costs for the municipal fund/partner or service agency scenario would be approximately 10% less than the municipal fund/service contract scenario.

In circumstances such as Edmonton and Toronto, these organizations were built to be independent and yet to work in partnership with their respective cities. There are immense benefits achieved on both sides from ensuring a close working relationship, including reduced rent. Additional financial support in these areas allows an organization to focus efforts and funds on the sector rather than these additional operational expenses. Appropriate regulations around governance and appointments helps to maintain independence and impartiality.

PROJECTED REVENUE AND EXPENDITURE SUMMARY

Each model represents a different scenario in terms of governance, mandate, and economic status as has been outlined by our assumptions. The following table summarizes the income and expenditure for each model independently for each scenario, but presents them side by side for contrast rather than like for like comparison. Note that all figures have been rounded and might not match previous reporting exactly. The purpose is primarily to show where our assumptions have an impact on key revenue and cost areas.

We have shown the bottom line of the projections as the additional amount that would be available to each model that could be used to supplement the pool of funds available for grants and/or to support the delivery of other programs and services to the cultural sector.

The net amount is estimated to be about $125,400 in the municipal fund/partner or service agency scenario and $224,400 in municipal fund/service contract scenario. *This would be a modest financial enhancement of about 1.0% and 1.7% respectively on the current operating revenues of Ottawa's Arts and Heritage Development Unit.*

We also find that the financial feasibility of the alternative models is heavily reliant on the ability of the new model to raise funds from the private sector and that a consistent level of municipal support will be transferred to the new model, with an additional allocation of support for new staff. We recognize that the transfer of existing municipal support to any new model cannot be guaranteed – it is an assumption, *not a prediction – but believe such an assumption to be reasonable for the purposes of this feasibility analysis based on the experience of other cities.*

Projections of Revenues and Expenditures	Municipal Department		Municipal Fund/Partner or Service Agency		Municipal Fund/Service Contract	
Revenues	$ (rounded)	%	$ (rounded)	%	$ (rounded)	%
Municipal Fund - Grants	$10,474,800	83.6%	$10,474,800	81.5%	$10,474,800	80.9%
City - Admin	$2,077,000	16.1%	$2,077,000	16.2%	$2,077,000	16.1%
City - Public Art	$345,600	0.3%	$0	0.0%	$0	0.0%
City - Programs	$344,300	0.0%	$38,400	0.3%	$38,400	0.3%
Other Revenues	*$3,000*	*0.0%*	*$270,000*	*2.1%*	*$350,000*	*2.7%*
Total Revenues	**$13,244,700**	**100%**	**$12,860,200**	**100%**	**$12,940,200**	**100%**

Expenditures						
Compensation, Benefits & OT	*$1,975,000*	*14.9%*	*$1,817,000*	*14.3%*	*$1,777,500*	*14.0%*
Administration/Office	*$38,400*	*0.29%*	*$150,000*	*1.2%*	*$150,000*	*1.2%*
Grants and Contributions	$10,474,800	79.1%	$10,474,800	82.3%	$10,474,800	82.4%
Adjudication	$63,600	0.5%	$63,600	0.5%	$63,600	0.5%
Fundraising Activity Cost	$0	0.0%	$94,500		$105,000	
Activity Allocations/Programs	$344,300	2.6%	$38,400	0.3%	$38,400	0.3%
Public Art	$345,600	2.6%	$0	0.0%	$0	0.0%
Rent and Occupancy	$0	0.0%	$96,500	0.8%	$106,500	0.8%
Total Expenditures	**$13,241,700**	**100%**	**$12,734,800**	**100%**	**$12,715,800**	**100%**

Additional Amount Available for Grants, Programs and Services	$3,000		$125,400		$224,400	
Additional Percentage Available for Grants, Programs and Services	0.0%		1.0%		1.7%	

QUALITATIVE COST–BENEFIT ANALYSIS

The above exercise examined the financial implications of each model from a purely quantitative perspective, based on assumptions and comparable data. This section analyzes each from a qualitative point of view in comparison to the status quo.

Methodology

Qualitative cost benefit analysis differs from quantitative cost benefit analysis in that it draws on a range of evidence for potential costs and benefits, but it does not convert the cost or benefits into a monetary value.

Given that there are a number of variables at play within each model and scenario and that are yet undecided, it is very difficult to assign a precise monetary value to each benefit or cost. To do so at this stage is fraught with uncertainty and risks such as: under-estimating costs in terms of resources expended; under or overestimating the positive outcomes achieved (particularly given the potentially long-term nature of many of these outcomes); under-estimating costs in terms of negative outcomes; overestimating the contribution of the model to achieving outcomes; and ignoring distributional issues (who receives the benefits or incurs the costs).

A review of potentially similar models did not identify any directly comparable interventions that could provide monetary cost or benefit estimates. Consequently, this analysis is not able to make direct comparisons of quantitative costs and benefits with similar models.

Analysis

This section summarizes the types of short and long-term benefits and costs that could be expected from each short list model and maintaining the status quo. Benefits include positive outcomes, negative outcomes avoided, and resources saved. Costs include any negative outcomes/risks resulting from a change in model, opportunities "lost" or missed out on, and the resources expended by various participants and groups (financial and non-financial). Where possible, benefits and costs are discussed with reference to the stakeholders that reap the benefits or bear the costs.

BENEFITS	COSTS
Positive Outcomes Short-term and long-term positive outcomes realized as a result of the model	**Negative Outcomes/Risks** Short-term and long-term risks and negative outcomes that occur as a result of the model
Negative Outcomes Avoided Short-term and long-term negative outcomes avoided	**Opportunity Cost** Short-term and long-term opportunities missed
Resources Saved Short-term and long-term financial and non-financial resource savings (description)	**Resources Expended** Short-term and long-term financial and non-financial resources (description)

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TABLE – COST BENEFIT ANALYSIS			
	STATUS QUO/ MUNICIPAL MODEL	MUNICIPAL FUND/ SERVICE or PARTNER AGENCY	MUNICIPAL FUND/ SERVICE CONTRACT
WHAT WOULD CHANGE	• Little would change. Some improvements made to AHDU services for greater efficiency and transparency	• New arms-length agency established and mandated by City Council • Board of directors appointed by the City Council in collaboration with cultural sector • Municipal grant funding budget and authority to distribute it would move from City to organization • Some additional funds to support staff and administration of grants provided by City • Other services and functions of the City Culture Division could be transferred if desired • Additional donor cultivation and fundraising done to support operations, programs and grants • Any fundamental future changes to mandate would need to be approved by City Council • Annual reporting to City Council via the Culture Division (transparency) • Partnerships developed with organizations within and without the sector • Greater efficiencies could be achieved by adopting new technologies and approaches • Consideration for synergies across the multiple cultural development and leadership umbrella organizations within the sector would be required. This could result in mergers	• A new organization would be created or an existing organization would be contracted to provide specified services • Board of directors appointed by the cultural sector with input from City Council • Municipal grant funding budget and authority to distribute it would move from City to organization • Some additional funds to support staff and administration of grants provided by City • Organization would engage in other development functions as required or contracted • Additional donor cultivation and fundraising done to support operations, programs and grants • Potential to fundraise on behalf of smaller organizations and hold funds in trust • Independent but united voice, opportunity to advocate for sector issues at a greater scale • Potential to delegate authority for developing and implementing the culture plan to organization • Organization would be required to report back annually to City Council and public on spending and impact made through Culture Division (transparency) • Partnerships developed with organizations within and without the

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			sector • Greater efficiencies could be achieved by adopting new technologies and approaches • Consideration for synergies across the multiple cultural development and leadership umbrella organizations within the sector would be required. This could result in mergers
WHAT WOULD STAY THE SAME	• No change, with the exception of a few improvements to service efficiency, service agreements and transparency	• City would retain authority for developing and implementing the culture plan, although potential to delegate authority to agency • City would still deliver public art and manage/operate cultural facilities • City would continue to undertake service agreements as necessary • Service agreements pertaining to sector development would be maintained • Peer-adjudicated grant review and award would be maintained • As an agency of the city, organization would still be required to adhere to City policies	• City would still deliver public art and manage/operate cultural facilities • Service agreements pertaining to sector development would be maintained • Peer-adjudicated grant review and award would be maintained • Depending on the conditions of the contractual agreement, organization may be required to adhere to certain City policies
BENEFIT: POSITIVE OUTCOMES	• Continued support for and commitment to culture at the municipal level • Institutional knowledge and expertise are maintained • Potential to improve cultural development services and increase efficiency with various changes	• Medium increase in political independence and sector-led decision-making • Continued support from, relationship with and involvement of the City in culture matters • Greater freedom to support individuals and experimentation • Impartial grant award process maintained • City policies on equity and inclusion, language, etc. are upheld as extension of the City • Opportunities to develop new and	• Freedom to set and revise mandate as necessary • High increase in political independence and sector-led decision-making • Continued support from, relationship with the City • Limited involvement of City in culture matters • Greater freedom to support individuals and experimentation • Impartial grant award process maintained • City policies on equity and inclusion, language, etc. could be upheld as part of

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		alternative relationships with private sector • Ability to attract greater private funding due to arms-length status and greater confidence • Sector development activities are consolidated within the network and are delivered by or originate from a single entity with an eye on the "big picture" • Independent but united voice, opportunity to provide advice /alert City to sector issues • Transparency improved as model will have to account for all funds and activities, reporting annually back to City Council	contract agreement • Opportunities to develop new and alternative relationships with private sector • Ability to attract greater private funding due to arms-length status and greater confidence • Sector development activities are consolidated within the network and are delivered by or originate from a single entity with an eye on the "big picture" • Increased ability to be agile and responsive to sector issues and changes • Independent but united voice, greater opportunity to advocate for sector issues more vigorously • Transparency improved as model will have to account for all funds and activities, reporting annually back to City Council
BENEFIT: NEGATIVE OUTCOMES AVOIDED	• Potential for City job reassignment or loss is eliminated • Rejection of model by cultural community • Major sector-wide disruption due to transition eliminated	• Risk that sector continues to be fragmented due to lack of focused leadership is avoided • Sector stagnates or declines • The risk that operational sustainability will be entirely reliant on political will/whim, City budget and economic health is avoided	• Possibility that sector continues to be fragmented due to lack of focused leadership is avoided • Possibility that sector stagnates or declines is avoided • The risk that operational sustainability will be entirely reliant on political will/whim, City budget and economic health is avoided
BENEFIT: RESOURCES SAVED		• Staff: Lower salaries and benefit contributions	• Staff: Lower salaries and benefit contributions • In-Direct: Smaller organizations no longer have to expend resources on fundraising because new organization does it on their behalf

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COST: NEGATIVE OUTCOMES/RISKS	• Status quo budget, services and programs within the culture division do not remain consistent and predictable as anticipated, and actually decline • Sector continues to be fragmented due to lack of focused leadership • Sector stagnates or declines • Culture profile continues to diminish within the City structure • Funding and culture spend still reliant on City budget and economic health	• Potential for City job reassignment or loss • Mandate set by City Council is too narrow or restrictive • Culture profile continues to diminish within the City structure • Potential for loss of institutional knowledge and experience • Ability to be agile and responsive reduced as changes to mandate must be approved by City Council • Municipal fund could be frozen or reduced with expectation of fundraising • Service agreement contracts could be reduced or eliminated in order to reallocate funding for services to organization • If new resources cannot be found, additional funds to cover transition and set up costs for new model could be diverted from existing municipal culture funding sources like the annual city grant budget • Fragmentation of private sector funds • Funding and culture spend still reliant on City budget and economic health • With challenging philanthropic environment, fund raising target may not be achieved • Continued fragmentation and duplication of functions through creation of a new organization, while maintaining other existing umbrella culture organizations and service level agreements	• Potential for City job reassignment or loss • Culture profile continues to diminish within the City structure • City distances itself from organization • Potential for loss of institutional knowledge and experience • Municipal fund could be frozen or reduced with expectation of fundraising • Service agreement contracts could be reduced or eliminated in order to reallocate funding for services to organization • If new resources cannot be found, additional funds to cover transition and set up costs for new model could be diverted from existing municipal culture funding sources like the annual city grant budget • Fragmentation of private sector funds • Most funding and culture spend still reliant on City budget and economic health • With challenging philanthropic environment, fund raising target may not be achieved • Continued fragmentation and duplication of functions through creation of a new organization, while maintaining other existing umbrella culture organizations and service level agreements

COST: OPPORTUNITY LOST	• Potential to generate additional resources from the private sector • Ability to be agile and responsive to sector issues and changes • Potential to reduce duplication and create synergies in service delivery across the sector	• Freedom to set and revise own mandate as necessary	• Direct relationship with the City staff and council
COST: RESOURCES EXPENDED	• Additional resources to improve efficiency in key areas i.e. online granting system, branding, improved annual reporting, increased communication	Start Up & Transition: • Legal and incorporation fees • Recruitment of new staff • Real estate fees, • Furniture and equipment • Website, branding • Considerable public outreach and awareness building Staff: • Salaries and benefits • Employment negotiations with union for redirection of any staffing positions • Third party contractual fees Occupancy: • Rent, insurance if non-city premises used, Fundraising: • Greater efforts needed to cultivate donors and compete for private sector funds in small market	Start Up & Transition (if new): • Legal and incorporation fees • Recruitment of new staff • Real estate fees, • Furniture and equipment • Website, branding • Considerable public outreach and awareness building Staff: • Salaries and benefits • Employment negotiations with union for redirection of any staffing positions • Third party contractual fees Occupancy (if new): • Rent, insurance if non-city premises used, Fundraising: • Greater efforts needed to cultivate donors and compete for private sector funds in small market

Cost Benefit Summary

The financial feasibility testing exercise carried out at the beginning of this chapter has showed a modest financial improvement over the status quo in moving to a new model, and provides minimal differentiation between the two alternative models being considered. Conducting a qualitative cost benefit analysis has allowed us to deepen our understanding of and consideration for these models by exploring each though a different lens. By removing monetary values from the equation, other very real and very important pros and cons begin to take shape in the form of potential new opportunities to be gained and improved outcomes and impact made, as well as honest consideration of any potential negative outcomes or risks that could result.

