

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON DECEMBER 8, 2014
FROM:	ART ZUIDEMA CITY MANAGER
SUBJECT:	COUNCIL'S INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE (IEPC)

RECOMMENDATION

That, on the recommendation of the City Manager:

- a) **NO ACTION BE TAKEN** at this time to appoint Council Members to the Investment and Economic Prosperity Committee (IEPC), pending the report back from the City Clerk with respect to the overall governance model, as directed by the Municipal Council from its meeting held on September 30, 2014; and
- b) Pending a Council decision arising from the report noted in a), above, the City Clerk **BE DIRECTED** to make the necessary amendments to the Council Procedure By-law to permit the Strategic Priorities and Policy Committee to deal with those matters that currently fall within the mandate of IEPC, in order to provide continuity during the interim period; and
- c) Subject to the approval of a) and b), above, the Chair or designate, of the Strategic Priorities and Policy Committee **BE APPOINTED** to serve on the London Medical Innovation and Commercialization Network Governing Council; it being noted that the Chair of the Investment and Economic Prosperity Committee previously served on the Governing Council.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

- o June 23, 2014, "Economic Development Review", Strategic Priorities and Policy Committee.
- o September 29, 2014, "Economic Development Review – Next Steps" Strategic Priorities and Policy Committee.

BACKGROUND

In June 2013, City Council directed Civic Administration to engage a consultant to conduct an Economic Development Review to assess the effectiveness of the resources provided by the City towards economic development and to identify opportunities (where appropriate) to improve the effective use of those resources. Following a competitive process, Civic Administration retained KPMG to complete the review. KPMG's final report was presented to the Strategic Priorities and Policy Committee (SPPC) on June 23, 2014.

Based upon KPMG's review of documentation and the results of the various interviews held individually with all members of Council, members of the London Economic Development

Corporation Board of Directors and with City Senior Administration and staff who work on economic development activities, KPMG presented six recommendations:

1. Develop a broad and inclusive community economic strategic plan;
2. Continue the current Purchase of Service Agreement (PSA) model with LEDC;
3. Identify connections between various economic development organizations through the community economic strategic plan process;
4. Receive through SPPC annual updates from all City-funded economic development organizations on their performance in relation to the broader economic strategy;
5. Review the role of the Investment and Economic Prosperity Committee (IEPC) for the next term of Council; and
6. Implement the Industrial Land Development Strategy.

(Please refer to Appendix A: KPMG Recommendations).

For the purpose of this report, recommendation number five is of particular relevance, as KPMG recommended to review the role of the Investment and Economic Prosperity Committee (IEPC):

“We recommend that within the next term Council make a determination as to the ongoing benefit of utilizing the IEPC and its defined mandate with respect to economic development activities.”

Resulting from a subsequent Council meeting, on September 30, 2014 Council directed that the City Clerk “review the overall Standing Committee structure after the completion of the review as per the recommendations contained in the KPMG Report dated March 26, 2014, and report back to the 2014-2018 Municipal Council.” *(Please refer to Appendix B: Council Resolution-September 30, 2014).* As such, this report recommends that City Council not make appointments to the IEPC until this review is complete.

Pertinent to the above noted information is that on October 22, 2013, Municipal Council endorsed the draft “London Medical Innovation and Commercialization Network Governing Council Terms of Reference”. As a consequence, in order to ensure the IEPC vision was supported through identified goals and objectives, it was proposed that the Chair of the Investment and Economic Prosperity Committee represent the City of London as the identified City of London- City of London Community Appointee on the interim Governing Council. However, as a result of the recommendation to not appoint members to the IEPC pending the ongoing review of the Investment and Economic Prosperity Committee, it is suggested that as an interim measure, the Chair or designate, of the Strategic Priorities and Policy Committee be appointed to serve on the Governing Council for the London Medical Innovation and Commercialization Network (LMICN).

PREPARED AND SUBMITTED BY:	PREPARED AND SUBMITTED BY:
CATHY DZIEDZIC SPECIALIST, CORPORATE INVESTMENTS AND PARTNERSHIPS	KATE GRAHAM MANAGER, CORPORATE INITIATIVES

RECOMMENDED BY:
ART ZUIDEMA CITY MANAGER

cc. Cathy Saunders, City Clerk, City Clerk's Office
Linda Rowe, Deputy City Clerk, City Clerk's Office

Appendix “A”
KPMG Recommendations

1. We recommend that Council authorize the City Manager’s Office to lead the development of a broad and inclusive community economic development strategic plan similar to those undertaken by the City of Halifax, the City of Vancouver and/or Windsor and Essex County, by:

- Reviewing with, at a minimum, the authors of each of the three plans identified above (the City of Halifax, the City of Vancouver, and/or Windsor, Essex County, or other community economic development plans as appropriate, the process that was used to undertake the development of those economic strategic plans, the nature of the consultation taken, the time required to develop the plan and the budget required to produce the plan. Making recommendations to Council on how best to proceed with the development of such a strategy.
- Leading the process of developing the plan, ensuring that the appropriate levels of consultation are undertaken with all stakeholders and that the plan is based upon an objective, data-driven assessment of the community’s economic strengths and weaknesses and presenting to Council for discussion and approval.
- We recommend that as part of the planning process, consideration be given to the nature of effective performance measures that measure the progress of implementing the strategy’s key goals and initiatives and provide a realistic measure of the accomplishments in specific economic development focus areas.

