INTEGRATED PLANNING & REPORTING

HANDBOOK
for Local Councils in NSW

SEPTEMBER 2021

NSW GOVERNMENT | Office of Local Government

CONTENTS

INTRODUCTION

The Integrated Planning and Reporting (IP&R) framework was introduced in 2009 and has transformed the way councils in NSW develop, document and report on plans for the future of their communities.

As councils' capability in delivering IP&R requirements have matured, so too has their ability to adapt to and prepare for new challenges such as extreme events, changing trends and demographics, community expectations and new policy frameworks.

Now, more than ever, councils and communities need a robust, flexible and cohesive integrated planning framework that can support them as they work together to respond to rapidly changing circumstances and opportunities.

Role of local government

IP&R allows councils to bring plans and strategies together in a way that supports a clear vision for the future and provides an agreed roadmap for delivering community priorities and aspirations. While councils lead the IP&R process, it is a journey that they undertake in close consultation with communities and elected representatives.

Once strategic objectives have been set, it is each council's responsibility to deliver and report against these objectives, undertake resource planning, and ensure the community's big picture ambitions become operational realities.

Role of community

The community is at the heart of the IP&R framework. Engagement with the community is critical to understand the community's vision for the future and priorities to feed into key elements of the framework.

Effective community engagement results from a strong partnership between councils and their communities. The community is involved in each stage of the IP&R process, including

in the development of alternative strategies, identification of preferred solutions, and prioritisation of activities.

In this way, decision making is informed through an evidence base and the representative views of the community, rather than specific interests or assumptions.

Role of OLG

The Office of Local Government (OLG) is the NSW Government agency responsible for strengthening the sustainability, performance, integrity, transparency and accountability of the local government sector.

OLG has a policy, legislative, investigative and program focus in regulating local councils, county councils and joint organisations in New South Wales. As well as supporting local councils to deliver for their local communities, the OLG is responsible for supporting councils to implement IP&R process with and for their communities.

Benefits of IP&R

- Allows councils to plan for the future
- Enables councils and communities to be flexible and agile
- Supports decision making
- Uses indicators to measure and track performance
- Provides a roadmap for councils and their communities
- Encourages best practice and continuous improvement
- Supports local capacity building and partnerships
- Encourages alignment between local, regional and state priorities and plans.

What has changed?

Since this handbook was issued in 2010 there have been a number of changes to the IP&R framework:

- All plans link to IP&R
- New local government principles
- Clearer roles and responsibilities for implementation of IP&R
- End of Term Report renamed State of our City and endorsed at the second meeting of the new council
- Stand-alone State of Environment Report is no longer required
- Oversight by Audit, Risk and Improvement Committee (yet to commence).

