

9.3.4 Long Term Financial Plan Review*

Report date	6 December 2018
Applicant	Shire of Chittering
File ref	04/01/0004
Prepared by	DL Consulting
Supervised by	Executive Manager Corporate Services
Disclosure of interest	Nil
Voting requirements	Simple Majority
Attachments	1. Long Term Financial Plan 2018/19-2027/28

Executive Summary

Council's consideration is requested to adopt the revised Long Term Financial Plan 2018/19 – 2027/28.

Background

Section 5.56(1) of the Local Government Act 1995 requires local governments in Western Australia to plan for the future. To assist local governments in meeting their strategic planning responsibilities pursuant to this section, the Department of Local Government has developed an Integrated Planning and Reporting (IPR) Framework.

The Long Term Financial Plan (LTFP) provides information on the Shire's financial sustainability in the context of the delivery of projects and services contained within the Corporate Business Plan (CBP). The LTFP recognises financial sustainability as a key challenge facing local governments. The reasons for this are discussed under 'Financial Implications' below.

The LTFP is an Informing Strategy under the IPR Framework and has been used to inform decision making during the finalisation of the Strategic Community Plan (SCP) and the development of the CBP.

The LTFP enables Council to model the financial impacts of various activities, initiatives, service levels and programs as well as perform risk analysis to measure the impacts of changing assumptions such as growth, inflation, grants and subsidises, etc.

The LTFP facilitates modelling of various scenarios that respond to the priorities identified by the community. The LTFP will identify whether or not those priorities are sustainable given current resourcing, and will evidence any gap between projected expenditures and projected income under each of the scenarios.

The LTFP provides a framework in which Council can assess its revenue building capacity to meet the activities and level of services outlined in the Strategic Community Plan.

It also:

- Establishes greater transparency and accountability of Council to the community;
- Provides an opportunity for early identification of financial issues and any likely impacts in the longer term;
- Provides a mechanism to -
 - i) understand how various integrated planning documents fit together;
 - ii) understand the impact of financial decisions on other plans or strategies;
- Provides a means of measuring Council's success in implementing strategies; and
- Identifies how Council can remain financially sustainable in the longer term.

The LTFP covers a 10 year planning horizon from 2018/19 to 2027/28. Key assumptions are contained within the LTFP document.

The overall objectives of the LTFP are to:

- Express in financial terms the activities Council proposes to undertake over the short, medium and long term;
- Provide a sound basis for strategic decision making; and
- Guide the future strategies and actions of Council to ensure that it continues to operate in a financially sustainable manner.

Consultation/Communication Implications

Local

The Corporate Business Plan and Strategic Community Plan have been referenced and consulted in developing the plan.

A brief workshop was held with Council to go through a draft of the scenarios and assumptions.

State

Nil

Legislative Implications

State

Local Government Act 1995 s.5.56

Local Government (Administration) Regulations 1996, Reg. 19DA

Local

Nil

Policy Implications

State

Nil

Local

Nil

Financial Implications

Although the adoption of the Long Term Financial Plan does not have any financial implications, the annual budget will be drafted in line with year 2 of the Long Term Financial Plan. The LTFP also documents the implications of sustainability for the Shire over a 10 year period and the implications from a financial perspective of the assumptions that underpin the plan.

Strategic Implications

Local

- *Strategic Community Plan 2017-2027*
- *Corporate Business Plan 2017-2021*

Site Inspection

Not applicable

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer's Comment

A final Draft LTFP 2018/19-2027/28 is presented to Council for consideration for endorsement.

Whilst not a legislative obligation, it is recommended that Council endorse the LTFP to signify which version of the LTFP is being utilised for financial forecasting purposes.

OFFICER RECOMMENDATION

Moved Cr King / Seconded Cr Gibson

That Council endorse the Long Term Financial Plan 2018/19 – 2027/28.

MOTION

Moved Cr Gibson

That Council let the Long Term Financial Plan 2018/19 – 2027/28 lay on the table and be workshopped.

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9.3.4 OFFICER RECOMMENDATION / COUNCIL RESOLUTION 111218

Moved Cr King / Seconded Cr Gibson

That Council endorse the Long Term Financial Plan 2018/19 – 2027/28.

THE RECOMMENDATION WAS PUT AND DECLARED CARRIED 6/1

8:12 PM