

Report 09.47
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Committee Council
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Grow Wellington Funding

1. Purpose

To present the recommendation of the Wellington Regional Strategy Committee for funding Grow Wellington in 2009/10.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The arrangement for funding Grow Wellington has been established through the Wellington Regional Strategy (WRS) Committee's Terms of Reference, the Triennial Agreement and the WRS Multilateral Agreement. These agreements and terms of reference provide for the WRS Committee to make a recommendation to Greater Wellington on any changes to the funding Grow Wellington receives from the regional rate. The Multilateral Agreement records Greater Wellington's commitment to set the targeted regional economic development rate at \$5 million plus GST in 2009/10.

If Greater Wellington does not accept the recommendation it must refer the matter back to the Committee. A special meeting of the WRS Committee will be held should its recommendation be rejected by the Council.

4. WRS Committee Recommendation

The WRS Committee met on 10 December 2008 to consider Grow Wellington funding for 2009/10 (Report 08.922). A copy of that report is in **Attachment 1**. The report provides details of the various agreements in place for funding Grow Wellington, previous and current funding levels, and a detailed analysis of the funding options.

Grow Wellington has sought funding of \$4.5m (excl GST) for the 2009/10 financial year. This is reflected in its Statement of Intent 2008/09 and confirmed in a letter from the Board Chair to the Chair of the WRS Committee dated 9 November 2008.

In the current (2008/09) year Grow Wellington is budgeted to receive \$4.3m from Greater Wellington. This includes \$4.0m collected through the Economic Development Agency rate and \$300,000 in reserve, carried over from the 2007/08 year.

The Committee considered the existing funding agreements that provide for Grow Wellington to receive \$5m in the 2009/10 year from Greater Wellington. In response to the request from Grow Wellington the Committee is recommending Greater Wellington makes provision in its LTCCP for a reduced regional economic development rate of \$4.5m (excl GST) for the 2009/10 financial year. The Committee's vote on the recommendation was unanimous.

The Committee gave consideration to reducing the funding to \$4.0m in light of the current economic conditions. However, it accepted the Chief Executives' advice that increasing the investment in Grow Wellington will assist the region to minimise the impacts of the economic downturn and enable the community to recover quickly from the recession. The Chief Executives also advised that Greater Wellington's LTCCP should clearly state the reasons for the increase in the Economic Development Agency rate over the current level, including acknowledging the role of the WRS Committee in the funding decision.

5. Communication

The decision of the Council will be communicated directly to the WRS Committee members. The LTCCP documents will communicate the funding decision generally.

6. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Accepts** the WRS Committee's recommendation that provision is made in the Greater Wellington LTCCP 2009-2019 for a regional economic development rate of \$4.5 million (excl GST) for the 2009/10 financial year.

Report prepared by:

Report approved by:



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David Benham
Chief Executive

Attachment 1: Report to WRS Committee 10 December 2008: *Grow Wellington Funding 2008/09*