



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No.
Community Planning and Economic Development Committee
21 May 2015

TO: Chair and Members of Community Planning and Economic Development
Standing Committee

SUBMITTED BY: Original Signed by
Maggie MacDonald, Managing Director, Government Relations and External
Affairs

DATE: April 14, 2015

SUBJECT: Economic Strategy: Review, Renew, Refresh

ORIGIN

Staff initiated due to expiry of current economic strategy.

LEGISLATIVE AUTHORITY

The Halifax Regional Municipality Charter 2008, c. 39, s. 1. permits the Municipality to undertake a variety of economic development activities.

RECOMMENDATION

It is recommended that the Community Planning and Economic Development Standing Committee recommend that Regional Council authorize staff to develop an updated Economic Strategy in collaboration with the Halifax Partnership in accordance with the approach set out in this staff report.

BACKGROUND

In general, economic development aims to increase the economic and social well-being of people. Common actions to promote economic growth include work on human capital, infrastructure, trade, competitiveness, environmental sustainability, social inclusion, health, safety, literacy and other initiatives.

Halifax can support economic development by facilitating a climate for growth, direct support of initiatives to promote growth, and collaboration with other organizations promoting economic growth. An economic strategy is a guiding document that brings focus and alignment to

economic development activities and builds a connection between economic growth priorities and economic development outcomes and activities.

Since amalgamation, Halifax has had two economic strategies.

Strategies for Success was the municipality's economic development strategy for 2005-2010.

In March 2011, Regional Council endorsed a successor document **A Greater Halifax**, the 2011-2016 economic strategy. It set goals and objectives for the economic growth of Halifax. It included actions to reach the goals and objectives articulated in it.

Staff and the Halifax Partnership (the Partnership) have regularly reported on progress in achieving the goals of the 2011-2016 strategy. A separate report will provide an update on achievements but some of the major highlights include:

- Approval in April 2014, by Halifax Regional Council of the brand strategy for the Halifax Region
- Development and on-going enhancement of the Halifax Index, a comprehensive annual report on the state of Halifax's economy
- Progress on and completion of major projects in the Regional Centre, notably the Halifax Central Library and the Halifax Convention Centre
- Success and growth of the Partnership's Halifax Connector Program

As the period covered in the 2011-2016 strategy comes to an end, it is time to consider next steps.

DISCUSSION

In the years since development and adoption of **A Greater Halifax** much has changed in Halifax, in Nova Scotia and beyond.

Halifax

In February 2013, the Halifax Partnership (the Partnership) presented a simplified approach to CPED. From the many possible measures of economic development, the Partnership highlighted three fundamental measures that the strategy should consider: Halifax should seek to grow:

- (1) the business tax base by retaining, expanding and attracting business and new investment
- (2) employment and income levels by creating good jobs so people can choose Halifax as home,
- (3) the population by attracting and retaining people and capitalizing on ideas to create a diverse, vibrant, community.

In these areas, Halifax saw the following results from 2011-2013:

- business tax base: +7%
- employment (2011-2014): +1.8%, 4,100 jobs
- personal income per capita: +6.6%, \$41,258
- population: +1.6%, 409,000

The lesson here is that as Halifax develops a new strategy, these top level measurable are the most clear and basic indicators of success.

Research and Initiatives

Extensive work, research and consultation from the last 4 years provides a sound starting point for a renewed economic strategy. This work includes:

- Regional Plan - 5 Year Review and supporting research and consultation
- Municipal Auditor General's Report on Economic Development
- The Halifax Index
- The Head and Regional Office Study
- Halifax's new Brand
- The Centre Plan
- Downtown I'm In event
- Annual work on Priority Outcomes for Halifax

Province

Now or Never, the report of the Nova Scotia Commission on Building Our New Economy was released in February 2014. While it painted a grim picture of the future of the province, it did highlight the importance of Halifax to the future of Nova Scotia.

Among the 19 "Goals for Transformation" and 11 "Game Changers" in the report none are the sole responsibility of Halifax. However, for almost all of them, Halifax can play a supportive role. The more attractive Halifax is as a place to live, work and do business, the easier it will be for the province to attract and retain more people. When the OneNova Scotia Coalition releases its report, there may be more specific roles for Halifax and other municipalities.

Now or Never highlights that the "successful pursuit of the proposed goals will require much more effective and efficient deployment of current resources combined with changes in attitudes, policies, and practices across all business, government, and community sectors." A new economic strategy is a means by which Halifax can refocus its efforts in economic development in order to deploy its resources and influence to best effect.

Additional Context

In addition to lessons Halifax has learned and ongoing changes to the provincial approach to economic development, other things have changed, especially in the area covered by the "Maximize Growth Opportunities" goal of the 2011-2016 strategy.

- Offshore oil exploration is ramping up bringing opportunities for the municipality
- The Irving Shipyard will soon begin building ships for the navy
- The Halifax Convention Centre will open in 2017
- The Maritime Link will change how power is produced for the province

These opportunities each offer openings for Halifax to exploit.

Moving Forward

How should Halifax develop its new economic strategy?

The general direction for the strategy seems clear. Halifax must continue to grow its population, employment and commercial tax base. The strategy should harness efforts to achieve those three objectives. Council should monitor progress in these areas carefully.

