



Report **06.443**
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Committee **Interim Wellington Regional Strategy**
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Draft Statement of Proposal for the Governance and Funding of the Wellington Regional Strategy

1. Purpose

To seek the Committee's approval of a draft Statement of Proposal to implement and fund the Wellington Regional Strategy, to be recommended to Greater Wellington for public consultation.

2. Significance of the decision

The matters for decision in this report do trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002. A special consultative process is outlined in the draft Statement of Proposal and in the committee report entitled "Consultation Plan".

3. Background

3.1 Requirement for a Statement of Proposal process

In response to a request by the Wellington Regional Strategy Forum, Greater Wellington has agreed to undertake a special consultative procedure under the Local Government Act 2002 (LGA) for a proposal that Greater Wellington act as "keeper" of the Wellington Regional Strategy (WRS). The proposal includes Greater Wellington establishing a committee to provide the governance of the strategy and establishing a regional economic development agency to implement the economic development aspects of the strategy, with funding through a targeted regional rate.

The WRS itself is also the subject of a consultative process. The Committee is to consider this proposal under a separate paper.

Greater Wellington has established the Interim Wellington Regional Strategy Committee to oversee the consultation on the proposal.

The proposed governance, implementation and funding of the WRS is a new activity for Greater Wellington. In order to take on this new activity Greater Wellington is required to amend its Long Term Council Community Plan 2006-16 (LTCCP) through a Statement of Proposal process under a number of sections of the LGA. These include:

- Section 16 (significant new activities proposed by Greater Wellington)
- Section 97 (certain decisions to be taken only if provided for in a Long Term Council Community Plan)
- Section 56 (consultation required before a council controlled organisation is established)
- Section 102 (amendment to the Greater Wellington Funding and Financial Policies).

The LTCCP is proposed to be amended was adopted by Greater Wellington in June 2006.

3.2 Committee's Terms of Reference

The Interim WRS Committee's Terms of Reference were approved by Greater Wellington at its meeting on the 8th August 2006. Under the Terms of Reference the objectives of the Committee are:

“to complete the preliminary work required to recommend proposals to the Council and conduct (on behalf of the Council) a special consultative procedure to consult on:

- (a) The proposed Wellington Regional Strategy (WRS), and*
- (b) Proposals in regard to the future implementation, governance and funding of the WRS.*

The future role of the committee and its ongoing role and responsibilities will be decided at the outcome of the consultation process.”

The Committee's responsibilities include

“b. Completing the preliminary work required to finalise and recommend a draft statement of proposal to the Council for consultation, which will propose:

- (i) That the Council via the Wellington Regional Strategy Committee takes responsibility on behalf of the region for overall guidance of the Wellington Regional Strategy and in doing so takes on a significant new activity on behalf of the region.*
- (ii) That the Council establishes or becomes a participant in an economic development agency established as a Council*

Controlled Organisation (CCO) to be responsible for delivering the economic development initiatives outlined in the Wellington Regional Strategy.

- (iii) A funding proposal to be consulted on including the amount and allocation of a recommended new targeted rate and changes to the Revenue and Finance Policy to be decided by the Committee following appointment of the five non-Local Government Members.*
 - (iv) A recommendation that the Council (on behalf of the region) fund existing and new economic development initiatives outlined in the Wellington Regional Strategy by the implementation of a recommended targeted rate from 1 July 2007, to be proposed initially as an amendment to the Council's Revenue and Finance Policy.*
- c. To receive and hear submissions (via a sub-committee if necessary) arising from the consultation.*
 - d. To make a recommendation to the Council following the consultation on all aspects of the proposal.*
 - e. To recommend to the Council a rate level for proposed amendment to its Revenue and Finance Policy for adoption from 1 July 2007.*
 - f. To do any further work necessary and to liaise with the Council and the Territorial Authorities to record the agreed outcomes of the consultation and to determine the Committee's future role (if any) in regard to the future implementation, governance and funding arrangements for the Wellington Regional Strategy.”*

3.3 WRS forum guidelines

The WRS Forum, when making its request to Greater Wellington to undertake the role of “keeper” of the WRS, provided guidelines on the structure of the governance committee and funding the implementation of the WRS.

