

Item No. 2
Halifax Regional Council
March 22, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Jennifer Church, Managing Director External & Corporate Affairs

DATE: March 15, 2011

SUBJECT: Status Update – Economic Development Governance Review

INFORMATION REPORT

ORIGIN

April 20, 2010 motion by Councillor Uteck, seconded by Councillor McCluskey, directing staff to:

“consider the optimal governance structure for agencies within Halifax Regional Municipality who are performing an economic development function in respect of the new Economic Strategy with the goal being an organizational and governance model best suited to the implementation of the Economic Strategy and that information be brought forward to Council for consideration pending Council endorsement of a 2011-2016 new Economic Strategy.”

BACKGROUND

The motion by Council referenced above refers specifically to the new Economic Strategy that is coming forward to Council which the Committee will be considering at its March 10th meeting. In response to direction from Council, staff has been engaged with HRM’s economic partners in a process to review existing economic development programs carried out on HRM’s behalf through partnerships and other means. This report provides an update on efforts being made to respond to Council’s direction.

DISCUSSION

The review of economic development governance is being championed by HRM's CAO and the Municipal Auditor General. The scope of the review is quite broad and includes an assessment of all functions having an economic objective, including HRM's relationships, funding and program delivery expectations pertaining to:

- Greater Halifax Partnership – (economic and business development)
- Destination Halifax – (destination marketing and tourism)
- Trade Centre Limited – (events, conventions and venues)
- Business Improvement District Commissions – (business areas)
- HRM Business Parks – (development, sales of business sites)

The review is occurring at a time when there are several other initiatives either underway or completed that will inform the review process, including:

- A process led by the Greater Halifax Partnership to review HRM's existing economic strategy and replace it with a new one for 2011-2016.
- Municipal Auditor General's work plan for 2010 – 2012 which includes an assessment of performance and expected outcomes criteria used by HRM in support of its relationships with Destination Halifax, Trade Centre Ltd., and the Greater Halifax Partnership.
- Recent release of the Province's new "Jobs Here" strategy which focuses on ways to increase productivity, innovation and international trade.
- Discussions between HRM and the Province concerning an appropriate level of municipal representation on a board to oversee management and operations of a new convention centre to be constructed in downtown Halifax, pending funding approval by the Government of Canada.

The CAO and Auditor General have held several meetings with a project team comprising senior representatives of external economic partnerships in order to review expectations and how to respond to Council's motion in a timely manner. Discussions have been positive and constructive, with all participants expressing a desire to work together in considering the current and potential alternative delivery models and governance structure for economic development that can best support the outcomes of the Economic Strategy while ensuring that the current mandates and focus of respective organizations can be best served. The group will be meeting in March to review an assessment of strengths, weaknesses, opportunities, threats associated with the current economic development program and to consider various options associated with an "optimal" configuration, should it be different.

As Council's April 20, 2010 motion suggests, the review will consider how current economic services and programs can best be aligned with the vision, objectives and outcomes of the new economic strategy being prepared for the next five year period; "with the goal being an organizational and governance model best suited to the implementation of the Economic Strategy".

The new economic strategy coming forward to Council for consideration and approval will focus on ways to capitalize on Halifax as the economic engine for the entire region, providing vibrant, sustainable growth and global opportunities for people and businesses. The strategy will support the Province's new "Jobs Here" strategy, particularly in positioning Halifax as a "global city" in order to capitalize on opportunities associated with innovation and the global market place which aligns with a provincial goal for Nova Scotia businesses to compete globally. Other focus areas include ways to remove barriers to economic growth and build an attractive and vibrant regional centre that attracts significantly higher levels of private investment and population density.

Successful implementation of the strategy outcomes will require all economic development partners to align their activities to specific strategy outcomes. For its part, HRM is aligning to the strategy outcomes using HRM's Corporate Plan as a means to link community objectives, Council Focus Areas and corporate priorities to business planning and operations. The Economic Strategy and Corporate Plan will also be used as a way of expressing municipal expectations to external economic partnerships supported by municipal funding.

Council's endorsement of the 2011-2016 Economic Strategy will be key to solidifying any final analysis or recommendations with respect to the current governance review. Pending Council's endorsement of the new Economic Strategy, staff will continue to work with HRM's economic partners in expressing what HRM expects to achieve from internal economic development functions such as business parks, major events and business improvement districts and from economic partnerships in terms of implementing the Economic Strategy. The approved strategy document will provide the guidance needed to focus further dialogue. It is anticipated that staff will be in a position to submit a final report on the matter of addressing Council's April, 2010 motion by the end of June, 2011.

BUDGET IMPLICATIONS

There are no budget implications associated with this report. All resources associated with the Economic Development governance review process, including support and participation by HRM staff, are supported through HRM's approved operating budget and staff responsibilities.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

The governance review is being undertaken with the participation by the organizations that are potentially impacted.

ATTACHMENTS

None

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.

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