For the 2011-2016 strategy, broad consultation with stakeholders and a substantial committee structure contributed to its development. This extensive input, together with the input on subsequent initiatives including the One Nova Scotia coalition, represents extensive opinion gathering and leaves a public and stakeholder community that has been intensively consulted and is ready for action. This appetite for action also speaks to the need to ensure a very tight connection between the assignment of roles and responsibilities and ability or authority to deliver.

Given the work that exists, the consultations that have taken place, and the lessons from the 2011-2016 Economic Strategy, a more focused program of consultation is proposed for the renewed economic strategy. There needs to be energy and willingness to work on implementation activities after the consultations are complete. There also needs to be close alignment between the work done by city staff in its efforts to achieve Halifax's economic development priority outcomes and by the Partnership and other bodies to implement the economic growth strategy.

If Halifax is to become a more competitive, high-growth, high-wage economy, the business community must lead in strengthening the Halifax economy. The Partnership as a private sector led organization can play a key role here in harnessing private sector involvement. The Partnership as a publicly supported organization can also link the efforts of the municipality with those of the private sector.

The renewed strategy must answer the following questions:

- Where are we now? Where do we want to be?
- What does prosperity for Halifax look like? How are we going to get there?
- How will we know we've arrived?

To perform well, the renewed strategy needs to be:

- Long-term, strategic and focused, compelling and understandable
- Measurable
- Aligned with provincial and federal priorities as much as possible
- Adaptable to changing circumstances

The renewed economic strategy will include an economic vision with a short list of overarching goals, a rolling five-year action plan including realistic, actionable initiatives and a framework for implementation.

Milestones and Proposed Approach

Key milestones in the preparation and endorsement of the strategy include:

- Development and endorsement of a proposed approach to the review and renewal of the economic strategy
- Development of a vision for the economic strategy, main areas of focus
- Gathering input from stakeholders and broader community to inform strategy development
- Development of final renewed strategy including goals, objectives, actions and implementation plan
- Endorsement of renewed economic strategy

The following bodies will have important roles to play with respect to the development and implementation of the economic strategy.

HRM:

- Regional Council
- Community Planning and Economic Development Steering Committee
- Staff (GREA Staff, Economic Development Outcome team, Business Unit Staff)

The Partnership:

- Board of Directors
- Economic Strategy Steering Committee
- Staff/consultants

The only new body proposed to support the strategy renewal is a sub-committee of the Partnership's Board of Directors to act as a steering committee and lead strategy development. This committee will be made up of board members, key stakeholders, business community members, industry/sector experts, and key municipal staff.

The Partnership committee will:

- Oversee the review and renewal of the strategy
- Refine the vision and identify the goals
- Generate new ideas
- Bring community leadership to the process
- Communicate the results of the process and build a consensus for action

The table below highlights areas of responsibility for each of the bodies identified above as those with the largest roles to play on the renewal of the strategy.

Project Stages	HRM/Partnership Staff/ Consultant	Partnership Board of Directors/ Steering Committee	Regional Council/ CPED
Project planning/ scope of work	<ul style="list-style-type: none"> Develop detailed project plans and scoping 	<ul style="list-style-type: none"> Endorse approach (provided March 2015) 	<ul style="list-style-type: none"> Endorse proposed approach (this report)
Vision renewal	<ul style="list-style-type: none"> Research and literature review Draft renewed vision 	<ul style="list-style-type: none"> Endorse vision 	<ul style="list-style-type: none"> Debate and endorse renewed vision (Summer 2015)
Gathering Input	<ul style="list-style-type: none"> Consultant to gather input from stakeholders 	<ul style="list-style-type: none"> Provide direct input 	<ul style="list-style-type: none"> Provide input as stakeholders
Draft renewed strategy Preparation (Goals and objectives, actions and implementation plan)	<ul style="list-style-type: none"> Connect with HRM staff, BUs, economic development outcome team 	<ul style="list-style-type: none"> Provide feedback and direction 	<ul style="list-style-type: none"> Receive update (Fall 2015)
Finalize renewed Strategy	<ul style="list-style-type: none"> Draft final strategy 	<ul style="list-style-type: none"> Endorse renewed economic strategy (late 2015/early 2016) 	<ul style="list-style-type: none"> Endorse renewed economic strategy (early 2016)
Implementation	<ul style="list-style-type: none"> Implementation of actions Tracking and measurement 	<ul style="list-style-type: none"> Direction from Board on implementation as relates to the Partnership No on-going role for steering committee Alternate governance may emerge as implementation plan is developed 	<ul style="list-style-type: none"> Oversight

FINANCIAL IMPLICATIONS

Halifax will contribute \$135,000 to the strategy. This includes \$90,000 for a consultant and \$35,000 for administration, research and the hosting of a launch event. This cost can be accommodated within the 2015/2016 approved operating budget in M310 Other Fiscal Services.

The Partnership, through its private sector investment fund, is contributing approximately \$75,000 for thought leadership, oversight, governance, communication and project management support required for the review and renewal process. Additionally, the Partnership is seeking \$40,000 from the Province of Nova Scotia and, as part of the request for proposal process, will seek incremental investment from potential suppliers.

COMMUNITY ENGAGEMENT

As described in the body of the report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

CPED may consider the following alternatives:

1. Recommend that Regional Council endorse this approach, subject to edits, revisions or changes that CPED may wish to recommend.
2. Recommend that Regional Council not endorse this approach to developing a renewed strategy.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Maggie MacDonald, Managing Director, GREA, 902.490.1742
Chris Bryant, Senior Advisor, GREA, 902.490.3729

Financial Approval by: Original Signed by:
Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308
