

2.08 BUILDING CAPACITY IN SOUTHLAND

PGF Application		For: Approval					
Applicant:	Venture Southland – Southland Regional Development Agency	Pipedrive ID #	Commercial				
Entity Type:	Local Authority	PGF Funding Sought:	\$400,000				
Region	Southland	Total Project Value:	\$ Commercial Inform				
Tier:	1 - Regional	Co-contribution rate:	0%				
Sector:	Skills	Funding Structure:	Grant				
<p>We recommend that SROs:</p> <p>a) Approve \$400,000 over two years from the PGF fund towards the Building Capacity in Southland project because it aligns with the PGF Economic Development Agencies position paper in its aim to provide EDAs with sufficient capability and capacity to support regional economic development. This is subject to the following conditions:</p> <ul style="list-style-type: none"> • The roles are focused on: <ul style="list-style-type: none"> i. Overall regional economic growth for Southland; ii. Supporting the delivery of existing PGF funded projects. • The applicant demonstrates support from relevant Iwi (preferably in the form of a letter of support) before release of funding. <p>b) Note this application is made under the umbrella of the RED Minister’s approval for regional funding in support of Regional Development Agencies or other regional bodies capacity to deliver projects.</p> <p>c) Note MPI is supportive of the project.</p>							
<p>Proposal:</p> <p>The applicant seeks funding to create Commercial new roles Commercial Information and Commercial Information) to deliver existing projects to drive regional economic growth and assist businesses within the Southland region who wish to submit PGF applications.</p> <p>The Commercial Information will be required to have an overview of portfolio and project management and performance assessment. The Commercial Information primary responsibility will be assisting the Commercial Informat Commercial Informat with preparation of action plans, including resources, timeframes and budgets for new and innovative projects that meet PGF criteria.</p> <p>The breakdown of funding is as below:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>Commercial Information</td> <td>\$ Commercial Information</td> </tr> </tbody> </table>				Item	Cost	Commercial Information	\$ Commercial Information
Item	Cost						
Commercial Information	\$ Commercial Information						

Commercial Information	Commercial Informa	
Overheads & Other	Commercial Informatio	

The PDU notes that the applicant outlines the roles to have a particular focus on the development of future PGF applications. Given the maturity of the PGF, the PDU recommends emphasis on the roles to focus on:

- Overall regional economic growth for Southland;
- Supporting the delivery of existing PGF funded projects.

Assessment against the PGF criteria

Eligibility Criteria

This application is eligible for PGF funding.

Productivity Potential

The appointments will assist initiatives and projects that have potential to act as a catalyst for productivity potential in the region across different sectors.

Policy objectives and regional priorities

The project aligns with the Economic Development Agencies position paper in its aim to provide EDAs with sufficient capability and capacity to support regional economic development.

Furthermore, the positions will assist in integrating the priorities of the Southland Regional Development Strategy through potential projects

PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> The funding will create ^{Commerc} roles (Commercial Information and Commercial Information) to deliver existing projects to drive regional economic growth. 	✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> Indirectly through the projects that the two roles will be responsible for delivering. 	✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> Not evident. 	
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> N/A 	N/A
Mitigation of climate change effects	<ul style="list-style-type: none"> N/A 	N/A
Additionality		
Adding value by building on what	<ul style="list-style-type: none"> The appointment of these ^{Commerc} proposed positions 	✓✓✓

is already there	will assist towards aligning both central and local government ensuring the Economic Development Agencies have the resources to assist stakeholders, business and the community with their proposed initiatives.	
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> The appointments will assist initiatives and projects that have potential to act as a catalyst for productivity potential in the region across different sectors. 	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> The appointments will support the delivery of projects in alignment with the priorities of the Southland Regional Development Strategy under the Southland Regional Development Agency. 	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Applicant is the Southland Regional Development Agency. Place a CP for the applicant to demonstrate support from relevant Iwi stakeholders (preferably letter of support) 	✓✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> The appointments will report against key measures in accordance with the Regional Development Agency's obligations to the CEO and in turn, to the Southland Regional Development Agency. 	✓✓✓✓
Risk management approach	<ul style="list-style-type: none"> As above. 	✓✓✓✓
Future ownership / operational management	<ul style="list-style-type: none"> N/A 	N/A
Analysis of the benefits and costs		
The key benefit of the project is its ability in providing access to resources that assist the region in identifying and implementing regional economic development opportunities.		
Consultation undertaken or implications:		
MPI are supportive of the project.		
Due Diligence and Ownership		
Due diligence has been completed. No concerns to note other than a potential conflict of interest with Privacy of natural persons , having numerous roles with Southland Regional Development Agency. Privacy		

Shareholder:	%
Invercargill City Council	18.75%
Southland District Council	18.75%
Southland Regional Council	18.75%
Gore District Council	18.75%
Invercargill Licensing Trust	6.25%
Mataura Licensing Trust	6.25%
Southland Chamber of Commerce	6.25%
Southern Institute of Technology	6.25%

Key Management Personnel:

- Privacy of natural persons, CEO
- Privacy of natural persons General Manager, Finance

Financial Analysis of the Applicant

Not evident – Financial statements are currently unavailable on their website.

Risk Assessment

The key risks to the PDU and proposed mitigations of this investment are as follows:

Type of risk	Risk description	Mitigations	Risk Rating (post mitigation)
Delivery risk	Focus of the roles is in the project origination phase.	<ul style="list-style-type: none"> • Refer to recommendation section a) i. & ii. 	Low
Stakeholder engagement risk	Loss of regional support	<ul style="list-style-type: none"> • Place a CP for the applicant to demonstrate support from relevant Iwi stakeholders (preferably letter of support). 	Low

Funding Methodology

Grant.

Supporting proposal:	Yes
Appendices:	Yes – Application
Manager / Author of paper:	LY – Investment Team
Communications issues and risks	N/A