- For the municipal department model, the key advantage is that this is the current model that the cultural community is most familiar with and most comfortable with. Consultation revealed several improvements that could be made to the current model that would help it to be more responsive to sector needs and to increase efficiency/reduce administrative burden e.g. an online grant application form.

- Maintaining and improving the status quo would likely be the least disruptive to the sector overall, and most cost-effective, since many stakeholders have made it clear that they are not ready for change. However, the success of the new models considered in the previous section is reliant on the assumption that the current budget, staffing, service and programs are maintained at their current level now and in the future. The decision to continue with this model comes with a high risk that the cultural sector in Ottawa continues to be fragmented due to a lack of focused strategic leadership and the sector stagnates or declines.

- Both the municipal fund/service or partner agency and municipal fund/service contract have distinct advantages:
  - Consolidation of all sector development activities into a single entity with an eye on the "big picture" will provide the strategic sector leadership that is desired and needed.

  - Independence from government, increases donor confidence and provides greater potential to grow current funding support. Both organizations can nurture philanthropic giving in the sector and attract greater private funding. Non-city status may also make these models eligible for other foundations and grant giving programs.
  - Facilitates the ability to work in a dual model approach as seen in many other Canadian cities and work in partnership with the City, the culture units and other departments to develop the culture sector for the benefit of its residents in terms of economic prosperity, community wellbeing, environmental health and cultural vitality is maintained.

- Both the municipal fund/service or partner agency and municipal fund/service contract also come with several disadvantages:

  - Moving to a totally new model would require some drastic changes within the sector that the cultural community may not be ready for. This could impact a smooth transition or the cultural community could reject the new model entirely.
  - Advantages to the existing model include perceived equity and also a perceived access to recourse, since it is currently possible to appeal to political representatives. The service contract model raises the most concerns in this regard. (Although Council representation in the governance structure of a service agency model could preserve access to recourse in a new situation, for example.)
  - A new model would likely require a one-time, but significant outlay of funds to cover start-up and transition costs related to incorporation, developing institutional mandate, policies and programs, establishing a physical and digital presence, and employment negotiations and recruitment, etc. Although these start up and transition costs could be minimized if an existing organization was contracted to provide development services.
  - In order to support the new model and consolidate service delivery into one entity, current service level agreements and

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funding arrangements between the AHDU and existing organizations may be reduced or cancelled.

- A major advantage that the municipal fund/service contract model has over the others is its ability to be more agile and responsive to sector issues and changes. This is due to the fact that the other models must strictly adhere to their mandate and require council approvals for major changes to operations and budgets.

- In either the municipal fund/service or partner agency and municipal fund/service contract scenarios, careful consideration would have to be given to where synergies could be made at the sector-wide level with other umbrella culture organizations. Nullification of service contracts and merging of organizations may be necessary to further increase the benefits of consolidation.

7. THE WAY FORWARD

This Feasibility Study has been an exploratory process. Its purpose was not only to better understand Ottawa's cultural sector and the current development model presently in use, it was also to explore "what else is out there". The investigation of methods and models used elsewhere provided information on approaches that could have the potential to bring real benefit and growth to Ottawa's cultural sector, its residents and its economy overall.

In each chapter of this Feasibility Study, we have summarized our key findings from the research and consultation process. Additional information has been added where necessary and previous information revised and refined. Our methodology has led us from the development of a long list of alternative models for consideration, to a short list that would best meet the development needs of the sector and would help to achieve its key priorities. With a solid baseline of knowledge, the next step was to appraise the feasibility of these short-listed options alongside the existing Ottawa model from both a quantitative (i.e. financial) and qualitative point of view. The latter exercise has helped to highlight non-quantifiable advantages and disadvantages of the various models under consideration.

As we move towards a decision about the most beneficial course of action and the best way for the sector to proceed – whether that is the improvement of the existing model, the adoption of an entirely new model or the development of a hybrid model - the following findings and points must be taken into consideration.

FINANCIAL FEASIBILITY

Based on the scope of work conducted for this study, including the research associated with other governance/operational models, and our judgment and experience, we believe there would be a modest financial enhancement in either of the alternative scenarios relative to the status quo. This was examined in terms of the *additional amount* that remains after operational costs have been reconciled and which could be put towards additional grants, sector support or development programs as desired or needed.

It was also found that the financial feasibility of either alternative models is heavily reliant on its ability to fundraise a considerable level of funds from the private sector in a challenging philanthropic environment, as well as a dedicated commitment from the municipality, particularly in terms of consistent financial support for both grants and operations.

SATISFYING SECTOR NEEDS AND PRIORITIES

A key priority that surfaced throughout the study was the need for to expand the pool of funds available to the sector and particularly with regard to its distribution. However, it is important to remember that decision-making regarding distribution funding is not the only responsibility of a cultural sector development model, as this study has revealed, and in fact the consultation process uncovered six top-line priority functions for Ottawa. They are:

- Professional development and organizational capacity building
- Leadership/ advocacy/ advisory
- Strategic visioning and cultural planning
- Networking/ amplification
- Marketing and promotion of the sector

- Funding distribution and fundraising on behalf of the sector (as opposed to fundraising for operation of the model)

Assessing the suitability of any future scenario must therefore also consider the ability of the cultural sector development model to deliver these other priority functions as well as funding. We have seen that many of these models are able to fulfill each of these priorities in some way, but that no single model examined provides all of these top line priorities services to a high degree. Organizational and funding capacity limitations will require a targeted mission and service delivery.

REAL OPPORTUNITIES

While important, financial improvements and satisfaction of sector development priorities are not the only consideration that must also be take into account when comparing and considering the feasibility of these models.

Throughout the study, the municipal department scenario has relied heavily on a status quo or "business as usual" assumption. This means that the level of service, staff, and programs delivered by the Arts and Heritage Development Unit in Ottawa would continue. Given how dynamic the economic, political and social aspects of a city can be, it is a considerable assumption to expect that this level of activity, and the current quality of service would remain constant and unchanged in future. Enhancing the existing municipal department model is possible and needed to help improve impact on and efficiency within the sector. It also has the advantage of being the least disruptive overall.

However, the other municipal fund/service or partner agency and municipal fund/service contract models provide greater opportunities for a number of other functions that the current model does not and cannot fulfill. This includes generating philanthropic support for the sector, tapping into new sources of funding and, most importantly, providing the single-focus strategic leadership and oversight that has

long been desired. A new way of doing things can provide leadership that is broader in its thinking about culture, that is community-led, and that is agile enough to respond quickly to changes and issues in the sector.

Some of the discussions around costs and benefits included the idea that there is potential under a new model to find synergies and address duplication of effort in terms of some other support functions, especially professional development and capacity building. A more centralized shared services model that facilitates the pooling of resources and delivering the same functions already provided, but more efficiently and effectively, could lead to net gains in quality and efficiency.

OPENNESS TO CHANGE

Through research and consultation, we have observed that there are some cultural leaders in Ottawa who favour new approaches and are excited by the potential benefits and opportunities that an alternative development model for the sector could bring. However, what also became apparent over the last 12 months was that the wider cultural community is hesitant to accept change, particularly those perceived as being drastic or major disruptions to the existing situation, or those that are perceived to put some organizations at risk. In particular:

- The interview/consultation process revealed that the arts, culture and heritage community in Ottawa have certain concerns and perceptions regarding any change to the status quo. In particular there is a subjective perception that the current situation provides a certain amount of equity, impartiality and predictability. But, there also appears to be less awareness of the gaps (actual or perceived) in the current service offering and/or understanding of the opportunities that may be afforded by change.

- All agree that conflicts of interest, whether real or perceived, must not exist in any decision-making processes regarding the distribution of grant funds, under any model, existing or future. The

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concern in the community is that moving to a new model could potentially introduce conflicts of interest.

- In particular, there was a perception that the Ottawa Cultural Alliance was vying to become the mechanism for delivering the chosen alternative model – even though there is no such plan in place. This perception led to a concern by some that, if this came to be and however constituted, the Ottawa Cultural Alliance might favour its founding members and not offer the desired level of equity and impartiality in distribution of city funds that was considered essential. Ultimately, a greater level of trust is required

Whether justified or not, these concerns emerged as themes in the consultation process and suggest that a cautious approach may be necessary. Otherwise community resistance may emerge, change may take longer to implement and realization of benefits and impacts may be delayed.

CONCLUSIONS AND RECOMMENDATIONS

Based on our research and assessment, we have identified two potential models that have the potential to fulfill Ottawa's cultural sector development needs, the:

- Municipal Fund/Partner or Service Agency Model, or the
- Municipal Fund/Service Contract Model.

Given the results of this study, we conclude that benefit could be achieved with changes to the existing model. However, determining what the most advantageous balance of functions and services between the City and a new arm's length organization, as well as its governing relationship requires detailed design of such a model, which is beyond the scope of this investigation.

Having reviewed the results of the quantitative and qualitative feasibility analyses with the various stakeholders, we are now able to make the following recommendations:

- **Establish a Diverse Task Force:** The importance of trust, equitable representation and impartiality, as well as a community-led process were clear messages that arose during this study. Moving forward with further development and design of a potential model will require concerted leadership, commitment and co-operation from across the cultural community. To accomplish this, we recommend striking a diverse task force made up of a cross-section of Ottawa's cultural community and the City of Ottawa. This should include representation from across:

  - Communities, including Indigenous and Francophone culture and other equity groups

  - Disciplines, including education and emerging disciplines

  - Cultural organizations, institutions and individuals, including professionals, amateurs, businesses and entrepreneurs

  - Ottawa demographics and neighbourhoods, including rural and urban perspectives

  - Ottawa City Council and municipal departments and agencies.

- **Ensure Administrative Support for the Task Force:** Develop terms of reference for the Task Force that are clear about roles and responsibilities, scheduling and decision-making processes. Ensure that the Task Force is properly supported with both financial and administrative resources.

- **Work in Partnership to Design the Preferred Sector Development Model in Greater Detail:** As will be apparent by now, the permutations within each sector development model with regard to function are numerous. This study has examined a series of *notional* models, but it is beyond the current scope to design that model in terms of the exact scope and nature of activity within each of the functions, or in terms of its relationship to the City. The central purpose of the Task Force will therefore be to work together in

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partnership to develop the preferred model in its details, including mission and mandate, governance structure, functions and services, and implementation plan (including set up, gradual transition and business plan). Most importantly, the Task Force will come to agreement on the most beneficial relationship between this new model and the City, and how this will be established. Consideration for how this model could link into the wider sector (i.e. the other cultural umbrella organizations) to reduce duplication and create real synergies will also be important.

- **Pilot Phase:** Develop a one-year trial period with necessary staff and resources to allow the new model to test its plans, develop roots in the cultural community, grow relationships and trust, and demonstrate the commitment of the chosen model to developing Ottawa's cultural sector. Focus at this time should be on value-added activities i.e. those activities that provide additional benefits or good to existing development services and to the cultural community. Oversight of the pilot could take the form of a Steering Committee.

- **Gradual Transition:** Based on the success of and lessons learned from the pilot phase, begin to create an implementation plan that works to transition the desired sector development functions to the new model in phases, including the redirection of any responsibilities currently provided by the City via the Arts and Heritage Development Unit or others (i.e. service agreement organizations). These plans should be guided by any necessary bylaws, memorandums of understanding (MOUs), service agreements, or contracts, etc.

- **Ensure linkages with Future Planning:** A core function of any sector development model is strategic leadership. This is usually guided by the development of and delivered through a municipal cultural plan. With the conclusion of the *Renewed Action Plan (2013-2018),* a new community-led initiative has emerged to help identify sector develop priorities and a new action plan developed to direct the sector towards success. It will be essential that any future Task Force and the design of the sector development model is able to build from the findings of this Feasibility Study, as well as any new strategic roadmap for culture.

This concludes this Arm's Length Cultural Sector Development Feasibility Study.

APPENDIX A

APPENDIX A: SURVEY SUMMARY

The consulting team conducted an online needs assessment survey. Specifically targeting the cultural sector, the survey was widely distributed via the OCA's mailing list, the City of Ottawa's mailing list, posted on the OCA website, and promoted on social media (both via the OCA's Twitter account and the member organizations' social media properties. The survey was in the field for almost 3 weeks in April and May 2018.

In total, we received 266 completed responses. A number of partial responses were also submitted and have been included in the analysis where relevant. The "n" value provided below each chart indicates the number of responses we received and included in the analysis for that question or chart.

Geographic representation

Looking at the survey sample more carefully (in Figures 1 and 2 below, over half (53%) of the respondents indicated that they were located in the urban regions of Ottawa. Respondents located in rural areas of the city made up only 8% of the response base. Respondents from suburban areas are relatively underrepresented in the survey sample making up 18% of the Ottawa respondents, which is below the suburban population in the city overall which sits at about 35%[4]. The map in Figure 3 provides a heat map further illustrating the concentration of responses received from different areas in and around Ottawa.

