

2. CANTERBURY REGION ECONOMIC DEVELOPMENT STRATEGY

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Corporate Plan Output: Economic Development	

The purpose of this report is to brief the Council on an initiative proposed by the Canterbury Forum to develop a regional economic development strategy.

BACKGROUND

The 'Canterbury Forum' is a regular meeting of Mayors and Chief Executives of the 12 Canterbury Councils. Its purpose is to ensure increased effectiveness of local government in meeting the needs of Canterbury Communities.

Membership of the Forum is:

Ashburton District Council	Mackenzie District Council *
Banks Peninsula District Council	Selwyn District Council
Environment Canterbury	Timaru District Council
Christchurch City Council	Waimakariri District Council
Hurunui District Council	Waimate District Council *
Kaikoura District Council	Waitaki District Council *

* Yet to commit to project under discussion

As reported to the April meeting of the Strategy and Resources Committee, the Forum at its meeting of Monday 13 March 2000 considered matters relating to economic development and employment and agreed that it:

- (a) Supports taking a lead role in the development of an economic development strategy covering:
 - The key objectives of economic development
 - The key sectors which have potential to enhance economic development
 - The barriers to growth in these areas
 - How these barriers can and should be addressed
 - Practical projects and initiatives
- (b) Ask the Canterbury Development Corporation to lead the process of developing this strategy working with a sub-group of the following Councils:

Christchurch
Canterbury Region
Banks Peninsula
Hurunui
Waimakariri
Selwyn
Kaikoura
Timaru and Ashburton through the Aoraki Development Board

With the aim being to have a draft strategy ready for consideration at the Forum's meeting on 15 May 2000.

CDC held preliminary discussions with the City Manager and Director of Policy, Christchurch City Council subsequent to the 13 March Forum meeting and agreed to scope and cost the project with a view to presenting a preliminary concept paper to the 15 May Forum meeting for consideration and ratification.

It is CDC's understanding that it is the Forum's wish to have available as soon as practical a cohesive Canterbury Regional Economic Development Strategy that can be used to attract significant Central Government regional development funds to the region for a range of economic development projects.

CDC'S INTERPRETATION OF THE PROJECT BRIEF

Underlying Assumptions

- Political neutrality
- Ownership/relevance to each sub district/sector
- Significant consultation to ensure widespread 'buy in'
- Critical time parameters – need for first region readiness re government partnership opportunities
- Strategic context to direct and drive agreed project action plans
- Outcomes to be action focused and measurable
- A dynamic resource; readily and easily maintained

Critical Success Factors

- Pre existence of a significant level of strategic material by sector, region
- Ready access to above
- Ready access to key stakeholders
- High level of innovative input
- Critical and strategic analysis

all supporting excellent plan architecture and management capability.

Management

CDC would manage all aspects of the project and report against an agreed project plan to a Forum Sub-committee.

The project team would be made up of staff from CDC and RDT Pacific:

CDC Chris Pickrill - CEO
 - Overall project management responsibility

 Francis Pauwels - BIZ Mentor/Technology Adviser
 - Principal resource – seconded to project

 Other Economic Development and Employment professional staff
 as required

RDT Workshops, methodology and analysis support

Methodology/Approach

The project team will:

- (a) Identify, access and interpret:
 - Existing strategic material (by sector/institution/agency/region)
 - Best practice regional development models
 - Key strategic partners/stakeholders/resources
- (b) Develop an information/data ‘gap analysis’
- (c) Subject to resource required, ‘close’ or ‘tag’ gaps in materials
- (d) Distil these into a concise, draft set of strategy options. Time and budget constraints will mean that it will not be possible to undertake in-depth analysis of each sector. However, we would expect a portfolio of strategies to emerge that have appropriate short and longer term return on investment measures against pre determined forum criteria (e.g. sustainability, triple bottom line, and other financial pay back measures, risk evaluation and management).

PROJECT TIMETABLE AND BUDGET

Stage 1

To develop Project Framework for Forum Sign off By 15/5/00

Stage 2

To prepare Draft Strategic Plan and seek Forum Feedback By 31/8/00

To incorporate feedback into finalised Strategic Plan to sign off By 31/9/00

Cost Stages 1 & 2 \$70,000 + GST

Being:

Fees and Disbursements RDT Pacific \$25,000

CDC Management costs and disbursements \$45,000

100% F Pauwels \$30,000

+ Pickrill, Podmore etc \$10,000

+ disbursements \$5,000

Stages 3 & 4

To develop and action Model Implementation Plan with local sub committees - 1 October 00 – 30 June 01

Cost Stages 3 & 4 \$60,000 + GST

Being CDC management time – F Pauwels, others and disbursements

Total Project to 30 June 2001 \$130,000 + GST

WEST COAST INVOLVEMENT

The Council, at its last meeting, adopted this Committee's recommendation "That the West Coast Councils be invited to participate in the economic development forum".

In the context of the preparation of the Canterbury Regional Economic Development Strategy, it is seen as preferable that the West Coast is the subject of its own separate strategic document but one that is parallel in scope and format to that which CDC is recommending for Canterbury.

Reasons for this approach are two-fold:

- West Coast requires a stand-alone document to aid its current compensation negotiations with Government, not one that is subsumed into a wider region focus.
- West Coast requires a strategic framework that is easily aligned with its Canterbury counterpart given the future development synergies and linkages between the two regions.

At this stage details of the modelling approach proposed for the Canterbury project have been shared with the Chief Executive of the West Coast Regional Council who will brief other West Coast interest groups and re-contact CDC as required.

RECOMMENDATION

1. That the Council note the regional economic development strategy initiative proposed by the Canterbury Forum and CDC's suggested involvement.
2. That the Council support the initiative on the basis of an agreed cost sharing formula between the local government agencies taking part.
3. That the CDC submit regular updates on progress should the initiative proceed along the lines CDC have suggested. Such updates to include the nature of any West Coast involvement.

- Recommendation:**
1. That the Council support the regional economic development strategy as outlined in the report.
 2. That the Council agree to fund its share of the costs, either through existing CDC funds or from Council funds.
 3. That a subcommittee of the Mayor, Councillors Close and Stewart, in consultation with the City Manager and Director of Finance, be authorised to negotiate a cost sharing formula with the other local authorities.
 4. That it be noted that the CDC will seek input from the Council in the preparation of the draft strategic plan.
 5. That a report on the draft strategic plan be brought to the September meeting of the Strategy and Resources Committee.