

# IMPLICATIONS BEYOND 2025

**To:** Council

**Meeting Date:** Tuesday 23 May 2023

**From:** Andrew Cameron – Chief Risk Officer

**Approved:** Michael Day – Chief Executive

**Approved Date:** Wednesday 17 May 2023

**Open Agenda:** No

**Public Excluded Agenda:** Yes

## Reason(s) for the Public Excluded

| Section of the Act | Subclause and Reason under the Act | “Plain English” Reason  | When Report Can Be Released   |
|--------------------|------------------------------------|---|-------------------------------|
| 7                  | 2(i)                               | Enable Council to negotiate matters including but not limited to impacts of Beyond 2025 | Click or tap to enter a date. |

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## Purpose and Summary

The purpose of this paper is to discuss a looming risk to the Invercargill City Council (ICC) long-term plan process.

## Recommendations

That Council:

1. Receive the report “Implications Beyond 2025”;
2. Note the consultation obligations of Invercargill City Council in preparation of the Long Term Plan;
3. Note the timeframe for the release of the Beyond 2025 Strategy;
4. Note that the information contained in the Beyond 2025 Strategy documents will be considered as part of the consultation undertaken by Invercargill City Council for the Long Term Plan.

## Background

Invercargill City Council (ICC) is required by the Local Government Act to adopt a long-term plan. The purpose of the long-term plan is to:

- a. describe the activities of the local authority; and
- b. describe the community outcomes of the local authority's district or region; and

- c. provide integrated decision-making and co-ordination of the resources of the local authority; and
- d. provide a long-term focus for the decisions and activities of the local authority; and
- e. provide a basis for accountability of the local authority to the community.

Amendment of the long-term plan requires further consultation with the community.

At the same time as ICC is preparing its long-term plan Great South has been engaged by the Ministry of Business Innovation and Employment to prepare Beyond 2025 Southland – Regional Long Term Plan. The genesis for this was the just transition work mooted at the time of the Tiwai Point closure. ICC has been advised that Hokonui Rūnanga gained a Tribal mandate to explore economic renewable energy opportunities in Murihiku, operating in the national interests.

Beyond 2025 is the long-term planning workstream of Southland's Just Transition Work Plan and the updated Regional Development Strategy (SoRDS). SoRDS was commissioned by Southland's Mayoral Forum and was funded by the four local councils. There has been a clear benefit to Southland of the SoRDS strategy when applying for funding for significant projects.

The current Beyond 2025 work has 16 workstreams and as stated on its web site will require multi stakeholder partnerships. The 16 workstreams are:

- Environment and Climate Change
  - Net zero Southland
  - Land
  - water
- Diversification of the Economy
  - Destination development and management
  - Technology and manufacturing
  - Future crops and food opportunities
  - aquaculture
- Strengthening of Local Business
  - Primary sector
  - Business enablement, capacity and competitiveness
- Resources and Infrastructure
  - Future energy
  - Housing
  - Transport
  - Digital connectivity and data
- Population and People
  - Retention and attraction
  - Urban culture development
  - Skilled workforce development

The final Beyond 2025 report will not be available to Council until around the middle of June 2023.

Council will complete its high level strategic planning for the LTP by the end of August 2023, with the remainder of the process focused on budgeting and completion of detailed planning before adopting its long term-plan in June 2024.

## Issues and Options

### Analysis

ICC has previously identified a risk that ICC's long-term plan may not be aligned with regional strategies. The controls identified are ineffective where a piece of work such as Beyond 2025 is outside of the control of the Mayoral Forum and the Local Government sector.

There is a risk that Council may be expected to change approach on significant decisions such as regional spatial planning or infrastructure investment on the basis of the priorities identified in the Beyond 2025 plan. It is not possible to assess whether and to what extent these risks are present until the complete plan is provided.

MBIE has been clear that there will be no further funding for the implementation of the plan. Great South has indicated they are seeking direction on what this implementation approach will look like. Requests are likely to be made to Invercargill City to provide additional funding to support implementation, some of which may be led by Great South and others through other sources.

There is always a risk that community funding will not be available for ICC projects identified in the long-term plan. This risk is increased where there is an inconsistency between the long-term plan and what is described as the Beyond 2025 Southland plan.

### Significance

There is a significant risk of misalignment between Beyond 2025 and the ICC long-term plan.

The issue is not significant in terms of the ICC Significance and Engagement Policy however it may have implications for future decisions which would require consultation under this policy.

### Options

ICC has three options:

1. Distance itself from Beyond 2025;
2. Incorporate parts of Beyond 2025 in its long-term plan for consultation in March/April 2024;
3. Adopt Beyond 2025 and align its long-term plan with those objectives.

Given the timing of the Beyond 2025 Strategy Release and the programme of work for the ICC long-term plan all of these options provide challenges. It is possible that ICC, once the Beyond 2025 Strategy is received can consider the contents of that report. ICC can then determine what, if any, information and/or programmes it would like to consult with the public on as part of the long-term plan. Consultations with the community is the way in which ICC would incorporate that information within its long-term plan.

### Community Views

While there is stakeholder engagement consultation on aspects of Beyond 2025 ICC is not aware of the community views towards the project or its proposals.

## Implications and Risks

### Strategic Consistency

A decision to ensure that ICC is aware of and considers the implications of Beyond 2025 is consistent with its strategy.

### Financial Implications

There may be financial implications in a misalignment between the ICC long-term plan and Beyond 2025. These include potential impacts of provision of additional funding for implementation of the plan, accessing funding and/or additional consultation requirements to amend the long-term plan in the future and/or stakeholder expectations to deliver a different/ higher level of infrastructure than that assessed as required or priorities for Council.

### Legal Implications

TICC must comply with its legal obligations when developing the long-term plan.

### Climate Change

There are no climate change implications from this decision. Implementation of the long-term plan and Beyond 2025 will both have climate change implications.

### Risk

|  |   |   |                 |              |             |   |                 |                 |               |
|--|---|---|-----------------|--------------|-------------|---|-----------------|-----------------|---------------|
| <p>There is a risk that: Council is not aligned with regional strategy/ does not respond effectively to national policy changes<br/>As a result of: Speed and complexity of change/ limited resources in key teams</p>           | <p>Council becomes isolated/ damages regional outcomes and community wellbeing is damaged/ it does not achieve the benefits it should from Central Government</p> | <p><b>Infrastructure &amp; Operations</b></p> | <p>Moderate</p> | <p>Major</p> | <p>High</p> | <ul style="list-style-type: none"> <li>Deputy Mayor and CEO participating in Mayoral Forum and LG sector forums</li> <li>Recruit additional policy advisors</li> </ul>  | <p>Moderate</p> | <p>Moderate</p> | <p>Medium</p> |
| <p>There is a risk that: Long-term plan is inappropriately aligned with future conditions resulting in funding shortfalls<br/>As a result of: Poor assumptions setting on population growth, inflation and other key factors</p> | <p>Re-budgeting, rates increases which Councillors may not agree, service cutting</p>   | <p><b>Financial</b></p>                       | <p>Moderate</p> | <p>Major</p> | <p>High</p> | <ul style="list-style-type: none"> <li>Monitoring of key financial and population indicators more frequent to deal with increasing levels of uncertainty</li> <li>Budgeting during annual plan process as required</li> </ul> | <p>Moderate</p> | <p>Minor</p>    | <p>Medium</p> |

## **Next Steps**

ICC will continue to progress the development of the long-term plan.

## **Attachments**

Nil.