

Wellington Regional Leadership Committee

City and Regional Infrastructure Deals



City and regional deals in New Zealand

What do we know...and what's still unclear

- National's 100-day plan included commitment to **National, City and Regional Deals** to partner with local Government to create long-term pipelines of regional projects
- 100-day plan also included commitment to establishing a new **National Infrastructure Agency** and to introduce **innovative funding and financing tools**
- National ACT Coalition Agreement commits to instituting **long-term city and regional infrastructure deals**, allowing PPPs, tolling and value capture rating to fund infrastructure
- National NZ First Coalition Agreement commits to establishing a **Regional Infrastructure Fund** with \$1.2 billion in capital funding over the Parliamentary term

BUT it is still unclear

- How is infrastructure defined and relationship between deals, Infrastructure Agency and RIF
- Will every city and region get a deal and who will be 'first in best dressed' (not in Coalition's 100-day plan)
- Extent and timing of funding and financing tools such as land value capture





So what is a city deal

City Deals are **bespoke** packages of **funding and decision-making** negotiated between central and local government to deliver transformative outcomes

Urban Development Agreements (Canada)

Since 1980s – three tiers of government, community and businesses in place-based regeneration – 5-year periods

City Deals (UK)

Since 2011 – 31 City Deals approved and 2 in negotiation – places can access between £450m £1.1b funds over a 20–30-year horizon – 10 – 20+ year periods

Growth Deals (UK)

Since 2014 to fund Local Enterprise Partnership projects – 43 Growth Deals agreed between 2014 - 2017

Devolution Deals (England)

Since 2014 - builds on City Deals, devolving more services and accountability to local government – 11 Devolution Deals (plus extensions)

City and Regional Deals (Australia)

Introduced in 2016– 9 City Deals approved, 2 Regional Deals approved, 1 Regional Deal in negotiation – 20-year periods

Deals are not about developing more strategies, writing more business cases, or applying for more grants

City deals are not a short-term fix but part of a long-term journey towards real devolution of powers, funding and responsibilities to the local level

City deals are a negotiation not a right and not everywhere can get the same deal at the same time and it takes time to get it right

City deals need to prioritise investment asks and deliver against national as well as local policies and targets

City deals require dedicated implementation and governance arrangements

City deals are supported by innovative funding mechanisms and evergreen investment tools



Deals are not just about roads and houses



BUSINESS LAND AND PREMISES

Cardiff City Region - £50m Strategic Premises Fund for development of new sites/premises to support business growth and attraction



ADDRESSING UNEMPLOYMENT

London Growth Deal - £11m investment in case workers to provide holistic support and services to help people into long term employment



ENHANCING LIVEABILITY

SEQ Deal - \$286m Liveability Fund for community facilities, urban amenity, environmental infrastructure and open spaces, as well as \$10m fund for public art initiatives



EMPLOYER LED TRAINING

Sheffield City Deal - brokerage to connect small businesses to tailored training and apprenticeships that match needs

LOW CARBON INFRASTRUCTURE

Liverpool City Deal - improved regulatory coordination to support growth and attraction of low carbon technologies



RENEWABLE ENERGY

Townsville City Deal - focus on renewable energy innovation, technology and investment



Opportunities and considerations for Greater Wellington

Opportunities

- Demonstrate link to long-term strategy and investment plan and understanding how activities will deliver vision and objectives
 - Wellington Regional Growth Framework and supporting plans
- Align planning and decision making including relevant spatial planning processes
 - Future Development Strategy
- Clear and resilient governance arrangements with defined roles, responsibilities and accountabilities
 - Wellington Regional Leadership Committee
- Having capacity at local level to negotiate well and effectively deliver once deal is struck - dedicated team and resources
 - Role for GWRC and/or WellingtonNZ

Considerations

- Prioritisation framework for identifying projects for a Deal
- Preparing an MOU to start discussions with Government
- Robust performance and monitoring arrangements focused on reporting progress against outcomes
- Co-investment and funding approach including new mechanisms and evergreen investment vehicles
- Attracting and applying private capital, including ability to provide future revenue and returns to capital
- Te Tiriti led approach and opportunity to take an intergenerational focus on holistic wellbeing

