

CONFIDENTIAL MEMORANDUM

TO: Finance and Performance Committee

MEETING DATE: 17 September 2018

TITLE: Funding Request

DATE: 11 September 2018

AUTHOR/S: Grant Elliott, Chief Financial Officer, Finance

APPROVED BY: Grant Elliott, Chief Financial Officer

REASON FOR CONFIDENTIALITY

It is recommended that this report be considered with the public excluded, as permitted by the Local Government Official Information and Meetings Act 1987, because:

s7(2)(i) Negotiations

RECOMMENDATION(S) TO COUNCIL

1. That Council decides whether to underwrite the Wildbase – Paul Dibble Sculpture up to a further \$89,000 plus GST, if any.
 2. That should Council agree to underwrite and be called upon to cover any shortfall in fundraising then any payment from Council be made directly to the Public Sculpture Trust for reasons of GST efficiency.
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1. ISSUE

Wildbase Recovery Community Trust have asked Council to underwrite a Paul Dibble sculpture to be installed outside the new Wildbase facility on the basis that they go out to the community to fundraise for it.

2. BACKGROUND

The concept of installing a sculpture outside Wildbase has existed for many years. Proponents of the proposed rehabilitation facility, now known as Wildbase, held initial discussions with Paul Dibble in 2012 about the possibility of a large sculpture outside the facility. In 2016 the Wildbase Trustees were shown details of a sculpture that Paul Dibble

was working on and thought it would be suitable. As a result, Paul Dibble informed his interested art dealers that the sculpture was off the market, as it was being considered for a project in Palmerston North.

In August 2017, it was confirmed with the Dibbles that Wildbase would acquire the sculpture and just needed to bring together sufficient funds. Several discussions have since ensued with the Public Sculpture Trust who have recently agreed to contribute \$50,000 plus GST, this being arts funding provided to the Sculpture Trust by Council in 2017/18. A further \$10,000 has been granted by Council from discretionary funding. Wildbase has also recently secured \$12,000 in donations from non-Council sources.

The concessionary value for which Paul Dibble has agreed to make the sculpture available is \$185,000 including GST or approximately \$161,000 exclusive of GST. The full amount is required to be in the Sculpture Trust's bank account before they can make payment to Paul Dibble.

As with any sculpture to which the Sculpture Trust brings funding, ownership will transfer to Council on installation.

The Wildbase Trustees are reluctant to go to the public and businesses in Palmerston North to raise the additional funding unless they are certain that the sculpture can be erected within a reasonable timeframe. They have advised that is the reason they are asking the Council to underwrite it. It is hoped the sculpture can be erected by the opening of the Wildbase facility.

As with any underwriting commitment, there is a risk that the funding will not be raised and that Council will be liable for the additional funding. This risk is likely to increase if other potential funders learn that Council has acted as guarantor. For that reason, should Council agree to underwrite, then the decision should be kept confidential to the parties concerned.

The maximum amount that Council would be liable for, after deducting the \$72,000 funding available to date, is a further \$89,000 plus GST, if any.

The Sculpture Trust is registered for GST whereas the Wildbase Trust is not. Should Council be called upon to cover any shortfall in fundraising then it would be more efficient from a GST perspective for Council to make any required payment directly to the Sculpture Trust.

3. NEXT STEPS

Council decide whether to underwrite the Wildbase – Paul Dibble sculpture and advise the Wildbase Recovery Community Trust accordingly.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
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If Yes quote relevant clause(s) from Delegations Manual <Enter clause>		
Are the decisions significant?		No
If they are significant do they affect land or a body of water?		N/a
Can this decision only be made through a 10 Year Plan?		No
Does this decision require consultation through the Special Consultative procedure?		No
Is there funding in the current Annual Plan for these actions?		No
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 2: A Creative and Exciting City		
The recommendations contribute to the outcomes of the Creative and Liveable Strategy		
The recommendations contribute to the achievement of action/actions in Not Applicable The action is: <Enter text>		
Contribution to strategic direction	Priority 3 in the Creative and Liveable Strategy is to develop the city into an arts powerhouse with a national reputation for creativity and the arts. The Arts Plan has been developed to achieve that purpose. Underwriting the Paul Dibble sculpture is outside the currently agreed actions under the Arts Plan. However, it is in keeping with the Strategy which recognises that the city needs the arts to attract people and help make Palmerston North a creative and interesting place to be. Installation of the sculpture will help to beautify the surroundings, not only for the new Wildbase facility but will also add to the ambiance of the Victoria Esplanade and the city.	

ATTACHMENTS

1. Wildbase Trust letter

11 September 2018

Palmerston North City Council

Attention: Debbie Duncan
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WILDBASE RECOVERY COMMUNITY TRUST – PAUL DIBBLE SCULPTURE

Following our discussions of last week I have had confirmed from two prospective donors the sum of \$12,000.00. One was for \$2,000.00 the other for \$10,000.00 plus (i.e. this donor may be prepared to advance more).

Simon Barnett has advised me that the cost of the sculpture is \$185,000.00 including GST, or approximately \$161,000.00 exclusive of GST. With the two grants from PNCC of approximately \$60,000.00 this leaves \$101,000.00 required. With the \$12,000.00 committed this means the underwrite would be \$89,000.00.

Please bear in mind that there has been no real active attempt to raise funds for this sculpture and with a concerted effort to raise funds hopefully very little, if any, of the underwrite will be required particularly if the cost of the sculpture can be spread over a period of time.

As mentioned previously if you are wanting someone from the Wildbase Recovery Community Trust to be present at Thursday's Finance Committee meeting please let me know as soon as possible and I will attempt to arrange.

Kind Regards



Roger Kennedy
Chair
Wildbase Recovery Community Trust