



INTEGRATED PLANNING & REPORTING

GUIDELINES
for Local Government
in NSW

SEPTEMBER 2021



Office of
Local Government

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HOW TO USE THESE GUIDELINES

The Integrated Planning and Reporting (IP&R) Guidelines were first issued by the Office of Local Government (OLG) in 2010. The Guidelines have been updated to reflect legislative changes enacted through the *Local Government Amendment (Governance and Planning) Act 2016*.

All councils in NSW use the IP&R framework to guide their planning and reporting activities. County councils also plan and report under a modified IP&R framework. Joint organisations must consider member councils' strategic priorities developed through IP&R when preparing and reporting on their strategic regional priorities. The requirements for IP&R are set out in the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2021* (the Regulation).

These Guidelines explain what councils, county councils and joint organisations must do to ensure they comply with their planning and reporting requirements set out in the Act. The Guidelines are issued under section 406 of the Act and the Regulation.

GUIDELINES LEGISLATIVE REQUIREMENTS

The Guidelines include:

- requirements under the Act
- requirements under the Regulation
- Essential Elements which are also mandatory requirements.

The Essential Elements are deliberately broad in nature to allow councils flexibility in preparing their plans and reports.

SUPPORT MATERIALS EXPLANATORY NOTES

OLG provides guidance and support materials, including the IP&R Handbook, for councils to help them prepare their IP&R documents.

Councils should contact their OLG Council Engagement Manager to discuss support needs.

PUBLICATION REQUIREMENTS

When preparing their IP&R documents, councils should be aware of the requirements of the *Local Government Act 1993*, *Local Government (General) Regulation 2021*, the *Government Information (Public Access) (GIPA) Act 2009* and the *GIPA Regulation 2009*, which require councils to publish certain documents, free of charge, on their websites.

INTEGRATED PLANNING AND REPORTING

The Integrated Planning and Reporting (IP&R) framework recognises that most communities share similar aspirations: a safe, healthy and vibrant place to live, a sustainable environment, a caring and engaged community, opportunities for employment, reliable infrastructure, etc. The difference lies in how each community responds to these needs. That is what shapes the character of individual cities, towns and villages. IP&R also recognises that council plans and policies should not exist in isolation and are connected on many levels.

The IP&R framework allows NSW councils to draw their various plans together, to understand how they interact and inform each another, and to get the maximum benefit from their efforts by planning holistically for the future.

The main components of the framework are outlined in these Guidelines, and are summarised below:

Community Strategic Plan

The highest level of strategic planning undertaken by a council, with a ten-year plus timeframe. All other plans must support achievement of the Community Strategic Plan objectives.

Resourcing Strategy

Shows how council will resource its strategic priorities, identified through IP&R. The Resourcing Strategy includes 3 inter-related elements:

- Long-Term Financial Planning
- Workforce Management Planning
- Asset Management Planning.

Delivery Program

The council's commitment to the community about what it will deliver during its term in office to achieve the Community Strategic Plan objectives.

Operational Plan

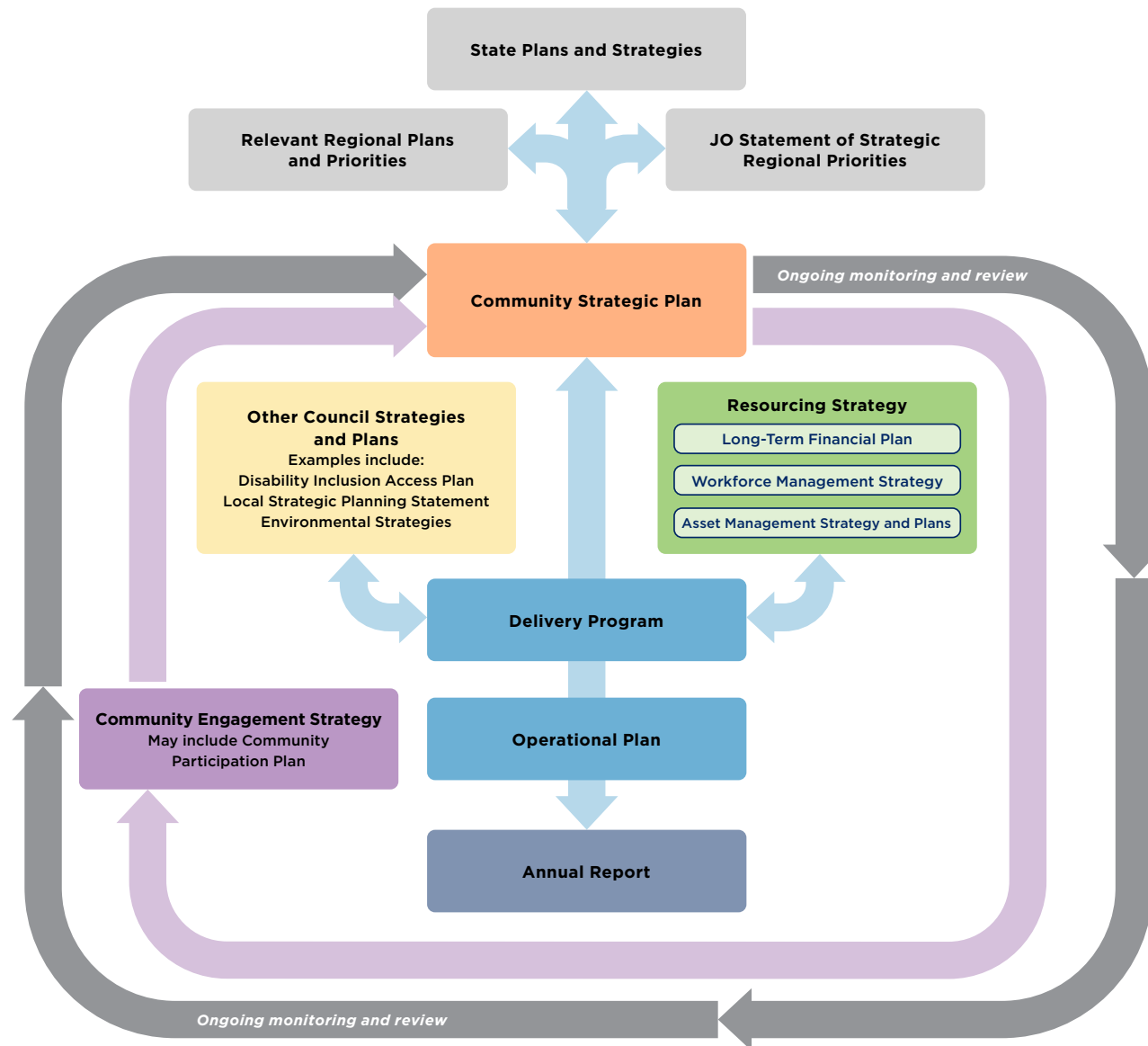
Shows the individual projects and activities a council will undertake in a specific year. It includes the council's annual budget and Statement of Revenue Policy.

