

29 June 2012

Paul Mersi  
Chair  
GROW Wellington

Dear Paul

Thank you for attending our meeting on Thursday 21 June to discuss Wellington City Council's decision to progress with its Destination Wellington initiative. I can confirm that this decision was formally ratified at our Council meeting on Wednesday 27 June.

This letter sets out the process by which Wellington City Council aims to come to a decision on the right delivery model for ensuring a successful spend in this area.

As I outlined at the meeting, Wellington City Council is formally inviting Grow Wellington to outline the role/s that Grow would like to play in implementing Destination Wellington.

Below is some key information to assist your board in considering this matter. Please feel free to contact me if you would like additional information or clarification on any matter – I am open to coming and discussing this with your board in person if you feel that would assist the process.

### **What is Destination Wellington?**

Destination Wellington represents one of four key strands to Wellington City Council's Economic Development Strategy. It aims to attract business, talent and investment (including the international education market) to Wellington City.

Our starting point for understanding what activities are involved in this is the Martin Jenkins report, a copy of which you will have. While we do not feel bound by that report, it remains relevant to our current thinking and was influential in setting the resourcing allocation of \$1.0 million in 2012/13 and \$1.9 million in 2013/14 onwards.

The core activities can be described as:

- Destination Marketing – putting Wellington on the map for the target audiences, supporting by high quality 'collateral' and relevant marketing channels, including digital platforms
- Pro-active 'hunting' of business, talent and investment. Allied to this will be the ability to react in an agile and successful way to opportunities that we come across
- Ongoing analysis and market intelligence – making sure we constantly scan our internal and external environment, learn from our operations, and keep our activities and target groups relevant and fit for purpose
- 'Landing the deal' – making sure that we turn active interest into a decision to come to Wellington. We see a number of parties potentially having a role to play here, including Grow, PWT, Wellington City Council, the ECCC and possibly central government.

- Business retention/aftercare – making sure our efforts to secure new business, talent and investment pay off by remaining in Wellington. This activity will of course need to relate to broader retention efforts in the city and the wider-region.
- Co-ordination – if we do end up with a ‘mixed’ (i.e. multiple agency) delivery model, there may be a need to consider how the various activities are coordinated.

There are other ways of expressing these activities - you are welcome to do so if that is relevant to your preferred operating model. The activities do not of course stand in isolation from one another, so consideration should be given to where activities have critical relationships between them and what you think that means for your preferred delivery model/Grow Wellington’s possible role.

### **Who/what do we want to attract?**

We agree with the Martin Jenkins report when it states that we have a basic choice to make in who and how we target attraction activities – broad and thin, or narrow and deep. And we also agree that the latter approach is our preferred approach at this stage. That means we would like to start by concentrating resources on targeting a few key areas that are a strong fit with Wellington’s ambitions for a smart economy

- IT/Digital/Creative
- Business and Financial services
- Science and Technology.

We are willing to consider amending the target groups if there is evidence suggesting that course of action, and of course the targets areas will move over time with the economy.

### **Key considerations**

The following factors will be influential in deciding on our preferred delivery model:

- Clear accountabilities and KPIs – we are keen to ensure that each agency is very clear on what their role is – and that this is also clear, where necessary, looking from the outside in. This would include how you see the funding relationship being managed – for example by way of contract. We also want to see KPIs that reflect role clarity and our ambitions for a successful Wellington. We are interested in your views on possible KPIs for any role you see that Grow Wellington should have
- An integrated model – we want to ensure that we get a seamless delivery model. Ideally, all the key parties would be in agreement on the preferred model, although we accept that may not be the case. Irrespective of that, your preferred delivery model (or your proposed role therein) should demonstrate an integrated model for delivery
- Fit with WRS – we are conscious that the WRS has business attraction as one of its 6 focus areas. As a WRS member (and representative of an area that invests a significant portion of WRS funding), we are keen to ensure that the Destination Wellington activity is aligned with and complimentary to the WRS activities in this area. Indeed, we see the Destination Wellington activity and resourcing as a great opportunity for the City and region to leverage off the combined resources of both efforts.

- Working with other parties – we see a number of other parties being involved in supporting this activity in one way or another, including (but not necessary limited to) PWT, Wellington City Council, KEA, ECCC, private sector (e.g. talent agencies), central government (e.g. immigration, MBIE, NZTE)
- Resource allocation – both an estimate of the resources required to undertake the activities, and ability to leverage existing and/or external resources to best effect
- Strategic fit – right people/organisations doing the right work
- Wellington City Council will be conducting its own research into how other models operate - what works and critical success factors – and applying that to options for delivery here.

## **Next Steps**

There is a real sense of urgency to move to implementation as soon as possible, given the challenges facing the Wellington economy. To that end, I would like to understand your views on this by **Friday 20 July**.

Wellington City Council officers have been asked to present advice on delivery arrangements to our Strategy and Policy Committee as soon as possible. Should a preferred delivery model emerge quite quickly, I would like to advise our Councillors on a way forward as soon as possible in August 2012, with a view to implementation proceeding immediately.

Kind Regards

Allan Prangnell  
Executive Strategist  
Wellington City Council

cc Keith Marshall, Acting CEO GROW Wellington  
cc Garry Poole, CEO Wellington City Council