



# STAFF REPORT TO THE BOARD

**DATE OF REPORT** March 3, 2025  
**MEETING TYPE & DATE** Special Board of March 12, 2025  
**FROM:** Corporate Services Department  
**SUBJECT:** Economic Development Division Service Review  
**FILE:** 0600-20 Economic Development Service Review 2025

## **PURPOSE/INTRODUCTION**

The purpose of this report is to seek Board approval to proceed with the completion of a formal service review to assess the efficiency and effectiveness of Function 121 – Economic Development Division.

## **RECOMMENDED RESOLUTION**

1. That staff proceed with a formal service review of Function 121 – Economic Development Division, as outlined in the Special Board Report dated March 12, 2025;
2. That up to \$50,000 be allocated from the Function 121 – Economic Development Division Operating Reserves in 2025 to support the completion of a formal service review; and
3. That the 2025 budget for Function 121 – Economic Development be amended as follows:
  - a. Increase operating expenses by \$50,000; and
  - b. Increase transfer from operating reserves by \$50,000.

## **BACKGROUND**

At the February 12, 2025 CVRD Board meeting, staff presented a report providing options for potential adjustments to Function 121 – Regional Economic Development, including options to maintain, reduce, or discontinue service levels.

At that meeting, a Board resolution (#25-104) was passed that the existing service levels as outlined in the Draft 2025 Function 121 – Economic Development Division budget be retained, and that staff be directed to conduct a formal service review to assess the efficiency and effectiveness of Function 121.

The intention is to complete the Service Review as soon as practical, to feed into the 2026 budget process. Initial conversations with potential consultants indicate that a Service Review could be completed by September 2025, based on consultant availability and the time needed to complete the review. Staff will continue investigating options for completing the Service Review on a shortened timeline. The estimated cost to complete a Service Review is \$35,000 - \$50,000. Staff are recommending that up to \$50,000 in funding be allocated from the Function 121 – Economic Development Division Operating Reserves in 2025 to complete the Service Review.

A Service Review is an evaluation process in which a systematic review of a specific Regional District service(s) determines whether that particular service is needed; if so, at what level the service is needed based on several criteria (legally, economically, or for the benefit of the community); and the most appropriate, responsive, effective and efficient way to provide that service.

The purpose of this Service Review is to quantify and improve the understanding of the services currently provided by the Economic Development Division (EDD) and those that the EDD could consider for the future. The review should provide information that will allow the Board to make informed strategic decisions regarding current and future services. The Service Review will accomplish this by:

- Investigating current services and the effectiveness of how they are delivered;
- Identifying service gaps and opportunities, including any duplication of services;
- Cost-benefit analysis;
- Identifying potential changes in the types of services offered, service delivery methods and/or service levels; and
- Recommending changes that will improve the responsiveness, efficiency, and effectiveness of the services offered by the Regional District.

Key elements of the service review include:

- Stakeholder Interviews, such as:
  - Member municipalities and Electoral Area Directors or designates;
  - First Nations economic development corporations;
  - Chambers and Business Improvement Areas (BIA);
  - Economic development and tourism organizations;
  - Select stakeholder groups; and
  - CVRD staff and municipal Chief Administrative Officers (CAOs) or designates;
- Document review of key CVRD corporate, EDD, and municipal economic development strategic documents, and Board Action List (resolutions);
- A review of current EDD activities, major projects and areas of oversight (example: Sports Tourism, Tourism Services);
- A review of the history, governance, and existing bylaws of the function.

The intended outcome is a formal report that will help the Board assess the efficiency and effectiveness of Function 121 in its current form. The report will provide options for potential future delivery of services, including options for different service levels. The review process will compare the delivery of services by a stand-alone Division, versus dispersing the work throughout other CVRD functions. The report will also seek to identify current versus future challenges related to regional economic development, including a review of the (draft) direction provided by the revised Economic Development Cowichan Strategic Plan (2025-2029).

## **ANALYSIS**

To support the effective and efficient completion of the Service Review, EDD staff will prioritize providing operational assistance, as needed, to the project consultant, such as preparing documents and background reports, as well as arranging stakeholder interviews for the project.

EDD staff will continue with the day-to-day operations while prioritizing the completion of the Service Review. Overall, with reduced staff (as the contract Special Project Assistant position expires in April) and a shift in Board priorities, the function will have constrained capacity to deliver on major projects. In particular, the Cowichan Region Workforce Housing Strategy (currently in revised draft form) will be put on hold until the completion of the Service Review. Capacity for other EDD initiatives will be assessed on a case-by-case basis.

The Economic Development Cowichan Strategic Plan (2025-2029) process was initiated in December 2023 and consists of three phases: research, engagement, and strategy development. Lions Gate Consulting and Qatalyst Research Group were engaged to assist in preparing the strategy. A mid-project update was provided to the Committee of the Whole on July 24, 2024. The research and engagement stages of the project are now complete, and a draft Strategic Plan has been prepared for CVRD and municipal staff review. Staff intend to complete staff reviews of the draft Strategic Plan so that an updated draft (and associated research) will be available to feed into the Function 121 Service Review process. It should be noted that most of the groups identified in the interview list for the Service Review have been interviewed in the last 12 months as part of the Economic Development Cowichan Strategic Plan process.

The Service Review is expected to begin as early possible and be completed at the latest by September 2025. This will align the completion of the review with the 2026 budget process. It is anticipated that the project consultant will engage with the Board twice during the project: at the mid-point of the project update, and; at the end of the project, to deliver a draft final report.

#### **FINANCIAL CONSIDERATIONS**

The Service Review would not impact requisition in 2025. The completion of a Service Review is expected to cost between \$35,000-\$50,000. Staff are recommending allocating up to \$50,000 from Function 121 Operating Reserves to support the completion of the Service Review.

At the end of 2023, it was estimated that Function 121 had \$367,164 in uncommitted Operating Reserves. An additional \$62,500 was committed in 2024, leaving a total estimated Operating Reserves at \$298,664. The recommended Operating Reserve minimum is \$110,000 with the maximum being \$219,000.

#### **COMMUNICATIONS CONSIDERATIONS**

A News Release will be prepared to help inform stakeholders of the initiation of the Function 121 Service Review.

#### **STRATEGIC/BUSINESS PLAN CONSIDERATIONS**

The 2023-26 CVRD Corporate Strategic Plan has a number of objectives and priorities that are currently led by the EDD. Any adjustments to Economic Development service levels will require a review of the corporate strategic priorities, along with a review of existing division workplan activities.

Referred to (upon completion):

- ☐ Community Services (Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit, Emergency Management)

- ☐ Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services, Communications & Engagement*)
- ☐ Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- ☐ Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement, Environmental Services*)

Prepared by:



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Reviewed by:

N/A

N/A

Reviewed for form and content and approved for submission to the Board:

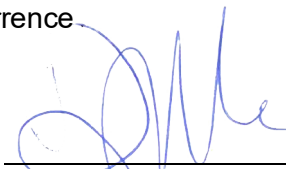
Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

Chief Administrative Officer's Comments / Concurrence



Danielle Myles Wilson  
Chief Administrative Officer