2. We recommend that the current Purchase of Service Agreement (PSA) model with LEDC be continued and renewed upon the expiry of the current agreement. Depending on actions taken as a result of this report, some changes may be required to the terms and responsibilities included in the Agreement. We recommend that consideration be given to amending section 1k) of the PSA to reflect LEDC reporting to Council through the Strategic Priorities and Policy Committee (SPPC).

- We recommend that the City’s Senior Administration and LEDC Management agree on a set of standards dealing with presentation format, documentation format and required level of content to be presented to the SPPC.
- We recommend that on an annual basis, the LEDC Senior Management meet with the City’s Senior Administrative Leadership to review LEDC performance against the key elements of the Purchase of Service Agreement.

3. We recommend that the nature of the interaction of the various economic development organizations be documented in the economic strategic plan.

- We recommend that the LEDC be given responsibility to report to the SPPC annually, utilizing the community economic development strategic plan as a reference point, on the effective ongoing interaction of the economic development organizations funded by the City through the LEDC.

4. We recommend that the SPPC receive, through the annual budget approval process, an overview from each City-funded economic development organization outlining their strategic goals and focus areas, and measures of performance in relation to the City’s economic strategy. An updated and comprehensive economic development strategy will guide the work of each of the economic development organizations funded by the City.

- We recommend that on an annual basis and prior to the budget setting process, each of the economic development organizations funded by the City present to the SPPC its plan for the upcoming fiscal year, using a presentation format and template designed by City Administration including:
 - A brief description of the organization's mandate
 - A high-level overview of the strategy the organization is following
 - The current and anticipated future economic conditions they are faced with
 - Its key goals to be pursued in the upcoming fiscal year
 - The key measures they will use to track performance.
- We recommend that every year, each City-funded economic development organization present to the SPPC a six month update on the progress they are achieving against their strategic plan, using the performance measures developed in the formulation of the plan.

5. We recommend that within the next term Council make a determination as to the ongoing benefit of utilizing the IEPC and its defined mandate with respect to economic development activities.

- We recommend that the process flow amongst the City's internal economic development functions and its inter-relationship with external economic organizations be documented, more specifically - flow charted, including describing at high level the specific steps! activities, responsibilities, timelines and constraints to consider.
- We recommend that City Administration establish a method to review these documented processes on a regular basis as a means of continuously improving them.

6. We recommend that the Industrial Land Development Strategy approved by SPPC on March 17, 2014 be implemented as approved.

Appendix “B”
Council Resolution- September 30, 2014

C. Saunders
City Clerk

I hereby certify that the Municipal Council, at its session held on September 30, 2014 resolved:

That the following actions be taken with respect to the 1st Report of the Governance Working Group (GWG), from its meeting held on September 10, 2014:

- a) the following actions be taken with respect to the review of the mandate of the Investment and Economic Prosperity Committee:
 - i) the Municipal Council resolution adopted from its meeting held on June 24, 2014, with respect to the Economic Development Review, completed by KPMG, BE RECEIVED;
 - ii) the City Clerk BE DIRECTED to review the overall Standing Committee structure after the completion of the review of the recommendations contained in the KPMG Report dated March 26, 2014, and report back to the 2014-2018 Municipal Council;

it being noted that the Governance Working Group received the ~~attached~~ documents entitled “Economic Development Plan” and “London – City of Opportunity” submitted by Councilor J.B. Swan;

- b) the following actions be taken with respect to the review of the Acting Mayor Policy:
 - i) the Municipal Council resolution adopted from its meeting held on July 29, 2014, BE RECEIVED;
 - ii) the City Clerk BE DIRECTED to report back, prior to the end of the current term of Municipal Council, with a draft policy that would put in place two Deputy Mayors for the 2014-2018 Municipal Council that provides for the following:
 - A) one Deputy Mayor to be appointed by the Mayor;
 - B) one Deputy Mayor to be appointed by Municipal Council, by a vote of two-thirds of the whole Municipal Council;
 - C) a process for the appointment of the Deputy Mayor noted in B) above, that is similar to the process recently used to fill the Mayoral vacancy; and,
 - D) the role of the Deputy Mayors to include budget responsibilities and chairing of the Strategic Priorities and Policy Committee and possibly other Committees currently being chaired by the Mayor;
- c) the following actions be taken with respect to the City of London’s governance model and the tracking of approved projects:
 - i) the Municipal Council resolution adopted July 29, 2014 BE RECEIVED; and,
 - ii) the Civic Administration BE DIRECTED to review and report back on a process for tracking and reporting on approved projects; and
- d) clauses 1 and 2 BE RECEIVED. (4/18/SPPC)

L. Rowe
Deputy City Clerk
/hw

cc: Strategic Priorities and Policy Committee Deferred