

**Chairperson and Committee Members**

ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

21 JULY 2016

Meeting Status: **Public**

Purpose of Report: For Decision

**ECONOMIC DEVELOPMENT LEADERSHIP GROUP: NEW GOVERNANCE STRUCTURE**

**PURPOSE OF REPORT**

- 1 This report seeks endorsement of a new governance structure for delivering on the Kāpiti District Economic Development Strategy 2015-2018.

**DELEGATION**

- 2 The Committee has delegation under Clause 7.1 of the Governance Structure and Delegation: 2013-2016 triennium to:

*'develop policies and work programmes that support the social, economic, environmental and cultural interests of the community'*

**BACKGROUND**

- 3 The Kāpiti Economic Development Strategy 2015-2018 (a summary of the Strategy is at Appendix 1) was developed in collaboration with the business community, iwi and the Council. The Strategy was approved by the Environment and Community Development Committee in December 2014 and endorsed by the Kāpiti Chamber of Commerce in January 2015.
- 4 The Strategy identified four focus areas over a three year period; Leadership, Open for Business, Building Capability and Positioning Kāpiti. A number of deliverables were identified as priorities for action to ensure a platform for success, including the approach to governance for the strategy's development, implementation and review.
- 5 In May 2015, a one year transitional approach to leadership was formalised with the support of the Environment and Community Development Committee. To ensure momentum and continuity was embedded in the first year of implementing the Strategy, the Leadership Group's membership remained the same as the group that developed the 2015-2018 Strategy.
- 6 The leadership function is supported by Council officers with the current membership consisting of; four elected member representatives (the Mayor holds an ex officio membership), an iwi appointed representative and four business community representatives.

*Leading the implementation of the Economic Development Strategy*

- 7 A terms of reference (at Appendix 2) was developed and approved to enable the (transitional) Leadership Group to focus on implementing the key initiatives as specified in the Economic Development Strategy while investigating best options for a sustainable leadership model for the future.

- 8 Over the year, the Leadership Group has spearheaded a number of initiatives both community and council focussed, including:
- a successful Tech Expo at Coastlands;
  - an employers and education led ‘work ready’ passport as part of the Youth Pathways to Employment initiative;
  - a community-informed events plan, resulting in support for three significant events that provided meaningful economic return for the wider District;
  - a business and tourism sector informed visitor attraction plan;
  - the commencement of a digital challenge project that aims to work with local secondary schools to grow entrepreneurial thinking and design in order to grow the District’s base of young vibrant new businesses.

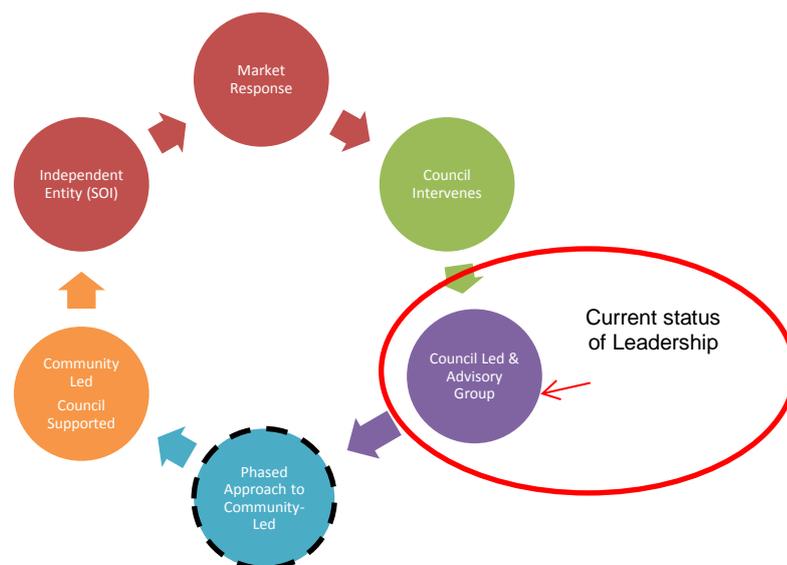
## Issues

- 9 It was agreed that the governance arrangements be reviewed by May 2016. This review process has been completed by the current Leadership Group and this report captures their recommended way forward.

### *A strategic way forward for leadership*

- 10 A subgroup of the Leadership Group was tasked with investigating and providing some analysis to determine the best option for a sustainable governance structure.
- 11 Exploratory work included examining other governance models around New Zealand; this provided the rationale for a strategic way forward. The cyclic framework (below) shows a range of possible phases going forward and indicates the Leadership Group’s current position in the cycle.