Individuals = 78%
Organization/Business = 22%

Individual: Not in Ottawa region 2%, Ottawa Rural 8%, Ottawa Suburban 15%, Ottawa Urban 53%

Organization/Business: Ottawa Rural 2%, Ottawa Suburban 3%, Ottawa Urban 17%

■ Not in Ottawa region ■ Ottawa Rural ■ Ottawa Suburban ■ Ottawa Urban

[4] https://www.ottawainsights.ca/themes/general-demographics/
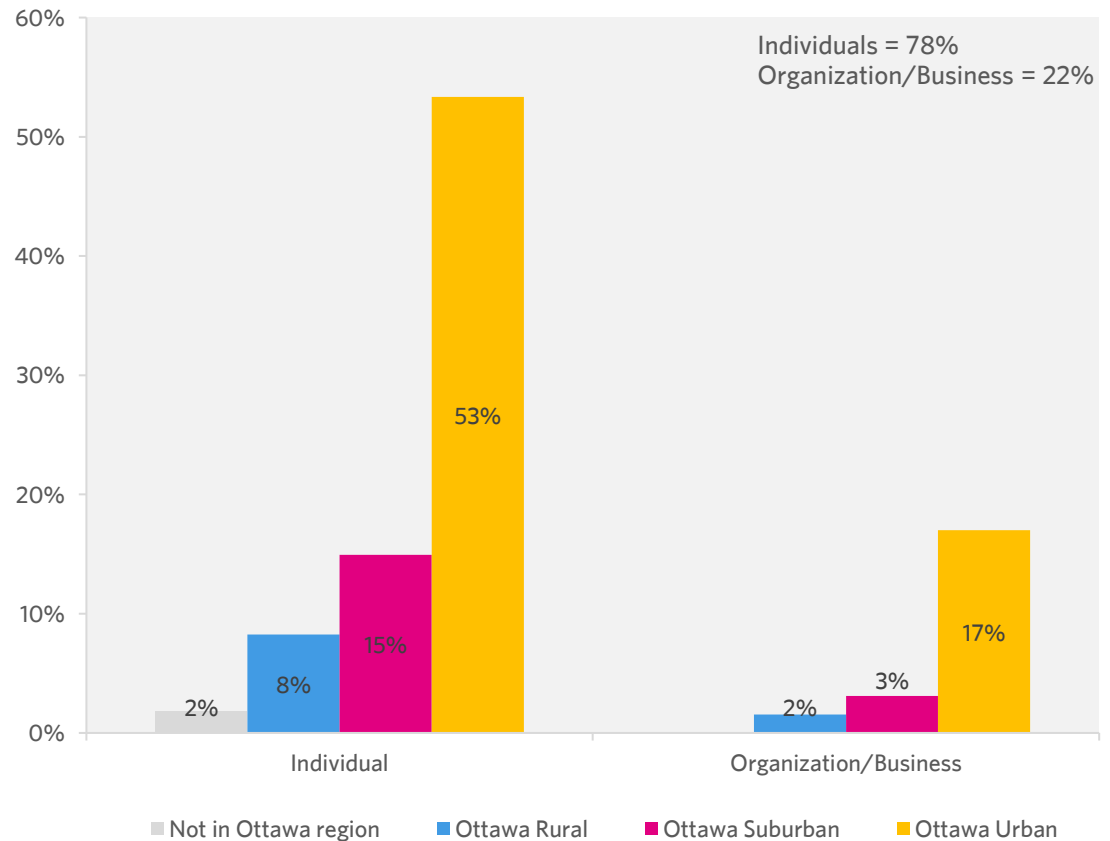
Figure 1: Respondents by geographic area, by type of respondent[5]

n = 388
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

Figure 2: Breakdown of respondents by geographic area
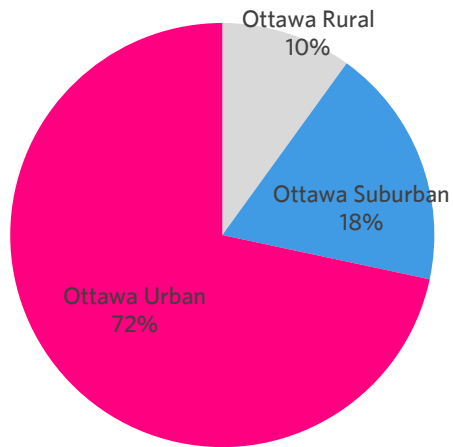
Ottawa Rural 10%
Ottawa Suburban 18%
Ottawa Urban 72%

n = 388
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

Figure 3: Location of Ottawa survey respondents
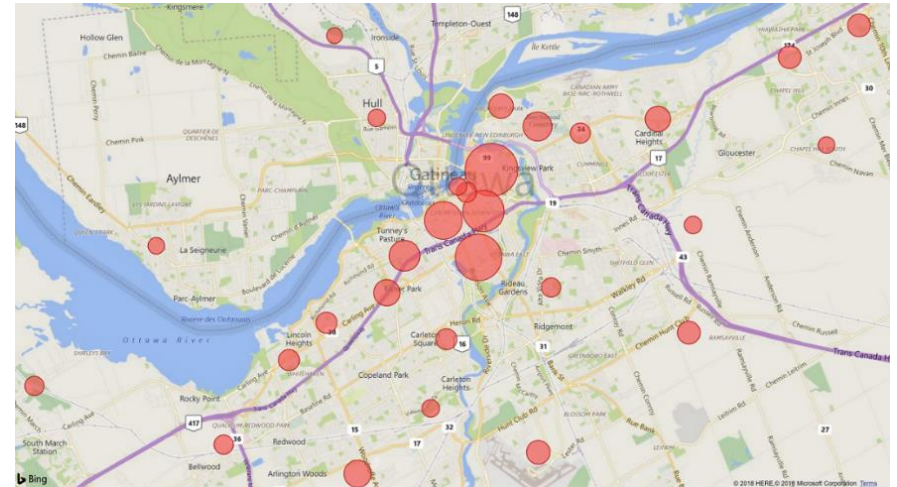
n = 388
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

[5] It should be noted that a small number of responses were received that provided postal codes from outside of Ottawa. These responses were included in the analysis under the assumption that if they received and responded to the survey, they must have some connection to the culture sector in Ottawa, and are therefore considered to be part of the community of culture stakeholders in Ottawa.

Sector representation

As shown in Figure 1 above, a large majority (78%) of survey respondents were responding on behalf of themselves as individuals (rather than on behalf of an organization or group). Almost half of the respondents who were responding as individuals identified themselves as an independent artist (47%). In addition, almost one-fifth (18%) of the individual respondents identified themselves as members of the public who support the sector (see Figure 4 below).

Figure 4: Breakdown of respondents by type of respondent

An independent artist — 47%
A supporter of arts/culture/heritage in Ottawa — 19%
Employed at an arts/culture/heritage organization — 12%
A freelance cultural professional — 12%
Board member of an arts or cultural organization — 6%
A volunteer — 3%
Other — 1%
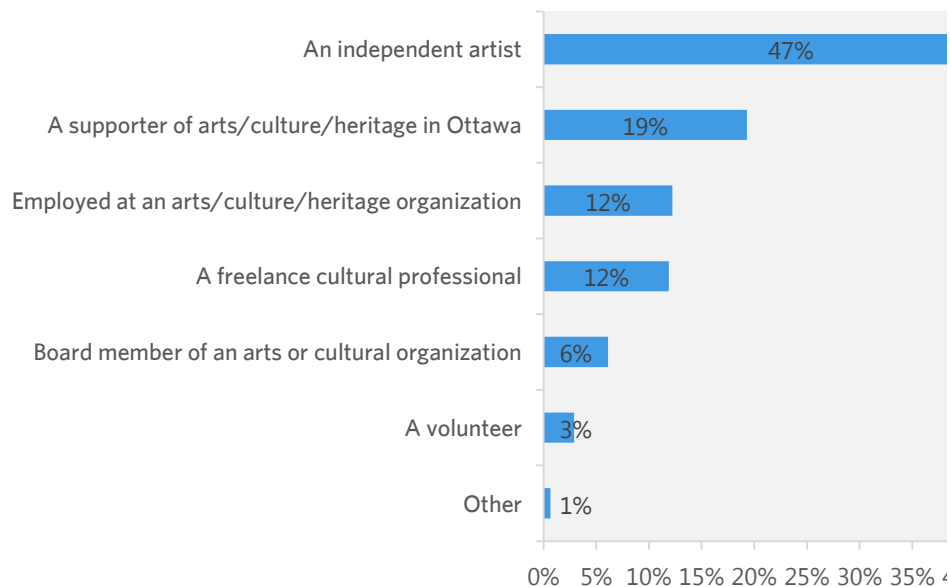
n = 311
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

The organizations that responded to the survey were most likely to be non-profit or charitable, collectively making up three-quarters (74%) of the organization respondents (see Figure 5 below).

Figure 5: Breakdown of respondent organizations by structure

Non-profit organization — 49%
Charitable organization — 25%
Sole proprietor — 7%
Public corporation — 6%
Ad-hoc group or collective — 6%
Private corporation — 4%
Partnership — 1%
Other — 2%
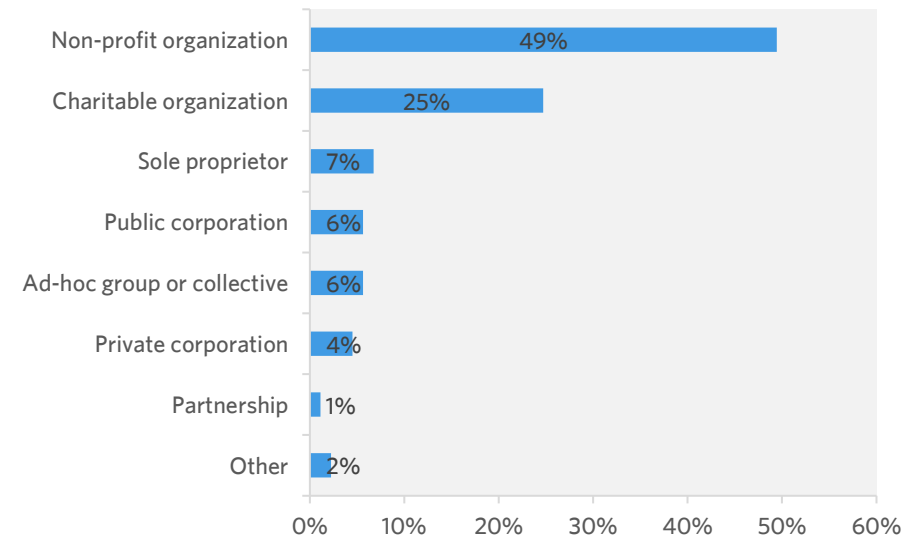
n = 89
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

When examined by culture sector discipline, Figure 6 shows that most respondents indicated they most identified as being from the visual arts discipline (42%). Over one quarter identified as being from the performing arts discipline (26%) and another quarter indicated they were from the festivals, fairs and events discipline (23%). As might be predicted, the Festivals, fairs and events group had the largest proportion of responses on behalf of organizations (compared to individuals) with just over one third of those who indicated they were from the festivals, fairs and events discipline also indicating that they were responding on behalf of an organization. On the other hand, the visual arts discipline was vastly more composed of individual respondents rather than organizations.

Figure 6: Breakdown of respondents by culture sector discipline

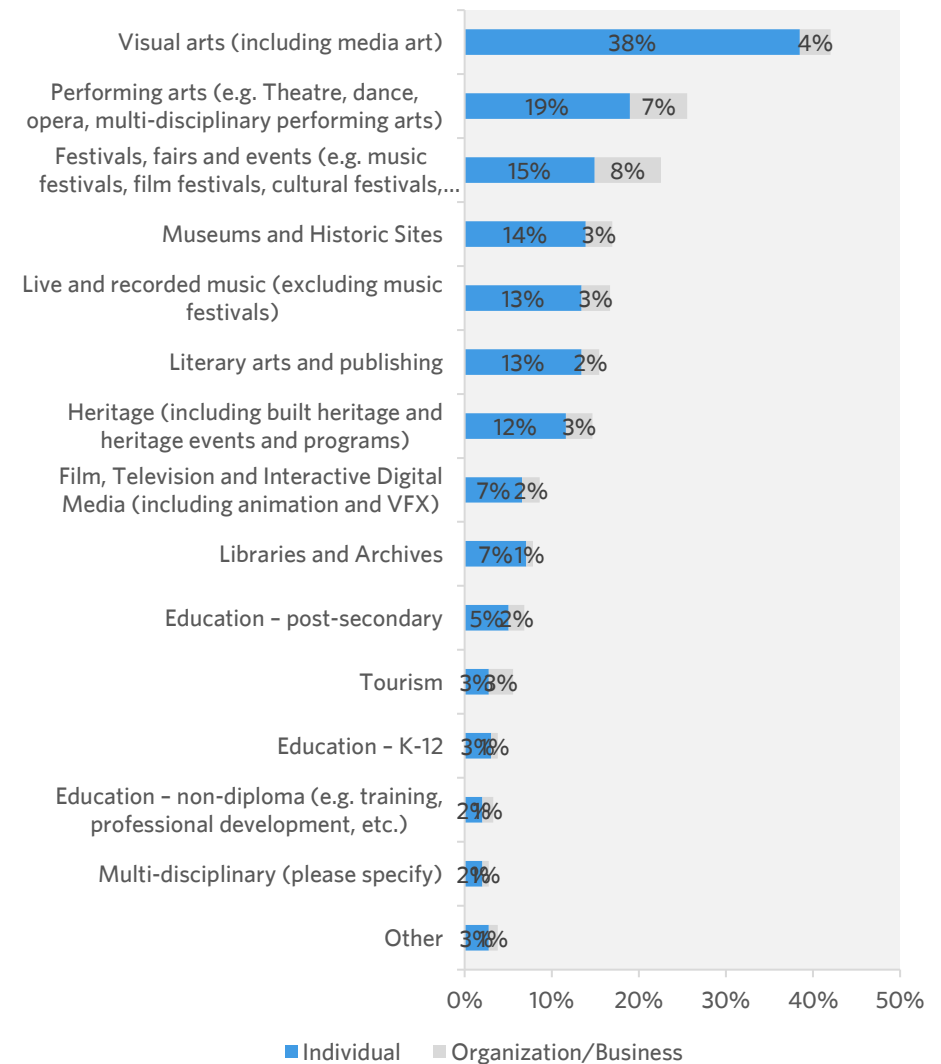|	Individual	Organization/Business
Visual arts (including media art)	38%	4%
Performing arts (e.g. Theatre, dance, opera, multi-disciplinary performing arts)	19%	7%
Festivals, fairs and events (e.g. music festivals, film festivals, cultural festivals,...)	15%	8%
Museums and Historic Sites	14%	3%
Live and recorded music (excluding music festivals)	13%	3%
Literary arts and publishing	13%	2%
Heritage (including built heritage and heritage events and programs)	12%	3%
Film, Television and Interactive Digital Media (including animation and VFX)	7%	2%
Libraries and Archives	7%	1%
Education – post-secondary	5%	2%
Tourism	3%	3%
Education – K-12	3%	1%
Education – non-diploma (e.g. training, professional development, etc.)	2%	1%
Multi-disciplinary (please specify)	2%	1%
Other	3%	1%

n = 395
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

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1. CURRENT NEEDS, PRIORITIES, CHALLENGES

This section provides some insights on how the culture sector community in Ottawa is accessing support services in the existing ecosystem and how well the existing support ecosystem addresses their needs.

