PROVINCIAL DEVELOPMENT UNIT

New Zealand Government

COVER SHEET

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1. Northland Economic Action Plan Portfolio Management PGF Application

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For:
Approval

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Background & context:

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Recommendation:

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Applicant Organisation:
- Northland Inc

Location:
- Based in Whangarei, but serving the whole of Northland

Proposal:
- Seeking PGF funding to allow the continued operation of the 'Portfolio Management function' at Northland Inc, on behalf of the Tai Tokerau Northland Economic Action Plan

Funding Sought:

Commercial information

Background:
- Funding for the Portfolio Management Function at Northland Inc ceases on 30 June 2018. Northland Inc suggests that "given the opportunity that is offered through the PGF, we believe the Portfolio Management Function needs to be continued and increased to match the expectations within the region and from central government".
- The function includes identifying and supporting all regionally significant projects (including those already within the Action Plan) to prepare, apply for, and benefit from the PGF.

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We recommend that the SROs:

a) **Note** the project has been assessed by the PDU, and PGF funding criteria categories including Economic Benefit, Additionality, Regional Stakeholder Support and Management and Governance, in a surge region, are evidenced.

b) **Note** that given that part of the Portfolio Management Function involves helping projects to apply to the PGF, funding this position should result in a higher quality of PGF applications from Northland.

c) **Note** The current Portfolio Management Function currently in place at Northland Inc will cease on 30 June 2018 if further funding is not sourced.

d) **Approve** $[Commercial Information] from the PGF to be allocated towards the "Portfolio Management Function" at Northland Inc, on behalf of the Tai Tokerau Northland Economic Action

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The purpose of this briefing is to recommend PGF funds to the 'Portfolio Management function' at Northland Inc.

Alignment to PGF criteria:

Increased Economic Benefit
This function seeks to lift productivity and increase economic benefits by identifying and supporting projects already in the regional action plan, as well as identifying new projects.

Additionality
This function currently exists but is at risk of ending if not supported with further funding.

Alignment with regional plans/ Stakeholder support
This function supports the implementation of the Te Tai Tokerau Northland Action Plan.

Management and Governance
The function is currently based at, and supported by, Northland Inc which is a well-resourced EDA.

Risks Issues:

While this funding provides certainty for a further year there does not appear to be a long-term plan in place for how this function will be funded.

There have been a number of other requests for funding of additional resources to assist with PGF applications and implementing projects in Northland, including from EDNZ and Northland Councils. This funding to Northland Inc for Portfolio Management will need to be taken into account if further funding is considered.

Eligibility points of note:
- *Due diligence:* Northland Inc. is a Council Controlled Entity and is currently partially funded by MBIE so no additional due diligence is planned.
- *Conflict(s) of interest:* Based on the information provided no conflict of interest is evident.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:* These positions help implement the regional economic development action plan.
- *Commercial funding availability:* Commercial funding is rarely obtained for such coordination positions.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	

Supporting proposal:	Yes
Appendices:	Yes - Application as annex
Sponsor(s):	N/A

Manager/Author of paper:	Paul Swallow, Investment Team