**Figure 1**



- 12 Each phase in the framework represents a different stage of development. Currently the bulk of the Economic Development Strategy deliverables are funded and implemented by the Council. Community partners and stakeholders contribute 'in kind' on a voluntary basis to deliver on the outcomes of the Strategy and are typically in an advisory capacity. There have been several projects delivered by the partners over the last 12 months, particularly relating to Information and Communications Technology (ICT) development and youth employment.
- 13 It is envisaged that a new enduring governance structure model would promote and stimulate a new phase of development and independence (blue bubble in Figure 1) that would eventually attract sustainable match funding for economic development initiatives and reduce reliance on Council support (orange bubble in Figure 1). This process may take 3-5 years to evolve. In this model Council funding would stay at current levels, but with greater contributions from other partners, with the ultimate goal being a 50:50 funding model.

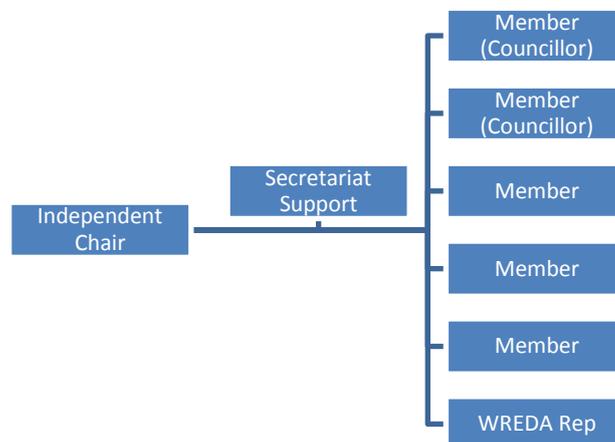
## Best option going forward

### *Adopting a new Governance Structure*

- 14 The Leadership Group has determined a model that best fits the requirements of delivering on the Economic Development Strategy. It is intended that a new governance structure will:
  - find new ways of leadership that rely less on the Council's involvement;
  - face opportunities that are outside the current Leadership Group's knowledge and experience;
  - profile itself to other important stakeholders;
  - have a fresh perspective on emerging issues.

### *Membership and proposed structure*

- 15 It is proposed that the new structure has a reduced membership with a maximum of seven members, including an independent Chair. Elected member representation would be reduced to two (from four), one Wellington Regional Economic Development Agency (WREDA) representative, with the remaining membership based on business skills, attributes and experience and a track record in areas such as tourism, business and education, where possible.



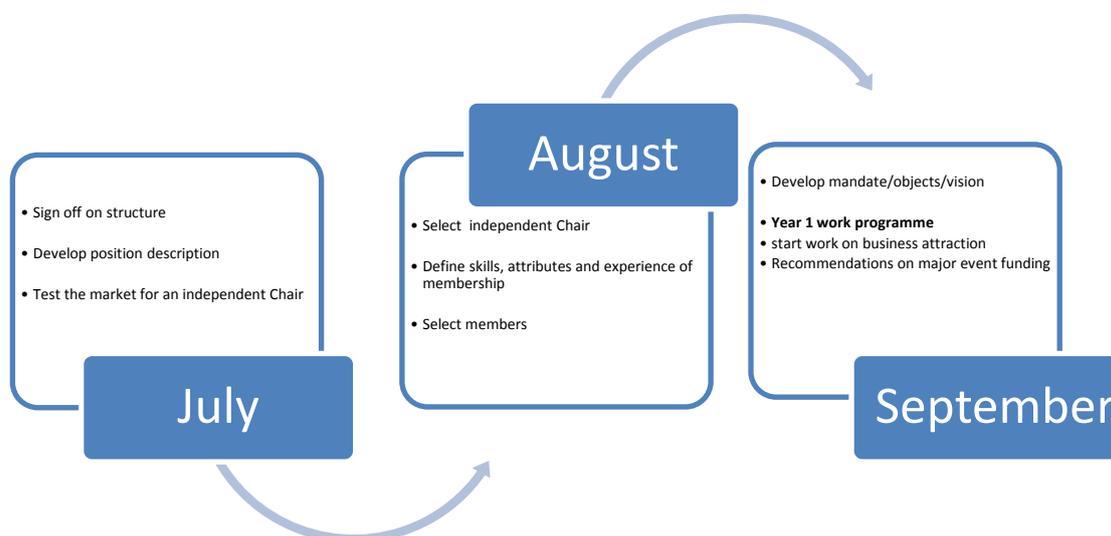
- 16 Council will continue to provide secretariat support to the Leadership Group which includes general administration duties associated with running the group.
- 17 In order to attract an independent Chair it is recommended that an honorarium of up to \$10,000 per annum be available for the position.

