

Integrated Planning & Reporting Framework

Frequently Asked Questions and their answers

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Why are the planning and reporting requirements for local councils being changed?

The Integrated Planning and Reporting Framework has been developed as part of the Local Government Reform Program and proposes changes to the *Local Government Act 1993* to improve council's long term community, financial and asset planning.

The proposed new planning and reporting framework opens the way for councils to identify and plan for funding priorities and service levels in consultation with their community, while preserving local identity and planning for a more sustainable future.

The key drivers for changing the current planning and reporting framework include: increased expectations on local government, innovation of some councils with positive effects, recent findings from reviews of council strategic performance, and the need for improved asset management and long term financial planning.

It is recognised that communities do not exist in isolation – they are part of a larger natural, social, economic and political environment that influences and shapes their future direction. It is sensible, therefore, not to consider council plans in isolation. The new framework integrates council planning to make it more efficient and reflective of communities' needs.

What are the benefits of the new planning and reporting framework?

The future of local government depends largely on its capacity to anticipate and respond to the forces that will shape communities in the coming years. The proposed new planning and reporting framework is essentially a set of tools for each council to create integrated plans for the future of the community which can be implemented in a meaningful way. The key benefits include:

- improved sustainability of the local community by encouraging councils, State agencies and the community to work together on long term plans
- improved connection between councils and community vision
- a strengthened strategic focus for councils and the community
- a more detailed understanding of the regional context within which councils operate
- integration of planning processes and their implementation
- reduced red tape and streamlined reporting

What plans and reports will councils be required to prepare?

The new planning and reporting framework replaces the former Management Plan, Social Plan and Annual Reporting requirements with an integrated framework, consisting of a hierarchy of documents including a long-term Community Strategic Plan, a Resourcing Strategy and a Delivery Program for each elected council term.

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An Operational Plan is then developed for each year to outline the specific details of councils' activities and the budget. Councils will continue to report the progress of its activities to the community through the Annual Report. The new framework is shown in the following diagram:



While the implementation of the new requirements will be staged, to comply with the requirements of the legislation and the *Planning and Reporting Guidelines for local government in NSW*, by 2012 all councils will need to have in place the following **planning** processes:

- a Community Strategic Plan
- a community engagement strategy that sets out how each council will engage its community when developing its Community Strategic Plan
- a Resourcing Strategy that includes a long term financial plan, a workforce management strategy and an asset management policy, strategy and plans
- a Delivery Program
- an Operational Plan, including a statement of revenue policy, and a detailed annual budget

To comply with the requirements of the legislation and the *Planning and Reporting Guidelines for local government in NSW*, by 2012 all councils will need to have in place the following **reporting** processes:

- an annual report outlining achievements against the Delivery program
- audited financial statements as part of the Annual Report
- an end of term report by the outgoing council which outlines achievements in relation to the civic leadership, social, economic, and environmental (State of the Environment report) objectives in the Community Strategic Plan, presented to the final meeting of that council.

Who has what role in the new planning and reporting arrangements?

Councillors

The role of councillors includes:

- promoting and leading community engagement in the development of the Community Strategic Plan
- considering advice on resource implications and discussing this with the community prior to making decisions
- reviewing the Community Strategic Plan within nine months of local government elections
- working with council staff to develop a Delivery Program
- ensuring that the Delivery Program and the Operational Plan reflect the Community Strategic Plan
- reviewing the Delivery Program annually
- ensuring that a report to the community is provided each year
- working with the General Manager and Senior Staff to develop an agreed schedule of reporting to council on the Operational Plan budget

Community members

The role of community members and groups includes:

- providing comment and input through the community engagement process to inform the preparation and reviews of the Community Strategic Plan
- assisting council to identify long term goals and strategies for achieving those goals
- commenting on draft Delivery Programs and Operational Plans when placed on public exhibition
- getting involved in the implementation of some of the strategies in the Community Strategic Plan
- identifying any other issues which need to be highlighted in the planning process
- keeping informed about the implementation of the Community Strategic Plan, for example by reading Council's annual report and raising issues with their council, thereby promoting accountability

Council General Manager and staff

The role of a council **General Manager** is to:

- guide and advise councillors
- oversee the preparation of the Community Strategic Plan to ensure adequate information is available, and the community is engaged appropriately in order to meaningfully inform the planning process
- advise council of any matters which may affect the delivery of the Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan
- work with Council to develop a reporting schedule, and ensure council staff are aware of their responsibilities in relation to the implementation of the plans
- oversee the preparation of the Annual Report on the progress of activities annually

The role of council **senior staff** is to:

- support the General Manager in the development of the plans
- advise the General Manager of any matters which may affect the delivery of the Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan
- undertake the allocated tasks in the Delivery Program and Operational Plan
- provide advice to the General Manager on progress of activities in the Operational Plan

Other Government agencies

The NSW State Plan was developed in 2006 and sets out the Government's goals and priorities under five key themes: Rights, respect and responsibility; Delivering better services; Fairness and opportunity; Growing prosperity across NSW; and Environment for living. Under the State Plan's delivery framework there are nine regional delivery plans to concentrate on issues that relate specifically to each region. These regional delivery plans provide councils with knowledge about the NSW Government's priorities in each region which can be used to inform councils' planning.

