

Document No: A713655

Report To: Council



Meeting Date: 26 March 2024

Subject: Adoption of Supporting Information and Draft Consultation Document for the Long Term Plan 2024-2034 for Audit

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council for consideration and adoption for audit purposes only:
- (a) The Supporting Information (which provides the basis for preparation of the Council's Draft Long Term Plan 2024-2034 and which is relied on to shape the Draft Consultation Document); and
 - (b) The Draft Consultation Document (CD) for the Long Term Plan 2024-2034.

Note: All matters addressed in the CD and the Supporting Information are draft and may be subject to change until formally adopted by Council for public consultation on 9 April 2024.

Background

- 2.1 **Requirements of the Local Government Act 2002**
- 2.2 The Local Government Act 2002 (LGA) requires local authorities to adopt a Long Term Plan (LTP) every three years. The Council's current LTP was adopted in June 2021.
- 2.3 Each LTP must be adopted before the commencement of the first year to which it relates, and continue until the close of the third year of the LTP (s93(3) LGA).
- 2.4 The purpose of the LTP is to describe the Council's activities and the community outcomes for its district. The LTP is also an opportunity to provide integrated decision making and co-ordination of the Council's resources, and a long-term focus for its activities. It is a basis for accountability to the community (s93(6) LGA).
- 2.5 The Council must prepare and adopt a CD that will enable the Council to consult with its community on the information the Council intends to include in its LTP 2024-2034.
- 2.6 The purpose of the CD is to provide a fair representation of the matters that are proposed for inclusion in the LTP. This must be presented in a way that explains the overall objective of the Council's proposals for the next 10 years and the effect of these on rates, debt, and levels of service; and these must be presented in a way that can be readily understood (s93B LGA).
- 2.7 Before the Council can adopt the CD (i.e. on 9 April 2024), it must first adopt the information that is relied on for the CD, and which provides the basis for the preparation of the LTP 2024-2034 (s93G LGA). The Draft CD is enclosed as **Attachment 1**.
- 2.8 A formal audit opinion will not be issued for the CD due to the recent change to include 3 waters in the LTP 2024-2034 which allows Councils who will adopt their LTP by the 30 June

deadline to not have the CD audited. The document will still be part of the wider LTP audit process so is included in the adoption for audit documents.

- 2.9 The supporting information must be adopted by the Council before it adopts the CD.
- 2.10 **Process**
- 2.11 The Draft LTP 2024-2034 has been developed over the last 12 months by staff with guidance from Elected Members. This included guidance on the overall direction and parameters to apply to the development of the Draft LTP, including expectations for rates affordability.
- 2.12 Staff worked extensively with Elected Members on a set of strategic priorities to inform the Draft LTP, including specific goals and initiatives and linkages to levels of service; and Elected Members played an active role in considering the information that will provide the basis for preparation of the Draft LTP.
- 2.13 Elected Members met regularly over a series of workshops to provide overall direction and to fine-tune specific details. This commenced in March 2023 and concluded on 12 March 2024.
- 2.14 This process provided opportunities for Elected Members to consider their priorities for the LTP and their expectations for matters such as rates increases, level of debt, financial headroom, the capital works programme, levels of service etc.
- 2.15 The LTP contains a focus on:
- Upgrading, renewing, and maintaining critical, core infrastructure;
 - Delivering on work programmes that address priorities;
 - Keeping sustainability and affordability at the forefront when setting rates;
 - Continuing to plan for what we will need for our District in the next 30 years; and
 - Prudent management of debt within established borrowing limits.
- 2.16 The Draft LTP recommends (in the opinion of staff and based on the advice and direction provided by Elected Members), and as reflected in the Draft CD, the best balance between financial, risk and service delivery to the community.
- 2.17 Council discussed the CD topics for the LTP at its workshop on 18 December 2023. The Draft CD enclosed (**Attachment 1**) with this business paper takes into account the feedback received at that workshop.
- 2.18 At the Council meeting on 9 April 2024, the Supporting Information and CD will be formally adopted for public consultation in accordance with the LGA requirements.

Commentary

- 3.1 The enclosed Draft CD outlines what Council is proposing to do over the next 10 years and, where the Council is asking the community for feedback before making a final decision on the LTP 2024-2034.
- 3.2 There are some topics that have been included in the Draft CD 'for information' purposes only. These are topics that provide context for matters that Council is considering for the LTP, but do not meet the threshold of significance in the Significance and Engagement Policy.
- 3.3 They have been included so that the community can understand them and provide feedback should they wish to.