One third of the respondents to the survey indicated that they did not hold any organization memberships. Roughly 20% of the respondents reported being members of Arts Network Ottawa and 15% are members of the Ottawa Arts Council, while roughly one tenth (9%) indicated they were members of the Ottawa Festival Network. This may indicate that for whatever reason many community members are not adequately aware of or able to access existing services offered by the various support organizations in place in Ottawa.

Figure 7: Organization memberships of survey respondents[6]
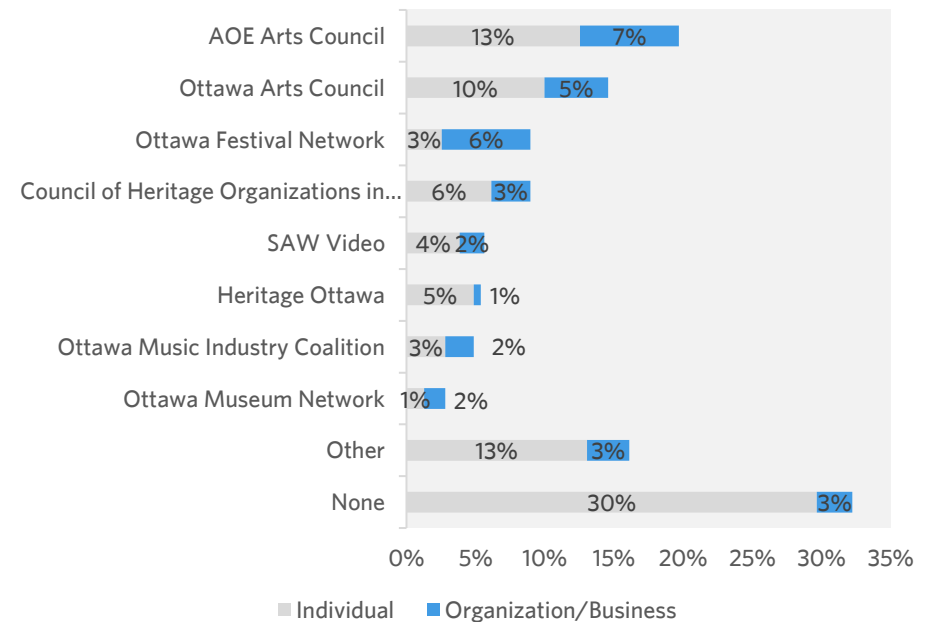
n = 391
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

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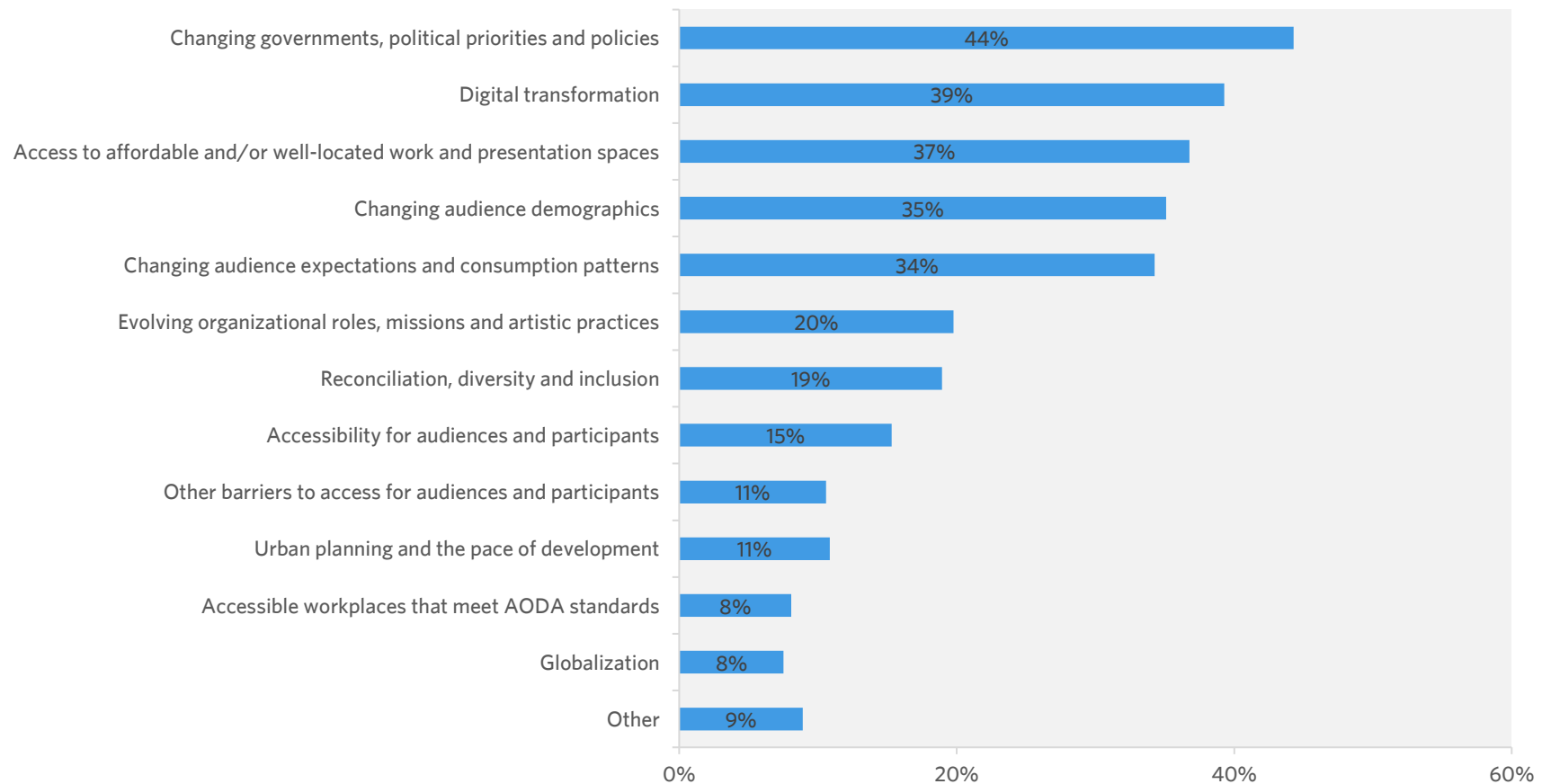[6] Please note that totals will not sum to 100 given that respondents were able to select multiple responses

Trends Influencing the Cultural Sector

As shown in Figure 8, survey respondents indicated that the top trend having the greatest impact on the sector is **changing governments, political priorities and policies**. Digital transformation, access to affordable and/or well-located work and presentation spaces, and changing audience demographics and behaviours were also among the most important trends selected by respondents.

Figure 8: Trends with the greatest impact on the arts, culture and heritage sector in Ottawa

Trend	%
Changing governments, political priorities and policies	44%
Digital transformation	39%
Access to affordable and/or well-located work and presentation spaces	37%
Changing audience demographics	35%
Changing audience expectations and consumption patterns	34%
Evolving organizational roles, missions and artistic practices	20%
Reconciliation, diversity and inclusion	19%
Accessibility for audiences and participants	15%
Other barriers to access for audiences and participants	11%
Urban planning and the pace of development	11%
Accessible workplaces that meet AODA standards	8%
Globalization	8%
Other	9%

n = 359
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

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When examined by sector discipline, respondents from the visual arts indicated that access to affordable and well-located spaces was the trend that would have the most impact on them, whereas respondents from the performing arts sector indicated that changing audience demographics would have the most impact on them (see Figure 9).

Figure 9: Trends with the greatest impact on the various arts, culture and heritage sectors in Ottawa[7]

n = 359
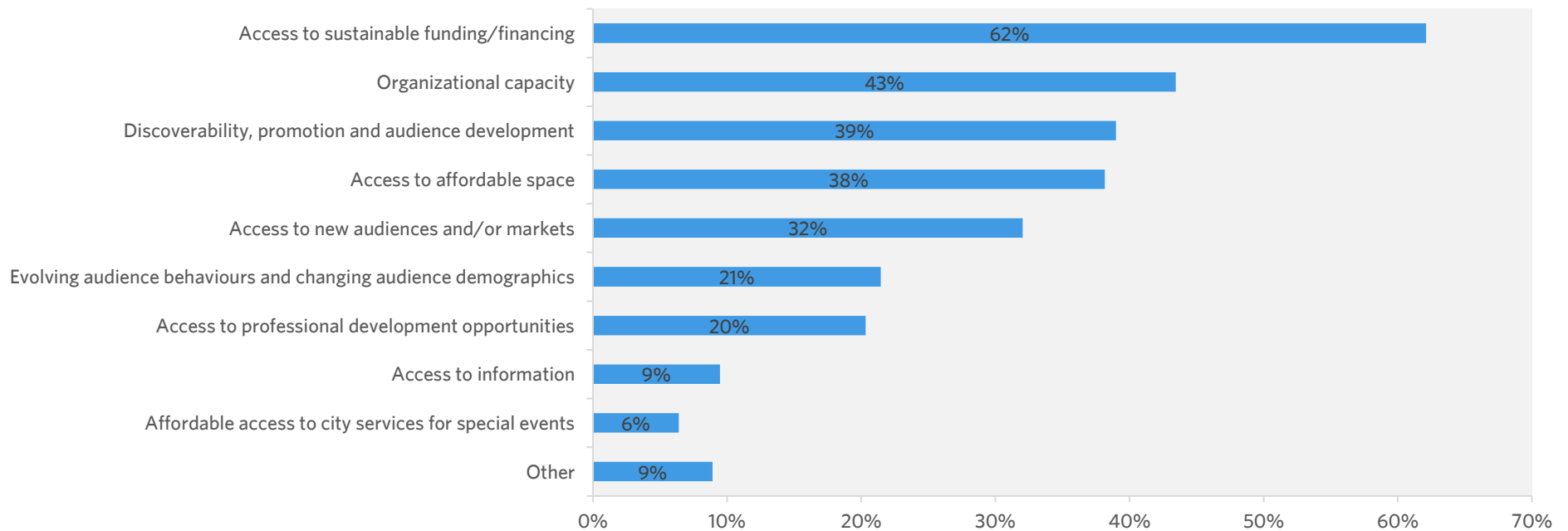*Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity*

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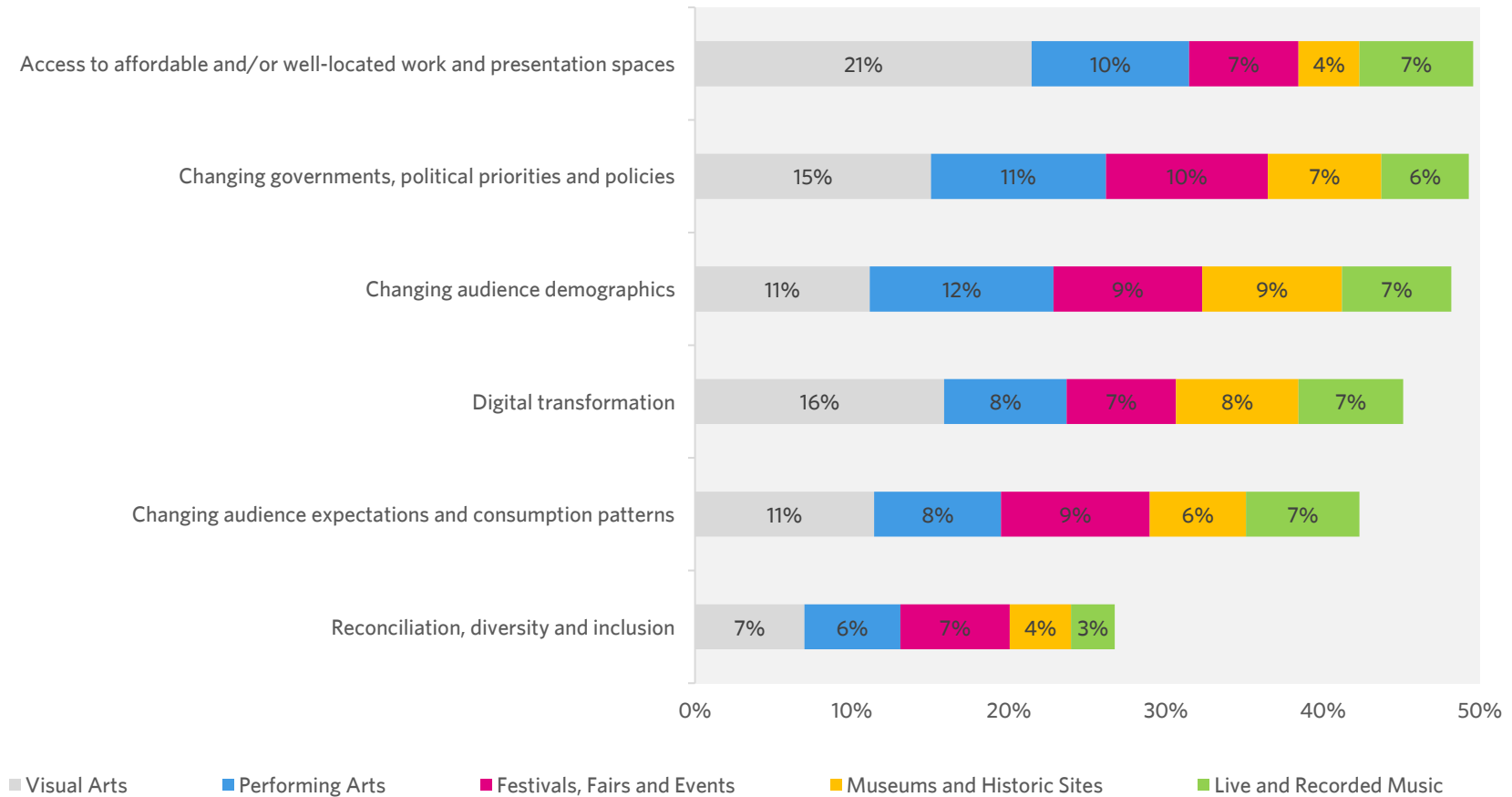
[7] Please note that respondents could select multiple disciplines and select multiple options to this question. As such, responses to this question would count towards as many disciplines as the respondents selected.

