

## MEMORANDUM

**TO:** Arts, Culture and Heritage Committee

**MEETING DATE:** 11 February 2019

**TITLE:** Funding agreement between Palmerston North City Council and Palmerston North Public Sculpture Trust

**DATE:** 17 January 2019

**PRESENTED BY:** Debbie Duncan, General Manager - Community

**APPROVED BY:** Heather Shotter, Chief Executive

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### RECOMMENDATION(S) TO COUNCIL

1. That the memorandum titled "Funding agreement between Palmerston North City Council and Palmerston North Public Sculpture Trust" and dated 17 January 2019 be received for information.
  2. That Council approves the amended funding agreement between Palmerston North City Council and the Palmerston North Public Sculpture Trust.
  3. That Council approves an increase in operating budget in 2018/19 of \$50,000. This will be offset by removing the capital new budget in programme 367 (Public Sculptures/Arts Funding) of \$50,000 in 2018/19.
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### 1. ISSUE

This memorandum supports the deputation made by Palmerston North Public Sculpture Trust (PNPST) Chairman Simon Barnett.

Council included \$50,000 per annum as a capital new budget for five years in the 2018-2028 Ten-Year Plan to support the Sculpture Trust's programme to acquire and install small-scale, high quality sculptures in public areas focussing on central Palmerston North.

Following this decision Council officers began discussion with PNPST on a new funding agreement for a five-year term from 2018-2023. Amendments have been made to the agreement reflecting the new strategic direction of Palmerston North City Council, legislative changes, and clarification of the funding process to ensure transparency around Council support for PNPST.

The new agreement will result in Council making an operating grant to PNPST for its contribution, rather than a capital purchase as is currently budgeted. Future funding for this programme of work will be budgeted as an annual operating grant of \$50,000.

## **2. BACKGROUND**

The Palmerston North Public Sculpture Trust was formed in 2006 by members of the local arts and business community who saw an opportunity to enrich the central area of the city. Key outcomes sought by the Trust were to:

- a. increase public access to sculpture;
- b. raise the profile of the arts; and
- c. add to the vitality of our city centre.

Funds for the sculptures were raised by donations along with a contribution of up to \$50,000 per year from the Council. Assistance in lighting of each work was provided by Central Energy Trust. On completion, each sculpture has been gifted to the City of Palmerston North to be maintained by the Council.

As noted in the Palmerston North Arts Plan 2018-2021, Council's approach to public art is to support projects that help emerging and established artists develop and promote their creative skills, culture and stories, and to work with charitable trusts such as PNPST to make the arts more visible throughout the city. Council working closely with PNPST has created opportunities for coordinating public sculpture commissions with streetscape upgrades and renewals. This integrated approach to public art contributes directly to Palmerston North becoming an arts powerhouse with a national reputation for creativity and the arts.

The original funding agreement from 2008 (Attachment 1) requires updating to reflect the new strategic direction of Council, legislative changes, and to clarify the funding provided by Palmerston North City Council and the amount contributed by PNPST. This ensures that all parties are clear on the funding process, creating transparency for the community, and any new Trustees or Council officers who may become involved.

## **3. DISCUSSION**

An amended funding agreement (Attachment 2) has been developed with the assistance of PNPST and Council's legal advisors. This includes removal of reference to funding from Council to match funds raised by the PNPST towards the costs of each sculpture of up to a maximum of \$50,000 per annum. Independent legal advice indicated that the clauses in the original 2008 agreement (e.g. clauses 1.1, 1.2, 2.2 and 12) relating to matched funding were unclear.

Over the last ten years PNPST has often contributed more than the \$50,000 plus GST towards funding costs for each sculpture provided by Council. For example, in the case of

*Who's Afraid* by Paul Dibble, PNPST raised \$73,000 in public donations in addition to the \$50,000 PNCC grant towards the total cost of \$123,000 for the sculpture plus installation. As PNPST moves into a new programme to install smaller works, there may be occasions when less than \$50,000 plus GST is required from Council. In this case Council would fund the lesser of \$50,000 plus GST, or 50 percent of the GST inclusive price of the sculpture.

It is proposed that payment of the Council's grant be made to PNPST on completion of the commissioning agreement or contract to purchase between PNPST and the sculptor. This supports PNPST to pay any deposit required by the artist and assists PNPST with further fundraising.

If this agreement is approved a budget change for 2018/19 financial year will need to be made as the current budget sits as a capital new programme. Recommendation three above seeks an additional operating budget of \$50,000 with which to pay a grant to the PNPST in 2018/19. This will be offset by no longer requiring the current \$50,000 capital new budget in programme 367 (Public Sculptures/Arts Funding).

**4. NEXT STEPS**

If the recommendations are approved then officers will complete the signing of the funding agreement and commence progressing the new programme of works with the PNPST.

**5. COMPLIANCE AND ADMINISTRATION**

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual <Enter clause>	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
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 the Arts Plan	
The action is:	

<ul style="list-style-type: none"> <li>• Administer arts funding for the sector: - Public Sculpture Trust</li> <li>• Strategic Partnerships: Work with community groups and charitable trusts e.g. S+ART, Public Sculpture Trust, and Creative Journeys to foster activities.</li> <li>• 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).</li> <li>• 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 the arts and cultural experiences in Palmerston North.</li> </ul>	
Contribution to strategic direction	By adding vitality to the city centre, increasing public access to high quality art, and raising the profile of the arts in the City, the PNPST sculpture programme makes Palmerston North a creative and interesting place to be, supporting Priority 3 of the Creative and Liveable Strategy to develop the city into an arts powerhouse with a national reputation for creativity and the arts.

**ATTACHMENTS**

1. PNCC\_PNPST Funding Agreement 2008
2. PNCC\_PNPST Funding Agreement 2019