

CONFIDENTIAL MEMORANDUM

TO: Council

MEETING DATE: 9 October 2017

TITLE: Request for Further Funding

DATE: 26 September 2017

AUTHOR/S: Sheryl Bryant, General Manager - City Future, City Future

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

RECOMMENDATIONS TO COUNCIL

1. That funding support for the Rural Games 2018 be increased from \$30,000 to \$50,000 and approved as an unbudgeted expense.
 2. That funding support of \$30,000 toward the NZPGA be approved as an unbudgeted expense.
 3. That funding support of \$20,000 toward the New Zealand Grand Prix be approved as an unbudgeted expense.
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1. ISSUE

Rural Games 2018

Rural Games NZ has committed to holding the event in Manawatu for the second year in 2018. The contract for Council funding support is under negotiation. The Council has committed to providing \$30,000 cash and \$36,000 in-kind support. Rural Games NZ has requested that the in-kind support be reduced to \$16,000 and the cash support increased correspondingly to \$50,000.

This request is being presented to Council as the Council has made a decision to contribute funding of \$30,000 toward the Rural Games and so any increase that has a variation of greater than 10% needs to be approved by the Council.

In reviewing the contract for last year, the in-kind support anticipated by Rural Games NZ was not realised, that is the support that Council could give through its own resources to off-set expenses that Rural Games accounted for did not match. This situation arose in part because this was a new event and the in-kind support was an unknown factor in terms of what could be delivered. In addition, there was not a common understanding of the definition of in-kind support.

The Rural Games received extensive TV coverage. In particular, TV1 Breakfast, TV3 NewsHub, TV1 News Tonight, The Crowd Goes Wild (Prime and SKY Sports), and TVNZ DUKE with viewers in excess of 1 million across the stations. Other forms of media included radio, print and social media. According to Rural Games NZ there were 400 competitors and volunteers and approximately 16,000 spectators over the whole event. An economic impact assessment was not able to be provided due to a lack of response to the survey. This will need to be addressed for 2018. An Annual Report on the 2017 Rural Games is expected mid-October.

The Rural Games event has a strong alignment with Council's Agri-business priority sector. The event was held close to the Agri-Investment Week, providing a focus on all that agriculture has to offer and celebrating our rural roots. The benefit of the Rural Games includes the high media profile and by association enables the City to improve its reputation.

If Council approves the increased funding support, the contract would be re-drafted to reflect the increased financial support and decrease in in-kind support and then negotiated with Rural Games NZ.

NZPGA/ NZ Grand Prix

Once again Manawatu will be hosting the NZPGA and the NZ Grand Prix. These are premier events in their respective sports. A commitment has been made of \$30,000 and \$20,000 respectively as Council's contribution toward these events.

The NZPGA is the second largest NZ golf event with \$125,000 prize money attracting over 130 competitors and 50 caddies, with competitors mainly from Australia. Last year, some of the pro-golfers visited schools and ran coaching clinics with the support of Manawatu-Wanganui Golf. Survey returns were small so the economic impact assessment was not a valid measure. The NZPGA received TV coverage on Sky Sport and articles on stuff.co.nz. According to NZPGA there were approximately 8,000 spectators over the 6 days.

The NZ Grand Prix is the final event of the nationwide Toyota Racing Series, NZ Premier Single Seater Racing Category. It has just over 1100 competitors and support crew and over 5,600 spectators. 44% of these came from outside the Manawatu with 30% staying in commercial accommodation. The total estimated economic impact was just under 1.73 million. The NZ Grand Prix received media coverage on stuff.co.nz, nzmotoracing.co.nz and nzherald.co.nz.

The benefits of both these events are their high profile and association with the City contributing to a positive perception of the City. Both events received national media coverage, attracted visitors to the City, were spread over multiple days, and included international competitors.

Both the Manawatu District and Palmerston North City Councils have established a Major Grants Fund as a contestable fund to be administered by CEDA. Both Councils have endorsed the Events Framework. To require CEDA to fund these events would not be consistent with the intent of the newly established Framework, which includes a comprehensive application and evaluation process.

This request is being presented to Council as the Council has not made a decision to contribute funding to either of these events, resulting in a variation of greater than 10% thus requiring approval by the Council.

If Council approves this additional funding, then funding contracts would be drafted to ensure appropriate accountability of public funds.

2. COUNCIL’S STRATEGIC DIRECTION

Support for the Rural Games, NZPGA, and NZ Grand Prix is consistent with Council’s proposed strategic direction. In particular these events contribute to Goal 2: A Creative and Exciting City. Priority 4 is to develop a national and international reputation as an exciting city with plenty to do on the nights and weekends. All three events have contributed to the Council’s priority of building a national and international reputation with significant spectator numbers, extensive media coverage and multiple events days bringing economic benefit to the City.

3. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual <Enter clause>	Yes
Are the decisions significant?	No

If they are significant do they affect land or a body of water?	No
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

ATTACHMENTS

Nil

Sheryl Bryant
**General Manager - City
Future**