

File ref: IRO-5002

21 January 2016

Joel Maxwell

Via: joel.maxwell@fairfaxmedia.co.nz

Dear Mr Maxwell

Request for information relating to the Wellington Economic Initiatives Development Fund allocation to CallActive.

Thank you for your email to the Council received on 2 December 2015. Your request was forwarded to the Issues Resolution Office to provide a response.

By way of background to this issue, the following information may assist your understanding:

- The Wellington Economic Initiative Development Fund (WEID Fund) was established by the Council on 27 June 2013.
- It was established to extend the scope of the Events Development Fund to economic development initiatives. Further information regarding the establishment of the fund is available via the following link:
<http://wellington.govt.nz/~media/your-council/meetings/Council/2013/06/27-June-2013-Report-2-Wellington-Economic-Initiatives-Development-Fund.pdf>
- The Council's Terms of Reference and Delegations in both the 2010-13 and 2013-16 triennia, provide approval authority to the Chief Executive to allocate funds from the WEID Fund only where:
 - The allocation does not exceed \$100,000
 - The proposal is consistent with the criteria of the WEID Fund.
- For any proposal exceeding \$100,000, the Chief Executive is required to obtain a majority decision from the WEID Funding Panel (the Panel)
For the 2010-13 triennium, the WEID Funding Panel was comprised of:
 - The Mayor
 - Economy Portfolio Leader, Cr Coughlan
 - Sports and Events Portfolio Leaver, Cr Morrison.
- A proposal was made by CallActive for a \$300,000 grant from the WEID fund in August 2013.
- In line with the delegations, the Chief Executive convened the Panel to discuss the proposal on 13 August 2013.

- At the meeting, the Panel agreed to the provision of a grant. The grant was payable upfront and job creation targets were set up as milestones. In the event that CallActive did not meet the milestones the grant agreement contained provisions for the grant to be repayable by way of a suspensory loan.
- The WEID Panel is not a formal Council Committee.
- Officers report back on the activities of the WEID Fund on an annual basis. This is also reported in the Council's Annual Report. At the Economic Growth and Arts Committee meeting of 13 October 2015, was when officers last reported back on the activities of the fund. Further information is available via the following link: <http://wellington.govt.nz/~media/your-council/meetings/Committees/Economic-Growth-and-Arts/2015/10/Public-Agenda.pdf>

You have asked a number of questions which I set out below.

1) “...I’m just confirming my request for the staff documents to the panel members who decided the \$300,000 loan to CallActive”

By way of clarification I can advise the funding Panel met on 13 August 2013 to consider the provision of a \$300,000 Economic Development Grant to CallActive. The expected outcome for Wellington was the creation of new jobs in the city.

At that meeting on 13 August the Panel agreed to the provision of the grant. The grant was payable upfront and the job creation targets were set up as milestones. In the event CallActive did not meet the milestones the grant agreement contained provisions for the grant to be repayable.

The mechanism to establish the repayment obligations should job creation milestones not be achieved was via a suspensory loan. As such, if the job creation milestones are achieved as agreed the funds provided are a grant, however, if the milestones are not met then the grant is repayable.

The Officers paper to the Panel is attached as Appendix 1.

2) “I would also like the minutes recording the deliberations of the panel”

Please find a copy of the minutes for the meeting of 13 August 2013 attached as Appendix 2.

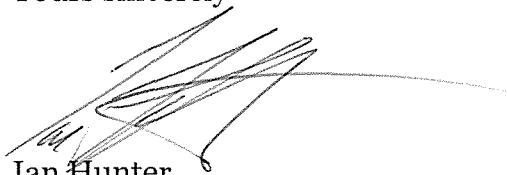
3) “...how many times the panel met to decide the proposals...”

The Panel has considered and approved 15 bids for amounts greater than \$100,000 each.

4) “...who the proposals were for, and the outcome of these proposals. This would include whether the grants/loans were approved, and if possible, the amount involved”.

A copy of the last fund report that went to the Economic Growth and Arts Committee is attached as Appendix 3.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Hunter', with a long horizontal flourish extending to the right.

Ian Hunter

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Wellington City Council

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