

COVER SHEET

2.15 Business case for Hawke's Bay Sports and Health Centre PGF Express Application	For: Approve
Background & context:	Recommendation(s):
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Hawke's Bay Community Fitness Centre Trust <p>Location:</p> <ul style="list-style-type: none"> Hawkes Bay <p>Proposal:</p> <ul style="list-style-type: none"> Prepare a business case for a multi-purpose sports and health facility (the Facility) <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project cost: \$^{Commercial Information} PGF Funding request: \$100,000 (^{Commercial Information}% applicant co-funding) <p>Background:</p> <ol style="list-style-type: none"> Hawke's Bay region has poor health statistics. The applicant earlier submitted an EOI seeking \$^{Commercial Information} funding to construct the Facility (total build cost \$^{Commercial Information}). The project has secured \$^{Commercial Information} funding from councils, businesses, EIT and charitable trusts. The Chair of the Trust Sir Graeme Avery led the fundraising and construction of the \$^{Commercial Information} AUT Millennium Institute of Sports and Health project in Auckland. The proposed sports facility, combined with others across the region, will also enable Hawke's Bay to bid for major national and international events. 	<p>We recommend that the SRO:</p> <ol style="list-style-type: none"> Discuss the Project. Note this is a health sector related project located in a surge region, with modest alignment to the PGF criteria. Note the applicant will be told that there can be no expectation that this approval indicates any preparedness to financial support for the main project. Note the application has a degree of support by local stakeholders. Approve \$100,000 from the PGF fund towards the business case for Hawke's Bay sports and health facility.
PGF criteria that this proposal supports:	

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> The underlying project would create ^{comm} jobs. Additional jobs would be created in industries supporting the main project – sports and health equipment, hygiene systems, maintenance etc. However substantive further funding would likely to be required from the PGF (or an alternative government source) to unlock these benefits 	✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> The project would improve health outcomes for local communities which would result in improved productivity and employability. 	✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> Would develop self-esteem, leadership and employability of at-risk Maori youth. 	✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> N/A 	
Mitigation of climate change effects	<ul style="list-style-type: none"> N/A 	
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> The project would expand existing facilities at the Hawke's Bay Regional Sports Park. 	✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> It is not evident that this project will act as a catalyst for productivity potential in the region. 	
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> Aligns with the Hawkes' Bay Economic Development Strategy (Matariki REDS). 	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> The project has a degree of support from local stakeholders Commercial Information have committed \$^{Commercial Informa} for the project. 	✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> High level project management and governance details are provided. 	✓✓✓
Risk management approach	<ul style="list-style-type: none"> Risks have been identified with mitigation approaches. 	✓✓✓
Future ownership / operational management	<ul style="list-style-type: none"> The Trust will own and manage the project. 	✓✓

The purpose of this briefing is to consider recommending PGF funds to the business case for Hawke's Bay sports and health centre

Risks Issues:

- The project may not be able to secure funding for the build phase after the completion of the business case without substantial PGF (or other government) funding.

Eligibility points of note:

- *Due diligence*:- Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- *Conflict(s) of interest*:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity*:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans*:- Aligns with the Hawke's Bay Economic Development Strategy
- *Commercial funding availability*:- Given the nature of the project which is a business case development access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	N/A
--------------	-----	-----------	-----	----------------	-----	--------------------	-----	--------------	-----

Supporting proposal:

Yes

Appendices:

Yes - Applications and supporting letters are as annexes

Sponsor(s):

N/A

Manager/Author of paper:

Privacy of natural persons / Privacy of natural persons, Investment Team

PROACTIVELY RELEASED