

19 November 2012

Memo To: Mayor and Councillors
Memo From: Administration Advisers
**Subject: COUNCIL - COMMUNITY SERVICES AGENDA –
20 NOVEMBER 2012 - LATE ITEM 2**

1. LATE ITEM: Update on Council's bid to Fédération Internationale de Football Association Under 20^s World Cup 2015.

Document number 1410196

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987, a procedural resolution is required before an item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because the information came to hand after the agenda had been printed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of these items cannot be delayed until a subsequent meeting is because a decision is required prior to the end of November 2012.

Recommendation

THAT the item regarding an update on Council's bid to Fédération Internationale de Football Association Under 20^s World Cup 2015 be considered at this meeting, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987.

UPDATE ON COUNCIL'S BID TO FÉDÉRATION INTERNATIONALE DE FOOTBALL ASSOCIATION UNDER 20^S WORLD CUP 2015.

1. Purpose of Report

- 1.1 To provide feedback to Council regarding a recent meeting with New Zealand Football regarding our bid to participate in the Fédération Internationale de Football Association Under 20s World Cup 2015.
- 1.2 To receive guidance from Council about how to proceed with the bid.

2. Recommendation

THAT Council proceeds with the previously agreed bid of \$500,000, including staff, time to be a host city for the Fédération Internationale de Football Association Under 20s World Cup 2015.

3. Background

- 3.1 Nelson City Council is one of a number of Councils bidding to be a host city for the Fédération Internationale de Football Association Under 20s World Cup 2015. Council resolved to commit no more than \$500,000 to the tournament and that this was to include staff time. It was understood at the time of the decision that the amount and conditional nature of the bid may make it less competitive.
- 3.2 Council has also recently resolved to undertake a bid to be a host city for the Cricket World Cup 2015.

4. Discussion

- 4.1 On Friday 16 November 2012 staff met with representatives of New Zealand Football for an update on the tender process. Staff were advised that final recommendations are being prepared regarding arrangements for the tournament. Based on staff discussions with New Zealand Football, it is the staff assessment that our bid falls well short of being competitive. New Zealand Football has indicated concerns that the value of the cash contribution from Nelson is limited owing to the amount covering staff time on the tournament. They would prefer more funding to be allocated to tournament costs such as temporary seating and

equipment. The most significant issue, however, is **the overall value of our bid**, which would appear to be well short of what other host cities are bidding.

- 4.2 At this point Council needs to make a decision about whether to increase the level of cash funding in the Nelson bid. The deadline for this information is 30 November 2012, hence this late item for Council Community Services.

Options

- 4.3 There are three primary options;
- 4.3.1 **Status Quo:** maintain our current bid at \$500,000 including staff time. Staff have identified some budget changes within the bid that can release approximately \$20,000 to improve Council's bid (but still stay within the \$500,000 overall cap). Staff do not consider that this small improvement to our bid will be sufficient to improve bid competitiveness.
- 4.3.2 **Increase Bid:** Increase the cap on Council funding to between \$800,000 and \$1,000,000 (including staff time) to make the bid more competitive.
- 4.3.3 **Withdraw:** this would remove staff time from continuing with the Fédération Internationale de Football Association Under 20s World Cup 2015 project, including reworking the budget and preparing for, and hosting, a Fédération Internationale de Football Association visit in February 2013. Council could then allocate the saving of \$500,000 to other activities in the Long Term Plan 2012-22.

5. Conclusion

- 5.1 Staff consider that the bid should not be withdrawn given the work put in to date and also because there remains some chance of success, albeit slim. Staff do not recommend increasing the level of funding for this bid owing to the impact on budget and other priorities in 2014/15. It is recommended therefore that Council maintains its current level of funding for the tournament contract at \$500,000, including staff time, and that a reworked budget is presented as requested by New Zealand Football.

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Richard Johnson
Acting Chief Executive

Supporting Information

1. Fit with Community Outcomes and Council Priorities

This proposal is aligned with the following community outcomes:

- People friendly places
- A strong economy
- A fun, creative culture
- Good leadership

Being a Host City would assist with the following Council priorities:

- Putting Nelson's regional identity on the radar
- Sustainable economic development.

2. Fit with Strategic Documents

The bid supports the Nelson Tasman Regional Economic Development Strategy Review 2010, particularly as the tournament will take place during the winter months:

6.5.4 Regional Tourism Strategy

Goals

The principal goals to sustain and expand the region's tourism appeal and yield outlined in the Strategy include:

- Develop Nelson Tasman's attractiveness
- Enhance visitor satisfaction
- Increase seasonal marketing of Nelson Tasman as a year-round destination

6.5.5 Barriers to Achieving Potential

Seasonality

The region has the most extreme seasonal peak and thus the shortest tourism season of any of the country's regions.

6.5.6 Implementation of the Tourism Strategy

The major developments and improvements recommended in the Strategy document to mitigate the highly seasonal nature of the region's tourism products include:

- Events Strategy: Develop key events to attract visitors outside peak periods

3. Sustainability

The tournament organisers will dictate how the tournament is delivered and it is unlikely that Council will be able to determine sustainable management

practises; however Rugby World Cup 2011 had a Sustainability Programme which was led by Rugby New Zealand 201.

4. Consistency with other Council policies

Nelson Events Strategy Guiding Principles:

- Economic Impact
- Seasonality/Timing
- Impact on Nelson's profile
- Fit with Target Markets

Located within Nelson City.

5. Long Term Plan/Annual Plan reference and financial impact

The Long Term Plan 2012-2022 contains provision for hosting this tournament.

6. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

7. Consultation

The confidential nature of the negotiations has precluded any wider consultation. The proposal has been approved through the Long Term Plan consultation process.

8. Inclusion of Māori in the decision making process

The confidential nature of the negotiations has precluded any wider consultation.

9. Delegation register reference

It is appropriate that this report comes to a full Council meeting.