

9. CANTERBURY REGIONAL GOVERNANCE GROUP

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PURPOSE OF REPORT

1. The purpose of this report is to seek Council adoption of the Statement of Proposal and the Summary of Information in order to consult in conjunction with the proposed Annual Plan consultation on the establishment of a Canterbury-wide Council Controlled Organisation CCO. This CCO would act at the Regional Governance Group for economic development and would interface with central government – specifically the Ministry of Economic Development and New Zealand Trade & Enterprise. The proposed joint CCO is intended to act as a governance vehicle to access the governments' Regional Strategy Fund and Enterprising Partnership Fund. It will be jointly managed as a CCO, and all Councils in Canterbury will consult on it contemporaneously.
2. The proposed Statement of Proposal and the Summary of Information is attached as annexures. Christchurch City Council has prepared this documentation on behalf of the Councils of Canterbury following an agreement by the Canterbury Mayoral Forum.

EXECUTIVE SUMMARY

3. In August 2006, Cabinet agreed to refresh the framework for regional policy to improve the quality of the regional business environment to support the development, attraction and retention of globally competitive firms. The main implications of this shift for Canterbury is the need to establish an entity to act as the regional interface with the central government departments regarding the economic transformation agenda. The body is a prerequisite for the accessing funding from the two revised funds:
 - The Regional Strategy Fund (\$750,000 over 3 years)
 - The Enterprising Partnerships Fund (A contestable fund with a value in excess of \$32,5 million over 3 years)
4. At the Canterbury Mayoral Forum (1 October 2007) it has been resolved to establish a Council Controlled Organisation to act as the governance structure i.e. the Regional Governance Group (RGG). The resolution regarding the use of a CCO was based on a number of options which were canvassed by the Chief Executives and further by Christchurch City Council on behalf of the group regarding the best institutional option. The recommended option (CCO) provides the level of control sought by the Councils, but requires a special consultative process (SCP) to be established.
5. In order to minimise the cost of the consultation process it is considered that this should be done jointly, as part of the 2008/09 Annual Plan round. The timeframes of the different Councils have been reviewed in order to facilitate a degree of alignment of the consultation programmes. The Statement of Proposal and the Summary of Information (Annexures A and B respectively) will be utilised by each of the Canterbury Councils for inclusion in their respective consultation processes.
6. The Statement of Proposal contains information regarding the ownership, and the directorships as well as the relative financial contributions sought from the individual Councils. The initial budget is \$72,000 over the first three years. The annual contribution required from the Christchurch City Council is \$2,400. An opportunity exists to amend the content of the Statement of Proposal through the submission process.
7. It is emphasised that the CCO would not impact on the establishment, funding and activities of the existing Economic Development Agencies (EDA's) throughout Canterbury. However, in making future applications to government for funding the EDAs will need to continue to do so within a strategic framework focusing on "transformational economic projects".

FINANCIAL IMPLICATIONS

8. The establishment of the CCO and the selected structure has been explicitly designed to contain costs while enabling the entity to operate. Further, in order to keep the costs at a low level, both a fixed and variable cost component has been included in budget estimations. The **total** financial contributions to the RGG by the Christchurch City Council would amount to a total of \$2,400 per annum. This will be met from within existing economic development budgets.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

9. The funding aligns with the economic development budgets as presented in the 2006-16 LTCCP.

LEGAL CONSIDERATIONS

10. The Local Government Act (2002) guides the required process *vis-à-vis* the establishment of a CCO. Additionally the LGA provides guidelines regarding issues around the information to be presented in the Summary of Information, the Statement of Proposal, as well some “operational aspects” of the RGG. The guidelines and requirements of the LGA have been considered and included into the mentioned documents.

Have you considered the legal implications of the issue under consideration?

11. The Statement of Proposal as well as the Summary of Information has been drafted with due cognisance of the legal requirements as stipulated in the LGA. Similarly, the adoption of the mentioned documents is in line with the LGA requirements regarding the establishment of a CCO.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. The overall recommendation of the report aligns directly with and supports the LTCCP and Activity Management Plans with a specific reference to the Economic Development group of activities and the Regional Economic Development activities.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

13. The recommendations of this report (focusing on the establishment process) supports the regional economic development level of service. The associated objective in this instance is “to promote and manage regional economic development”. It is evident the establishment of the RGG aligns and supports the Council objective.

ALIGNMENT WITH STRATEGIES

14. The establishment of the RGG is directly aimed at the transformational projects and the implementation of a process through which a strategic framework (Canterbury-wide) can be developed. This strategic framework is the Canterbury Regional Economic Development Strategy – CREDS. In addition to CREDS the implementation of the Prosperous Christchurch agenda would be indirectly supported and strengthened by virtue of the linkages with CREDS.

Do the recommendations align with the Council’s strategies?

15. The recommendations support and align with the considerations and strategies – CREDS and Prosperous Christchurch.

CONSULTATION FULFILMENT

16. The Statement of Proposal and the Summary of Information is attached to this report and will be used as part of the SCP.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Adopt the Statement of Proposal and Summary of Information for the establishment of a new Council Controlled Organisation to act as a Regional Governance Group to access governments regional economic programmes and funding.
- (b) Instruct staff to undertake a Special Consultative Procedure to enable the Statement of Proposal and Summary of Information to be made available for consultation as part of the Consultative process undertaken as part of the Proposed Annual Plan process