



OFFICE OF THE MAYOR
Palmerston North City Council

4 February 2020

John Fowke
Chair
Te Manawa Trust Board

Dear John

Statement of Expectation for Te Manawa 2020/21

The Council values the important contribution Te Manawa is making to Council's vision of a city with Small City Benefits, Big City Ambition.

This Statement of Expectation provides direction to assist the Board in preparing its Statement of Intent for the three years 2020-2023. It also clarifies the Council's expectations on how Te Manawa Trust and Council can work together for maximum community benefit.

1. Strategic direction

As Palmerston North's Art Gallery, Museum, and Science Centre, Te Manawa has an important role to play in helping Council reach its goals to achieving its vision:

- Goal 1: An innovative and growing city
- Goal 2: A creative and exciting city
- Goal 3: A connected and safe community
- Goal 4: An eco-city
- Goal 5: A driven and enabling Council

These five goals are supported by the five strategies with a number of plans for each one.

The Culture and Heritage Plan has been developed by the Council to help it achieve Goal 2:

"To celebrate the city's history and diversity, and build on the strength of being a city of many cultures and languages."

Specific actions from the Culture and Heritage Plan to which Council believes Te Manawa could be making a contribution are:

- Facilitate and enable local history:
 - Acquire, archive, conserve, research, record, celebrate and develop local history
 - Give opportunities for people to tell their stories and facilitate their recording for the future
 - Investigate and trial innovative ways of showcasing our heritage

- Enhance local history:
 - Add to collections to better reflect our diverse community
 - Increase the opportunities to capture community stories today for tomorrow
 - Proactively celebrate our changing culture and heritage
 - Apply a lighter, quicker, cheaper approach by trailing heritage education and promotion activities.

The Arts Plan has been developed by the Council to help it achieve Goal 2:

“To develop the City into an arts powerhouse with a national reputation for creativity and the arts.”

Specific actions from the Arts Plan to which Council believes Te Manawa could be making a contribution are:

- Define and promote Palmerston North’s point of difference for the arts to inform all other actions.
- Work collaboratively across the Manawatū region for arts related and celebratory activities, programmes, projects, and events.
- Facilitate the development of creative talent by promoting co-operation, collaboration, sharing of ideas, networks, and mentorship of others.
- Apply the Te Aranga Māori Design Principles to integrate Māori arts and culture into public spaces.
- Increase the visibility and rotation of the city’s art collections.
- Support, profile and celebrate opportunities for young people to create and present their own creative experiences.
- Encourage and foster experimentation and arts activities that cross boundaries, increase cultural diversity, and make the arts more visible throughout the city area (Toi Māori, Pacific, Asian, people with disability, LGBTQI, and other cultural and community groups).
- Create and foster existing and new pathways that nurture new, developing and emerging artists and art forms and promote opportunities for people to participate in arts and cultural experiences in Palmerston North.
- Provide a resilient and cutting edge space(s) for Te Manawa that is fit for the purpose of housing and displaying arts, heritage, Toi Māori and treasures, and science public assets (beginning 2020/2021).

The Council is interested in how Te Manawa is aligning its activities in general to Council’s overall vision, goals and strategies.

2. Purpose

The Council expects Te Manawa to focus on the delivery of its core functions of:

- Engaging local communities in learning experiences that are relevant and meaningful to their wellbeing, values, aspirations, needs and preferences.
- Developing (including rationalising as appropriate), and growing the use of and access to, collections of tāonga, artworks, artefacts, as defined by its policies.

- Attracting visitation from beyond the region, and third-party investment, in a way that increases Te Manawa’s sustained viability and adds positively to the city’s liveability, sense of place and local pride and national reputation.

Action plans to deliver on these core functions should identify KPIs based on clear intervention logic.

In developing these plans it is expected that Te Manawa will take an appropriate level of cognisance of the region’s economic, social, environmental and cultural strengths, working with key stakeholders in these sectors to explore the potential of strategic partnerships.

