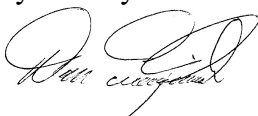


Item No. 2
Halifax Regional Council
November 24, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer

DATE: November 18, 2009

SUBJECT: HRM Economic Strategy Renewal

INFORMATION REPORT

ORIGIN

Item 9.1.2 of Regional Council's October 18, 2005 session included the following motion which was adopted unanimously:

"MOVED by Councillor Fougere, seconded by Councillor Uteck, that Council approve the HRM Economic Strategy as in Attachment 1 of the October 13, 2005 staff report."

In deliberating the October 18, 2005 motion, members of Council commented that:

- The Economic Strategy, is the community's and implementation is a shared responsibility
- HRM needs to get people on board with the idea that the status quo can change
- The Strategy recognizes both rural and urban aspects of the Municipality
- The Strategy is needed to give people pride back into their communities
- Council has to ensure the document is implemented as adopted.

Since the time the Strategy was adopted follow up information presented to Council included:

- "First Year Activities - 'Strategies for Success', " November 29, 2006
- Information on merger of the Halifax Regional Development Agency (HRDA) and Greater Halifax Partnership (GHP) - 2006-2007
- New 5-year services agreement with GHP, June 2007
- "Council Focus Areas: Strategic Focus on Economic Development," November 27, 2007
- "Economic Strategy Target Measures," January 7, 2008
- "Communications Brief: Chamber of Commerce Scorecard," February 2, 2009
- Annual updates by GHP on its activities under services agreement

BACKGROUND

HRM's Economic Strategy was adopted for implementation over the 2005-2010 timeframe. In order to keep the strategy current and relevant, preparatory work has commenced around a renewal or refresh process which will update the Strategy's goals to align with HRM's economic development and corporate direction for the next five years. This report is the first in a series of progress updates to Council on the Strategy renewal process.

The Strategy was developed with input from an advisory committee comprising a large number of community partners including representatives from the Province, Federal government, Metro universities, Port Authority, the business community and real property developers. It has five focus areas:

- Supercharge our labour force
- Leverage our creative community
- Create a gung-ho business climate
- Capitalize on our reputation
- Convert rivalries into partnerships

The Strategy sets the economic focus for the entire community and is aligned with other Council-adopted strategies such as the Regional Plan, Cultural Plan and Immigration Action Plan. Within its five focus areas are 94 actions that, if carried out to conclusion, are intended to achieve the desired goals of the Strategy. Eleven of the 94 actions are priorities that are considered key to overall implementation. Successful implementation is determined through the degree to which targets pre-determined in the Strategy are reached over its five year horizon. The targets are in the form of 28 outcome measures distributed among the five focus areas. The complete Strategy can be found online at <http://www.halifax.ca/economicstrategy/EconomicStrategy.html>

DISCUSSION

During the initial phase of strategy implementation, three general roles were defined and agreed to by principal stakeholders:

- HRM as owner of the Strategy on behalf of the greater community
- Greater Halifax Partnership (GHP) as the lead in implementation, and
- the Halifax Chamber of Commerce as independent scorekeeper and advocate for keeping the strategy "top-of-mind" and pertinent to all stakeholders.

For its part, HRM has used the Economic Strategy as a policy lens through which recommendations to Council and decisions on corporate direction and priorities are filtered in order to add an economic perspective to municipal decision-making. Because the strategy is one of HRM's corporate priority initiatives, individual business units are expected to align their annual business plans to areas of the strategy where HRM can most impact. Consequently, business units have worked both collaboratively and individually in areas of municipal influence to support all five of the strategy focus areas.

Some of the many accomplishments HRM has achieved through the Economic Strategy include:

- Activities by various business units to support implementation of HRM's Action Plan on Immigration as well as HRM's "Employer of Choice" initiative and GHP's Talent Strategy, which attracts and retains skilled labour to the HRM area through immigration, repatriation, and engagement of under-represented communities all support the *Supercharge our Labour Force* focus area.
- Increased public investment in infrastructure that will generate positive economic impacts, including the 2011 Winter Games recreation centre, the Central Library, community infrastructure partnerships, along with ongoing implementation of the Cultural and Regional Plan and support for civic and major events and overseeing initiatives to reduce the crime rate stemming from the *Mayor's Roundtable on Violence*, such as hiring (with the assistance of the Province) additional police officers all further the *Leverage our Creative Community* focus of the Strategy.
- Adoption by Council of HRM by Design, streamlining of Planning approvals, integration of the *BizPal* on-line business portal, implementation of the Business Parks Functional Plan, making broadband internet access available to every household in the municipality (HRM currently has the highest percentage of internet users among regions in Canada with 78% of households online), benchmarking HRM commercial tax levels and achieving an increased Standard & Poor's credit rating from A to A Positive all support the *Create a Gung-ho Business Climate* focus area.
- Implementation of the *Good Neighbours Great Neighbourhoods* program and partnerships with Destination Halifax and Events Halifax to market and promote HRM as a destination for visitors, business and events support the *Capitalize on Our Reputation* theme.
- Memoranda of Understanding with key economic interests such as the Port of Halifax, Halifax International Airport Authority, Metro Universities, CN Rail, along with implementation of HRM's Government Relations Plan and the merging of the former Halifax Regional Development Agency and Greater Halifax Partnership along with a service agreement with GHP that aligns with the Economic strategy and provides increased funding to GHP in order to facilitate Strategy implementation all support the alignment objectives of the *Convert Rivalries into Partnerships* focus area.