The role of other Government agencies includes:

- assisting councils with relevant, available data and to participate in consultation
- working with councils to identify State agencies can support the delivery of the desired outcomes of the Community Strategic Plan in line with their own objectives
- working with councils to determine responsibilities and timeframes for meeting Community Strategic Plan objectives

Department of Local Government

The role of the Department of Local Government is to:

- provide advice and support to councils in their planning, community engagement and reporting processes
- build the capacity of councils to work collaboratively with other State and regional agencies
- review councils' Community Strategic Plans and Delivery Programs in terms of compliance with the legislative requirements. It is not the Department's role to endorse the content of council plans, as councils are accountability to their community for the process they have used to develop their plans.

What is the Community Strategic Plan?

The Community Strategic Plan identifies the community's main priorities and aspirations for the future, and must address social, environmental, economic and civic leadership issues. It may include priorities and aspirations which fall to State or Federal government agencies or the non-Government sector to meet. The Community Strategic Plan will therefore also identify opportunities for partnerships and may include issues with a broader regional focus.

The Community Strategic Plan must include:

- a community vision statement
- a series of strategic objectives for the community
- strategies for achieving each objective
- assessment methods for determining whether the objectives are being achieved.

Each council must develop and implement a Community Engagement Strategy in order to engage the local community and other identified stakeholders, such as State agencies and community organisations, in the development and review of the Community Strategic Plan.

The Community Strategic Plan must be reviewed every four years by each new council following ordinary local government elections. While there are some transitional timeframes associated with the implementation of the proposed framework, ordinarily the review will be completed before 30 June following the new council's election.

When will councils have to prepare the Community Strategic Plan?

It is planned to introduce the new framework in three groups of councils over a three year period. Councils will be asked to nominate the group they would like to be in after the legislative changes have been passed by Parliament as follows:

- Group 1: Community Strategic Plan and Delivery Program adopted by 30 June 2010.
- Group 2: Community Strategic Plan and Delivery Program adopted by 30 June 2011.
- Group 3: Community Strategic Plan and Delivery Program adopted by 30 June 2012.

From the September 2012 ordinary local government elections, each newly elected council must complete the review and preparation of these documents before 30 June following the local government elections to allow each council to prepare its Operational Plan for the following financial year. Councils will be required to submit the completed Community Strategic Plan to the Department of Local Government within one month of it being endorsed by the council.

What is the Resourcing Strategy?

Each council must have a long term Resourcing Strategy to achieve the objectives established by the Community Strategic Plan. The Resourcing Strategy informs the development of the Community Strategic Plan and will be informed by the adopted Community Strategic Plan. The Resourcing Strategy must include:

- **Long Term Financial Planning**

Each council must prepare a Long Term Financial Plan (LTFP) for a minimum of ten years which is to be updated annually as part of the development of the Operational Plan. The LTFP is a decision-making tool that will enable a council to model different financial scenarios when they are making significant financial decisions. It aims to ensure that councils identify financial issues at an earlier stage and gauge the effect of their proposed activities in the longer term.

- **Asset Management Planning**

Each council must account for and plan for all of its existing assets for a minimum of ten years. An Asset Management Strategy and Plans are to be prepared, and will also support any new asset solutions proposed in the Community Strategic Plan and Delivery Program. More Information about asset management planning is included elsewhere in this document.

- **Workforce Management Planning**

Each council must prepare a Workforce Management Strategy for a minimum of four years that addresses the human resourcing requirements for council to implement the Delivery Program. This will align long-term council strategies with the human resources required to deliver these strategies.

What are the Delivery Program and Operational Plan?

This is where the community's strategic objectives are systematically translated into actions by each council. The Delivery Program is a statement of commitment to the community from each newly elected council.

