
Clutha District Council

Item for DECISION

Report	Long Term Plan 2024/34
Meeting Date	26 July 2024
Item Number	3
Prepared By	Sharon Jenkinson - Chief Financial Officer Peter Stafford - Strategic Planning Manager
File Reference	904163

REPORT SUMMARY

This report presents the Long-Term Plan 2024/34 for adoption.

Note: The Our Place Clutha District Long Term Plan 2024/34 document referred to in this report is attached under separate cover.

RECOMMENDATIONS

- 1 That Council receives the ‘Long Term Plan 2024/34’ report.**
- 2 That in accordance with section 100(2) of the Local Government Act 2002 Council resolves the unbalanced budget in year 1 and 2 of the Financial Strategy and Financial Statements contained within the Our Place Clutha District Long Term Plan 2024/34 is considered by Council to be prudent.**
- 3 That Council adopts the Long-Term Plan 2024/34, and strategies and policies contained within it, including:**
 - a. Infrastructure Strategy 2024/54**
 - b. Financial Strategy 2024/34**
 - c. Revenue and Financing Policy 2024**
 - d. Policy on Rates Remissions**
 - e. Policy on Rates Postponement**
 - f. Policy on Remission and Postponement of Rates on Māori Freehold Land**
 - g. Financial Contributions Policy.**
- 4 That Council adopts the Significance and Engagement Policy 2024.**

- 5 That Council adopts the Investment and Liability Policy 2024 and the Treasury Management Policy 2024 updated to reflect Council obtaining a credit rating.**
- 6 That Council delegates approval of final corrections and formatting for these documents to the Chief Executive.**

REPORT

1 Background

This item presents key strategies, policies and the Long-Term Plan covering the period of 2024 to 2034 for adoption.

This follows an extensive process to develop the plan, which has involved key inputs from elected members, staff, contractors, along with residents and ratepayers who provided their views.

These final strategies, policies and Long-Term Plan presented for adoption incorporate information and changes as a result of deliberations and decisions made at the meetings on 12-14 June 2024.

2 Balanced Budget

Section 100(1) of the Local Government Act 2002 (the 2002 Act) requires local authorities to set each year's operating revenue at a level sufficient to meet operating expenses, i.e. "balance the budget".

Council is forecasting a deficit (unbalanced budget) of \$12.2M in 2024/25 and \$6.5M in 2025/26. These deficits are the result of Council's decision to loan fund increased costs relating to the continued supply of water in the first two years of the long-term plan and repaying these loans in future years. Council considers this to be the only sustainable and affordable way of achieving the required revenue increases over time.

Section 100(2) of the 2002 Act allows a local authority to set projected operating revenues at a different level from that which would be necessary to meet operating expenses, provided that the local authority resolves that it is financially prudent to do so, having regard to –

- (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under section 102.

For the reasons outlined above it is proposed that the requirements of section 100(2) and financial prudence test has been met. A Council resolution to this effect has been presented for resolution.

3 Audit Opinion

The audit of Council's Long-Term Plan is complete and it has been through "Hot Review" with the Office of the Auditor General. Early next week our Long-Term Plan will go to the Opinion Review Committee. Following that we will be advised of the audit opinion. Indications from Deloitte and the Office of the Auditor General are that we will receive a qualified audit opinion around three waters, primarily relating to the 15% reduction of funding and also possibly the position on reliability of capex costing for significant portions of the 3 waters capex program, however they think this may be rolled into one.

The opinion will be tabled at the meeting.