Annual Report

Reports back to the community on the work undertaken by a council in a given year to deliver on the commitments of the Delivery Program via that year's Operational Plan. Councils also report on their financial and asset performance against the annual budget and longer-term plans.

All councils in NSW are required to work within the IP&R framework (shown below).

Figure 1: The Integrated Planning and Reporting framework



IP&R process diagram

The IP&R diagram has been updated to reflect the 2016 amendment to the Act.

The Resourcing Strategy has been moved closer to emphasise the important role that resource planning must play in delivering the council's strategic objectives.

While there is a direct link from the Community Strategic Plan to the Delivery Program and Operational Plan, this must be informed and supported by the financial, asset and workforce planning undertaken by council as part of the Resourcing Strategy. Any community endorsed changes to council's strategic direction and priorities should be reflected in resource planning and allocation.

Community engagement has been expanded to encompass the entire IP&R process. This reflects new requirements, extending the Community Engagement Strategy to all aspects of council engagement, not just the Community Strategic Plan. Additional requirements under the *Environmental Planning and Assessment Act 1979* to prepare a Community Participation Plan can be incorporated into a council's wider Community Engagement Strategy.

Monitoring and review continues to play an important role in the whole IP&R process, as reflected in the diagram. This encompasses the new Internal Audit requirements for councils outlined on p7.

IP&R in context

Councils operate in a complex environment, with responsibilities under some 67 different Acts, and direct relationships with more than 20 state and commonwealth agencies.

Local government planning connects with the wider spheres of regional, state and federal planning and there is a natural flow between the planning systems, with each level ultimately informing the others. Positioning IP&R within this context can be challenging.

While the IP&R framework is prescribed by the *Local Government Act 1993*, other Acts and state agencies require additional strategic planning from councils, for example, in relation to land use planning (Local Strategic Planning Statements), water management (Integrated Water Cycle Management) and community inclusion (Disability Inclusion Action Plans).

Councils may also identify key strategic planning work that needs to be undertaken to support the Community Strategic Plan – for example economic development strategies, or cultural planning. These plans sit below the Community Strategic Plan in the IP&R hierarchy and should generally reflect its principles, values and objectives. The plans may, in turn, inform the Resourcing Strategy, Delivery Program and Operational Plan, as appropriate. Beyond the Community Strategic Plan, there are state and regional planning frameworks that may inform, and be informed by, the work undertaken by councils through IP&R.

IP&R for joint organisations and county councils

The NSW Government formed joint organisations in regional and rural NSW in 2018, to provide a forum for councils and the State government to work together on regional priorities and projects.

While joint organisations do not directly undertake IP&R, they have a streamlined planning and reporting framework under the *Local Government (General) Regulation 2021*. This includes compliance with the relevant section of the IP&R Guidelines. Requirements for joint organisations are outlined in Chapter 9.

County councils are also required to undertake IP&R. However, there are modified requirements in relation to the Community Strategic Plan. These are explained in Chapter 8 of the Guidelines. All other IP&R requirements – the Community Engagement Strategy, Resourcing Strategy, Delivery Program, Operational Plan and Annual Report – apply to county councils, at the appropriate scale.

Where county councils are required to undertake other mandatory strategic and business planning – for example Integrated Water Cycle Management Planning or weeds management strategies – this must be wholly integrated with their IP&R framework.

Legislative changes to strengthen IP&R

Key changes to the Act, which have commenced, reinforce the pivotal role of the IP&R framework in guiding all council planning and decision-making.

Some of the key changes to the Act include:

All plans link to IP&R

The Act now makes it clearer that IP&R is designed to cover all of a council's activities and all plans and strategies must be connected in some way to the framework.

In particular:

- The council's Community Engagement Strategy must relate to the development of **ALL** plans, policies, programs and activities (section 402A), not just the Community Strategic Plan.
- Resourcing Strategies and Delivery Programs must ensure they provide for resources and activities to perform **ALL** of a council's functions (section 403-404).

New local government principles

New guiding principles (sections 8A-8C) apply to councils in relation to:

- integrated planning and reporting
- the exercise of council functions generally
- decision-making
- community participation
- sound financial management.

Clearer roles and responsibilities

Roles and responsibilities in relation to the IP&R framework are more clearly set out for the governing body, mayor and general manager (see sections 223(1)(b)-(g), 226(g)-(k), 232(1)(c) and 335(a) (c)-(e), (j)).

Financial control

In the rare circumstance that a financial controller is appointed to oversee the financial governance and operations of a council, they may refuse to authorise payments if they relate to activities not identified in the council's IP&R documents (section 438HB-438HC).

