

COVER SHEET

1. Te Tau Ihu 2077 Regional Growth Strategy Project PGF Application	For: Approve
Background & context:	Recommendation:
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Wakatu Incorporation <p>Location:</p> <ul style="list-style-type: none"> Te Tau Ihu (Top of the South Island) <p>Proposal:</p> <ul style="list-style-type: none"> This will be the first regional growth strategy for Te Tau Ihu which would take an intergenerational view on how to grow and diversify the Te Tau Ihu region. The project will provide a catalyst to lift the productivity potential of Te Tau Ihu by responding to key challenges of low productivity, lower wages and ageing population. This project will focus on capability building around data, leadership, engagement, team and process. Stage 1 of the project includes gathering and analysing baseline data on social, cultural, economic, environmental and political challenges/opportunities in the region which PDU views as a valuable piece of work. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value (stage 1 and 2): \$^{Commercial Information} Total project value (stage 1): \$^{Commercial Information} PGF Funding (stage 1): \$434,980 The details of the in-kind contribution from the applicant worth \$^{Commercial Information} are still not known and may or may not include consulting work proposed by the applicant. We propose that PGF should fund ^{Comm} per cent of the actual cash cost, thereby requiring ^{Comm} per cent cash contribution from the regions. 	<p>We recommend that the SROs:</p> <ol style="list-style-type: none"> Discuss Te Tau Ihu 2077 Regional Growth Strategy application Note This will be the first regional growth strategy for the Te Tau Ihu region Note The applicant has requested funding for both stages of the first phase Note PDU recommends PGF funding for stage 1 only because a decision gateway (which would be co-designed by the applicant and PDU) may determine not to proceed to stage 2 Note The funding request is recommended for support because: <ol style="list-style-type: none"> Every region should have a strategy and an action plan which will help them in prioritising their efforts and resources; This project will potentially lift the productivity potential of the region; Strong alignment with regional priorities; and Increased utilisation and returns of Maori asset base. Support recommendation to Approve a grant of upto \$434,980 from the PGF fund, at the maximum ^{Comm} per cent contribution to the cash cost, towards Te Tau Ihu 2077 Regional Growth Strategy subject to: <ol style="list-style-type: none"> Identification of which organisation within the Wakatu group, that will receive PGF funding;

Background:

- Te Tau Ihu is developing a 50 year strategic plan – 2077 Regional Growth Strategy.
- Wakatu Incorporation is leading the coordination of the development of a regional growth strategy on behalf of Nelson City Council, Tasman District Council, Marlborough District Council, the eight Iwi of Te Tau Ihu, and business communities.
- Wakatu Incorporation is a profit making entity and it is not a standard practice for a profit making entity to receive PGF funding for developing regional growth strategy. However, in this case Wakatu has the support of the key players (councils, iwi) and therefore PDU could fund this project subject to PDU receiving details on procurement plan and which organisation within the Wakatu group will receive PGF funding for this project.
- There are two phases of this project and this application is for phase 1 of the regional growth strategy project. It will focus on capability building and responding to challenges that Te Tau Ihu is facing as a region – low productivity, low wages, ageing population.
- On PDU's advice, the applicant split the phase 1 of the project into two stages – stage one would focus on capability building and stakeholder engagement; Commercial Information
- Commercial Information
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- b. PDU's agreement to any third party provider undertaking any part of this project;
- c. Detailed examination of the forecast project cost; and
- d. Monthly reporting on project progress and milestone achieved against which further funds will be released

PROACTIVELY RELEASED

PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> • Phase 2 of this project will create job 	✓

	opportunities in the future.	
Delivers benefit to the community	<ul style="list-style-type: none"> This project will provide a platform for communities to participate and collaborate in the development, build and implementation the regional growth strategy that would benefit local communities. 	✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> A major component of the project is to gather and assess socio-economic data to better understand the performance of Maori in the region which will then inform decision making processes. 	✓✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> N/A 	
Mitigation of climate change effects	<ul style="list-style-type: none"> N/A 	
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> This will be the first regional growth strategy for Te Tau Ihu which would take an intergenerational view on how to grow and diversify the Te Tau Ihu region. 	✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> This project would respond to key challenges of the region – low productivity, low wages, and decline in working age population. 	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> The project aligns with regional objectives and the application is supported by the three district councils (Nelson, Tasman and Marlborough). This project is listed as the number one priority for the Nelson Regional Development Agency in 2018/19. 	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> The applicant has engaged with the iwi, small and large businesses on this project and received positive feedback. 	✓✓✓✓✓
Governance, risk management and project execution		

Robust project management and governance systems	<ul style="list-style-type: none"> Wakatu Incorporation (applicant) has a successful track record of managing and growing business. The applicant will employ project management methodology and establish working group for each of the six proposed work streams. Project will have a steering group with members from Wakatu, iwi, businesses and councils who will oversee the project delivery led by a project management team. 	✓✓✓
Risk management approach	<ul style="list-style-type: none"> A risk management register will be developed and then monitored throughout the project. 	✓✓
Future ownership / operational management	<ul style="list-style-type: none"> Phase two of the 2077 regional growth strategy would require funding post 2020, beyond the term of the PGF. The applicant will continue to seek investment from a range of public and private sources. 	✓

The purpose of this briefing is to consider recommending PGF funds to the Te Tau Ihu 2077 Regional Growth Strategy

Risks Issues:

- The working arrangement among the three councils is complex and reaching consensus on key project milestone may become difficult.
- Phase two of the project - implementation of the regional growth strategy may not be in a position to apply for PGF funding before the PGF term expires in June 2020.

Eligibility points of note:

- Due diligence:-* Due diligence undertaken did not present any adverse issues.
- Conflict(s) of interest:-* Based on the information provided there is a conflict of interest. Wakatu Incorporation (the Applicant) is producing the 2077 regional growth strategy on behalf of Nelson, Marlborough and Tasman councils. Wakatu operates businesses in food and beverage, and land development sectors, which are also the two most significant sectors in the region. Wakatu's views on these sectors may reflect in the 2077 regional growth strategy.
- Illegal Activity:-* Based on the application information provided and feedback from other MBIE there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- Alignment with Regional development plans:-* Aligns with the long term plans of three councils involved.
- Commercial funding availability:-* Given the nature of the project which is to develop a very long term regional growth strategy, access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MPI, PDU SWEP
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MPI is supportive of the intention of this proposal.

PDU SWEP team has suggested tighter monitoring around deliverables.	
Supporting proposal:	Yes
Appendices:	Yes - Applications and supporting letters are as annexes
Sponsor(s):	N/A
Manager/Author of paper:	DG Investment Team

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