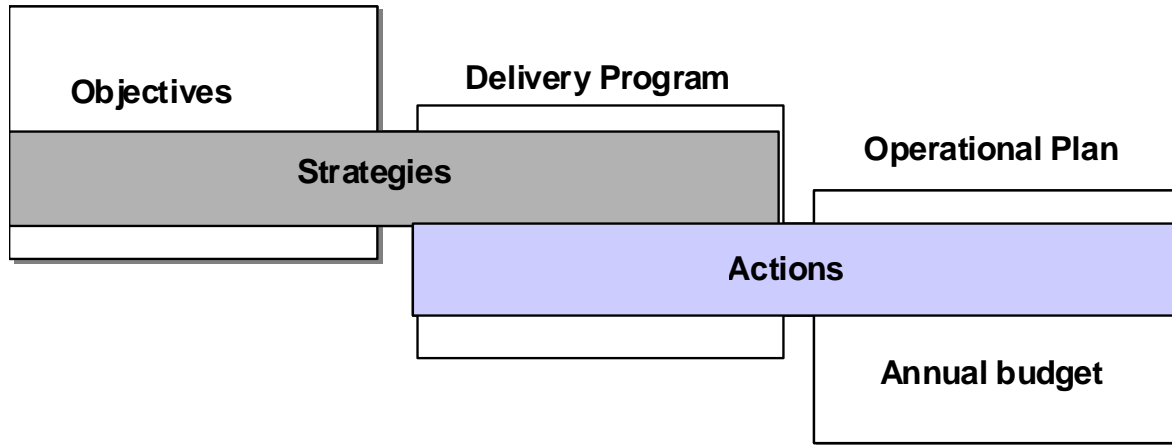
The Delivery Program replaces the former Management Plan requirements. It is designed as the single point of reference for all activities undertaken by Council during each term of office and identifies its priorities. All plans, projects, activities and funding allocations must be directly linked to this Delivery Program.

Supporting the Delivery Program is an annual Operational Plan. It spells out the details of the Delivery Program – the individual projects and activities that will be undertaken each year to achieve the commitments made in the Delivery Program. It will also include the council's operational budget for the year.

How does the Community Strategic Plan translate into the Delivery Program and Operational Plan?

The four-year Delivery Program is the point where the community’s strategic objectives are translated into actions that the council will be responsible for implementing.

Community Strategic Plan



The strategies to achieve the objectives in the Community Strategic Plan that Council can implement will be identified in the Delivery Program. The Delivery Program will set out more detailed actions to achieve the strategies in the Community Strategic Plan. The detailed actions in the Delivery Program to be implemented each year will be included in the Operational Plan which will also include the budget allocation for implementing each action.

How will the Local Environmental Plan fit with the Integrated Planning and Reporting Framework?

The Local Environmental Plan (LEP) will play an important role in the Integrated Planning and Reporting Framework. The Community Strategic Plan will set high level objectives that will inform land use planning. Each council will still be required to prepare an LEP in accordance with the Environmental Planning and Assessment legislation, as it is the legal document that controls land use and development at the local level.

The LEP is an important tool for mapping out the details of land use planning in local government areas. Many councils already prepare Land Use Strategies or Conservation and Development Strategies to help capture the community’s strategic objectives for land use and refine them into details which can ultimately be included in the LEP. It will be an important tool for councils to achieve the objectives in their Community Strategic Plan.

The LEP and any amendments to it must be consistent with the Council’s Community Strategic Plan. The LEP will be checked against the Community Strategic Plan as part of the Department of Planning’s gateway process.

What are the new requirements for Asset Management?

Councils will be required as part of their Resourcing Strategy to prepare an Asset Management Strategy which provides a clear direction for asset management and defines key principles that underpin asset management for the council. The Strategy must include an Asset Management Policy which sets the framework for the preparation of Council's Asset Management Strategy and Asset Management Plan/s.

The development of an Asset Management Strategy will enable councils to show how their asset portfolio supports the service delivery needs of their communities into the future. An Asset Management Plan is a long term plan that outlines the asset activities for each service and outlines actions and resources to provide a defined level of service in the most cost efficient way.

How do the asset management planning requirements fit with the national reforms?

NSW local government is the custodian of approximately \$50 billion of community assets which enable councils to provide services to their community. These assets include roads, water and sewerage assets, drains, bridges, footpaths, public buildings, recreational facilities and parks and gardens.

The integrated planning and reporting framework is consistent with the National Frameworks for Local Government Financial Sustainability developed by the Local Government and Planning Ministers' Council and endorsed by the NSW Government. The National Frameworks aim to promote nationally consistent, prudent, transparent and accountable financial management by local governments. States and Territories are required to be able to assess their councils financial sustainability in accordance with their own circumstances which may include legislative reform, policies, programs and guidance.