Oversight by Audit, Risk and Improvement Committee (to commence in future).

Implementation of the Community Strategic Plan, Delivery Program and other council strategies will be required to be kept under review by the Audit, Risk and Improvement Committee (see section 428A).

Establishment of joint organisations

Section 400R (2) of the Act requires joint organisations to "*consider any relevant strategic priorities or plans of member councils and the state government*" when establishing their Statement of Strategic Regional Priorities. This will generally include priorities identified in member councils' Community Strategic Plans. Note: Part 11A, Division 12 (clauses 397H, 397J and 397N) of the Regulation provide the exemptions and streamlined modifications to the strategic planning and reporting requirements for joint organisations. See Chapter 8 for more details.

State of Environment Report

A requirement to prepare a stand-alone state of environment report in the year in which an ordinary election of councillors is to be held is no longer a requirement. However, a report on the implementation and effectiveness of council's Community Strategic Plan in achieving its social, environmental, economic and civic leadership objectives must include the state of its environment.

IP&R principles

As previously noted, Chapter 3 of the Act was amended in 2016, to replace the old Local Government Charter (section 8) with a new set of guiding principles for local government.

The principles address the way that councils provide leadership, plan for the future and make decisions about services and resources. The amendments make it clear that IP&R should be at the centre of all council plans, activities, resourcing decisions and improvement strategies.

Elected representatives and council staff should work together to ensure that council operations are designed around IP&R and that the IP&R framework is used effectively to deliver each council's strategic goals.

IP&R provides a pathway for **elected representatives** to:

- work directly with their community to identify long-term priorities for local identity, growth and lifestyle
- understand the range of services the community wants, the service standards they expect and the infrastructure that will be required
- have meaningful conversations about the cost of meeting community expectations. Allocate resources within council's means and map out a 4-year strategy to deliver key priorities, projects and services
- set appropriate rates, fees and charges and monitor the council's progress in delivering priorities, projects and services through the Operational Plan
- report to the community on their success in achieving these goals
- be assured that their council is meeting planning, consulting and reporting requirements under other laws.

Similarly, IP&R helps **council staff** to:

- understand community priorities and needs
- work with elected representatives on shared goals and priorities
- identify supporting plans and strategies
- undertake resource planning and meeting legislative requirements
- identify achievements for each 4-year term and the projects/programs that will be delivered
- develop reporting regimes to council, including how risk will be effectively managed
- understand the role each employee will play in delivering the community's priorities
- celebrate success when goals are achieved.
- understand how they will be held accountable through reporting and performance management.

PRINCIPLES FOR LOCAL GOVERNMENT

Local Government Act 1993 - Chapter 3

Exercise of functions generally (section 8A(1))

The following general principles apply to the exercise of functions by councils:

- (a) Councils should provide strong and effective representation, leadership, planning and decision-making.
- (b) Councils should carry out functions in a way that provides the best possible value for residents and ratepayers.
- (c) Councils should plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- (d) Councils should apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- (e) Councils should work co-operatively with other councils and the state government to achieve desired outcomes for the local community.
- (f) Councils should manage lands and other assets so that current and future local community needs can be met in an affordable way.
- (g) Councils should work with others to secure appropriate services for local community needs.
- (h) Councils should act fairly, ethically and without bias in the interests of the local community.
- (i) Councils should be responsible employers and provide a consultative and supportive working environment for staff.

Decision-making (section 8A(2))

The following principles apply to decision-making by councils (subject to any other applicable law):

- (a) Councils should recognise diverse local community needs and interests.
- (b) Councils should consider social justice principles.
- (c) Councils should consider the long term and cumulative effects of actions on future generations.
- (d) Councils should consider the principles of ecologically sustainable development.
- (e) Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

Community participation (section 8A(3))

Councils should actively engage with their local communities, through the use of the integrated planning and reporting framework and other measures.

PRINCIPLES FOR LOCAL GOVERNMENT

Local Government Act 1993 - Chapter 3

Sound financial management (section 8B)

The following principles of sound financial management apply to councils:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Integrated planning and reporting (section 8C)

The following principles for strategic planning apply to the development of the integrated planning and reporting framework by councils:

- (a) Councils should identify and prioritise key local community needs and aspirations and consider regional priorities.
- (b) Councils should identify strategic goals to meet those needs and aspirations.
- (c) Councils should develop activities, and prioritise actions, to work towards the strategic goals.
- (d) Councils should ensure that the strategic goals and activities to work towards them may be achieved within council resources.
- (e) Councils should regularly review and evaluate progress towards achieving strategic goals.
- (f) Councils should maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- (g) Councils should collaborate with others to maximise achievement of strategic goals.
- (h) Councils should manage risks to the local community or area or to the council effectively and proactively.
- (i) Councils should make appropriate evidence-based adaptations to meet changing needs and circumstances.

IP&R roles and responsibilities

Chapter 9 of the Act has been updated to clearly define the roles and responsibilities of the governing body, mayors, councillors and general managers in respect of IP&R. These are summarised below:

The governing body is to (sections 223(1)(b)–(g)):

- provide effective civic leadership to the local community
- ensure as far as possible the financial sustainability of the council
- ensure as far as possible that the council acts in accordance with the principles set out in Chapter 3 of the Act and the plans, programs, strategies and policies of the council
- develop and endorse the Community Strategic Plan, Delivery Program and other strategic plans, programs, strategies and policies of the council
- determine and adopt a rating and revenue policy and Operational Plans that support the optimal allocation of the council's resources to implement the strategic plans (including the Community Strategic Plan) of the council and for the benefit of the local area
- keep under review the performance of the council, including service delivery.

