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Report 01.121

28 February 2001

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Report to the Policy and Finance Committee
from Stuart Macaskill, Chairman

Long-Term Financial Strategy 2000-2010:2001 Update (incorporating Council's 2001/02 Annual Plan)

1. **Purpose**

To recommend to Council that the Operating Plans approved by standing committees and the Policy and Finance Sub-Committee form the basis of Council's Proposed 2001/02 Annual Plan and updated Long-Term Financial Strategy (LTFS).

2. **Background**

Having completed the committee round, we now need to provide direction to officers in relation to the rate line and levy line that we wish to see in the Proposed 2001/02 Annual Plan (and remaining 8 years in the LTFS).

The Chief Financial Officer (in report 01.120) has identified the impact of the changes recommended by standing committees. It is now crunch time in terms of agreeing what we instruct officers to build into the Proposed 2001/02 Annual Plan.

3. **Comment**

Leading into the Committee round the Chief Financial Officer advised us that this year the shape of the budget largely revolved around key decisions in the Transport area.

I am certainly keen that we take advantage of the new public passenger funding regime (patronage-funding, including kickstart funding) but am concerned to see that our increases in community charges are manageable. The Committee needs to consider the specific recommendations of the Passenger Transport Committee (Report 01.108).

For that reason I ask that you think carefully about whether you wish to proceed with the numbers as presented by the Chief Financial Officer. I personally favour amending the forestry dividend as outlined by Mr Schollum, meaning the rate increase would be 4.2%.

Clearly there is still the opportunity in June to amend the expenditure programme in the final 2001/02 Annual Plan, taking into account the feedback from public consultation, and building in any new information (e.g. latest information from the Animal Health Board).

You should also be aware that we have offered to meet with iwi about the Annual Plan. At the time of writing this report our offer has been taken up by three of the iwi in the Region.

4. **Recommendations**

That the Committee recommends:

- (1) *That the Council receives the report and notes its contents.*
- (2) *That the Council approves the 4.2% Regional rate increase for 2001/02 (as outlined in Mr Schollum's report 01.120) as the basis for public consultation.*

STUART MACASKILL
Chairman