

ITEM NUMBER: C 52/03/15

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 19 MARCH 2015

MC 49/03/15 SUPPORT FOR THE INTERNATIONAL TRIATHLON UNION (ITU) WORLD TRIATHLON SERIES FOR THE FINANCIAL YEARS 2014/2015, 2015/2016, AND 2016/2017

It is **RECOMMENDED** that:

- (a) it be noted that event support for the ITU World Triathlon Series was approved for the 2014/15 financial year
- (b) an increase in the provision from R1,5 million to R2 million for the ITU World Triathlon Series in the 2014/15 financial year, be approved
- (c) support for the ITU World Triathlon Series in 2015/16 and 2016/17, which was recommended by the Special Events Committee on 5 November 2014, be approved
- (d) approval be granted for the allocation of funds of R2,1 million from the 2015/16 bulk vote for events and R2,2 million from the 2016/17 bulk vote for events to be used towards event support for the ITU World Triathlon Series in the 2015/16 and 2016/17 financial years respectively
- (e) the amount of R2 million (14% VAT where applicable) be debited to centre 19060500 (Executive Director: Tourism, Events and Economic Development), GL account 457300, (Sponsorships: Events)
- (f) the funds be disbursed and managed in terms of section 67 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and the Events Policy
- (g) the Executive Director: Tourism, Events and Economic Development be authorised to finalise a memorandum of agreement with the event organiser, World Sport (Pty) Ltd, together with the City's legal services, for a period of three financial years (2014/15, 2015/16 and 2016/17).



REPORT TO EXECUTIVE MAYOR

DATE 2015-03-19

1. ITEM NUMBER : MC 49/03/15

2. SUBJECT

SUPPORT FOR THE INTERNATIONAL TRIATHLON UNION (ITU) WORLD TRIATHLON SERIES FOR THE FINANCIAL YEARS 2014/2015, 2015/2016, AND 2016/2017.

ONDERWERP

STEUN VIR DIE WÊRELDRIEKAMPREEKS VAN DIE INTERNASIONALE DRIEKAMPUNIE (ITU) VIR DIE 2014/2015-, 2015/2016- EN 2016/2017-BOEKJAAR

ISIHLOKO

INKXASO YEINTERNATIONAL TRIATHLON UNION (ITU) WORLD TRIATHLON SERIES KUNYAKA-MALI KA-2014/2015, 2015/2016 NO 2016/2017

[F0746]

3. STRATEGIC INTENT

- Opportunity City
Objective 1.1: Create an enabling environment to attract investment that generates economic growth and job creation
Programme 1.1(a) Events programme

4. PURPOSE

1. For council to note the approval of event support to the ITU World Triathlon Series for the 2014/2015 financial year.
2. For Council to approve an increase in provision from R1,5Million, to R2,0Million;
3. To consider the allocation of the funding for the ITU World Triathlon Series for the outer two financial years, 2015/2016 and 2016/2017.
4. To apportion a financial allocation of R2, 10 Million out of the bulk provision for Events for 2015/2016 and R2, 20 Million out of the bulk provision for Events for 2016/2017 for event support to the ITU World Triathlon Series.

5. FOR DECISION BY

- This report is for consideration/decision by:
- Council



6. EXECUTIVE SUMMARY

The ITU World Triathlon Series is regarded as the most prestigious triathlon series in Olympic distance triathlon. The World Triathlon Series is an annual international series consisting of triathlons in 10 global cities and is widely regarded as the Pinnacle of Triathlon. These cities include: London, Abu Dhabi, Stockholm, Gold Coast, Hamburg, Chicago, Yokohama, Edmonton, Auckland and Cape Town.

This is the first ITU World Triathlon Series hosted on the African continent which took place in Cape Town in April 2014. Despite a very short period (7 months) to prepare to host this international event, the event was very successful and the City received extensive international media coverage.

Council approved an allocation of R2 million during the 2014/15 budget toward the ITU World Triathlon Series. The funding allocation for the event was reduced by R500 000 to R1,5 million in August 2014 to accommodate the World Summit for Nobel Peace Laureates. Unfortunately the World Summit for Nobel Peace Laureates was moved from Cape Town to Rome. The result was that funds could be re-allocated back to the ITU World Triathlon Series. This report requests that the funding allocation is increased from R1,5 million to R2 million.

Having successfully hosted the event, the City of Cape Town has secured its place on the Series for the next few years, making the ITU/WTS the newest iconic annual event on the Cape Town Calendar.