The mayor is to (section 226(g)–(k)):

- ensure the timely development and adoption of the strategic plans, programs and policies of the council
- promote the effective and consistent implementation of the strategic plans, programs and policies of the council
- promote partnerships between the council and key stakeholders
- advise, consult with and provide strategic direction to the general manager in relation to the implementation of the strategic plans and policies of the council
- in conjunction with the general manager, ensure adequate opportunities and mechanisms for engagement between the council and the local community.

Councillors (section 232 (1)(c)) are to:

- participate in the development of the documents of the IP&R framework.

The general manager is to (sections 335 (a), (c)–(e), (j)):

- conduct the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council
- advise the mayor and the governing body on the development and implementation of the strategic plans, programs, strategies and policies of the council
- advise the mayor and the governing body on the appropriate form of community consultation on the strategic plans, programs, strategies and policies of the council and other matters related to the council
- prepare, in consultation with the mayor and the governing body, the council's Community Strategic Plan, Community Engagement Strategy, Resourcing Strategy, Delivery Program, Operational Plan and Annual Report
- implement the council's Workforce Management Strategy.

COMMUNITY STRATEGIC PLAN

The Community Strategic Plan is the highest-level plan that a council will prepare. The purpose of the Plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals.

In doing this, the planning process will consider the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve the community's aims and aspirations.

While a council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the local government area, it is not wholly responsible for its implementation. Other partners, such as state agencies, non-government organisations, business and industry, joint organisations and community groups may also be engaged in delivering the strategies of the Plan.

Local Government Act

Following is a summary of the requirements of section 402 of the Act relating to the Community Strategic Plan:

- Each local government area is to have a Community Strategic Plan that has been developed and endorsed by the council on behalf of its community.
- The Community Strategic Plan is to identify the main priorities and aspirations for the future of the local government area.
- The Community Strategic Plan must cover a minimum timeframe of 10 years.
- The Community Strategic Plan must establish strategic objectives together with strategies to achieve those objectives.
- The council must review the Community Strategic Plan before 30 June in the year following an ordinary election of council. The council may endorse the existing plan, or develop and endorse a new Community Strategic Plan, as appropriate, to ensure that the area has a Community Strategic Plan covering at least the next 10 years.

Local Government (General) Regulation

There are no Community Strategic Plan requirements in the Regulation for general purpose councils.

Requirements for County Councils: Part 9, Division 8 (clauses 218 and 219) of the Regulation provides the exemptions and modifications to the strategic planning provisions for county councils.

Essential Elements

General requirements of the Community Strategic Plan

- 1.1 The Community Strategic Plan should be developed and delivered as a partnership between the council, state agencies, business and industry groups, community groups and individuals. It should address a broad range of issues that are relevant to the whole community.
- 1.2 Councils must also ensure that the Community Strategic Plan:
 - addresses civic leadership, social, environmental and economic issues in an integrated manner
 - is based on social justice principles of equity, access, participation and rights
 - is adequately informed by relevant information relating to civic leadership, social, environmental and economic issues
 - is developed having due regard to NSW Government's State Priorities and other relevant state and regional plans.

Information that must be considered when preparing the Community Strategic Plan

- 1.3 Information that identifies key issues and challenges for the local government area, or surrounding region. This should be presented in an accessible format so members of the community can participate in the planning process.
- 1.4 In addition to the legislative requirement to consider state government priorities, councils should consider any relevant state plans as well as relevant regional plans, strategies and priorities that are available at the time of preparing the Community Strategic Plan. In regional and rural NSW, these may include the Statements of Strategic Regional Priority of a joint organisation.
- 1.5 Council must also give due consideration to the levels of service that the community has indicated it expects. This will help to shape the priorities of the Community Strategic Plan and inform other plans within the framework.

Process for endorsing the Community Strategic Plan

- 1.6 The council must place the draft Community Strategic Plan on public exhibition for a period of at least 28 days and comments from the community must be accepted and considered prior to the endorsement of the final Community Strategic Plan.
- 1.7 The exhibition of the Community Strategic Plan must be undertaken in accordance with the council's Community Engagement Strategy, as prescribed by section 402A of the Act (see Essential Elements 2.1 and 2.2).

Note: *The Essential Elements contained in this section also apply with respect to a county council's Business Activity Strategic Plan.*

The basic structure of the Community Strategic Plan

- 1.8 The Community Strategic Plan must include:
- a community vision statement
 - strategic objectives for the community that address social, environmental, economic and civic leadership issues identified by the community (commonly referred to as “the quadruple bottom line” (QBL))
 - strategies for achieving each objective
 - an explanation of who is responsible for delivering each strategy. Where council has an oversight role for a strategy but is not the key delivery agent, the Community Strategic Plan should explain the role council will play in facilitating delivery of the strategy and how it will monitor delivery.
- 1.9 The Community Strategic Plan must identify assessment methods for determining whether the objectives are being achieved.

Reviewing the Community Strategic Plan

- 1.10 Following an ordinary election of councillors, the council must review the Community Strategic Plan before 30 June the following year. The council may endorse the existing plan, endorse amendments to the existing plan, or develop and endorse a new Community Strategic Plan as appropriate to ensure that the area has a Community Strategic Plan covering at least the next 10 years.
- 1.11 A report on the progress of implementation and the effectiveness of the Community Strategic Plan (the State of our City (formerly referred to as End of Term Report)) must be presented to and endorsed at the second meeting of a newly elected council.

What the review must include

- 1.12 The review must include the following:
- a report on the progress of implementation and the effectiveness of the Community Strategic Plan as presented and endorsed at the second meeting of a newly elected council (see Essential Element 1.11)
 - a review of the information that informed the previously endorsed Community Strategic Plan
 - a review of the council's Community Engagement Strategy (see Essential Element 2.3).

