

Chairperson and Committee Members

ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

1 SEPTEMBER 2011

Meeting Status: **Public**

Purpose of Report: For Information

ECONOMIC DEVELOPMENT REVIEW UPDATE

PURPOSE OF REPORT

- 1 This report updates the Committee on the progress with the Economic Development Review.

CONSIDERATIONS

Progress update

- 2 Since the last progress report to the Committee on 9 June 2011 progress has been made in a number of areas.
- 3 Stage 2 of the Review is now underway. This stage will:
 - provide a detailed analysis of what benefits and opportunities a structured focus on shifting to a 'new economy concept' can bring;
 - identify which sectors of the economy will deliver greatest value in the achievement of the desired outcomes. In assessing the likely contribution or value of various sectors, the review will assess the potential value to the local economy, and strengths and weaknesses of various sectors in light of what the future may hold;
 - identify the outcomes that Council might like to see achieved as a result of any resource it puts into economic development;
 - identify the range of delivery options available to Council to deliver on outcomes it seeks, including clarification of stakeholder interests.
- 4 The Economic Development Review Working Party (EDRWP) has met with the Chamber of Commerce and a representative of Te Whakaminenga O Kāpiti to discuss views on economic development needs and opportunities.
- 5 The Chamber of Commerce is also involved in facilitating a group of key business people in Kāpiti to develop a vision for economic development and ideas on what needs to be delivered. It is expected that this group will be ready to discuss this with the EDRWP by the end of September/early October.
- 6 Further meetings are planned with the Chairperson of Grow Wellington and the Clean Tech Centre.
- 7 Two contracts have been let for research to support the review. These contracts will be completed in mid-September. A third contract is being finalised now.

Assessment of the new economy focus

- 8 One of the contracts will examine the benefits and opportunities to be gained from focusing on developing a low carbon/new economy. This will include:
- a stocktake of the current Kāpiti Coast economy focussing on sectors relevant to a low-carbon economy;
 - a discussion of which sectors show the most potential for transitioning to a new low carbon economy;
 - identification of the benefits of shifting to a new economy;
 - an assessment of Kāpiti Coast's potential within a low-carbon New Zealand; and
 - identification of potential barriers to fulfilling this potential.

Evaluation of services delivered by Nature Coast Enterprise

- 9 The other contract is for an evaluation of the effectiveness of the tourism and economic development services delivered by Nature Coast Enterprise (NCE). This research will provide insight into how the contracts with NCE have been implemented and the sorts of outcomes that have been delivered to the Kāpiti Coast. It will also provide information on potential service delivery options which Council can consider as part of the review.
- 10 A number of in-depth interviews will be carried out with key stakeholders such as the Mayor, Council's representatives on the Board, the CEO and other senior Council staff, the CEO and Chairperson of NCE, and the Chamber of Commerce. An email survey of the wider business community will also be conducted to gather information on how business views the services delivered by NCE.

Economic value of the productive potential of rural land in Greater Ōtaki

- 11 The third contract builds on previous work assessing the productive potential of rural land in the Greater Ōtaki area. It will identify the current economic value of that productive potential and the future potential economic value under different scenarios.

Financial Considerations

- 12 There are no financial considerations at this stage. The outcomes of the review may either be implemented within budgeted amounts or the development of the Long Term Plan during 2011/12 may provide an opportunity to review the overall level of expenditure.

Legal Considerations

- 13 There are no legal considerations at this stage. When the review is concluded, there may need to be consideration of whether the recommendations are significant enough to require a special consultative procedure.

Delegation

- 14 The Committee may make a decision under Section B1 of the Governance Structure approved by Council on 21 April 2011:

“6 Generally... this delegation provides authority to exercise all functions, duties and powers relating to all matters assigned to this Committee... where financial provision has been made for the decision or activity in the LTCCP or Annual Plan, and where the action proposed is not contrary to established Council strategy and/or policy, or the power of delegation”.

Also relevant is para 5.2:

‘Oversee the development (within any wider existing strategic framework) of social and economic community policies associated with promoting the social, economic, environmental and cultural wellbeing of the District; ...’

Consultation

- 15 Organisations and sectors of the business community identified as having a potential interest in future service delivery will be consulted by the EDRWP during Stage 2 of the review prior to the final recommendations being brought back to the Council or appropriate Committee for consideration.
- 16 The EDRWP has had discussions with the Chamber of Commerce on its vision for economic development in Kāpiti and what the strategy should cover. It has also discussed Māori economic development needs with representatives of Te Whakaminenga O Kāpiti.
- 17 Future discussions are planned with Grow Wellington and the Clean Tech Centre at Ōtaki.
- 18 Consultation will also be undertaken through the contracts discussed earlier in this report.

Policy Implications

- 19 There are no policy implications arising from this report. The content and recommendations are consistent with the strategic direction set out in the 2009 Long Term Council Community Plan and the 2010/11 Annual Plan. Any recommendations that might result in policy changes will be brought back to the Council for approval in December 2011

Tāngata Whenua Considerations

- 20 A Te Whakaminenga O Kāpiti representative participates in the Working Party to facilitate input to the review from tāngata whenua.
- 21 The Council has provided support for the development and implementation of Te Aho, the Kāpiti Horowhenua Māori Economic Development Strategy, since 2008.

Publicity Considerations

- 22 Given the interim nature of these recommendations, no publicity is proposed at this point. Some media activity may be appropriate once the Council has approved the final recommendations in December 2011.

RECOMMENDATION

- 23 That the Committee receive report SP-11-317 'Economic Development Review Update'.

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