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Report to the Policy and Finance Committee
from Kerry Saywell, Management Accountant

**Investing in the Future 2000-2010 : 2001 Update
(Incorporating the Council's 2001/2002 Annual Plan)**

1. **Purpose**

To seek Council's reaffirmation of the work programmes contained in the Long Term Financial Strategy – Investing in the Future 2000-2010, adopted on 29 June 2000. This is to enable officers to start preparing the detailed business plans that form the basis of the proposed 2001/02 Annual Plan and Investing in the Future 2000-2010: 2001 Update.

To confirm the rating and water supply levy profiles contained in Investing in the Future 2000-2010. This is the base level cost to the community required to achieve the work programmes contained in that document.

2. **Background**

The Council reviews its Long Term Financial Strategy on a three yearly cycle to match the Council election cycle as well as the requirements of the Local Government Act. The review examines the long-term direction of the Council and produces work programmes covering the next ten years.

The Long Term Financial Strategy includes three years of "hard" numbers followed by seven years of "soft" numbers to reflect the fact that there will not be another detailed review for three years. However, it is expected that in each of the next two years there will be an update (more by exception) of the second and third years of "hard" numbers to take account of circumstances which may have changed. We are now in year two of the cycle, which should involve updating and fine-tuning the second year of "hard" numbers.

The Long Term Financial Strategy adopted on 29 June 2000 included projected rate and water supply levy profiles. Rates were projected to increase in 2001/2002 by 4.45% over the 2000/2001 level with further increases over the following eight years. The water

supply levy was projected to remain at the 2000/2001 level over the remaining nine years. Detailed Long Term Financial Strategy rates and water supply levy profiles are contained in Attachment 1.

3. **Comment**

Once the Council has confirmed its position, officers will prepare detailed business plans based on the Long Term Financial Strategy work programmes, adjusted for changes in circumstances since that strategy was adopted.

The Council will have the opportunity to review the business plans in detail in February, prior to the adoption of the proposed business plans in March.

4. **Recommendations**

That the Policy and finance Committee recommend to Council that:

- i) *That the Council confirms the work programmes contained in the Long Term Financial Strategy adopted on 29 June 2000.*
- ii) *Officers be instructed to prepare proposed detailed business plans for the forthcoming year based on that Long Term Financial Strategy which includes the guideline rate and levy levels contained in Attachment 1.*

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Acting Chief Financial Officer

Attachment 1: Long Term Financial Strategy
Rates and water supply levy profile