3.4 To ascertain what is included in the Draft CD, an analysis was undertaken against both the requirements of the LGA and Council’s Significance and Engagement Policy. The table below summarises this analysis:

Table 1: Assessment of Topics against Council’s Significance and Engagement Policy

Topic/ Issue/Matter	Meets SEP Criteria	Matter of importance to the public	LOS change/ transfer of ownership of strategic assets	Key financial matter (rates, debt, RFP)	Include in CD?
Council’s strategic direction	Yes	Yes	No	No	Yes
Key aspects of Financial Strategy (e.g. Public Debt strategy and direction)	Yes	Yes	No	Yes	Yes
Key aspects of Infrastructure Strategy	Yes	Yes	No	No	Yes
Flooding remedies	Yes	Yes	Yes	Yes	Yes
New rates – roading damage differential	Yes	Yes	No	Yes	Yes
Landfill future	Yes	Yes	Yes	Yes	Yes
Elderly Person’s Housing	Yes	Yes	Yes	No	Yes
Rural Halls	Yes	Yes	Yes	Yes	Yes
Les Munro	Yes	Yes	Yes	Yes	Yes
Three Waters	Yes	Yes	Yes	Yes	Yes
Climate Change	Yes	Yes	Yes	Yes	Yes

3.5 Council’s Auditors will be reviewing the Draft CD and its Supporting Information in advance of public consultation. The onsite audit is occurring from 27 March – 4 April 2024.

3.6 Nonmaterial amendments (i.e. design, editorial and formatting changes) will continue to be made to the Draft CD, including ensuring roundings for financials are complete, and there is alignment between all documents. It is noted there may also be changes to the Supporting Information and / or Draft CD to address any matters raised during the audit process, in advance of the Council meeting on 9 April 2024.

Analysis of Options

4.1 The options available to Council include:

4.2 **Option 1:** adopt the Supporting Information and Draft CD for Audit purposes.

4.3 This is the preferred option which will enable Council to ensure it meets its statutory obligations pursuant to the LGA.

- 4.4 **Option 2:** not adopt the Supporting Information and Draft CD for Audit purposes.
- 4.5 This option is not recommended, as Council's Auditors are scheduled to be on site from 27 March to 4 April 2024. The Supporting Information and Draft CD must be adopted for Audit purposes prior to the audit commencing, and there is no opportunity to delay the audit process.
- 4.6 Due to the subsequent effects on timing, this option would result in Council not meeting its statutory obligations for the adoption of the LTP by 30 June 2024.

Considerations

5.1 **RISK**

- 5.2 The approval of the Draft CD and supporting information at this meeting is essential to finalising the CD in time for the audit review.
- 5.3 Any changes to these documents (other than non-material changes) will result in a delay in getting the documentation to Audit for review, potentially further delaying the adoption of the CD for public consultation.

5.4 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 5.5 Adoption of the supporting information and the Draft CD for audit purposes is not a significant decision as it remains a draft document and does not trigger public consultation under Council's Significance and Engagement Policy.

Recommendation

- 6.1 That Council adopt the Supporting Information and Draft CD for the LTP 2024-2034 for Audit purposes to enable the audit process to commence on 27 March 2024.

Suggested Resolutions

- 1 The business paper on Adoption of Supporting Information and Draft Consultation Document for the Long Term Plan 2024-2034 for Audit purposes be received.
- 2 The following Supporting Information which provides the basis for the Council's Draft Long Term Plan 2024-2034 and is relied on for the content of the Draft Consultation Document be adopted for audit purposes:
 - Separate Enclosure 1: **Draft** Consultation Document for the draft Long Term Plan 2024-2034 for Audit.
 - Separate Enclosure 2: Draft Revenue and Financing Policy
 - Separate Enclosure 3: Draft Infrastructure Strategy
 - Separate Enclosure 4: Other Supporting Information:
 - (a) Draft Treasury Policy
 - (b) Draft Significance and Engagement Policy
 - (c) Draft Forecasting Assumptions
 - (d) Draft Performance Measures
 - (e) Draft Financial Statements
 - (f) Draft Accounting Policies
 - (g) Draft Funding Impact Statement and Rates examples
 - (h) Draft Financial Reporting and Prudence Benchmarks
 - (i) Draft Council Controlled Organisations Statement
 - (j) Draft Finance Strategy

- 3 The Draft Consultation Document for the Long Term Plan 2024-2034 be adopted for audit purposes, noting that it is not final and may be subject to amendments after the audit process.
- 4 Council authorise the Mayor and Chief Executive to make any non-material amendments to the Draft Consultation Document, as well as any amendments that may be required to ensure the document meets auditing requirements in preparation for adoption for consultation.
- 5 Council authorise the Chief Executive to make any non-material amendments to the Supporting Information, as well as any amendments that may be required to ensure the documents meet auditing requirements in preparation for adoption for consultation.



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CHIEF FINANCIAL OFFICER

20 March 2024

Separate Enclosures:

- 1 Draft Consultation Document for the Long Term Plan 2024-2034 for Audit (A713673)
- 2 Draft Revenue and Financing Policy (A710122)
- 3 Infrastructure Strategy (A705180)
- 4 Other Supporting Information:
 - (a) Draft Treasury Policy (A712634)
 - (b) Draft Significance and Engagement Policy (A712871)
 - (c) Draft Forecasting Assumptions (A712730)
 - (d) Draft Performance Measures (A711005)
 - (e) Draft Financial Statements (A712785)
 - (f) Draft Accounting Policies (A685449)
 - (g) Draft Funding Impact Statement and Rates examples (A712914)
 - (h) Draft Financial Reporting and Prudence Benchmarks (A712959)
 - (i) Draft Council Controlled Organisations Statement (A712869)
 - (j) Draft Finance Strategy (A710583)