The successful development of the proposed Resourcing Strategy will enable councils and the NSW Government to accurately assess the long-term financial sustainability of councils.

The Prime Minister's opening address to the Council of Australian Local Government held at Parliament House in Canberra on 18 November 2008 emphasised the need for long-term reform of the management of infrastructure and that to achieve this asset management, financial management and planning by local government must improve.

On the 13 February 2009 the Australian Government made additional funding of \$500 million available nationally to councils as part of the Regional and Local Community Infrastructure Program (RLCIP) – Strategic Projects. The purpose of the additional funding is to stimulate economic activity across Australia to address the global economic crisis. Under this Program, funding will be made available for community infrastructure, including new and major renovations or refurbishments.

A council with a long term financial plan and asset management plans will be better placed to make application for RLCIP funding compared to those councils which do not have these plans. If implemented successfully, councils will meet the Australian Government's stated requirement that future funding will be linked to the implementation of nationally consistent asset management systems to assist its funding decisions.

What happens to the Social/Community Plan?

Councils will no longer be required to complete a separate Social/Community Plan. Social and community planning becomes an integral part of the development of the Community Strategic Plan.

Councils must ensure that their Community Strategic Plan adequately addresses social as well as environmental, economic and civic leadership issues. It must also reflect the four social justice principles of equity, access, participation and rights.

Recommendations made in past Social/Community Plans may still be relevant, and some may still be awaiting implementation. Councils will need to consider the social issues and priorities in these plans, and consider how they fit appropriately into the Community Strategic Plan, the Delivery Program and Operational Plans. Councils can still continue to prepare a separate Social/Community Plan if they want to, so it can inform the preparation of the Community Strategic Plan.

What happens to State of the Environment Reporting?

The requirement for councils to prepare a State of the Environment (SoE) Report has been maintained. During the development of the new planning and reporting framework the option to remove the requirement for a separate SoE Report was considered, as environmental reporting is to be integrated into reporting on the implementation of the Community Strategic Plan and Delivery Program. However, given concerns that were raised during consultation about the option to remove the SoE Report and the heightened importance of environmental management at a time of serious concerns about climate change, a separate SoE Report will continue to be required.

The legislative requirements have been amended to provide councils with the flexibility to prepare their SoE Report in an integrated way that enables councils to focus their resources on monitoring and reporting on environment issues that are of concern to their community and where Council may influence their management.

The information in the SoE Report should be used to inform Council's preparation of the Community Strategic Plan and continue to inform the required reviews of the Community Strategic Plan.

Councils are strongly encouraged to develop their SoE Report in partnership with other councils in their region and Catchment Management Authorities, as environmental monitoring and reporting is usually more useful when done at a regional and/or catchment scale.

The prescriptive requirements of the previous SoE Report have been removed, so that reports now focus on how Council has met the environmental objectives in its Community Strategic Plan through its Delivery Program.

The annual report of a council in the year in which a council election is held must include an SoE Report in relation to the environmental objectives established by the Community Strategic Plan, and undertaken by that Council through its Delivery Program.

What happens if a Council has already completed or substantially completed a strategic plan?

Council will be able to assess whether the plan complies with the proposed legislative amendments. It will be important that the Plan was developed recently and with significant community engagement.

If council is satisfied that its strategic plan is compliant with the proposed legislative amendments they will be able to provide that plan to the Director General of the Department of Local Government. The Department will review the plan and provide feedback to Council to inform the review and preparation of their next Community Strategic Plan. Councils in this situation are encouraged to contact the Department to discuss the status of their community planning.

What is the Department doing to support councils' implementation of the Integrated Planning and Reporting Framework?

The Department is considering a number of strategies to assist councils. Strategies to assist councils will include:

- information sessions for Mayors and General Managers
- targeted presentations and workshops with the LGSA, LGMA and council staff
- a dedicated web page on the Department's website with resources and links to additional information
- identifying councils who are doing well in particular aspects of the planning and reporting framework, and liaise with them about how their practice may be used to support councils who need further development in these areas
- providing feedback to councils during the initial implementation regarding how well they are meeting the statutory requirements of the new Integrated Planning and Reporting framework

Where can I get further information?

The *Planning and Reporting Guidelines for local government in NSW* (2008) sets out the mandatory requirements for councils and is a comprehensive guide to the essential elements required in the planning process. The *Planning and Reporting Manual for local government in*

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NSW provides practical examples and issues for consideration under each of the planning and reporting activity areas.

The Department of Local Government website (www.dlg.nsw.gov.au) contains these documents and other resources that may be useful for councils implementing the new planning and reporting framework. A dedicated Integrated Planning and Reporting page has been established to support its implementation.