Current Challenges

When asked about the challenges that they or their organization face, a large majority (62%) of respondents cited **access to sustainable funding/financing** as the most significant challenge. Organizational capacity (43%) and discoverability, promotion and audience development (39%) were also among the most cited top challenges.[8]

Figure 10: Significant challenges faced by the arts, culture and heritage sector in Ottawa

n = 359
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

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[8] Around 12% of challenges described in the "Other" category relate to accessibility, specifically to lack of accessible venues for both artists and audience members, mobility and transport, and the fact that there is limited financial support for organizations that employ disabled persons. There were options related to accessibility for both audiences and professionals but may not have been selected by the individuals who cited these challenges as "other". As a result, the frequency of those categories may be slightly under-represented in the results.

As shown in Figure 11, access to sustainable funding is the most significant challenge cited by respondents across all disciplines. This holds true across all disciplines, although respondents from the visual arts sector were just as or slightly more likely to indicate access to affordable space as a top challenge.

Figure 11: Most important challenges, by sector discipline[9]
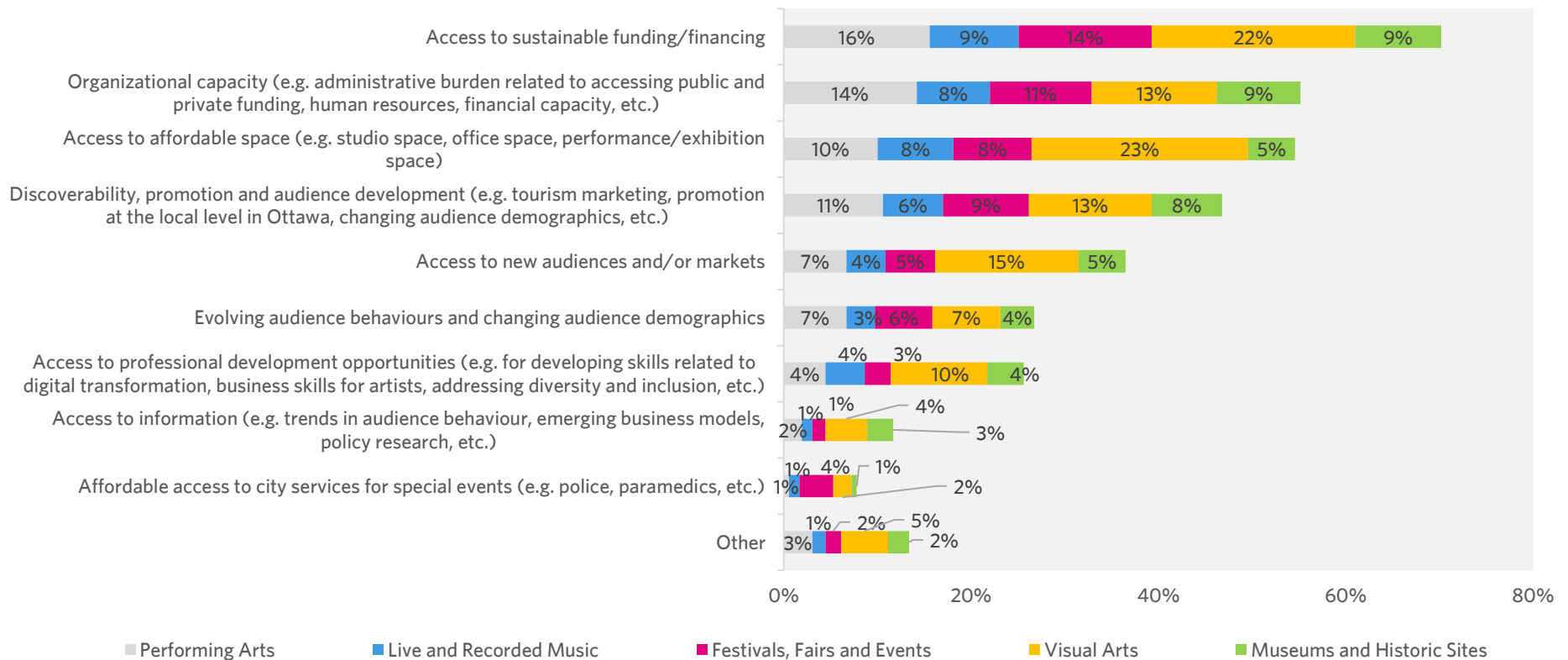
n = 359
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

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[9] Please note that respondents could select multiple disciplines and select multiple options to this question. As such, responses to this question would count towards as many disciplines as the respondents selected.

When broken down by type of respondents, respondents who work at arts/culture/heritage organizations and by supporters of the sector were more likely to select organizational capacity as a top challenge (see Figure 12 below). All other respondents cited access to sustainable funding most frequently

Figure 12: Significant challenges faced by individuals in the arts, culture and heritage in Ottawa
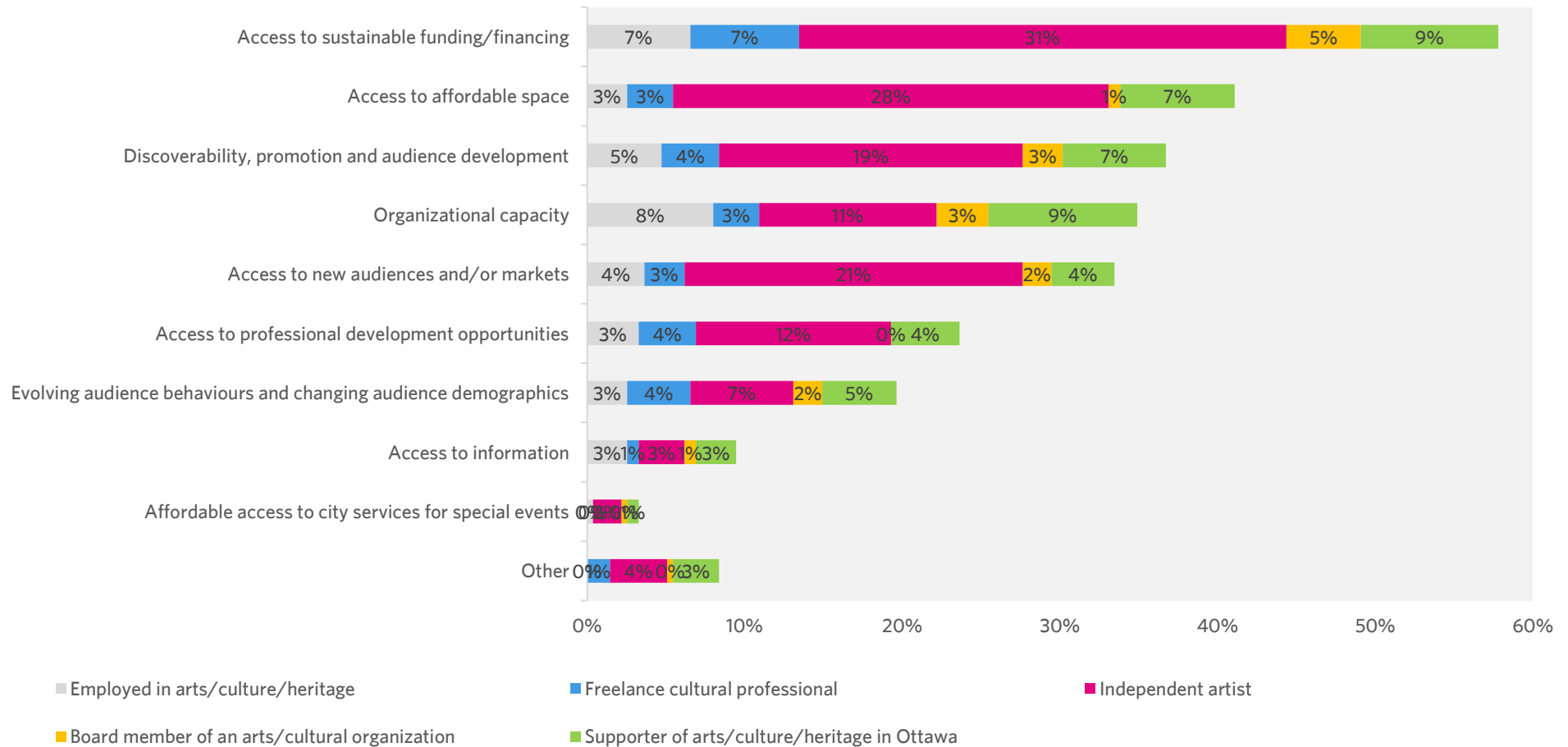
n = 275
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

State of the existing support ecosystem

Overall, survey respondents indicate that they were neither dissatisfied nor particularly satisfied with the existing support ecosystem for the Culture Sector in Ottawa, indicating there are likely some things that are working well while other things are not and that there may be some gaps in the services available. Indeed, as shown in Figure 13, the average satisfaction score across all respondents is 2.89 (on a five-point scale from very dissatisfied to very satisfied). When examined by sector discipline there was very little variation with overall satisfaction.
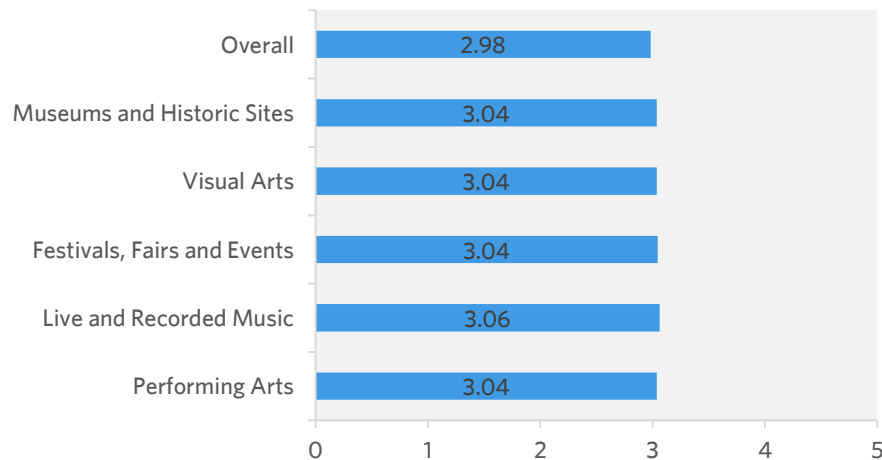
Figure 13: Satisfaction score, by discipline

n = 329
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

Similarly, when examined by types of individual respondent there was very little variation in the average satisfaction score, which again hovers around a "neutral" score. That said, respondents who indicated that they are employed at arts, culture or heritage organizations reported the highest satisfaction with the current ecosystem (average score of 3.08) whereas those who identified as freelance cultural professionals reported the least satisfaction with the current ecosystem (an average score of 2.65). These findings may indicate, as was apparent in the other consultation activities, that individual freelance professionals and practitioners have fewer support services directed at them and/or more trouble accessing existing services in the current system whereas established organizations may have more services directed at them and easier access to existing services.

Figure 14: Satisfaction score, by type of individual respondent
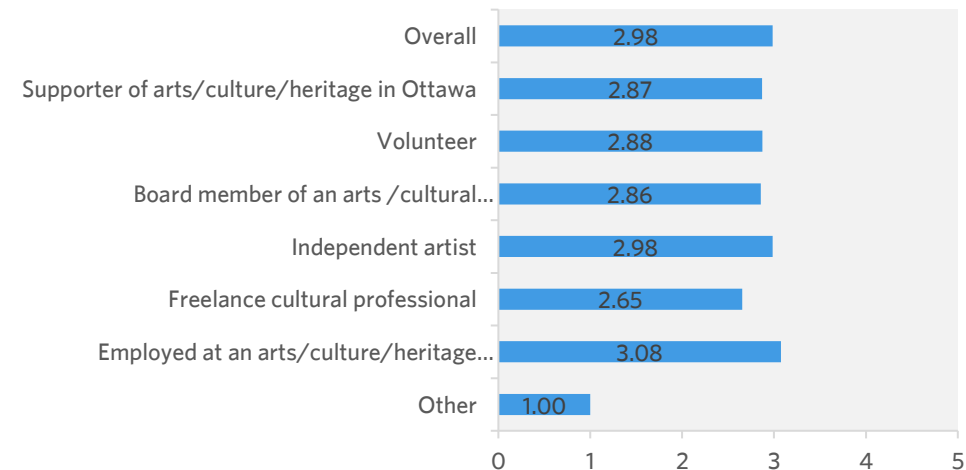
n = 329
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

When the analysis is broken down by support function, there is similarly very little variation in the average satisfaction as shown in Figure 15 below. Respondents were most satisfied with facilities management, rating it slightly higher than "Neutral". Respondents were least satisfied with marketing and audience development, rating it between "Dissatisfied" and "Neutral".