The Special Events Committee recommended on 5 November 2014 that a three year agreement is concluded with the organisers of the ITU World Triathlon Series. The financial contribution recommended was as follows: 2014/2015 - R2,0 Million, 2015/2016 - R2,1 Million and 2016/2017 - R2,2 Million.

7. RECOMMENDATIONS

Not delegated: for decision by Council:

It is recommended that:

- a) Council note that event support for the ITU World Triathlon Series was approved for the 2014/15 financial year;
- b) Council approve an increase in the provision from R1,5 million to R2 million for the ITU World Triathlon Series in the 2014/15 financial year;
- c) Support for the ITU World Triathlon Series in 2015/16 and 2016/17, which was recommended by the Special Events Committee on 5 November 2014, be approved;
- d) Council approve the allocation of funds of R2,1 million from the 2015/16 bulk vote for events and R2,2 million from the 2016/17 bulk vote for events to be used towards event support for the ITU World Triathlon Series in the 2015/16 and



2016/17 financial years respectively;

- e) The amount of R2 million (14% VAT where applicable) be debited to cost centre 19060500 (Executive Director: Tourism, Events and Economic Development), GL account 457300, (sponsorships: events);
- f) The funds be disbursed and managed in terms of section 67 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and the Events Policy;
- g) The Executive Director: Tourism, Events and Economic Development be authorised to finalise a memorandum of agreement with the event organiser, World Sport (Pty) Ltd, together with the City's legal services for a period of three financial years (2014/15, 2015/16 and 2016/17).

AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad:

Daar word aanbeveel dat:

- a) Die Raad daarvan kennis neem dat geleentheidsteun vir die ITU-wêrelddriekampreeks vir die 2014/15-boekjaar goedgekeur is;
- b) Die Raad 'n styging in die voorsiening van R1,5 miljoen tot R2 miljoen vir die ITU-wêrelddriekampreeks vir die 2014/15-boekjaar goedkeur;
- c) Steun vir die ITU-wêrelddriekampreeks in 2015/16 en 2016/17, wat op 5 November 2014 deur die komitee oor spesiale geleenthede aanbeveel is, goedgekeur word;
- d) Die Raad die toewysing van fondse van R2,1 miljoen vanuit die grootmaat begrotingspos vir 2015/16 vir geleenthede en R2,2 miljoen vanuit die grootmaat begrotingspos vir 2016/17 vir geleenthede goedkeur om gebruik te word vir geleentheidsteun vir die ITU-wêrelddriekampreeks in die 2015/16- en 2016/17-boekjaar onderskeidelik;
- e) Die bedrag van R2 miljoen (14%-BTW waar van toepassing) teen kostesentrum 19060500 (uitvoerende direkteur: toerisme, geleenthede en ekonomiese ontwikkeling), GL-rekening 457300 (borgskappe: geleenthede), gedebiteer word;
- f) Die fondse ingevolge artikel 67 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, Wet 56 van 2003, en die beleid oor geleenthede uitbetaal en bestuur word;
- g) Die uitvoerende direkteur: toerisme, geleenthede en ekonomiese ontwikkeling gemagtig word om in oorleg met die Stad se regsdiens 'n memorandum van ooreenkoms met die organiseerder van die geleentheid, World Sport (Edms.)



Bpk., vir 'n tydperk van drie boekjare (2014/15, 2015/16 en 2016/17) te finaliseer.

IZINDULULO

Azigunyaziswanga: isigqibo seseBhunga

Kundululwe ukuba:

- a) IBhunga maliqaphele ukuba ukuxhaswa komsitho i- ITU World Triathlon Series kwaphunyezwa ngonyaka-mali ka-2014/15 kwaye ukuxhaswa komsitho kuchaziwe kohlahlo-lwabiwo -mali njengenxalenye yesihlomelo 11.
- b) IBhunga maliphumeze ukonyuswa kwisibonelelo esisuka kwizigidi ezi-R1, 5, ezabiwe kwisihlomelo 11, zibe zizigidi ezi-R2 kumsitho i- ITU World Triathlon Series.
- c) Makuphunyezwe inkxaso ye- ITU World Triathlon Series 2015/16 no2016/17, eyayindululwe yiKomiti yeMisitho eYodwa ngowe-5 Februwari 2014.
- d) IBhunga maliphumeze isabelo sezimali ezizigidi ezi-R2,1 kuhlahlo-lwabiwo-mali luka-2015/16 kwiivoti ezisisininzi zemisitho liphinde izigidi ezi-R2,2 kuhlahlo-lwabiwo-mali luka-2016/17 kwiivoti ezisisininzi zemisitho ukuba isetyenziswe kwinkxaso yomsitho i- ITU World Triathlon Series kunyaka-mali ka-2015/2016 no-2016/2017;
- e) Imali exabisa izigidi ezi-R2 (iRhafu-ntengo eli-14% apho kufanelekileyo) itsalwe kwiziko lendleko 19060500,(UMlawuli wesiGqeba kwezoKhenketho, iMisitho noPhuhliso lwezoQoqosho), i-akhawunti GL 457300, (inkxasomali: iziyunguma);
- f) limali kufuneka zisetyenziswe kwaye zilawulwe ngokwecandelo-67 loRhulumente woMmandla: uMthetho woLawulo lweziMali zikaMasipala, uMthetho 56 ka-2003 nangokoMgaqo-nkqubo ongeMisitho;
- g) UMLawuli wesiGqeba kwezoKhenketho, iMisitho noPhuhliso lwezoQoqosho makanikezelwe igunya lokuqukumbela iimemorandam yesivumelwano nomququzeleli wemisitho wakwa-World Sport (Pty) Ltd ekwenza oko ekunye neSebe leeNkonzo zoMthetho leSixeko isithuba soonyaka-mali abathathu (2014/15, 2015/16 no 2016/17).