The Chamber of Commerce has a key role in Strategy implementation by tracking progress. Since 2007 the Chamber has released annual scorecards which grade the efforts and progress made on achieving Strategy goals. It assigns an overall grade for Strategy progress as well as grades for the 28 individual outcome measures. These grades are expressed in terms of:

Two green lights - measure is above target
One green light - measure is on target

Yellow light - measure tracking close to, but below, target

One red light - measure is off-target

Two red lights - measure off-target and deteriorating or not being addressed

In 2009, in addition to the overall scorecard for the Strategy, the Chamber also released a “mini-scorecard” measuring the 11 specific measures that are directly impacted by the actions and decisions made by HRM and GHP. This acknowledged the issues HRM and GHP have experienced in trying to align priorities and coordinate actions among numerous agencies and government organizations. The 2009 overall score for the Economic Strategy was one red light; however the “mini-scorecard” grade for HRM- and GHP-impacted areas was one green light.

As HRM’s lead economic development agency, the Greater Halifax Partnership enables the Municipality to extend its reach into areas of strategy implementation beyond the normal scope of municipal government. The GHP has aligned its business plan and organizational efforts towards achieving the outcomes of the Economic strategy. It has established a Strategy Implementation oversight committee under its Board of Directors which monitors the progress of implementation and provides a focus for key stakeholders to align activities and set priorities.

In March 2009, the GHP hosted a Mayor’s Forum on the Economy. The session brought together government and business leaders from the community to discuss the state of HRM’s economy; its priorities, challenges, accomplishments and barriers to growth; and to review progress made in the four years of Economic Strategy implementation. Three key themes emerged:

TALENT - how do we keep people here, how do we get more new people and how do we train and educate them to sustain our growth?

INFRASTRUCTURE - we need to set priorities for what do we need to acquire, build or complete to get our economy moving more quickly.

CONFIDENCE — we need to deliver and articulate a brand and messaging for Halifax that supports and strengthens business confidence here at home and abroad.

The GHP’s 2000-10 Business Plan aligns to these three priority areas which are already reflected in the current strategy. However, new approaches and renewed partnerships may be needed in achieving these goals over the next five years. Consequently, the intention is to consider them in light of the sunset of the original Strategy in 2010 and incorporate recommended actions into a renewed Strategy to be adopted for the subsequent 2011-2016 timeframe.

Building on Successes - Next Steps

Since the Mayor’s Forum, senior staff from HRM, GHP, the Chamber of Commerce and the Mayor’s Economic Advisory Committee have met several times to outline process elements needed to develop a renewed Economic Strategy for 2011-2016. This group has become the Steering Committee for the initiative and includes Dan English (HRM), Paul Kent (GHP), Valerie Payn

(Chamber), Andrew Boswell (Chamber), and Dick Miller (Mayor's Economic Panel). Additionally, a request is being made for senior representation from the Province and ACOA on the steering committee.

The plan is to utilize the Mayor's Economic Advisory Committee as a sounding board for work to be undertaken, and bring together a project management group consisting of subject matter expertise from GHP and HRM. Over the next year the plan is to review the effectiveness and success of the existing Strategy, undertake a local review and consultations, increase engagement of government, business and community partners, and develop a renewed Strategy to guide HRM's economic development and growth through to 2016.

The foundation and principles of the current Strategy remain valid and pertinent, so the plan is to build on the experience gained over the past four years of implementation of the original document in developing ways to promote economic growth through existing and renewed partnerships and implementation initiatives. Certain aspects of Municipal governance (i.e. HRM Charter, HRM by Design, etc) and economic conditions have changed somewhat since the original Strategy was drafted in 2005 and it is appropriate to consider these in order to maintain the relevance and currency of the renewed Economic Strategy. It is planned that the consultation process will assist in updating goals and action items and achieve buy-in from the broader community and key stakeholders much like the current strategy has already.

The final version of the renewed Economic Strategy will come before Council by the end of 2010 for approval, along with status updates throughout the review process.

BUDGET IMPLICATIONS

Budget needs for the remainder of 2009-10 will be covered under the existing CAO Office budget. Budget needs for the next fiscal year will be outlined in the 2010-11 budget and business planning process for approval.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:

Anne Totten, Corporate Policy Analyst, 490-5623
Jim Donovan, Manager, Economic Development, 490-1742



Report Approved by:

Jennifer Church, Managing Director, External & Corporate Affairs, 490-3677