The Council has reviewed the purpose statement in Te Manawa’s Trust Deed and believes it is still relevant:

“The purposes of the Trust are as follows:

- (a) To provide governance of an organisation which is a regional museum complex advancing interest in art, science, including interactive science, and heritage.*
- (b) To provide study, education and enjoyment opportunities through acquiring, conserving, researching, communicating and exhibiting material evidence of people and their environment.*
- (c) To acquire, control, develop, promote, enhance and maintain collections to the maximum benefit and enjoyment of the peoples of the Manawatu and New Zealand.*
- (d) To ensure that the facility functions as a valued professional education resource and community asset for the citizens of Palmerston North and the Manawatu region.*
- (e) To encourage and support the Societies in accordance with the objects of this Trust Deed.*
- (f) To recognise the organisation’s location in the Manawatu and to be aware of a regional focus.”*

The expectation is that for 2020/21 Te Manawa focuses on ‘significantly growing levels of learning and engagement, social cohesion and wellbeing, regional pride and national reputation - in ways which result in measurable increases in social, cultural, economic, environmental value for the region’. When impacts are beyond the Manawatu, there must be a causal link of the outcomes or benefits back to the Manawatu region based on the core functions and measures of success outlined below.

Taking a leadership position and building strategic relationships in the Manawatu region, and beyond, is fundamental for Te Manawa to be effective. Te Manawa should be relationship-driven at all levels. From the Council’s perspective, as a first principle, this means Te Manawa develops a thorough and evolving understanding of the community – who they are and their values, expectations and preferences. This should also extend to targeted audiences and communities beyond the region, where engagement by these customers will support positive outcomes for the organisation and the region. Based on this, it is expected that Te Manawa will work with the Council and strategic partner organisations to understand their priorities and strengths, and how

Te Manawa might add value to the relationship (and vice versa) to achieve better outcomes for the region.

Te Manawa formalising these relationships is important to us as Council, to ensure that in return for investment we achieve cohesive, more-than-the-sum-of-the-parts outcomes in the region, in terms of the social, cultural, economic and environmental value of services provided. We would like this to be driven by Te Manawa through mutually agreed partnership agreements or similar, to ensure everyone is on the same page and to provide the basis for a consistent and collective approach with measurable outcomes. We would like this strategic relationship agreement process to be concluded by 30 September 2020.

Strategic partners we have identified include Palmerston North City Council, Manawatu District Council, Iwi, Massey University, Horizons Regional Council, UCOL, and the NZ Rugby Museum. We look forward to agreeing with Te Manawa the list of strategic partners noting here may be opportunities for Te Manawa to leverage existing strategic relationships entered into by stakeholders. In relationship to partnerships with Iwi, wherever possible Te Manawa should endeavour to combine with other agencies on joint agreements, to both increase the value and limit the resourcing requirements for all parties.

We understand that to be effective, Te Manawa must be able to focus on key outcomes within a well-defined mandate. We also recognise that in the current period there is a responsibility on behalf of the Council to ensure there is ongoing transparent and effective communication with Te Manawa, as the expectations are agreed and progress is monitored. As part of this and as outlined below, we look forward to agreeing the basis on which Council officers attend 6-monthly Te Manawa Board meetings and Te Manawa's CE and/or senior staff participate within Council's leadership conversations with a view to maintaining an optimum alignment with Council's strategic objectives.