8. DISCUSSION/CONTENTS

The ITU World Triathlon Series is regarded as the most prestigious triathlon series in Olympic distance triathlon.

The first ITU World Triathlon Series hosted on the African continent took place in Cape Town in April 2014. The event was very successful and the City received extensive international media coverage.



Live highlight broadcasts were distributed to 35 networks internationally with a cumulative audience of 4.38 million. The official Discovery World Triathlon Website received a total of 255 072 impressions since its launch on 1 November 2013 to 14 August 2014. Social media coverage of the event included 3 680 Facebook fans since 5 November 2013 and 997 Twitter followers since 25 November 2013. YouTube content on WTS Cape Town since 20 Dec 2013 was 77,408 cumulative views. A summary of the total media coverage value is represented in the table below:

MEDIA COVERAGE TYPE	VALUE (R)
Cyber	R 2 127 636.22
Newspaper	R 283 024.99
Magazine	R 623 911.94
Broadcast	R 249 514.00
Grand Total	R 3 284 087.15

Top 65 men and 65 women international athletes from 24 countries participated in the event. South African athletes in the top 20 international men and women categories also participated in the event.

A total 1 913 triathletes (109 Elite) participated with the average age being 33 years old. The event attracted a 70% male and 30% female demographic. Sixty six (66%) of participants were under the age of 40, 34% above 40 years of age and novices represented 53%. A total 272 pupils from 32 school participated in the School Tri Challenge.

In terms of development, 33 participants were identified by Western Province Triathlon Association. Entries were allocated on behalf of City of Cape Town - 8 sprint teams & 3 sprint individual entries took part in the event.

The participation figures achieved at other Host Cities around the World is presented below:

EVENT	MASS PARTICIPANTS	LIVE SPECTATOR (CONTACTS)*	TV AUDIENCE (MILLION)
AUCKLAND	5.000	200.000	10
SAN DIEGO	4.000	100.000	10
YOKOHAMA	3.000	200.000	50
MADRID	4.000	100.000	15
HAMBURG	10.000	350.000	20
KITZBÜHEL	1.000	50.000	15
STOCKHOLM	4.000	300.000	30
LONDON GRAND FINAL	7.000	300.000	70

Having successfully hosted the event, the City of Cape Town has secured its place on the Series for the next few years, making the ITU/WTS the newest iconic annual event on the Cape Town Calendar.



The Special Events Committee recommended on 5 November 2014 that a three year agreement is concluded with the organisers of the ITU World Triathlon Series. The financial contribution recommended was as follows: 2014/2015 R2,0 Million, 2015/2016 R2,1 Million and 2016/2017 R2,2 Million.

The Rights Package

In return for its investment, the City will receive a Rights Package which has been attached in Annexure A.

Concluding three year agreements, presents several advantages to Council:

1. The funding amounts are locked in and annual increases in sponsorship requests by the event organisers can be managed more effectively.
2. The events calendar can be stabilised for both Council and the Event Organiser.
3. The administrative requirements which include negotiation, seeking authority, drafting and concluding annual agreements, are significantly reduced over the period.

