

Long-term Plan 2021-31

Supporting information Part 1

SPF Committee – 11 February 2021



Purpose

Receive and adopt the first suite of supporting information documentation as part of the development of the Long-term Plan 2021-2031.

Background

- To date 11 forums have been hosted
- All members provided with opportunities to have input into strategy direction and guidance into the LTP process – connecting vision to action
- LTP development requires a set of policies on which financial and non financial forecasts, projects and programmes are based upon.
- Best practice prior to commencement of the audit process is for policies to be reviewed and adopted by Council
- Forms basis of information that is published to support the consultation document when it is adopted – April.

Significant Forecasting Assumptions

Purpose - provide assumptions to address the uncertainties of the future when preparing forecasts, both financial and non-financial.

- allows readers of the forecasts to understand the basis the financial information has been prepared on
- provides a means of explaining differences that will inevitably occur between the actual result and that which was forecast
- ensures risks faced by the organisation in the future have been appropriately identified and evaluated.

Revenue and Financing Policy

Purpose - sets out how the Council funds each activity it is involved in.

LGA 2002 requires Council to identify the costs of its functions and fund them appropriately.

Section 103(2) sets out the funding mechanisms that Council has available to fund its functions. They are:

- General rates, including: choice of valuation system, differential rating and uniform annual general charges
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments
- Proceeds from sale of assets
- Development contributions
- Grants & subsidies
- Other sources

Treasury Policy

Purpose - to outline approved policies and procedures in respect of all treasury activity to be undertaken.

- Enables treasury risks to be prudently managed
- Establishes borrowing limits to ensure prudent management of anticipated debt borrowings over time
- Sets interest rate risk management limits to ensure prudent management of interest rate risks,
- Ensures investment returns are maximised within an acceptable risk management framework, to ensure capital preservation, for the benefit of current and future ratepayers.

Significance and Engagement Policy

Purpose – provide a policy around when the Council will undertake consultation to engage with the community and how far this engagement will go before making its final decisions.

To do this Council has to consider how important the matter is (the significance) and how much community engagement is needed to make a good decision.

The proposed amendment aims to more clearly define and reduce uncertainty around the financial criteria for assessing the degree of significance.

Asset Management Policy

Purpose - define the principles and responsibilities that RLC applies when managing our core infrastructure assets.

The policy provides the overarching framework for our 30 Year Infrastructure and our Infrastructure Asset Management Plans. It sets the strategic objectives for the management of our core assets and outlines the Council's commitment to continually improving the way we manage our infrastructure.

This policy has been developed in accordance with ISO 55001:2015 and the IIMM asset management framework.

Recommendation

- 1. That the report Long-term Plan 2021-2031 – Supporting Information: Part 1 be received.**

- 2. That the Committee recommends to Council to approve in draft a set of policies used to guide the development of the Long-term Plan 2021-2031 direction,**
 - a) Significant Forecasting Assumptions**
 - b) Revenue and Financing Policy**
 - c) Treasury Policy**
 - d) Significance and Engagement Policy**
 - e) Asset Management Policy.**

- 3. That the Committee recommends to Council to note that these polices will be published in conjunction with the Long-term Plan Consultation Document following its adoption in April.**