Based on the above, Te Manawa's success will be measured in particular as follows by the Council:

- Increases in visitation and use (onsite - and offsite/online, if delivering meaningful/measurable impacts and outcomes). Targets to be included that separate out in-person and digital visits, but review these to ensure that they align with the way that the Central Library does its reporting for the purposes of officer comparison when reporting to Council.
- Improved community and customer awareness of, and likelihood to positively endorse, Te Manawa to others
- Improved wellbeing, as measured by levels of social connection, participation and engagement
- Strength of relationships with strategic partners
- Sustainable organisational viability, leveraging increased added value against Councils' base funding
- Increased visitor spend, as a direct result of Te Manawa (solo of partnership) initiatives
- Identification of communities of interest based on current activity and exploration of what future engagement could look like, including seeking specific customer engagement and feedback from those target groups

- Identifying Te Manawa's regionally/ nationally significant events based on current delivery and exploring what a stretch target for that would look like; working with the City Council and other agencies to develop Economic Impact reporting for those events, as used in the Significant Events report (as part of the Economic Monitor) that CEDA/ Palmerston North City Council has previously presented to the Economic Development Committee.

The Council recognises that some of these measures are not wholly under Te Manawa's control, however, they are indicative of the health of the organisation, and its impacts on the wider community. With all strategic partners working together, we can make a collective difference.

Please note that any significant changes or issues beyond Te Manawa's control will be taken into account when measuring Te Manawa's performance.

The Council requires Te Manawa to provide an activity-based budget so the Council can effectively communicate levels of service and value for money to their ratepayers. Understanding the strategic drivers of the Councils and aligning core function activity to those drivers is critical to the partnership between Council and Te Manawa. Therefore, it is expected that Te Manawa will engage with the Council in the development of their strategies and plans. It is also expected there will be consultation with other strategic partners.

The Council is obliged to ensure that our services are delivered effectively and efficiently. This expectation extends to Te Manawa, and thus there is an expectation of effective leadership (with defined KPIs) and a robust and strategic approach to assessing and prioritising investment at all times. There are many opportunities where shared resourcing, expertise and services should be explored and we would like to discuss these opportunities from both a short-term and long-term perspective.

To maintain the partnership between we would ask that Council officers are invited to attend 6-monthly Te Manawa Board meetings to further build relationships and understanding between us. We would also like to move to quarterly reporting to the Arts, Culture & Heritage Committee, and also provide this as a forum for you to discuss proposed new initiatives with us.

3. Accountability, monitoring and transparency

Te Manawa is statutorily required to meet its obligations under Part 5 and Schedule 8 of the Local Government Act 2002, Amendment Act 2019 (LGA) including achieving the objectives of the Council, be a good employer, and exhibit a sense of social and environmental responsibility. The Act was amended with changes applicable from October 2019.

The public expects a high standard of accountability and transparency from Council and its Council Controlled Organisations.

It is important that to the Council that the people of Palmerston North know that they can attend at least one public board meeting each year, even if the majority will not choose to do so. The Council sees Te Manawa Trust Board's AGM as the ideal opportunity to do this and encourages Te Manawa to actively promote this to the public.

4. Development of the Statement of Intent

In the development of Te Manawa's SOI, the Council expects that Te Manawa will:

- Use the SOI template provided by Council officers to produce a tightly written document that includes all the core components required as per the LGA;
- Develop a consistent set of performance measures that demonstrate Te Manawa's performance against key activities that contribute to Council's strategic outcomes;

Additionally, the Council would like an indication of how you intend to address the following issues:

- Good governance practices;
- Financial sustainability;
- Environmental sustainability.

The LGA 2019 amendment enables the Council to request additional plans.

The Council would like to see the following developed:

- A Business Plan to achieve your objectives that addresses:
 - stakeholder relationships, partnerships and collaboration,
 - marketing and promotion,
 - organisational structure.
- A high level 10 year plan to feed into Council's Long term Plan which is being developed during 2019/2020:
 - aspirational growth
 - operating budgets
 - capital budgets – for new items as well as maintenance).

The Business and 10 Year Plans could be either attached to the SOI or alternatively an outline of how and when such a plan, or components of the plan, would be prepared. Council recognises that these may be new documents and encourages you to work with officers to ensure you get the support and information you need. If not attached to the SOI, the Council expects the business and 10-year plans to be provided to the relevant Council General Manager by 1 August 2020.