Publishing the Community Strategic Plan

- 1.13 Within 28 days after a Community Strategic Plan is endorsed, the council must post a copy of the plan on the council's website.
- 1.14 Councils must provide the Chief Executive of the Office of Local Government with a copy of the Community Strategic Plan and any amendment to the plan, within 28 days of the plan (or amendment) being endorsed. This can be done by providing the Office of Local Government with a link to the URL of the site where the plan is published.

COMMUNITY ENGAGEMENT STRATEGY

Community engagement is at the heart of local government. It helps communities to be active participants in shaping their own future and play a part in positive change. Councils have a vital role to play in opening opportunities for community members to be involved in the strategic planning process.

Councils are now required to prepare a Community Engagement Strategy to support the development of all their plans, policies, programs and key activities. This includes those relating to IP&R, as well as strategic plans and programs required under other legislation.

Engagement activities should be incorporated into one over-arching strategy, to be endorsed by council.

Local Government Act

Following is a summary of the requirements of section 402A of the Act:

- A council must establish and implement a strategy for engagement with the local community (called its Community Engagement Strategy) when developing its plans, policies and programs, and for the purpose of determining its activities (other than routine administrative matters).

Local Government Regulation

There are no requirements relating to community engagement in the Regulation.

Essential Elements

- 2.1 A Community Engagement Strategy must be prepared, adopted and implemented, based on social justice principles, for engagement with the local community to support council in developing its plans and determining key activities. This includes development of the Community Strategic Plan, and all relevant council plans, policies and programs.
- 2.2 As a minimum, the Community Engagement Strategy must identify relevant stakeholder groups within the community and outline methods that will be used to engage each group.
- 2.3 The Strategy must be reviewed within 3 months of the local government elections, as part of the broader review of the Community Strategic Plan (or Business Activity Strategic Plan for county councils) (see Essential Element 1.12).
- 2.4 In the case of a county council, an Engagement Strategy is to be prepared, adopted and implemented for engagement with constituent councils and other relevant stakeholders.
- 2.5 Where a council has community engagement requirements under other legislation or regulations, these should, wherever practical, be integrated into the Community Engagement Strategy.

Note: *A council is not required to establish and implement a Community Engagement Strategy in accordance with section 402A, as inserted by the amending Act, until 12 months after the next ordinary election of councillors following that amendment.*

RESOURCING STRATEGY

The Community Strategic Plan provides a vehicle for expressing long-term community aspirations. However, these will not be achieved without sufficient resources – time, money, assets and people – to actually carry them out.

The Resourcing Strategy consists of 3 components:

- Long-Term Financial Planning
- Workforce Management Planning
- Asset Management Planning.

The Resourcing Strategy is the point where the council explains to its community how it intends to perform all of its functions, including implementing the strategies set out in the Community Strategic Plan.

Some strategies in the Community Strategic Plan will clearly be the responsibility of the council, some will be the responsibility of other levels of government and some will rely on input from business and industry groups, community groups or individuals.

The Resourcing Strategy focuses in detail on matters that are the responsibility of the council and considers, in general terms, matters that are the responsibility of others. The Resourcing Strategy articulates how the council will allocate resources to deliver the objectives under its responsibility.

Local Government Act

Following is a summary of the requirements of section 403 of the Act:

- A council must have a long-term Resourcing Strategy for the provision of the resources required to perform its functions (including implementing the strategies set out in the Community Strategic Plan that it has responsibility for).

Note: *Councils are reminded of the requirement under section 345 of the Act to prepare and implement an Equal Employment Opportunity Management Plan, which should be reflected in each council's workforce management planning.*

Local Government (General) Regulation

There are no requirements relating to the Resourcing Strategy in the Regulation.

Essential Elements

Resourcing Strategy

Requirements of the Resourcing Strategy

- 3.1 The Resourcing Strategy must include provisions for long-term financial planning, workforce management planning and asset management planning.
- 3.2 The council must post a copy of the adopted components of the Resourcing Strategy on its website.

Long-Term Financial Planning

General requirements for long-term financial planning

- 3.3 Each council must prepare and adopt a Long-Term Financial Plan.
- 3.4 The Long-Term Financial Plan must be used to inform decision-making during the preparation and finalisation of the Community Strategic Plan and the development of the Delivery Program.
- 3.5 In developing the Long-Term Financial Plan, due regard must be given to promoting the financial sustainability of the council through:
 - the progressive elimination of operating deficits
 - the establishment of a clear revenue path for all rates linked to specific expenditure proposals
 - ensuring that any proposed increase in services and/or assets is within the financial means of the council including a proposed special rate variation
 - ensuring the adequate funding of infrastructure maintenance and renewal
 - the use of borrowing, where appropriate and financially responsible, and
 - the fair and equitable distribution of the rate burden across all rate payers.

The minimum timeframe for the Long-Term Financial Plan

- 3.6 The Long-Term Financial Plan must be for a minimum of 10 years.

How often the Long-Term Financial Plan must be reviewed

- 3.7 The key underlying assumptions on which the Long-Term Financial Plan is based, and the projected income and expenditure, balance sheet and cash flow statement contained in the Long-Term Financial Plan, must be reviewed and updated at least annually as part of the development of the Operational Plan.
- 3.8 The Long-Term Financial Plan must be reviewed in detail as part of the 4-yearly review of the Community Strategic Plan.

The basic structure of the Long-Term Financial Plan

- 3.9 The Long-Term Financial Plan must include:
 - projected income and expenditure, balance sheet and cash flow statement
 - the planning assumptions used to develop the Plan (the “Planning Assumptions Statement”)
 - sensitivity analysis highlighting factors/assumptions most likely to affect the Plan
 - financial modelling for different scenarios e.g. planned/optimistic/conservative
 - methods of monitoring financial performance

Public exhibition requirements for the Long-Term Financial Plan

- 3.10 The Long-Term Financial Plan must be publicly exhibited for at least 28 days and submissions received by the council in that period must be accepted and considered before the final Long-Term Financial Plan is adopted by the council.

