

Financial Principles to Build the 2023-24 Budget

Tuesday, 21 March 2023
City Finance and Governance Committee

Strategic Alignment - Enabling Priorities

Program Contact:
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Public

Approving Officer:
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EXECUTIVE SUMMARY

Council has commenced the process for developing the 2023-2024 Business Plan and Budget (BP&B).

Following input and feedback from Council received during recent training, workshops and presentations to Council spanning November to now, this report outlines the recommended Financial Principles (as at Attachment 1) to guide Council in its approach to rates, fees and charges, infrastructure and assets, projects, and services to build Council's draft 2023-2024 financial year Business Plan and Budget. Guided by these principles, Council will consider different budget scenarios to inform the Draft Budget for community consultation.

This approach supports Council's commitment to the enabling priorities of robust financial management. It also builds upon the good work already undertaken by Council to ensure Council's financial position is sustainable.

RECOMMENDATION

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Adopts the financial principles to guide the preparation of the draft 2023-2024 Business Plan and Budget (BP&B) as at Attachment A to Item 6.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 21 March 2023.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The recommendations outlined in this report support Council's commitment to robust financial management and transparent decision making for the effective delivery of services.
Policy	Not as a result of this report
Consultation	Council is required to consult with the community for a minimum of 21 days, on a Draft Business Plan and Budget.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The recommendations in this report support Council's long term financial sustainability and enables Council to invest in emerging priorities.
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. For the 2020-21 financial year, Council adopted a set of Recovery Principles in response to the impact of COVID-19 on Council's revenue and expenditure to ensure the ongoing delivery of services and projects for our community and our long term financial sustainability.
2. The Recovery Principles were for Council to utilise when making decisions related to the setting of rates, fees and charges; the utilisation of borrowings and proceeds from the sale of assets; future investment and infrastructure; government partnerships; and the review of Council's services.
3. The Financial Principles recommended in this report (as at Attachment 1) build upon the Recovery Principles and further expand them based on feedback from Council received during recent training, workshops and presentations to Council spanning November to now.
4. It is proposed that the 2023-24 Business Plan and Budget (BP&B) is developed guided by a set of principles agreed by Council.
5. These Financial Principles will guide the development of Council's next Long Term Financial Plan.
6. To date, as part of the 2023-24 Business Plan and Budget process, the following training, meetings, workshops and reports have been presented to Council, supplemented by information provided to Council through the Council Member portal:
 - 6.1. 30 November 2022 –Strategy and Finance Induction Training
 - 6.2. 24 January 2023 – Services, Assets and Priorities CEO Briefing
 - 6.3. 7 February 2023 – Finance, Principles and Long Term Financial Plan – Part 1 CEO Briefing
 - 6.4. 20 February 2023 – Finance, Principles and Long Term Financial Plan – Part 2 CEO Briefing
 - 6.5. 4 March 2023 – Principles, Program Budgets, Assets and Financial Parameters Training
 - 6.6. 14 March 2023 – Parameters CEO Briefing
 - 6.7. 21 March 2023 – Priorities and Projects, Rating, Fees and Charges CEO Briefing and workshops.
7. Adoption by Council of the Financial Principles outlined in Attachment 1 will ensure that the Administration can develop a Business Plan and Budget that meets Council's expectations, for a financially sustainable position now and into the future while delivering on priorities and objectives for the community.
8. The Financial Principles will be used to prepare a base budget, with various scenarios, for consideration by Council in conjunction with the proposed new projects/services in March and April 2023.
9. To finalise the 2023-2024 Business Plan and Budget for adoption by Council in June 2023, Council will:
 - 9.1. Review services, including service levels and community expectations
 - 9.2. Adopt a draft Business Plan and Budget for community consultation
 - 9.3. Finalise the Long Term Financial Plan
 - 9.4. Adopt business plans and budgets for each of its subsidiaries
 - 9.5. Adopt the Fees and Charges Schedule
 - 9.6. Review the Rating Policy
 - 9.7. Adopt Valuations, Declare General Rates, and Declare any Special Rates.

ATTACHMENTS

Attachment A - Financial Principles to Build the 2023-24 Budget

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