Figure 15: Satisfaction with facets of the current ecosystem

n = 329
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

When further broken down by discipline, the results similarly do not vary significantly except that respondents who indicated they identified with the festivals, fairs and events discipline were relatively more satisfied with the facilities management function of the current ecosystem than respondents from other disciplines (See Figure 16 below).

Figure 16: Satisfaction, by support function, by sector discipline
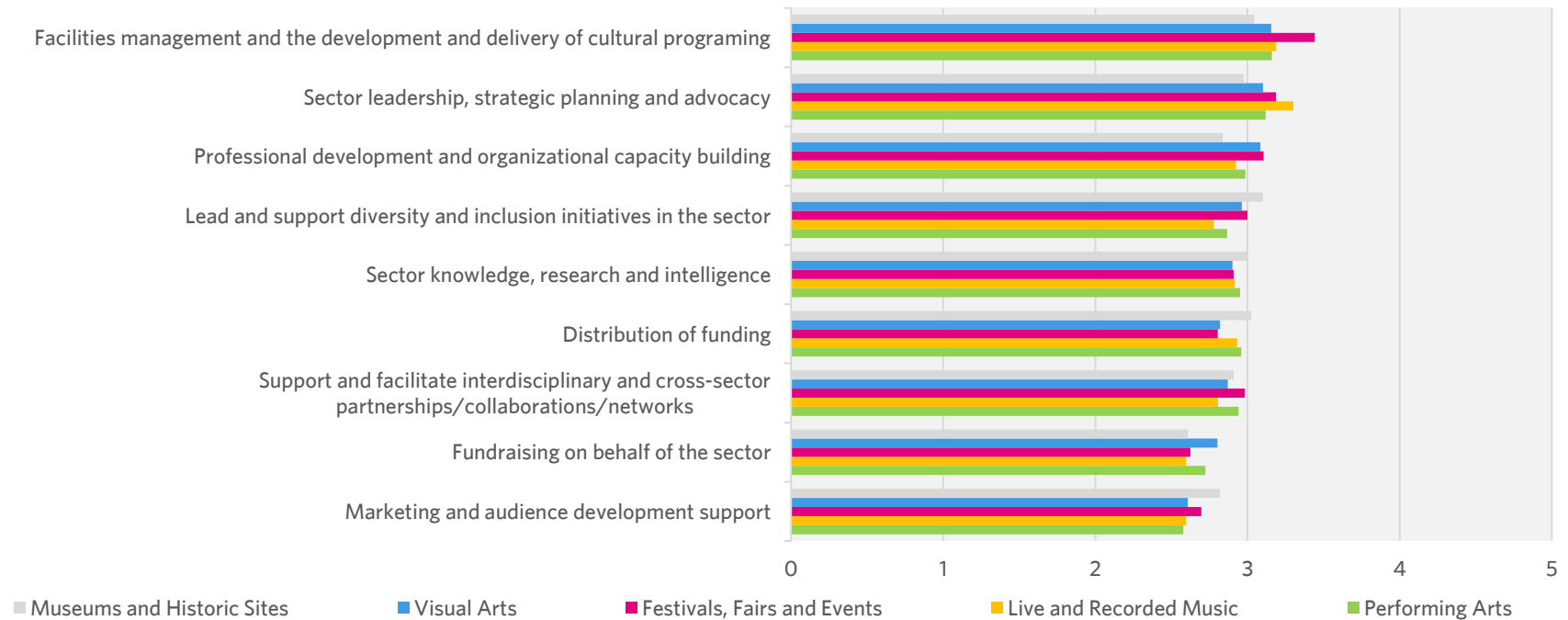
n = 329
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

As shown in Figure 17, when examined by type of individual respondent, the results vary more significantly. Employees of arts and cultural organizations who responded to the survey tended to be notably more satisfied with the facilities management, sector leadership, and interdisciplinary partnership support. On the other hand, Freelance cultural professionals are notably less satisfied with the existing fundraising and professional development support functions.

Figure 17: Satisfaction with facets of the current ecosystem
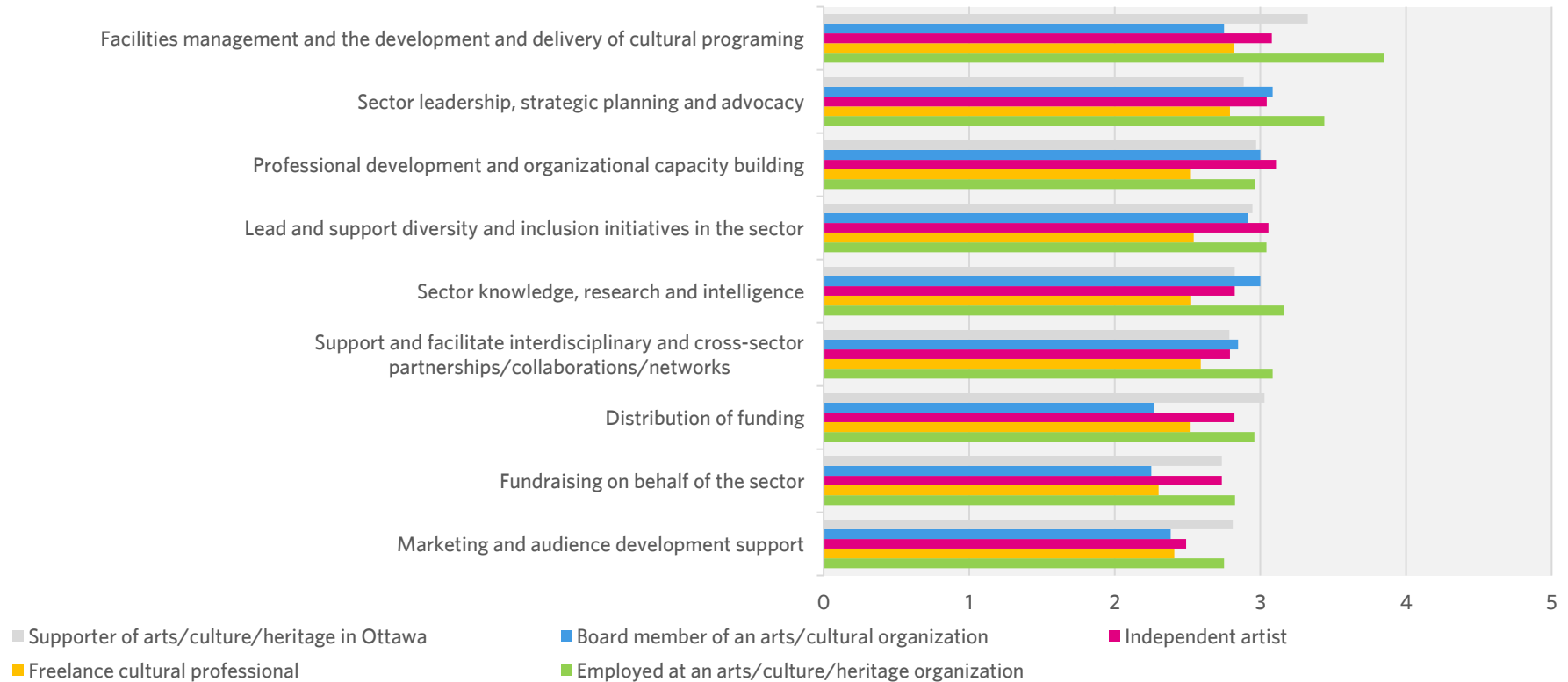
n = 251
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

Future Support Model/System

When respondents were asked to identify which support functions are the most critical for them or their organization's success, respondents overwhelming identified distribution of funding, and marketing and audience development functions as the most critical to the sector's success. Sector leadership was the next most frequently identified critical support function. Even though respondents were generally least satisfied with fundraising in the existing support ecosystem, it did not come out as one of the top most critical priorities, although 55% of respondents did count it as a critical support function. When examined by discipline and type of respondent, there were no significant variations in the results.

Figure 18: Priority support functions identified by survey respondents

- Distribution of funding — 88%
- Marketing and audience development support — 81%
- Sector leadership, strategic planning and advocacy — 65%
- Facilities management and the development and delivery of cultural programing — 62%
- Professional development and organizational capacity building — 57%
- Fundraising on behalf of the sector — 55%
- Support and facilitate interdisciplinary and cross-sector... — 49%
- Sector knowledge, research and intelligence — 47%
- Lead and support diversity and inclusion initiatives in the sector — 37%
- Other — 14%

0% 10% 20% 30% 40% 50% 60% 70% 80%

n = 307. Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

The following sub-sections will discuss the survey results relating to a potential future support model for the culture sector in Ottawa, keeping in mind the priority functions that respondents selected.

Autonomy of the Future Model/System

When asked how centralized (municipally driven) or autonomous (sector-led) they thought culture sector support should be, respondents largely leaned towards a support ecosystem that was roughly in the middle between full autonomy and fully centralized with direct municipal control. Indeed, the average autonomy score was 40 (where 0 = full autonomy and 100 = direct municipal control) Respondents largely lean towards full autonomy in local level cultural support with the museum and historic sites sector showing the most support for full autonomy.

Roles and Responsibilities for Priority Support Functions

The following section presents the results from a question where respondents were asked to indicate what type of organization they thought would be best suited or should be delivering each of the different support functions. Only the top six priority functions selected by respondents (shown in Figure 18) were included in this analysis. The analysis for each function presents the results overall as well as by discipline and type of respondent where applicable.

Distribution of funding (e.g. grants and awards)

Distribution of funding was identified as the highest priority for the sector (see Figure 18). When asked what type of organization should be responsible for the distribution of funding, about one quarter of respondents indicate it should be an **arm's length municipal agency** and almost a quarter indicated it should be a **municipal cultural services department.**

Figure 19: Organization type most suitable for distribution of funding
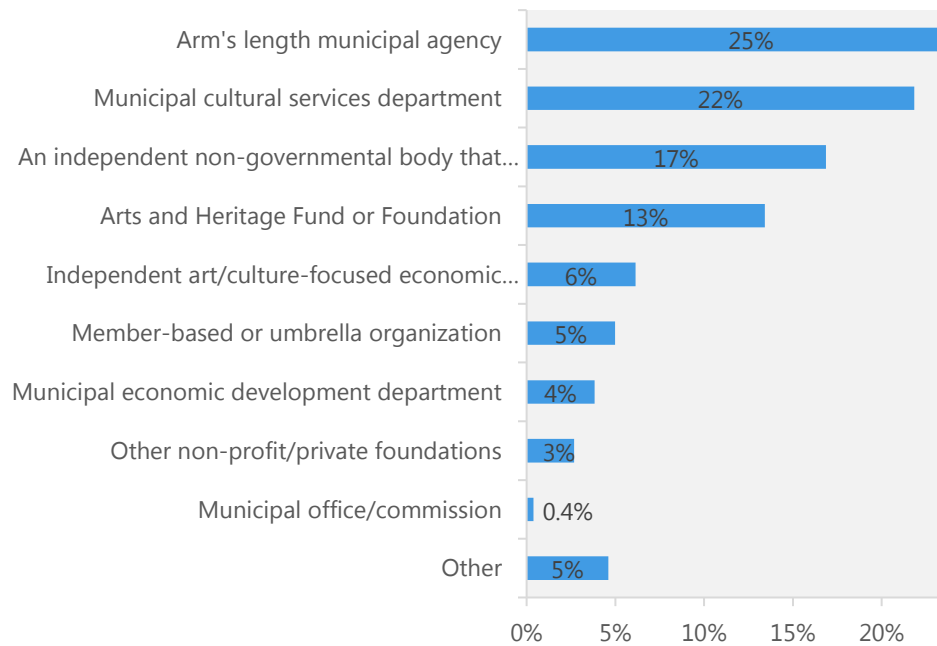
Arm's length municipal agency — 25%
Municipal cultural services department — 22%
An independent non-governmental body that... — 17%
Arts and Heritage Fund or Foundation — 13%
Independent art/culture-focused economic... — 6%
Member-based or umbrella organization — 5%
Municipal economic development department — 4%
Other non-profit/private foundations — 3%
Municipal office/commission — 0.4%
Other — 5%

0%   5%   10%   15%   20%

n = 261
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

The results showed little variation across sector disciplines, although the live and recorded music sector did show stronger preference for an arm's length municipal agency with half of the respondents from that discipline selecting that option. Respondents from visual arts and festivals, fairs and events disciplines also showed a slightly higher preference than others for the responsibility of funding distribution to lie with a municipal cultural services department, although those groups also seemed to vote in favour of an arm's length agency as the top choice. The results by type of respondent did not vary significantly.

Figure 20: Organization type most suitable for distribution of funding
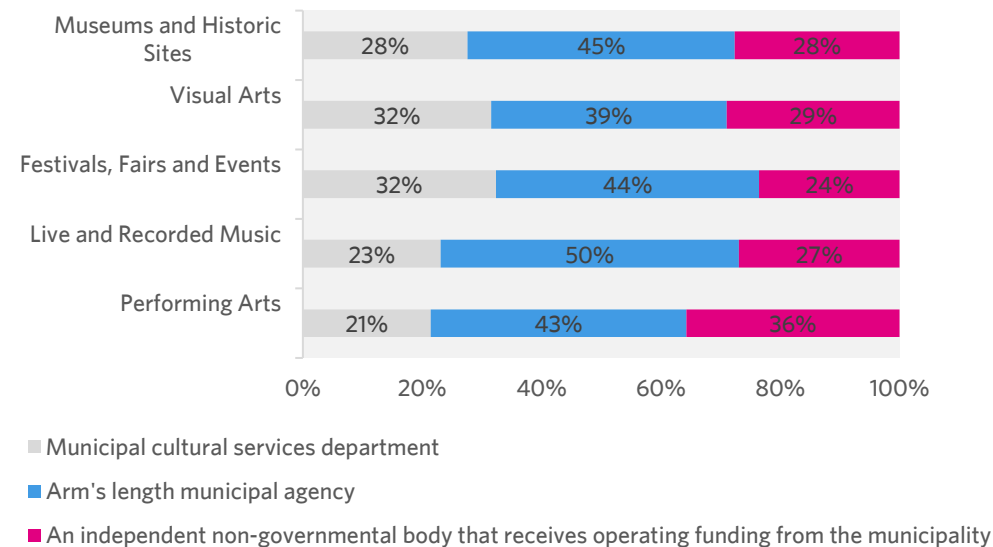
Museums and Historic Sites — 28% / 45% / 28%
Visual Arts — 32% / 39% / 29%
Festivals, Fairs and Events — 32% / 44% / 24%
Live and Recorded Music — 23% / 50% / 27%
Performing Arts — 21% / 43% / 36%

0%   20%   40%   60%   80%   100%

■ Municipal cultural services department
■ Arm's length municipal agency
■ An independent non-governmental body that receives operating funding from the municipality

n = 167
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

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Fundraising on behalf of the sector

As shown in Figure 21 below, survey respondents overall indicated that the organization type most suited to fundraising on behalf of the sector was identified as an **arm's length municipal agency** which was chosen by more than one-fifth (22%) of the respondents.

