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Committee **Council**
Author **Jane Davis, Divisional Manager, Transport Policy
and Strategy**

Approval of the Wellington Regional Strategy and the Governance and Funding Statement of Proposal, for Public Consultation

1. Purpose

To seek the Council's approval for the draft Wellington Regional Strategy and the governance and funding Statement of Proposal for public consultation, as recommended by the Interim Wellington Regional Strategy Committee.

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 Statement of Proposal document and the proposed Consultation Plan.

3. Background

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. It is proposed to establish a regional economic development agency to implement the economic development aspects of the strategy, with funding through a targeted regional rate.

The proposal also includes consulting on the WRS itself, under the same special consultative procedure.

4. Comment

4.1 Interim Wellington Regional Strategy Committee

The Council has established the Interim Wellington Regional Strategy Committee to oversee consultation on the WRS, as well as a governance and funding proposal.

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

4.2 Committee's Terms of Reference

The Interim Wellington Regional Strategy 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 WRS Committee takes responsibility on behalf of the region for overall guidance of the WRS 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 WRS.*
 - (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 WRS 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 WRS.”*

The Interim Wellington Regional Strategy Committee is meeting on 11th September 2006 to consider the draft WRS and a Statement of Proposal for the governance and funding of the WRS. At that meeting it will make recommendations to the Council for the WRS and governance and funding Statement of Proposal (and the associated summary document) to be released for public consultation.

4.3 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 Wellington Regional Strategy 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.

The Forum has also considered earlier drafts of the WRS. The draft being considered by the Interim Wellington Regional Strategy Committee reflects the views of the Forum and a Strategic Partners Forum, as well as feedback through previous consultation on a Growth Framework for the region.

4.4 Committee's considerations

The Committee is considering four documents:

- a draft WRS consultative document
- a draft Statement of Proposal for the Governance and Funding of the WRS
- a draft summary document for the WRS and the Statement of Proposal
- a Consultation Plan.

4.4.1 Draft WRS

A copy of the draft WRS being considered by the Interim Wellington Regional Strategy Committee is in **Attachment 2**. The draft WRS provides a high level overview of key challenges and opportunities facing the region in relation to sustainable prosperity and quality of life.

It provides three strategic 'focus areas' or strategic platforms for action. Each focus area identifies further detail as to specific actions or commitments to 'make a difference'.

Set out below are some of the main items under each focus area.

Effective leadership and partnerships

- A formal 'keeper of the strategy' committee to oversee the WRS
- Non-local government representation on this committee
- Funding collected via a regional rate
- A more regionalised approach to economic development agency activities.

Investment in growing our economy – especially exports

- Strengthening of commercialisation and sector development initiatives via a whole of value chain approach termed 'centres of excellence'
- Strengthening connections within and external to the region, with particular attention to international long-haul flights, broadband and land transport systems

- Addressing key economy inputs including human and social capital components.

Investment in good regional form

- Identifying ‘change areas’ that will significantly affect regional prosperity
- Aligning urban and rural land use management through use of the Regional Policy Statement and collaborative studies
- Mechanisms for strengthening alignment of investment in transport, infrastructure and land use.

4.4.2 Draft Statement of Proposal for the Governance and Funding of the WRS

The draft Statement of Proposal being considered by the Interim Wellington Regional Strategy Committee 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 as 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
- residential properties.

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

4.4.3 Draft summary document

When a council conducts a special consultative procedure under the LGA it must, in addition to preparing a Statement of Proposal, prepare a summary of the information contained in the Statement of Proposal. Under sections 83 and 89 of the LGA this summary document must be distributed "as widely as reasonably practicable" as a basis for general consultation.

The draft summary document for the WRS and the governance and funding Statement of Proposal being considered by the Interim Wellington Regional Strategy Committee is in **Attachment 4**. The summary document has been prepared in accordance with the LGA. Section 89 of the LGA requires that a summary must:

- be a fair representation of the major matters in the statement of proposal*
- be in a form determined by the local authority*
- be distributed as widely as reasonably practicable (in such a manner as is determined appropriate by the local authority, having regard to the matter to which the proposal relates) as a basis for general consultation*
- indicate where the Statement of Proposal may be inspected, and how a copy may be obtained*
- state the period within which submissions on the proposal may be made to the local authority.*

The document, while being an accurate summary of the two proposals, has also been designed to be readable for the general public. This document is to be distributed to every household in the region.

4.4.4 Consultation Plan

A copy of the draft Consultation Plan being considered by the Interim Wellington Regional Strategy Committee is in **Attachment 5**.

The draft consultation plan has the following objectives:

- to engage key stakeholders in the WRS and ensure their input, where valid, is accurately reflected in the final strategy
- to facilitate awareness and understanding of the WRS so interested parties have the opportunity to make submissions
- to ensure the communications programme meets the requirements of the special consultative section of the LGA.

5. Council's decision

The Interim Wellington Regional Strategy Committee's Terms of Reference record 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."

Therefore, if the Council does not agree with the recommendations of the Committee in this instance it will need to refer the matters back to the Committee.

6. Communication

A press statement will be prepared in relation to the WRS process being undertaken. Key messages, especially around the significance of the regional approach to economic development and the key funding issues, will be highlighted.

7. Recommendations

That the Council:

1. ***Receives*** the report.
2. ***Notes*** the content of the report.
3. ***Approves*** the draft WRS, as shown in Attachment 2, for public consultation subject to 7 below.
4. ***Approves*** the Statement of Proposal, as shown in Attachment 3, for public consultation subject to 7 below.
5. ***Approves*** the summary of the Statement of Proposal for the Wellington Regional Strategy and the Statement of Proposal for its governance and funding, as shown in Attachment 4, for public consultation subject to 7 below.
6. ***Adopts*** the Consultation Plan for the WRS and the governance and funding Statement of Proposal, as shown in Attachment 5 subject to 7 below.

7. *Authorises the Chairman to approve minor amendments to the four approved documents prior to their public release.*

Please note: the attached documents may be amended by the Interim Wellington Regional Strategy Committee. Updated copies will be provided to Councillors at the Council meeting on the 12th September.

Report prepared by:

Report approved by;

Jane Davis

Divisional Manager, Transport Policy
and Strategy

David Benham

Chief Executive Officer

- Attachment 1: Minutes for the WRS Forum Meeting 16th August 2006**
Attachment 2: Draft Wellington Regional Strategy: Internationally Competitive Wellington – A sustainable economic growth strategy for our region
Attachment 3: Draft Statement of Proposal for the Governance and Funding of the Wellington Regional Strategy
Attachment 4: Draft Summary of the WRS and Governance and Funding Statement of Proposal
Attachment 5: Draft Consultation Plan