The Interim WRS Committee has been established in line with the Forum’s guidelines. The funding guidelines are specified in the Minutes of the WRS Forum, in **Attachment 1**. The Forum requested funding through a regional rate of \$4m in 2007/08, \$4.5m in 2008/09 and \$5m in 2009/10. The WRS Forum has requested that the total regional rate be no more than \$5m in this period.

3.4 Previous consultation on the draft Statement of Proposal

An early draft copy of the Statement of Proposal was sent to the region’s Territorial Authorities for their consideration on the 16th of August 2006. The draft was prepared with assistance from PhillipsFox. Territorial Authorities were asked to consider the draft and provide feedback on two aspects in particular:

- the expected effects of the proposal on their activities
- any objections the councils may wish to have recorded in the proposal.

All councils provided feedback. The matters raised in that feedback are set out in **Attachment 2**. Commentary is provided about how the feedback has been incorporated into the subsequent draft Statement of Proposal being considered by the Committee.

4. Comments

4.1 Outline of the draft Statement of Proposal

A draft statement of proposal for the Committee's consideration is in **Attachment 3**. It contains the following key proposals:

- that Greater Wellington, via a new committee, takes responsibility on behalf of the region as 'Keeper of the WRS and in doing so takes on a significant new activity on behalf of the region in regard to the future implementation, governance and funding of the WRS
- a Greater Wellington Council Controlled Organisation (CCO) is established to be responsible for delivering the economic development initiatives outlined in the strategy through a regional Economic Development Agency (EDA)
- that Greater Wellington (on behalf of the region) funds the existing and new initiatives outlined in the WRS by the implementation of a targeted rate for economic development initiatives from 1 July 2007.

A table is included outlining the expected effects on the activities of the region's Territorial Authorities and objections raised by Territorial Authorities. Specifying these matters is a requirement of the LGA.

The draft Statement of Proposal outlines the options considered for both the governance of the WRS and the options for a delivery agency. A more regionalised approach to economic development agency activity is proposed, including seeking to shift towards one EDA body to deliver economic development initiatives across the region.

In the region there are currently three principal agencies carrying out economic development work. These are:

- Positively Wellington Business (PWB)
- Enterprise Coast (an agency of Kapiti and Horowhenua District Councils) and
- Go Wairarapa (the economic development agency of the three Wairarapa Councils)

The draft Statement of Proposal provides details on the financial effects of the proposed new regional rate, such as effects on:

- the overall regional rate
- ratepayers in each Territorial Authority area
- properties.

The specific changes to Greater Wellington's LTCCP are also outlined.

4.2 Consultation process

A full public consultation process is required for the Statement of Proposal. A consultation plan has been prepared, and is to be considered by the Committee in a separate report. Consultation on the Statement of Proposal will be run concurrently with consultation on the draft WRS.

4.3 Greater Wellington approval process

The Interim WRS Committee's Terms of Reference records that:

4(a) The Council has agreed that it will not act independently of the Committee, so that any committee recommendations that the Council is not prepared to accept will be referred back to the Committee for further consideration.

The Council must approve the Statement of Proposal before it is released for public consultation. However, if the Council does not agree with the recommendations of the Committee it will need to refer the Statement of Proposal back to the Committee. Minor amendments to the recommended Statement of Proposal could be made by the Council without these being referred back to the Committee.

5.0 Communication

A press statement will be prepared in relation to the WRS process steps being undertaken following consideration of the Committee's recommendation by the Council on the 12th September.

6.0 Recommendations

That the Committee:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Recommends** to the Council that the Draft Statement of Proposal, as shown in Attachment 3, be approved for public consultation.

Report prepared by:

Report approved by;

Report approved by;



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Attachment 1: Minutes for the WRS Forum Meeting 16th August 2006

Attachment 2: Summary of Feedback from Territorial Authorities

Attachment 3: Draft Statement of Proposal for the Governance and Funding of the Wellington Regional Strategy