Figure 21: Organization type most suitable for fundraising on behalf of the sector

n = 261
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

When examined by discipline (as shown in Figure 22), the festivals, fairs and events sector tended to show preference for an independent non-governmental body (that receives operating funding from the municipality) to be primarily responsible for fundraising, whereas the other disciplines tended to show preference for an arm's length municipal agency.

Figure 22: Organization type most suitable for fundraising on behalf of the sector[10]
n = 141

Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey - Nordicity

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[10] Please note that the results for the breakout analysis only show the top three most frequently selected organization types overall for the sake of legibility.

When examined by type of respondent (see Figure 23), more than half (53%) of the freelance cultural professionals who answered this question would prefer an arts and heritage fund or foundation to be responsible for fundraising. On the other hand, respondents who are employed at an arts or cultural organization or who identified themseles as a sector supporter tended to show preference for an arm's length municipal agency for the same role.

Figure 23: Organization type most suitable for fundraising on behalf of the sector, identified by individuals[11]
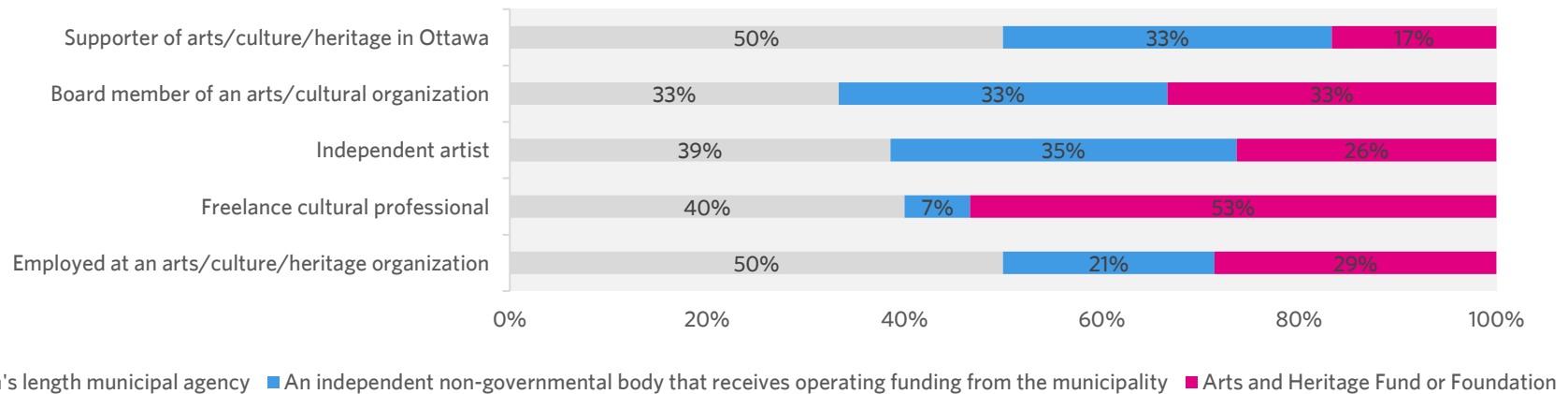
Supporter of arts/culture/heritage in Ottawa: 50%, 33%, 17%
Board member of an arts/cultural organization: 33%, 33%, 33%
Independent artist: 39%, 35%, 26%
Freelance cultural professional: 40%, 7%, 53%
Employed at an arts/culture/heritage organization: 50%, 21%, 29%

■ Arm's length municipal agency ■ An independent non-governmental body that receives operating funding from the municipality ■ Arts and Heritage Fund or Foundation
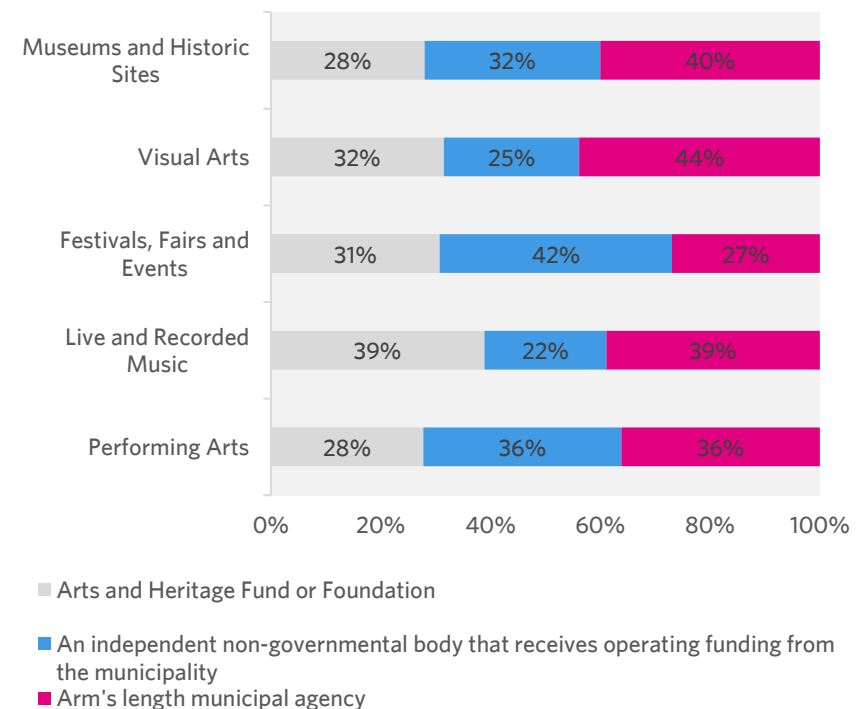
n = 141
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

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[11] Please note that the results for the breakout analysis only show the top three most frequently selected organization types overall for the sake of legibility.

Professional development and organizational capacity building (e.g. training and skills building, shared services, etc.)

Respondents indicated a preference for having a **member-based or umbrella organization** be primarily responsible for professional development and organizational capacity building (see Figure 24).

Figure 24: Organization type most suitable for professional development

Member-based or umbrella organization — 22%
An independent non-governmental body that receives operating funding from the... — 20%
Arm's length municipal agency — 16%
Municipal cultural services department — 11%
Independent art/culture-focused economic development body — 10%
Arts and Heritage Fund or Foundation — 5%
Municipal economic development department — 4%
Other non-profit/private foundations — 3%
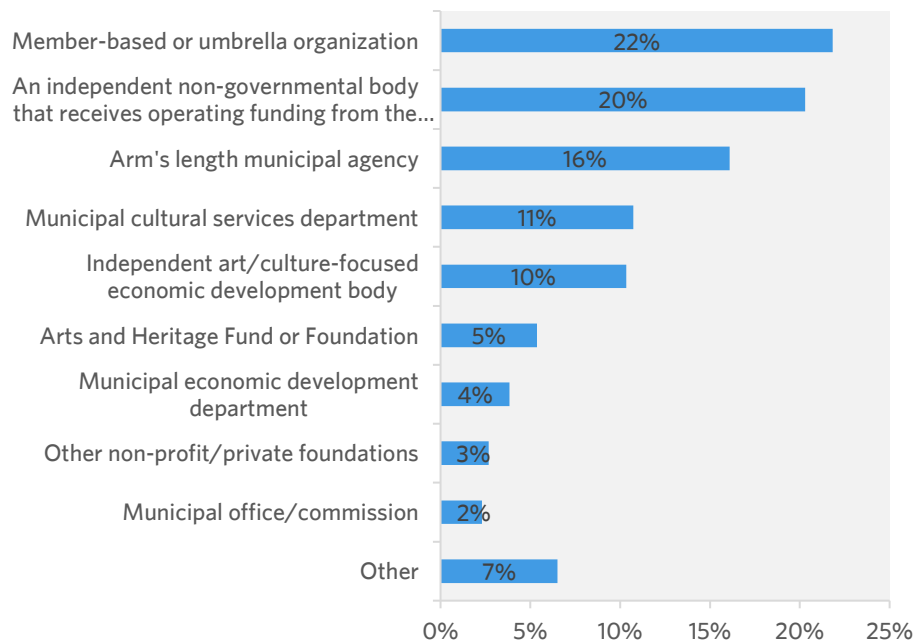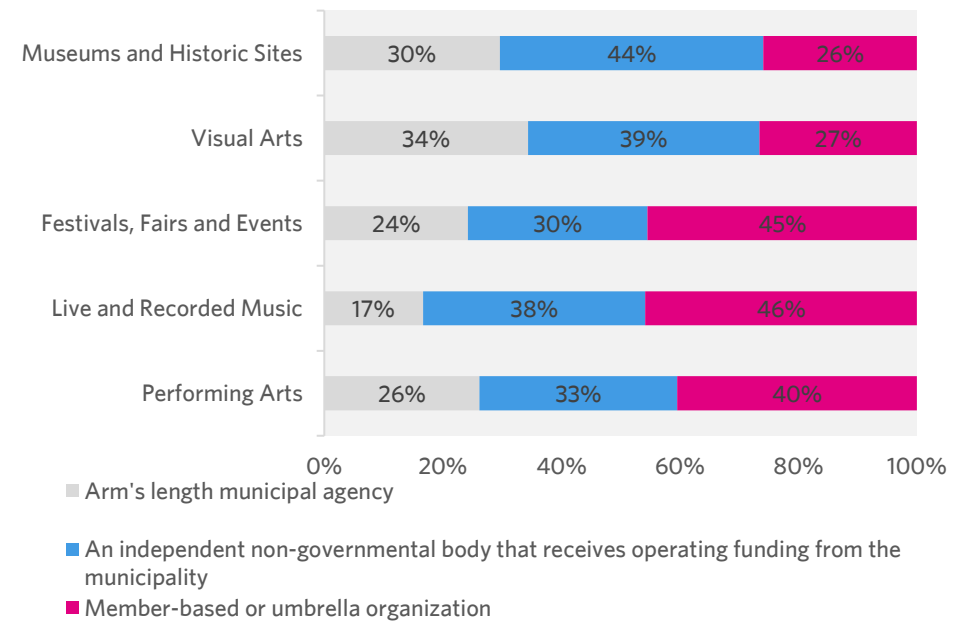Municipal office/commission — 2%
Other — 7%

n = 261
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

When broken down by discipline, respondents from the museums and historical sites and visual arts disciplines showed a preference for an independent non-governmental body (that receives operating funding from the municipality) to be primarily responsible for professional development and organizational capacity building. On the other hand, respondents who identified as being from the festivals, fairs and events, music and performing arts disciplines tended to favour member-based or umbrella organizations for providing the professional development function. (See Figure 25 below).

Figure 25: Organization type most suitable for professional development

Museums and Historic Sites — 30% | 44% | 26%
Visual Arts — 34% | 39% | 27%
Festivals, Fairs and Events — 24% | 30% | 45%
Live and Recorded Music — 17% | 38% | 46%
Performing Arts — 26% | 33% | 40%

■ Arm's length municipal agency
■ An independent non-governmental body that receives operating funding from the municipality
■ Member-based or umbrella organization

n = 152
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

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As Figure 26 indicates, respondents who identified as supporters of the sector are more likely to believe that an independent non-governmental body (that receives operating funding from the municipality) should be primarily responsible for professional development and organizational capacity building, whereas freelance cultural professionals and those serving on a board of an arts/culture sector organization are more likely to prefer a member-based or umbrella organization for the same purpose.

Facilities management and the development and delivery of cultural programing (e.g. exhibitions, festivals, heritage programming, etc.) As shown in Figure 27, Almost one-third (31%) of those who answered this question would prefer a municipal cultural services department to be responsible for facilities management and development and delivery of cultural programming. Respondents across all disciplines showed the same preference, although the preference was slightly more significant among respondents from the festivals, fairs and events, and live and recorded music sectors.