Workforce Management Planning

General requirements for workforce management planning

- 3.11 Each council must develop and endorse a Workforce Management Strategy to address the human resourcing requirements of a council's Delivery Program.
- 3.12 The relevant strategies contained in the Workforce Management Strategy must be reflected in the Delivery Program and Operational Plan and the costs associated with delivering the Workforce Management Strategy must be reflected in the Long-term Financial Plan.

Timeframe for the Workforce Management Strategy

- 3.13 The timeframe for the Workforce Management Strategy must align with the Delivery Program.

Asset Management Planning

General requirements for asset management planning

- 3.14 Each council must account for and plan for all the existing assets under its control, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.
- 3.15 Each council must prepare and adopt an Asset Management Policy, an Asset Management Strategy and Asset Management Plans for each class of assets to support the Community Strategic Plan and Delivery Program.

Minimum timeframe for the Asset Management Strategy and Plans

- 3.16 The Asset Management Strategy and Plans must be for a minimum timeframe of 10 years.

Basic structure of the Asset Management Strategy

- 3.17 The Asset Management Strategy must include the council-adopted Asset Management Policy.
- 3.18 The Asset Management Strategy must identify assets that are critical to the council's operations and outline risk management strategies for these assets.
- 3.19 The Asset Management Strategy must include specific actions required to improve the council's asset management capability and projected resource requirements and timeframes.

Basic structure of the Asset Management Plans

- 3.20 The Asset Management Plans must encompass all the assets under a council's control.
- 3.21 The Asset Management Plans must identify asset service standards.
- 3.22 The Asset Management Plans must contain long-term projections of asset maintenance, rehabilitation and replacement, including forecast costs (for reflection in the Long-Term Financial Plan).

Asset Management reporting

- 3.23 Councils must report on their assets in the annual financial statements, in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including condition assessment, renewal and maintenance expenditure.

DELIVERY PROGRAM AND OPERATIONAL PLAN

This is the point where the community's strategic goals are systematically translated into actions. The Delivery Program identifies the principal activities to be undertaken by the council to perform all its functions - including implementing the strategies established by the Community Strategic Plan - using the resources identified in the Resourcing Strategy.

The Delivery Program is a statement of commitment to the community from each newly elected council. In preparing the Delivery Program, the council is accounting for its stewardship of the community's long-term goals, outlining what it intends to do towards achieving these goals during its term of office and what its priorities will be.

The Delivery Program is designed as the single point of reference for all principal activities undertaken by the council during its term of office. All plans, projects, activities and funding allocations must be directly linked to this Program.

Supporting the Delivery Program are annual Operational Plans. These spell out the details of the Delivery Program - the individual projects and actions that will be undertaken in that year to achieve the commitments made in the Delivery Program.

DELIVERY PROGRAM

Local Government Act

Following is a summary of the requirements of section 404 of the Act:

- A council must have a Delivery Program detailing the principal activities to be undertaken by the council to perform its functions (including implementing the strategies set out in the Community Strategic Plan) within the limits of the resources available under the Resourcing Strategy.
- The council must establish a new Delivery Program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.

Local Government (General) Regulation

There are no requirements relating to the Delivery Program in the Regulation.

Essential Elements

General requirements of the Delivery Program

- 4.1 Each council must prepare and adopt its Delivery Program by 30 June in the year following a local government ordinary election.
- 4.2 The Delivery Program must demonstrate the council's commitment to the community to perform all of its functions (including implementing the strategies set out in the Community Strategic Plan) by outlining the activities for which it is responsible over the term of the council, including how those activities will be prioritised, and how the council will measure and evaluate their implementation.
- 4.3 To encourage continuous improvement across the council's operations, the Delivery Program must identify areas of service that the council will review during its term, and how the council will engage with the community and other stakeholders to determine service level expectations and appropriate measures.
- 4.4 The Delivery Program must address ongoing improvements to the efficiency, productivity, financial management and governance of the council.
- 4.5 When preparing its Delivery Program, the council must consider the priorities and expected levels of service, expressed by the community during the engagement process.

Basic structure of the Delivery Program

- 4.6 The Delivery Program must:
 - directly address the objectives and strategies of the Community Strategic Plan and identifies the principal activities that the council will undertake to meet the objectives and implement the strategies (councils must ensure that the principal activities cover the full range of council functions and operations)
 - include a method of assessment to determine the effectiveness of each principal activity detailed in the Delivery Program in achieving the objectives.

- 4.7 The Delivery Program must allocate high-level responsibilities for each activity or set of activities. Where the council has an oversight role for a Community Strategic Plan strategy but is not the key delivery agent, the Delivery Program should include activities which reflect the role the council will play in relation to the strategy, and how it will monitor its delivery.
- 4.8 Financial estimates for council's budget position for the 4-year period must be included in the Delivery Program.

Monitoring the Delivery Program

- 4.9 The general manager must ensure that progress reports are provided to the council, with respect to the principal activities detailed in the Delivery Program, at least every 6 months.

Public exhibition requirements for the Delivery Program

- 4.10 A draft Delivery Program must be placed on public exhibition for a period of at least 28 days and submissions received by the council must be considered by the council before the Delivery Program is adopted by the council.
- 4.11 The council must post a copy of its Delivery Program on the council's website within 28 days after the plan is adopted.

How often the Delivery Program should be reviewed

- 4.12 The council must review its Delivery Program each year when preparing the Operational Plan.
- 4.13 Where an amendment to the Delivery Program is proposed, it must be included in a council business paper which outlines the reasons for the amendment. The matter must be tabled and resolved to be noted at that meeting, must be and considered by the council at its next meeting (i.e. time must be set aside for the amendment to be considered).
- 4.14 Where significant amendments are proposed, the Delivery Program must be re-exhibited as per Essential Element 4.10.

