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Committee Wellington Regional Strategy
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Wellington Regional Economic Development Agency (WREDA) Proposal

1. Purpose

To update the Committee on the WREDA proposal, the key implications of this and the process being undertaken through to implementation.

Agreement is sought on a rollover for Grow Wellington Board members whose term have, or will expire, as of 30 June 2014.

2. Background

In mid-2013 the Mayoral Forum agreed to progress a regional shared services programme that includes spatial planning, water services (drinking water, waste water and stormwater), technology (ICT) and economic development. The latter included a proposal to aggregate delivery agencies and review the current regional governance arrangements. This applies specifically to Wellington City Council's economic development activities and those of its Council Controlled Organisations (CCOs), and the Wellington Regional Strategy functions.

Further detail was provided to the Mayoral Forum on 28 March 2014. Individual councils in the region are currently considering the proposal and being asked to support it in principle. Wellington City Council and Greater Wellington Regional Council, as the shareholders of the existing affected CCOs, will also formally consider the proposal ahead of undertaking community and stakeholder consultation.

The rationale for aggregating delivery activities into a single entity is to help deliver accelerated growth, remove duplicated functions, deliver more effective services and speak with a unified voice on regional economic development. This is largely in response to some flat growth trends for the region over the last decade relative to other regions and metropolitan centres.

While the proposal is outside the decision making responsibilities of the WRS Committee as set out in the Terms of Reference, it is appropriate for the Committee to be informed of the proposal and be provided with updates as work progresses.

3. The proposal

An outline of the WREDA proposal that will be considered by the individual councils is outlined below.

3.1 Proposed WREDA structure

The proposed structure brings together the funding, staff and delivery activities of Wellington City Council (WCC) Events, Positively Wellington Tourism, Wellington Venues and Grow Wellington. A new board of directors would be appointed to the agency.

In the first year of operation the existing Statement of Intent from the various companies will continue. The new WREDA Board will then prepare one Statement of Intent for the 2015/16 year.

WREDA would be a CCO jointly owned by WCC and GWRC where the shareholding reflects the level of funding contribution into the agency.

