

## COVER SHEET

<b>2.17 Eastern Bay of Plenty – Regional Development Project Implementation PGF Application</b>		<b>For: Approve</b>	
<b>Tier:</b>	1 - Regional	<b>Sector:</b>	Regional Projects
<b>Background &amp; context:</b>		<b>Recommendation(s):</b>	
<p><b>Applicant Organisation:</b></p> <ul style="list-style-type: none"> <li>Opotiki District Council on behalf of the Regional Growth Leadership Group (RGLG).</li> </ul> <p><b>Location:</b></p> <ul style="list-style-type: none"> <li>Eastern Bay of Plenty</li> </ul> <p><b>Proposal:</b></p> <ul style="list-style-type: none"> <li>Eastern Bay of Plenty - Regional Development Project Implementation.</li> </ul> <p><b>Funding Sought:</b></p> <ul style="list-style-type: none"> <li>Total project value: \$<sup>Commercial Information</sup></li> <li>PGF Funding: \$237,500</li> </ul> <p><b>Background:</b></p> <ul style="list-style-type: none"> <li>The RGLG recently commissioned the Regional Development Project Report (RDPR) identifying a number of opportunities in Eastern Bay of Plenty to increase economic output and generate jobs. Specifically, the RDPR identified 65 opportunities across a number of industries and sectors to create up to <sup>Commercial</sup> FTE positions and \$<sup>Commercial In-</sup> in economic output per annum.</li> <li>This project proposes either the hiring of a consultant or the creation of <sup>Commercial Information</sup> to manage this portfolio of 65 opportunities across the life of the PGF (up to September 2020 at the earliest). The primary role of this proposed position is to liaise with local Iwi and other interested parties to help develop these projects and submit them to the PGF with an end goal of implementation. This funding will also fund the</li> </ul>		<p><b>We recommend that the SRO:</b></p> <p><b>a) Discuss</b> the application from the Opotiki District Council for the creation of a Regional Development Project Implementation position.</p> <p><b>b) Note</b> that the PDU Investment Team assessed the application and has concluded that there is alignment with the criteria of the PGF. Specifically the project will work to progress a number of projects in Eastern Bay of Plenty that will:</p> <ul style="list-style-type: none"> <li>Significantly impact employment opportunities and;</li> <li>Significantly impact the economic prospects of the region.</li> </ul> <p><b>c) Note</b> the proposal is seeking <sup>Comm</sup>% of the total project costs. For grants the PGF requires <sup>Comm</sup>% co-funding.</p> <p><b>d) Note</b> all regional EDA's are to be allocated \$<sup>Commercial Inform</sup> to help create a resource for potential PGF applications. Part of this funding could be appropriated from Bay of Plenty's allocation.</p> <p><b>e) Approve</b> \$237,500 from the PGF fund towards the Eastern Bay of Plenty - Regional Development Project Implementation on the basis that:</p> <p><b>i)</b> The project is reviewed at the end of each year with progress reported to the</p>	

<p>creation of a report to government that provides updates on progress of the project portfolio and its delivering of the objectives of the PGF.</p> <ul style="list-style-type: none"> <li>This position and will be augmented and supported by in-kind contributions of staff time from the Kawerau, Opoitiki, and Whakatāne District Councils, the BOP Regional Council, and Toi EDA.</li> </ul>	<p>PDU. Any future funding is to be contingent on this progress.</p> <ul style="list-style-type: none"> <li>ii) Any resource employed is done so through appropriate avenues and follows a robust employment process.</li> <li>iii) The applicant ensures that the project is sustainable beyond the current term of the PGF, or all work is completed by September 2020.</li> </ul>	
<b>PGF criteria that this proposal supports:</b>		
PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	<ul style="list-style-type: none"> <li>This specific project will add <sup>Com</sup>FTE. However, where this project works to successfully develop and implement the 65 projects identified in the report it could work to support up to an estimated <sup>Commercial</sup>FTE positions in Eastern Bay of Plenty. However, this projection is under a best case scenario. The Investment Team suggest the completion of all 65 projects is unlikely and the benefits secured by the completion of this project will be below projected figures.</li> </ul>	✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> <li>This project will help the achievement of a significant works package that may create substantial economic and employment growth. It is estimated that all 65 projects will contribute an additional \$<sup>Commercial Information</sup> a year to GDP by 2030. As noted above, this is under a best case scenario and the stated economic benefits are unlikely to accrue at this level.</li> </ul>	✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> <li>One of the roles of the job being proposed is to liaise with local Iwi on potential co-development of these projects. Where these projects are successfully co-developed with Iwi this would have a significant impact on Māori asset bases.</li> </ul>	✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
Mitigation of climate change	<ul style="list-style-type: none"> <li>N/A</li> </ul>	

effects		
<b>Additionality</b>		
Adding value by building on what is already there	<ul style="list-style-type: none"> <li>This project will work to capitalise on and make use of the \$<sup>Commercial Inform</sup> already spent on the commissioning of the RDPR.</li> </ul>	✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> <li>Where successful, this project will help the creation of a number of substantial catalytic projects that will bring investment, opportunities, and jobs to the Bay of Plenty.</li> </ul>	✓✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	<ul style="list-style-type: none"> <li>Many of the projects put forward in the report, and to be managed by the position created by this project, are considered to be key catalytic projects for the region. Many of which are identified in Regional Development Plans.</li> </ul>	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>The applicant (RGLG) is a group made up of between all Eastern Bay of Plenty Iwi/Local authorities. This group includes; Toi EDA, the Bay of Plenty Regional Council, and the Western Bay of Plenty. As a result, this project has significant local support.</li> </ul>	✓✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>The progress of this project will be reported on regularly to the management and steering committee. This committee will be made up of representatives from all members of the RGLG.</li> </ul>	✓✓✓
Risk management approach	<ul style="list-style-type: none"> <li>The applicant intends to manage risks through the imposition of clear job descriptions and through extensive guidance from the steering group (outlined above).</li> </ul>	✓✓
Future ownership / operational management	<ul style="list-style-type: none"> <li>This project is earmarked to run until the end of the PGF September 2020. Beyond this term it is unclear whether the project will continue to exist.</li> </ul>	
<b>The purpose of this briefing is to consider recommending/ declining PGF funds to the:</b>		

**Risks Issues:****Eligibility points of note:**

- *Due diligence:* As the applicant is a consortium of local authorities full due diligence is not necessary.
- *Conflict(s) of interest:* Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:* This project helps to develop a range of projects which are directly identified in regional development plans as key projects for the region. In addition, many of the projects are in key industries identified as growth sectors in regional economic development plans.
- *Commercial funding availability:* This project works to manage, develop a portfolio of projects, and liaise with local authorities and interest groups. Due to the public nature of this role and the potential for conflicts of interest where commercial funding is sought, commercial funding is not considered feasible.

**Consultation undertaken or implications:**

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	
<b>Supporting proposal:</b>					Yes				
<b>Appendices:</b>					Yes - Applications and supporting letters are as annexes				
<b>Sponsor(s):</b>					N/A				
<b>Manager/Author of paper:</b>					Connor Anderson, Investment Team / David van der Zouwe, Investment Team				

PROACTIVELY RELEASED