

Report 11.375  
Date 18 July 2011  
File WRS/09/07/02

Committee Council  
Author Nicola Shorten, Manager, Strategic Planning

## Wellington Regional Strategy Review - decision

### 1. Purpose

1. To set out the recommendation made by the Wellington Regional Strategy Committee that the function of regional economic development be continued after 30 June 2012; and
2. To advise the Council of the process agreed to by the Committee to enable a statement of proposal to be drafted for inclusion as part of Greater Wellington's Long Term Plan 2012-2022.

### 2. Significance of the decision

The subject matter of this report is part of a decision making process that will lead to the Council making a decision of medium significance within the meaning of the Local Government Act 2002 (the Act). The draft proposal will be included in the draft long-term plan, which will follow the special consultative procedure as set out in the Act.

### 3. Background

The Wellington Regional Strategy (WRS) was developed between 2004 and 2007 by the Wellington region's nine local authorities in consultation with the region's business, education, research and community interests. It emerged from a shared recognition that previous arrangements for promoting economic development were fragmented, inefficient and did not take full advantage of opportunities for regional economic advancement.

A key issue to be addressed at the time was whether to take a consolidated approach to the delivery of certain economic development initiatives and activities through a single, regionally funded economic development agency. This issue was contentious at the time the WRS was approved in 2007, but all councils agreed to an approach whereby an economic development rate would be charged across the region by Greater Wellington Regional Council. Grow Wellington, formally a CCO of the Greater Wellington Regional Council, was established as the region's economic development agency.

Prior to the final proposal for the WRS being adopted by Greater Wellington in early 2007, a mediated agreement between Hutt City Council, Upper Hutt City Council and Greater Wellington was entered into. The mediated agreement involved the commitment to undertake a review:

*By 30 June 2011, a full and independent review of the effectiveness of the entire Wellington Regional Strategy be completed and reported to the WRS Committee. The WRS Committee must recommend whether or not GW will continue to carry out the function of regional economic development in accordance with clause 1.2.*

Clause 1.2 states:

*That GW will cease to carry out the function of regional economic development on 30 June 2012. Prior to 30 June 2012, if GW wishes to carry out the function of regional economic development after 30 June 2012, it must undertake the process set out in section 16 of the LGA 2002 or such other process that applies at the time.*

#### **4. Review results**

The terms of reference for the review of the WRS were agreed by the Committee at their meeting of 2 June 2010, and Martin Jenkins and Associates (Martin Jenkins) was appointed in September 2010 to undertake the review.

Martin Jenkins has completed its review, and the report has been released. The findings of the review were presented to the Committee, all councillors in the region, and the Grow Wellington Board on the 1<sup>st</sup> of June 2011, and copies of the report provided. The executive summary of the review report is appended as **Attachment 1**.

Overall, the review report recommends the continuation of a regional approach to supporting economic development, concluding that *there remain good reasons for continuing to pursue economic development (including good regional form) at a region-wide level, and to fund and deliver economic development activities on a region-wide basis.*

However, the review highlights to fully recognise the benefits of such a region-wide approach, it is important that the Strategy itself be refreshed, and that changes are made to the governance and implementation arrangements.

Overall, the recommendations are summarised in the report as follows:

- A refresh of the Strategy is required because of significant changes in the economic environment and because there are arguably too many activities and initiatives and some stated priorities do not appear to have region-wide support
- In refreshing the Strategy, it will be important to develop an associated action and resource plan that makes more transparent what is to be progressed, by when, and what resource is being allocated for that purpose

- A programme of monitoring and evaluating key initiatives should be put in place, with systematic and regular measurement of progress and outcomes achieved
- The role of the Committee should be clarified and its composition changed, so that it is smaller in size and better balanced as between political and independent members
- To achieve better alignment between the Strategy, the Committee and Grow Wellington, the Committee must more actively engage in setting the direction for Grow Wellington and an independent member appointed to both bodies
- Improvements are also required on reporting against the Strategy, including from Grow Wellington to the Committee on its achievements
- To enable the above changes and to support the Committee in its role, a strengthened support function, drawing on the capacity and resources of the region.

The Wellington Regional Strategy Committee has discussed the recommendations in the review report, and has resolved to recommend to Greater Wellington that the function of regional economic development be continued.

## 5. Next steps

To enable a statement of proposal to be drafted for inclusion as part of the consultation in Greater Wellington's Long Term Plan 2012-2022, the Committee has agreed the following process.

Month	Process
30 June WRS Committee	WRS Committee decision to request GW to continue to carry out the function of regional economic development
July	GW to consider the WRS Committee recommendations
July	Identification of issues and responses to recommendations in the WRS Review report by councils and the Grow Wellington Board
August	Draft issues and options paper developed
29 September WRS Committee	WRS Committee to adopt and release draft issues and options paper for consultation with Councils and Grow Wellington Board

27 October WRS Committee	Feedback collated and reported to WRS Committee
November	Development of WRS proposal for inclusion in Greater Wellington's Long Term Plan
7 December WRS Committee	Proposal agreed by WRS Committee
January/February 2012	Statement of Proposal documentation prepared
March - May	Consultation on Statement of Proposal with Greater Wellington's Long Term Plan

Through this process GW councillors will be provided with material and will be asked to adopt the Statement of Proposal prior to its release for consultation.

## 5.1 Matters to be addressed

While the review of the WRS recommended that the function of regional economic development be continued, it also highlighted that, to fully recognise the benefits of such a region-wide approach, it is important that the Strategy itself be refreshed, and that changes are made to the governance and implementation arrangements.

The Committee agreed that several matters raised in the review report will need to be addressed prior to the refresh of the Strategy, and agreed prior to the drafting of the statement of proposal. The remainder of the recommendations can best be considered as part of the refresh of the strategy itself. The matters identified are:

- Agree on the process for continuing the function of regional economic development
- Governance arrangements
- Funding
- Changes to monitoring and reporting of WRS activities
- Process and timing of WRS document refresh.

## 6. Decision making

At the Committee meeting on Thursday 30 June 2011, the Committee resolved to recommend to Greater Wellington that the function of regional economic development be continued, and agreed to the process set out in section 5 of this report.

Greater Wellington is being asked to agree in principle that the function of regional economic development be continued after 30 June 2012.

The details of the activity will be developed through the process set out in Section 5 of this report. Final decisions on the activity will be made by GW through the Long Term Plan process in early 2012.

## **7. Communication**

A press statement on the decision was released following the Committee meeting of 30 June. There will be ongoing communications as the statement of proposal is developed, particularly with councils in the region.

## **8. Recommendations**

*That the Council:*

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees in principle to continue the function of regional economic development.*
4. *Notes the final decision on the activity will be made through the LTP 2012-22 process.*

Report prepared by:

Report approved by:

**Nicola Shorten**  
Manager, Strategic Planning

**Jane Davis**  
General Manager, Strategy  
and Community Engagement

**Attachment 1:** Executive Summary of Martin Jenkins report.