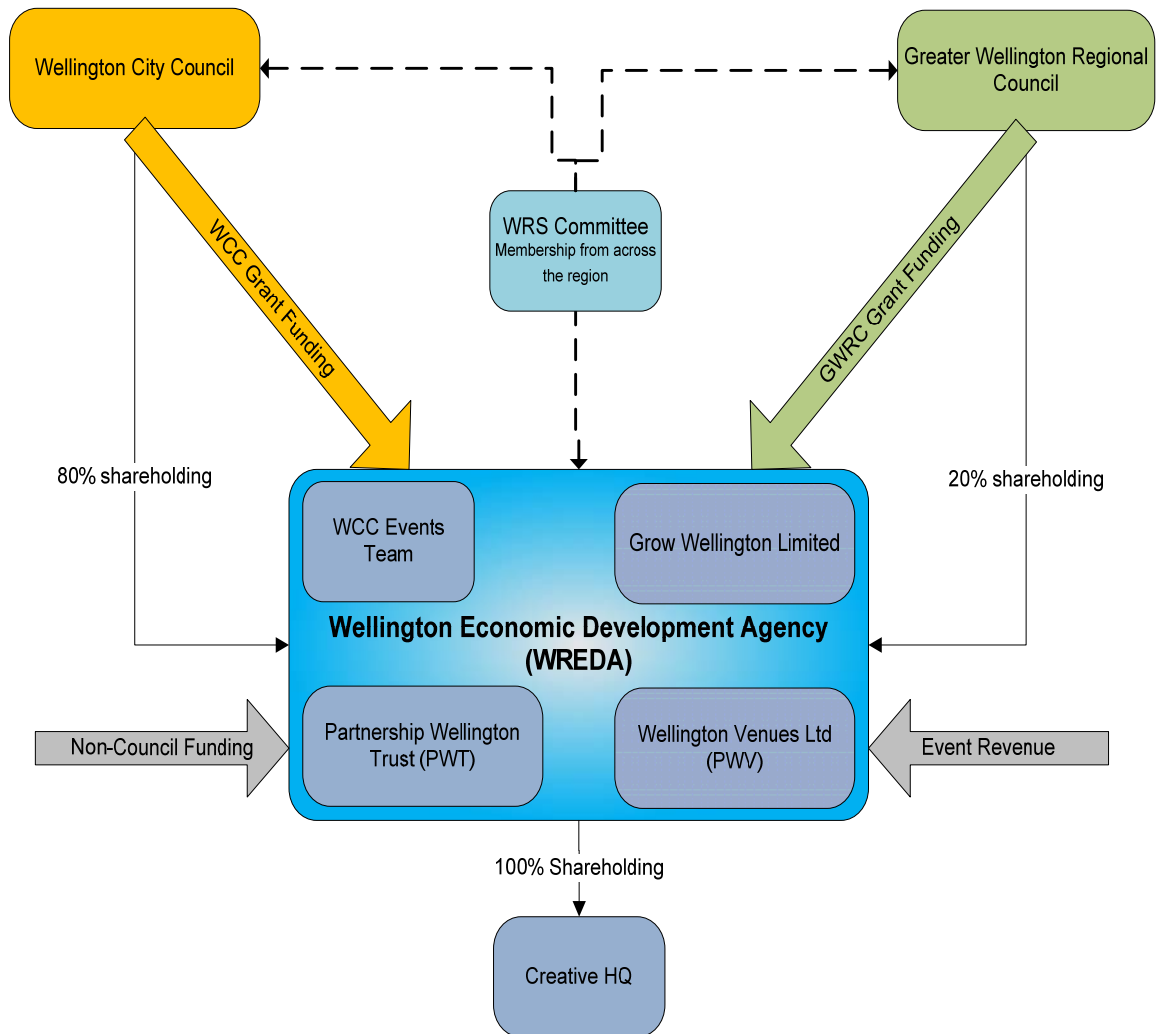
3.2 Proposed governance of WREDA

The political oversight of WREDA would be provided by a reconstituted Wellington Regional Strategy Committee. This Committee would continue as a Committee of Greater Wellington Regional Council; however, it would not have independent (non-councillor) members. The role of the Committee would be to:

- a. Monitor the performance of WREDA and its Board
- b. Provide governance oversight on WREDA
- c. Set the strategic outcomes required for regional economic development
- d. Review and agree the strategies for achieving the desired outcomes
- e. Review WREDA's statement of intent and recommend (if appropriate) to the shareholders
- f. React to changes and consider modifications of the desired outcomes
- g. Recommend the appointment of directors to the shareholders.

Diagram 1 below demonstrates the elements of the proposal described above.

Diagram 1: Outline of proposed structure for WREDA



3.3 Process and timelines

A four step process is being followed.

Stage 1 is seeking in-principle agreement on the proposal as outlined above. This is proposed to be completed by the end of June.

Stage 2 involves WCC and GWRC carrying out consultation in the region on the WREDA proposal. Key organisations and individuals will be targeted for feedback.

Stage 3 involves evaluating feedback and developing relevant documentation and agreements, including reviewing the Multilateral Agreement between the Councils that provides for the shared approach to economic development. At this stage each Council will be asked to make final decisions on supporting the proposal and associated agreements.

It is proposed that this all be completed by the end of the first quarter of the 14/15 financial year.

Stage 4 is largely implementation including the appointment of the WREDA directors and the reconstituted WRS Committee, finalising all legal agreements and amalgamating the existing agencies and functions into WREDA.

3.4 Implications for Grow Wellington Board

Under the WREDA proposal the current Grow Wellington Board positions would be disestablished. Three current directors' terms will have expired as at 30 June 2014. A formal directors' appointment process would seem unwarranted while there is a proposal to transition to a different governance and delivery arrangement involving Grow Wellington.

The options, other than the formal process that would be followed under the current policy, are to operate with a reduced number of Board members or to rollover the terms of the three members affected. These are Paul Mersi (Board Chair), Barry Brook and Anders Crofoot. All three have indicated a willingness to continue as directors until any new arrangements are finalised.

Officers recommend that the terms of Paul Mersi, Barry Brook and Anders Crofoot are extended until 30 June 2016 or until such a time as the proposed WREDA is constituted.

3.5 Communication

Subject to the support of the participating councils, the proposal to establish WREDA will be subject to consultation with affected and interested parties. No further communications are required at this time.

4. The decision-making process and significance

Part 6 of the Local Government Act 2002 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

5. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Notes the WREDA proposal, and the proposed changes to the Committee and Grow Wellington.*
- 4. Agrees to recommend to Greater Wellington Regional Council that the terms of Paul Mersi, Barry Brook and Anders Crofoot as Directors of Grow Wellington are extended until 30 June 2016 or until such time as the*

proposed new regional delivery agency involving Grow Wellington is constituted.

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