#### *Selection of an independent Chair*

- 18 It is recommended that a selection process for appointing an independent Chair with appropriate credentials includes the development of a position description and robust selection process.
- 19 To select a suitable Chair with skills and experience in the area of economic development, it is recommended that a panel made up of Council Committee Chairs with the authority to appoint an independent Chair is established. The panel members would be: Cr Gaylor (Chair of the Environment and Community Development Committee), Cr Welsh (Chair of Corporate Business Committee), the Mayor, and Russell Spratt (member of the Leadership Group).

#### *Timeline*

- 20 By the end of August 2016 an independent Chair would be selected. This person would then lead the process for managing the selection of the other members of the Leadership Group, refreshing the terms of reference and establishing the year one work programme. It should be noted that the terms of reference will come back to Council for endorsement. A timeline outlining activities in the next three months is outlined below.



#### *Objectives and functions*

- 21 A primary function of the Leadership Group is to monitor the effectiveness of the Economic Development Strategy, implementation activity and foster greater engagement and connections with other stakeholders.
- 22 The Leadership Group will continue to add value by leading and coordinating the implementation of Districtwide economic development initiatives. A priority for

action is to lead the development and implementation phase of business attraction planning and project based activity.

- 23 The Leadership Group will also make informed recommendations to Council about decisions and issues on economic development including council financial support for major events that bring economic benefit to the District.

## **CONSIDERATIONS**

### **Policy considerations**

- 24 The Economic Development Strategy sets the platform for co-ordinated leadership involving different stakeholders from the community and council to work together.
- 25 The establishment of an enduring Leadership Group will enable effective leveraging of expertise and insights of the wider community to deliver on economic development aspirations.

### **Legal considerations**

- 26 There are no known legal considerations at this time.

### **Financial considerations**

- 27 The new Leadership Group will not hold budgetary authority or delegation over Council's economic development expenditure. The new Leadership Group may provide recommendations, advice and input into Council's proposed investment in economic development.
- 28 Project based funding (of approximately \$840,000) is allocated within the Economic Development programme as defined by the overarching Kāpiti Economic Development Strategy for 2015-2018. The amount of \$150,000 is available for business attraction and \$160,000 for supporting major events.

### **Tāngata whenua considerations**

- 29 Māori economic development continues to feature as a priority in the Economic Development Strategy. Appropriate representation and participation of iwi in economic development decisions is required in any governance structure going forward.

### **Degree of significance**

- 30 This matter has a low level of significance under Council Policy.

### **Consultation already undertaken**

- 31 The proposed structure has been worked through with the transitional Leadership Group who unanimously support a more strategic approach to governance to enable the delivery on economic development aspirations outlined in the Strategy.

### **Engagement planning**

- 32 An engagement plan is not needed to implement this decision.

## Publicity

33 There are no significant publicity events or planning required at this stage.

## RECOMMENDATIONS

34 That the Environment and Community Development Committee endorses the pathway for establishing a governance structure to deliver on the Economic Development Strategy as outlined in this report, by approving:

- a) an honorarium of up to \$10,000 for an independent Chair;
- b) the appointment of two elected members as representatives to the governance group, being Cr ..... and Cr ..... for the 2013-2016 triennium. New appointments may be necessary after the local body elections in October 2016.

35 That the Environment and Community Development Committee approves the selection process of a panel comprising of Cr Gaylor (Chair of the Environment and Community Development Committee), Cr Welsh (Chair of Corporate Business Committee), the Mayor, and Russell Spratt (Leadership Group representative) to appoint an independent Chair.

<b>Report prepared by</b>	<b>Approved for submission</b>	<b>Approved for submission</b>
Tania Parata	Kevin Currie	Monica Fraser
<b>Manager, Programme Design and Delivery</b>	<b>Group Manager Regulatory Services</b>	<b>Acting Group Manager Strategy and Planning</b>

## ATTACHMENTS

- Appendix 1 Kāpiti Economic Development Strategy 2015-2018 (Summary Plan on a Page)
- Appendix 2 Summary Terms of Reference for the Economic Development Leadership Group 2015-2016



APPENDIX 1

# Thriving economy, vibrant culture, Kāpiti diverse community

Kāpiti is poised for *growth* and economic success.  
By working *together* we can position our District to realise its *full potential*.