OPERATIONAL PLAN

Local Government Act

Following is a summary of the requirements of section 405 of the Act:

- The council must have an Operational Plan that is adopted before the beginning of each financial year, detailing the activities and actions to be undertaken by the council during that year to achieve the Delivery Program commitments.

Local Government (General) Regulation

- Clause 203 of the Regulation requires that budget review statements and a revision of estimates must be reported to the council within 2 months after the end of each quarter (except the fourth quarter).

Essential Elements

Basic structure of the Operational Plan

- 4.15 The Operational Plan details the work that will be done in support of the Delivery Program and must be prepared and adopted annually. It must directly address the activities outlined in the Delivery Program and identify projects, programs or actions that the council will undertake within the financial year towards addressing these.
- 4.16 The Operational Plan must allocate responsibilities for each project, program or action.
- 4.17 With respect to service reviews identified in the Delivery Program (see Essential Element 4.3), the Operational Plan must specify each review to be undertaken in that year.
- 4.18 The Operational Plan must identify suitable measures to determine the effectiveness of the projects, programs and actions undertaken.

- 4.19 The Operational Plan must include a detailed budget for the actions to be undertaken in that year.
- 4.20 The Operational Plan must include council's Statement of Revenue Policy for the year covered by the Operational Plan.
- 4.21 The Statement of Revenue Policy must be included in an Operational Plan and must include the following statements:
- a statement containing a detailed estimate of the council's income and expenditure
 - a statement with respect to each ordinary rate and each special rate proposed to be levied
 - a statement with respect to each charge proposed to be levied
 - a statement of the types of fees proposed to be charged by the council and, if the fee concerned is a fee to which Division 3 of Part 10 of Chapter 15 of the Act applies, the amount of each such fee
 - a statement of the council's proposed pricing methodology for determining the prices of goods and the approved fees under Division 2 of Part 10 of Chapter 15 of the Act for services provided by it, being an avoidable costs pricing methodology determined by the council
 - a statement of the amounts of any proposed borrowings (other than internal borrowing), the sources from which they are proposed to be borrowed and the means by which they are proposed to be secured.

Note: *The Annual Statement of Revenue Policy may include a note that the estimated yield from ordinary rates is subject to the specification of a percentage variation by the Minister if that variation has not been published in the Gazette when public notice of the Annual Statement of Revenue Policy is given.*

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- 4.22 The Statement of Revenue Policy with respect to an ordinary or special rate proposed to be levied must include the following particulars:
- the ad valorem amount (the amount in the dollar) of the rate
 - whether the rate is to have a base amount and, if so:
 - the amount in dollars of the base amount
 - the percentage, in conformity with section 500 of the Act, of the total amount payable by the levying of the rate, or, in the case of the rate, the rate for the category or sub-category concerned of the ordinary rate, that the levying of the base amount will produce.
 - the estimated yield of the rate
 - in the case of a special rate - the purpose for which the rate is to be levied
 - the categories or sub-categories of land in respect of which the council proposes to levy the rate.
- 4.23 The statement with respect to each charge proposed to be levied must include the following particulars:
- the amount or rate per unit of the charge
 - the differing amounts for the charge, if relevant
 - the minimum amount or amounts of the charge, if relevant
 - the estimated yield of the charge
 - in relation to an annual charge for the provision by the council of coastal protection services (if any) - a map or list (or both) of the parcels of rateable land that are to be subject to the charge.
- 4.24 The statement of fees and the statement of the pricing methodology need not include information that could confer a commercial advantage on a competitor of the council.

Public exhibition requirements for the Operational Plan

- 4.25 The draft Operational Plan must be publicly exhibited for at least 28 days, and submissions received by the council in that period must be considered, before the final Operational Plan is adopted by the council.
- 4.26 Council must publish a copy of its Operational Plan on the council's website within 28 days after the plan is adopted.
- 4.27 A map showing those parts of the local government area to which the various rates will apply (including each category and sub-category of the ordinary rate and each special rate included in the Operational Plan) must be available on the council's website and available for public inspection at its office (and any other places it determines) during the exhibition of the Operational Plan.
- 4.28 Where significant amendments are proposed to the Operational Plan, it must be re-submitted to council for adoption.

ANNUAL REPORT

The Annual Report is one of the key points of accountability between a council and its community. It is not a report to the Office of Local Government or the NSW Government – it is a report to the community.

The Annual Report focuses on the council's implementation of the Delivery Program and Operational Plan because these are the plans that are wholly the council's responsibility. The Annual Report published in the year of each council election also contains the State of our City Report (formerly referred to as the End of Term Report) that assesses progress with respect to the implementation and effectiveness of the Community Strategic Plan.

The Annual Report also includes some information that is prescribed by the Regulation. This information has been included in the Regulation because the Government believes that it is important for community members to know about it – to help their understanding of how the council has been performing both as a business entity and a community leader.

Local Government Act

Following is a summary of the requirements of section 428 of the Act:

- The council must prepare an Annual Report within 5 months of the end of the financial year.
- The report will outline the council's achievements in implementing its Delivery Program through that year's Operational Plan, and report on the effectiveness of the principal activities undertaken to achieve the objectives in that year.
- The Annual Report in the year in which an ordinary election of councillors is to be held must also contain a report as to the council's achievements in implementing the community strategic plan over the previous 4 years.
- The report must contain the council's audited financial statements prepared in accordance with the Code of Accounting Practice and Financial Reporting and any information or material required by the Regulation or the Guidelines.
- A copy of the report must be posted on the council's website and provided to the Minister and any other persons or bodies as required by legislation. The report may be provided to the Minister by notifying the OLG of the appropriate URL link to access the report on the council's website.