Figure 26: Organization type most suitable for professional development, identified by individuals

n = 152
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

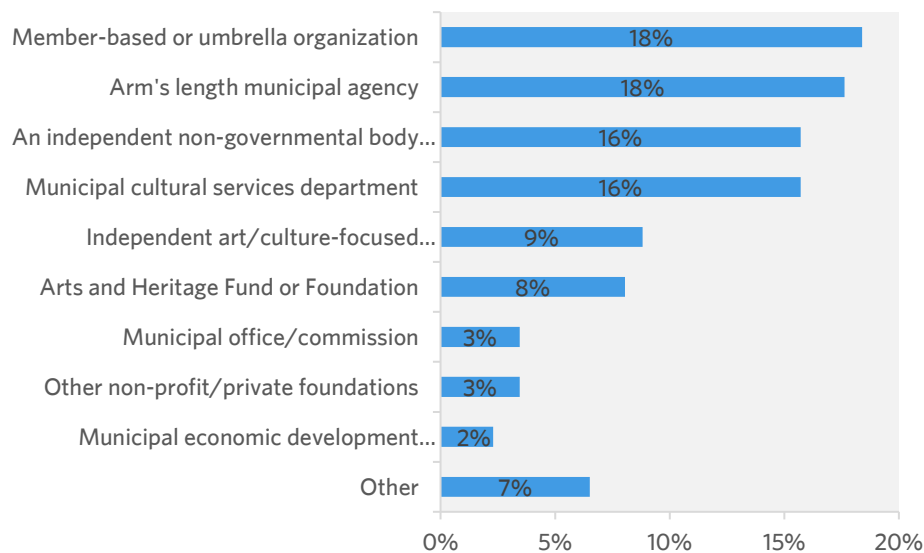Figure 27: Organization type most suitable for facilities management
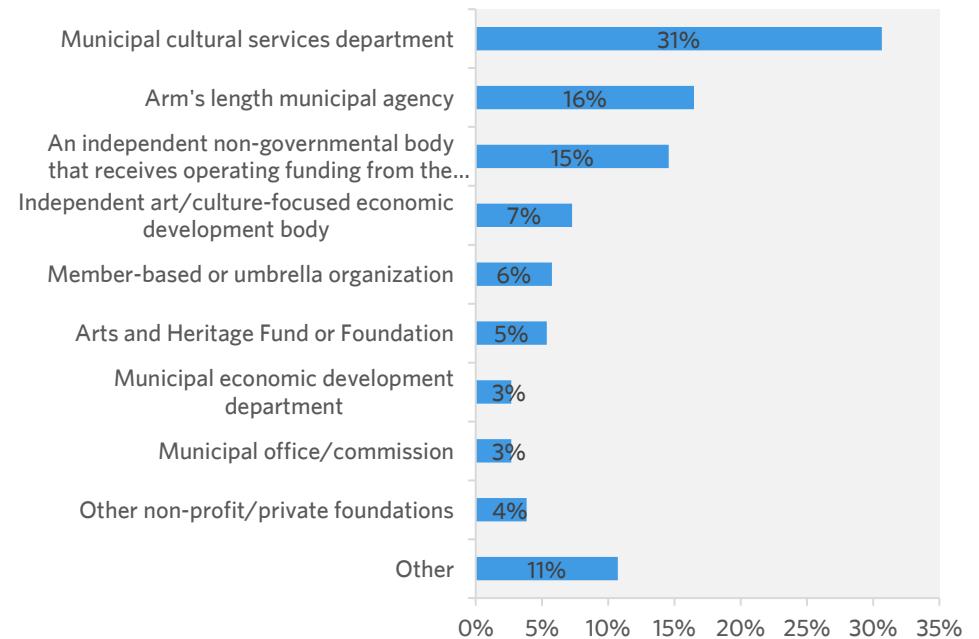
n = 261
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

Sector leadership, strategic planning and advocacy

Overall, respondents showed preference either for a **member-based or umbrella organization**, or an arm's length municipal agency to take of the role of sector leadership, strategic planning and advocacy (see Figure 28 below).

Figure 28: Organization type most suitable for sector leadership

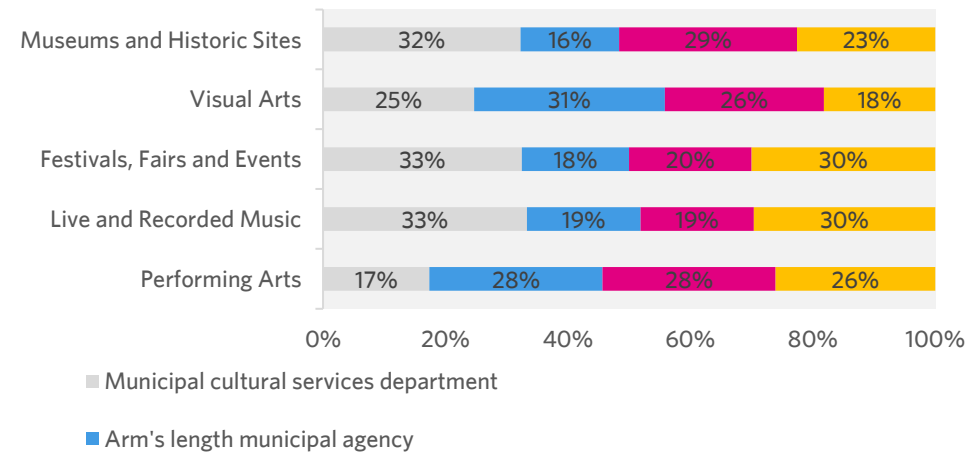|	
Member-based or umbrella organization	18%
Arm's length municipal agency	18%
An independent non-governmental body...	16%
Municipal cultural services department	16%
Independent art/culture-focused...	9%
Arts and Heritage Fund or Foundation	8%
Municipal office/commission	3%
Other non-profit/private foundations	3%
Municipal economic development...	2%
Other	7%

n = 261
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

When broken down by discipline, Figure 29 shows that respondents who identified themselves as being from the visual arts discipline showed preference for an arm's length municipal agency to take on the role of sector leadership, whereas respondents from the festivals, museums and historic sites, and music disciplines would prefer for a municipal cultural services department to take on the role of sector leadership. Respondents from the performing arts discipline were the least likely to select municipal cultural services department for this role.

Figure 29: Organization type most suitable for sector leadership

	Municipal cultural services dept.	Arm's length municipal agency		
Museums and Historic Sites	32%	16%	29%	23%
Visual Arts	25%	31%	26%	18%
Festivals, Fairs and Events	33%	18%	20%	30%
Live and Recorded Music	33%	19%	19%	30%
Performing Arts	17%	28%	28%	26%

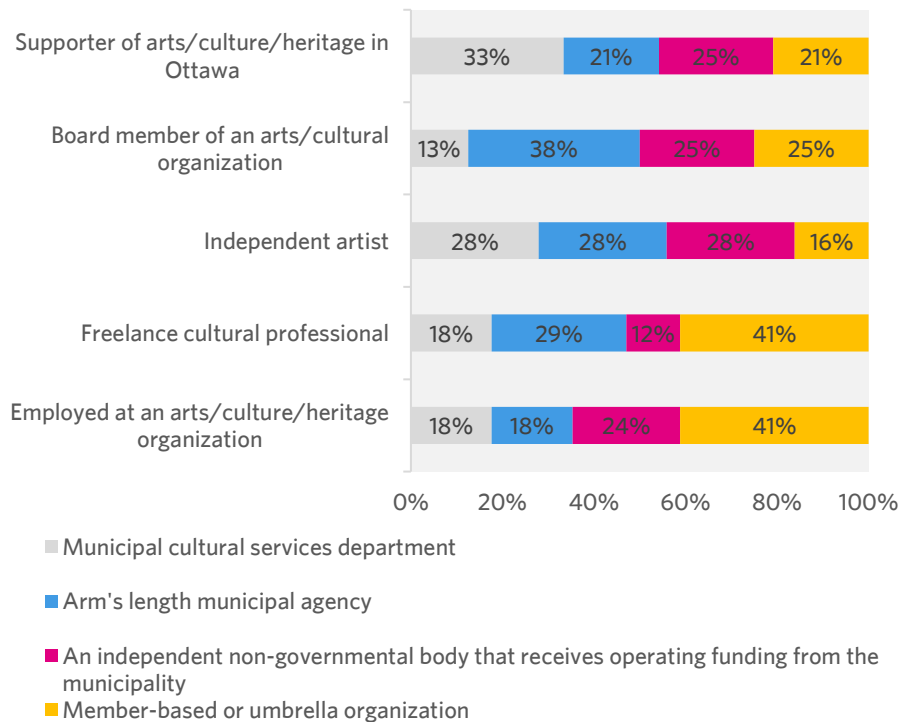■ Municipal cultural services department

■ Arm's length municipal agency

n = 176
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

Looking at the results by respondent type, Board members of arts or cultural organizations were far more likely to select an arm's length municipal agency to be primarily responsible for sector leadership, whereas culture sector supporters were more likely to select a municipal cultural services department for the role. Freelance professionals and sector professionals (those employed in the sector) were far more likely to indicate that sector leadership should be the responsibility of a member-based or umbrella organization.

Marketing and audience development support (e.g. marketing partnerships, supporting access to new markets and/or new distribution channels)

Survey respondents most frequently identified an independent art/culture-focused economic development body as the organization type most suited to the role of marketing and audience development.

Figure 30: Organization type most suitable for sector leadership, identified by individuals

■ Municipal cultural services department

■ Arm's length municipal agency

■ An independent non-governmental body that receives operating funding from the municipality
■ Member-based or umbrella organization

n = 176
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

Figure 31: Organization type most suitable for marketing and audience development
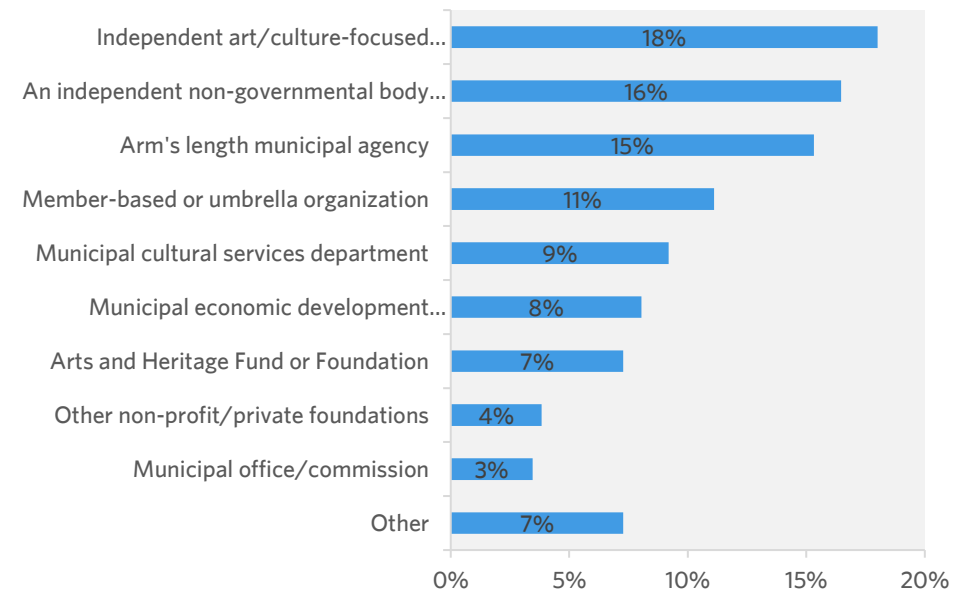
*n = 261*
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

These results were reflected overall across the different sector disciplines, although respondents from the museums and historic sites discipline, and the festivals, fairs and events sector were more likely to select an independent non-governmental body as the organization type they thought should be responsible for marketing and audience development. Respondents from the museums and historic sites discipline were also the least likely to select an independent sector-focused economic development body for the same role.
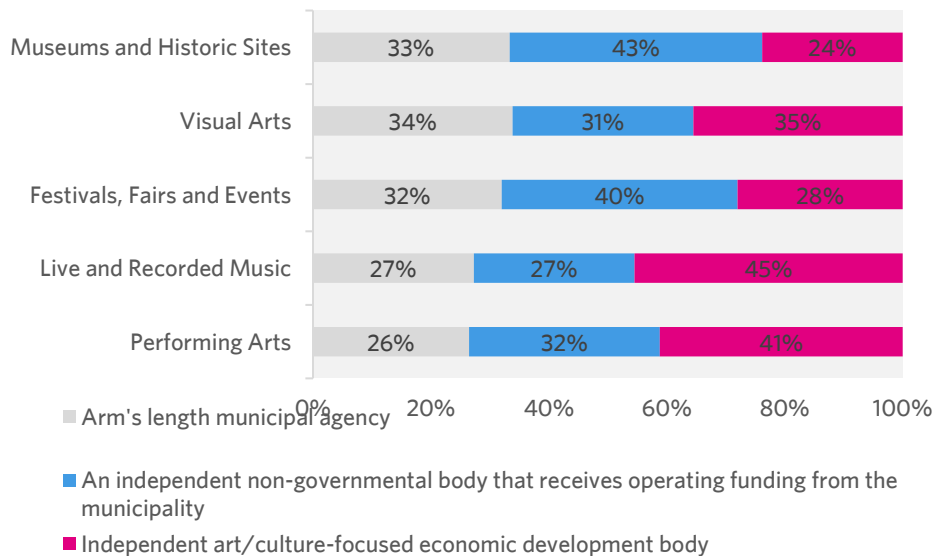
When examined by respondent type, the results show some notable variation. Sector supporters and board members tend to show a preference for an independent non-government body (that receives municipal funding) for the marketing and audience development role. On the other hand, independent artists showed a slightly higher tendency to select an arm's length municipal agency for this role. And freelance professionals and individuals employed in the sector were more likely to indicate that a sector-focused economic development body would be best suited to taking on this role.

Figure 32: Organization type most suitable for marketing and audience development

Figure 32: Organization type most suitable for marketing and audience development

	Arm's length municipal agency	An independent non-governmental body that receives operating funding from the municipality	Independent art/culture-focused economic development body
Museums and Historic Sites	33%	43%	24%
Visual Arts	34%	31%	35%
Festivals, Fairs and Events	32%	40%	28%
Live and Recorded Music	27%	27%	45%
Performing Arts	26%	32%	41%

n = 130
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity

Figure 33: Organization type most suitable for marketing and audience development, identified by individuals

Figure 33: Organization type most suitable for marketing and audience development, identified by individuals

	Arm's length municipal agency	An independent non-governmental body that receives operating funding from the municipality	Independent art/culture-focused economic development body
Supporter of arts/culture/heritage in Ottawa	35%	47%	18%
Board member of an arts/cultural organization	25%	50%	25%
Independent artist	37%	28%	35%
Freelance cultural professional	17%	25%	58%
Employed at an arts/culture/heritage organization	27%	33%	40%

n = 130
Source: 2018 Arm's Length Ottawa Cultural Development Feasibility Study Survey – Nordicity