## WHAT WILL WE FOCUS ON?

- 🏠 Open for business (Council)
  - ✔ Enabling District plan
  - ✔ Town centre development
  - ✔ Policy development
  - ✔ Customer focused regulatory functions
  - ✔ Core Council infrastructure and facilities

- ★ NEW
- 🔄 TO BE REVIEWED
- ✔ CURRENT

## Building capability

- ✔ Māori economic development
- ✔ Youth skills and workforce development
- 🔴 Targeted support for priority sectors (small business and ICT)

## Positioning Kāpiti

- ★ Tell the Kāpiti story
- ★ Digital presence & events
- ★ Business attraction
- 🔴 Visitor attraction

## Leadership & responsiveness

- ★ Establish leadership forum
- ★ Respond to emerging opportunities
- ✔ Advocacy and representation

## WHAT WILL SUCCESS LOOK LIKE?



Economic Development Strategy Working Party



## HOW WILL WE WORK?

- ✔ Be responsive
- ✔ Work in partnership
- ✔ Be bold and positive
- ✔ Promote our strengths and successes
- ✔ Focus on results and action

## HOW WILL KĀPITI GET THERE?

- ▶ Leverage our physical infrastructure and facilities
- ▶ Enhance environmental, cultural and social assets
- ▶ Position Kāpiti
- ▶ Foster a productive business environment
- ▶ Develop strong and cohesive communities
- ▶ Connect Kāpiti regionally and nationally

## WHAT DO WE NEED?

- ⚙️ Access to skills development and training
- ⚙️ Good connectivity: Infrastructure, digital, logistics and communities
- ⚙️ Access to capital, markets and investment
- ⚙️ Strong partnerships: Local, regional, national and international
- ⚙️ An enabling policy framework

## APPENDIX 2

## Summary Terms of Reference for the Economic Development Transitional Leadership Group

ITEM	DETAIL (ASSUMPTION)
<b>Purpose</b>	<p>The purpose of the group is to lead and co-ordinate the implementation of key economic development initiatives as specified in the economic development implementation plan.</p>
<b>Primary Objectives</b>	<ol style="list-style-type: none"> <li>1. Achieve <b>momentum</b> in the delivery of the economic development strategy through broad and purposeful engagement and partnerships with key stakeholders</li> <li>2. <b>Transition to a sustainable</b> operating model – e.g. through the establishment of second generation Leadership Group.</li> <li>3. <b>Deliver results</b> by ensuring the successful delivery of economic projects and activities</li> </ol>
<b>Primary functions</b>	<ul style="list-style-type: none"> <li>• <b>Catalyse:</b> Co-ordinate and capitalize on connections between individual economic development opportunities and foster collective action and engagement from broad group of stakeholders.</li> <li>• <b>Act:</b> Lead, sponsor and conduct projects</li> <li>• <b>Monitor:</b> Act as guardians of the strategy and monitor the effectiveness of economic development activity</li> <li>• <b>Champion:</b> Provide a united voice for Kāpiti on economic development issues and represent Districts interests particularly in regional ED issues and initiatives.</li> </ul>
<b>Constitution</b> <i>(and relationship to Council)</i>	<ul style="list-style-type: none"> <li>• Transitional group for the first 12 months that will work towards establishing a sustainable independent entity with close and active partnerships inclusive of, but not limited to Council.</li> </ul>
<b>Members and term</b>	<ul style="list-style-type: none"> <li>• 12 months commencing May 2015</li> <li>• Consist of current members of the working party</li> </ul>
<b>Primary relationships</b>	<ul style="list-style-type: none"> <li>• <b>Council:</b> A close partnership will be required with Council in the transitional phase. The Leadership Group will report to and keep Council informed of key activity and</li> </ul>

	<p>intent as appropriate (through the ECD committee).</p> <ul style="list-style-type: none"> <li>• <b>Leadership Forum:</b> Relationships with key stakeholders will be developed on a project by project basis to ensure appropriate representation and engagement dependent on the outcomes and requirements of each project or initiative.</li> <li>• <b>Community Stakeholders:</b> build relationships with key community stakeholders with a vested interest in economic development in the district.</li> </ul>
<b>Operating principles</b>	<ul style="list-style-type: none"> <li>• To be agreed by the Leadership Group</li> </ul>
<b>Procedural detail</b>	<ul style="list-style-type: none"> <li>• Monthly meetings</li> </ul>
<b>Resources and requirements</b>	<ul style="list-style-type: none"> <li>• Administrative (secretarial) resource to be provided by Council in the first 12 months</li> <li>• Other resources as appropriate (as defined by the leadership group) and agreed to by Council or other funding authority)</li> </ul>
<b>Risks and constraints</b>	<ul style="list-style-type: none"> <li>• None known. To be identified by the Leadership Group</li> </ul>