- The State of our City Report (formerly referred to as End of Term Report) prepared for the incoming council (or a county council) in the year of the ordinary election (see Essential Element 1.11) is to be appended to the Annual Report in that year.

Local Government (General) Regulation

Clause 217 of the Regulation details the requirements to be included in the Annual Report.

Note: *The Annual Report Checklist issued by the Office of Local Government details the requirements to be included in the Annual Report.*

Essential Elements

- 5.1 The council must prepare and endorse an Annual Report within 5 months of the end of the financial year.
- 5.2 A council's progress with respect to achieving the quadruple bottom line in the Delivery Program and Operational Plan must be reported on in the Annual Report.
- 5.3 The Annual Report must include information about how the council has progressed on the delivery of the service reviews it has committed to undertake in that year, the results of those reviews and any changes made to levels of service in the areas under review (see also Essential Element 4.17).

PLANNING AND REPORTING FOR COUNTY COUNCILS

Local Government (General) Regulation

Part 9, Division 8 (clauses 218 and 219) of the Regulation provides the exemptions and modifications to the strategic planning provisions for county councils.

218 Application of planning and reporting provisions to county councils

Part 2 (Strategic planning) of Chapter 13 of the Act applies to county councils with the following exceptions and modifications:

- (a) section 402 (Community strategic plan) does not apply to county councils,
- (b) each county council is required to have a business activity strategic plan as provided by clause 219.

219 Business activity strategic plan of county council

- (1) A business activity strategic plan is a plan developed and endorsed by a county council that:
 - (a) identifies the main business activity priorities of the council covering a period of at least 10 years from when the plan is endorsed, and
 - (b) establishes strategic objectives together with strategies for achieving those objectives, and
 - (c) has been developed having due regard to the community strategic plans of the county council's constituent councils and in consultation with those councils.

- (2) Following an ordinary election of councillors for the constituent councils of a county council, the county council must review the business activity strategic plan before 30 June following the election. The council may endorse the existing plan, endorse amendments to the existing plan or develop and endorse a new business activity strategic plan, as appropriate to ensure that the council has a business activity strategic plan covering at least the next 10 years.
- (3) Within 28 days after a business activity strategic plan is endorsed, the council must post a copy of the plan on the council's website and provide a copy to the Director-General. A copy of a business activity strategic plan may be provided to the Director-General by notifying the Minister of the appropriate URL link to access the plan on the council's website.

Essential Elements

The Essential Elements contained in the Community Strategic Plan Chapter 3 also apply with respect to a county council's Business Activity Strategic Plan.

PLANNING AND REPORTING FOR JOINT ORGANISATIONS

The Statement of Strategic Regional Priorities sets out the joint organisation's vision for the region and explains how that vision will be achieved

It is a shared vision, built on the priorities of member councils, identified through IP&R, and with due consideration to State planning and regional strategies.

Other partners, such as state agencies, non-government organisations, business and industry, and community groups should also be engaged in delivering the strategies of the Plan.

The Annual Performance Statement provides a 'report card' of the progress the joint organisation has made each year towards achieving its Strategic Regional Priorities.

It is the key point of accountability between a joint organisation and its members and local communities across the region.

The Statement may also include other information that the JO believes is important for member councils and the broader community to know about to help build understanding about how the JO has been performing - both as a regional leader and in relation to any other activities it chooses to undertake for member councils and/or the region.

Local Government Act

Summarised below are the requirements of section 400R relating to establishing a joint organisation's strategic regional priorities:

- Each joint organisation has the following principal functions:
 - establish strategic regional priorities for the area and to establish strategies and plans for delivering those priorities
 - provide regional leadership for the area and to advocate for strategic regional priorities
 - identify opportunities for intergovernmental collaboration on matters relating to the area.
- Each joint organisation is to consider any relevant strategic priorities or plans of member councils and the state government in establishing strategic regional priorities.
- Schedule 6 enables the Regulation to provide for matters relating to a joint organisation's planning and reporting.

Local Government (General) Regulation

Following is a summary of the requirements in the Regulation in relation to joint organisation planning and reporting.

Statement of Strategic Regional Priorities (cl 397H)

- Each joint organisation must have a Statement of Strategic Regional Priorities setting out those priorities and the strategies and plans for delivering them.
- A joint organisation must prepare its Statement of Strategic Regional Priorities by no later than 12 months after each ordinary election of councilors for all member councils.
- Each joint organisation must consult with member councils about the content of the proposed Statements of Strategic Regional Priority.
- The Statement of Strategic Regional Priorities must be published by the joint organisation on its website.

Annual Statement of Revenue Policy (cl 397I)

- Each joint organisation must have a statement of the joint organisation's revenue policy for a year.
- The Annual Statement of Revenue Policy must include the following statements:
 - detailed estimate of the joint organisation's income and expenditure
 - the types of fees proposed to be charged by the joint organisation
 - the amount of any proposed fees which apply to any 'non-business activities' as defined in the Act
 - the amounts of any proposed borrowings (other than internal borrowing), the sources from which they are proposed to be borrowed and the means by which they are proposed to be secured.

- The statement of fees need not include information that could confer a commercial advantage on a competitor of the joint organisation
- A joint organisation must adopt its revenue policy statement on or before 30 June in the preceding year.

Annual Performance Statements (cl 397J)

- Each joint organisation must prepare an Annual Performance Statement within 5 months of the end of each financial year reporting on progress during that year in implementing its strategies and plans for delivering its strategic regional priorities.
- The Annual Performance Statement is to be published by the joint organisation on its website within 28 days after it is made.

Essential Elements

There are no Essential Elements relating to joint organisations.

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