5. Timeline of the next SOI

The Council expects Te Manawa Trust to submit the first draft SOI 2019–2022 to Council by 1st April 2020 (subject to Council resolution) to comply with the LGA. The timeline is:

By end February 2020	Statement of Expectation letters sent to the CCOs.
By mid-March 2020	Officers will meet with Te Manawa to discuss the expectations of Council for the SOIs, ensure understanding of what Council wants included, agree on a timeline for the additional plans and develop the non-financial performance measures.
On or before the 1st April 2020	Draft SOI delivered to Council by Te Manawa.
10 June or prior	Arts, Culture & Heritage Committee discusses draft SOI and provides comments
By 30 June 2020	Final Statement of Intent delivered to Council

6. Council contacts

The following Council contact is provided to ensure a timely response can be provided to the Board and/ or Management.

Joann Ransom, Community Development Manager

Joann.Ransom@pncc.govt.nz

021 828 234

While this letter sets out Council's specific expectations of Te Manawa, the Council also has a set of broader expectations for the Arts and Culture CCOs. These are shown in the following appendices.

We look forward to working with Te Manawa as collectively we continue to develop a model of service provision that ensures our community thrives, socially, culturally, economically and environmentally. We thank the Board and staff of Te Manawa for their openness to new approaches as we move ahead together.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Smith', with a long horizontal line extending to the right from the end of the signature.

Grant Smith | Mayor

Appendix 1 Responsibilities

The Council expects that Te Manawa will:

- Achieve the objectives as determined through Te Manawa Trust Deed and annual Statement of Intent;
- Align its strategy, business plan and activities to reflect the vision, goals and strategic objectives of the Council;
- Work in collaboration with other CCOs to implement the Council's Strategy;
- Strive to engage with and respond to the needs of customers and the wider public;
- Be sensitive to the demand for accountability and transparency required by its status as a public entity;
- Avoid duplication, ensure efficient allocation of public resources, and seek opportunities to collaborate with Council and other cultural CCOs;
- Employ prudent financial management as a basis for decision-making;
- Retain good visibility over operational decision-making and manage risks in a proactive manner;
- Provide clear and transparent information to Council and the public.

The responsibilities of the Council are to:

- Fund and enhance the cultural Council Controlled Organisations to help make Palmerston North a creative and exciting city, and an arts powerhouse;
- Support CCOs to achieve the objectives of this plan and wider Council strategy;
- Provide clear direction to Te Manawa to inform their strategic and operational planning;
- Appoint members of Te Manawa Trust in keeping with the Council's Appointment of Directors & Trustees Policy;
- Receive and approve the draft and final Statement of Intent;
- Monitor Te Manawa's performance as informed through the presentation of six monthly and annual reports;
- Build and maintain a relationship of mutual respect and trust with;
- Respect that some information shared by Te Manawa may be commercially sensitive;
- Communicate in a positive manner about Te Manawa's successes.

Appendix 2 Working together

One of the Council's priorities is to establish and manage an effective working relationship based on mutual respect and trust with its CCOs. This means more than regular reporting – it means two-way dialogue and working together to achieve shared outcomes.

To achieve these aims, the Council has the following expectations:

- Te Manawa will work in a collaborative manner with Council to ensure Te Manawa's policies and decisions represent the best interest of the Council and ultimately the ratepayers;
- There is to be ongoing engagement between Te Manawa and Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust, and between senior managers in both organisations;
- The Board is the most important monitor of Te Manawa's performance. The Council expects the Board to advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organisation;
- Te Manawa will adhere to a "no surprises" approach to communication;
- Te Manawa will participate in relevant network meetings including but not limited to the Arts Powerhouse Advisory Group and the CCO bi-monthly meeting.

A "no surprises" approach is an expectation that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Council response. Equally, you will be notified of any Council actions or announcements that may affect Te Manawa before any public announcement is made. This no surprises approach applies to both parties.