8.1. Constitutional and Policy Implications

None

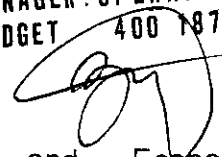
8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City? No Yes

8.3. Financial Implications

Operating Budget Provisions: 2014-2015

Cost Centre	19060500
Cost Centre Description	ED: Tourism, Events and Economic Development
Budget Provision 2014/2015	R35 939 640.35
Spent to date/Committed	R14 874 783.26
Balance Available	R21 064 857.09
Funds Required (this report)	R2 000 000

ZUKISWA NGANDALI
MANAGER: OPERATING BUDGET
 400 1878


FINANCIAL DETAILS CHECKED
 DATE: 19/02/2015
 BY: N. FARAO

A bulk provision amounting to R2 100 000 to be made available on Tourism, Events and Economic Development's budget, GL account 457300 (sponsorship: events) for financial year 2015/2016



A bulk provision amounting to R2 200 000 to be made available on Tourism, Events and Economic Development's budget, GL account 457300 (sponsorship: events) for financial year 2016/2017

8.4. Legal Implications

A memorandum of Agreement will be concluded with World Sport (Pty) Ltd.

8.5. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

Yes

8.6. Risk Implications

None

8.7. Other Services Consulted


Special Events Committee

5 November 2014

ANNEXURES

Annexure A: Special Events Committee Minutes 5 November 2014

FOR FURTHER DETAILS CONTACT :

NAME	Teral Cullen
CONTACT NUMBERS	021 - 417 0605
E-MAIL ADDRESS	Teral.cullen@capetown.gov.za
DIRECTORATE	Tourism, Events and Economic Development
FILE REF NO	12/3/1/2/1/74
SIGNATURE : DIRECTOR	 2015-02-19



EXECUTIVE DIRECTOR

COMMENT:

NAME

6.3.2015

DATE

COMMENT:

[Handwritten signature]

CHIEF FINANCIAL OFFICER (EXECUTIVE DIRECTOR FINANCE)
 SUPPLY CHAIN MANAGEMENT

NAME _____

DATE 25 FEB 2015

DIRECTOR
 LEONARD SHNAPS

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

LEGAL COMPLIANCE

[Handwritten signature]

NAME A.S. Diansay

TEL (021) 400 4536

DATE 03-03-15

COMMENT:

Certified as legally compliant:
Based on the contents of the report. *[Handwritten mark]*

[Handwritten signature: W. G. R. M.]

EXECUTIVE DIRECTOR: COMPLIANCE AND AUXILIARY SERVICES (ED: CAS)

DATE

9/3/15

SUPPORTED FOR ONWARD SUBMISSION TO MAYOR / MAYCO / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:



MAYORAL COMMITTEE MEMBER

COMMENT:

NAME Cur G. Bloor

DATE 11 March 2015



EXECUTIVE MAYOR

SUPPORTED FOR ONWARD SUBMISSION TO MAYCO / COUNCIL

PC RECOMMENDATION

RECOMMENDATION AS CONTAINED IN ORIGINAL REPORT

ALTERNATIVE RECOMMENDATION TO BE REFLECTED BELOW

APPROVED I.T.O. DELEGATED AUTHORITY

NOTED

REFUSED

REFERRED BACK

DATE 11.03.2015

COMMENT:

SPEV 04/11/14 **MATTERS ARISING FROM THE MINUTES****(a) MINSTRELS AND FESTIVE LIGHTS NEW YEARS EVE**

It was noted that the event organisers for the Minstrels accepted the proposal by the City to the support of R3.65M.

It was **RECOMMENDED** that:

- (i) the City's support to the amount of R2M towards a financial transfer for the Minstrels, be approved
- (ii) the City's support to the amount of R1.65M towards City Services for the Minstrels, be approved

ACTION: T CULLEN; A GROENEWALD

(b) SOMERSET WEST SWITCHING ON OF LIGHTS

Ms Cullen informed the meeting that the event organisers would provide the additional R20 000.

It was **RECOMMENDED** that the City's support to the amount of R80 000 for the Somerset West Switching on of Lights, be approved, subsequent to the Subcouncil raising the other R80 000.

ACTION: T CULLEN; A GROENEWALD

(c) ITU WORLD TRIATHLON

Ms Cullen informed the Committee that the ITU World Triathlon accepted the 3 year proposal by the City, but it enquired if the amount would include Consumer Price Index Inflation.

It was **RECOMMENDED** that the City's support for the ITU World Triathlon event to the amount R2M in year one, R2.1 in the year two and R2.2 in the year three.

ACTION: T CULLEN; A GROENEWALD

(d) PROPOSED PROCESS TO DEVELOP ANNUAL BUDGET

Ms Cullen tabled the 2015/2016 **PROPOSED** Events Budget at the meeting, a copy of which is attached to the official minutes of the meeting as Annexure A.

The committee was of the view that the City should have one budget for