More detail about these changes can be found in the Integrated Planning and Reporting Guidelines for Local Government in NSW.
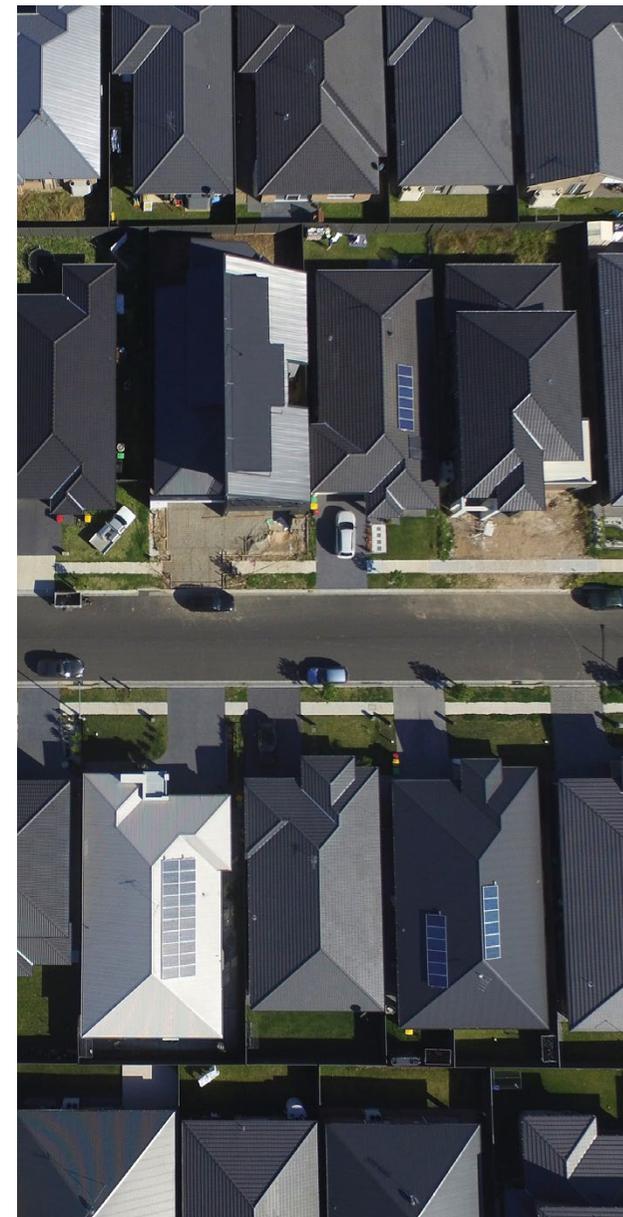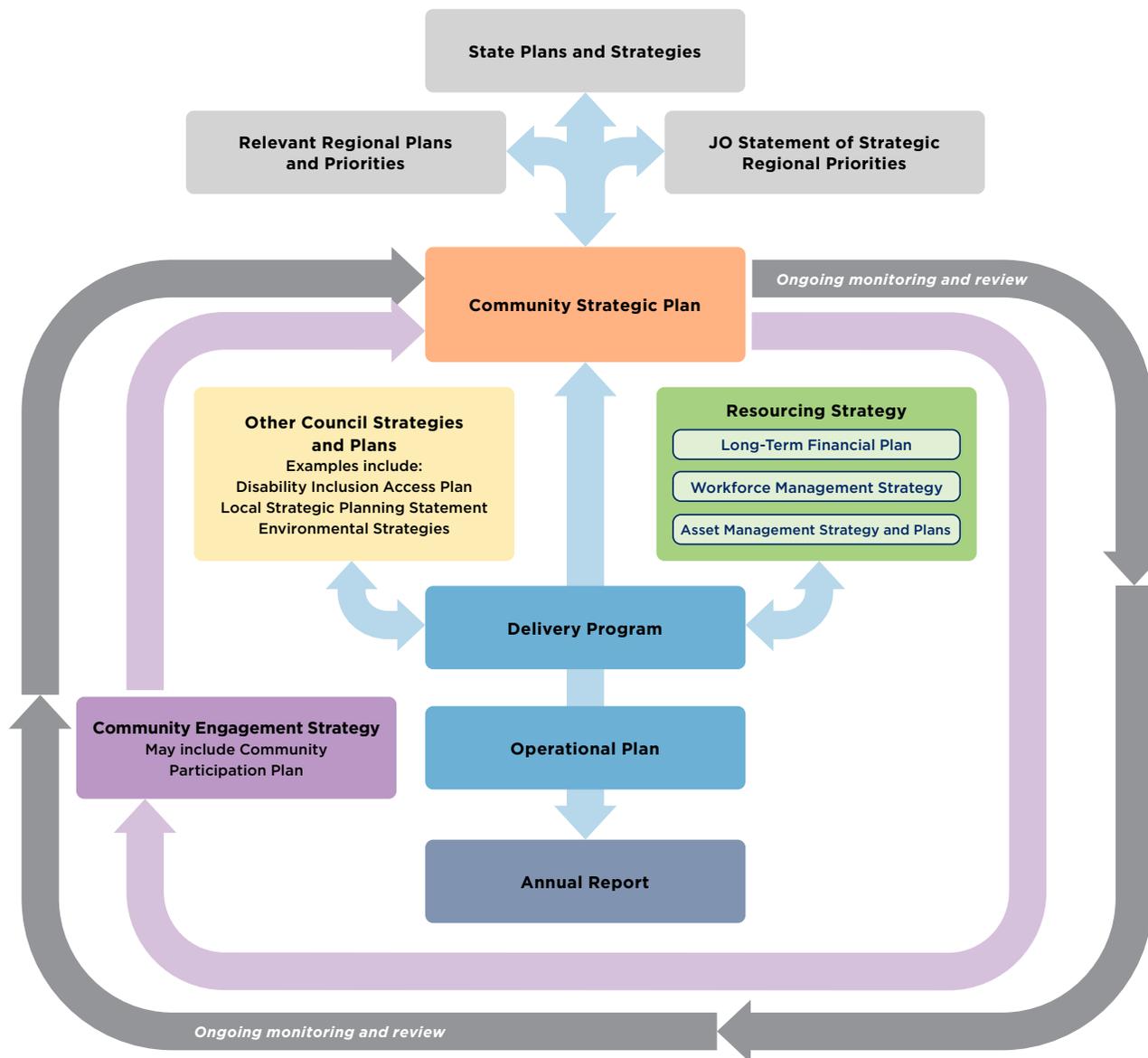
The IP&R framework

Community engagement requirements now encompass the entire IP&R process, reflecting new requirements for the Community Engagement Strategy to extend to all aspects of council engagement and 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.

The Resourcing Strategy is situated within the framework to emphasise the important role that resource planning plays in delivering a 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.

How to use this handbook

This handbook is a practical guide for anyone involved in preparing and/or implementing the IP&R suite of plans—including community engagement, asset management, performance measurement and reporting, and strategic, operational, financial and workforce planning.

While this primarily includes council managers and staff with a direct responsibility for integrated planning, it may also be of interest to elected representatives, community members and others involved in community planning and engagement processes.

This handbook should be read in conjunction with the Integrated Planning and Reporting Guidelines for Local Government in NSW which explains what councils, county councils and Joint Organisations must do to ensure they comply with planning and reporting requirements set out in the *Local Government Act 1993* (the Act). The Guidelines are issued under Section 406 of the Act and the *Local Government (General) Regulation 2021*.

All mandatory IP&R requirements are included in this handbook. A range of fact sheets that provide additional information and resources are also attached. Fact sheets will be produced from time to time to provide guidance on emerging issues and trends. For example, a Fact Sheet on Emergency and Recovery Planning and Information Communication and Technology is provided in Appendix A-2.

The navigation at the top of the page allows you to easily jump between the major sections of this document.
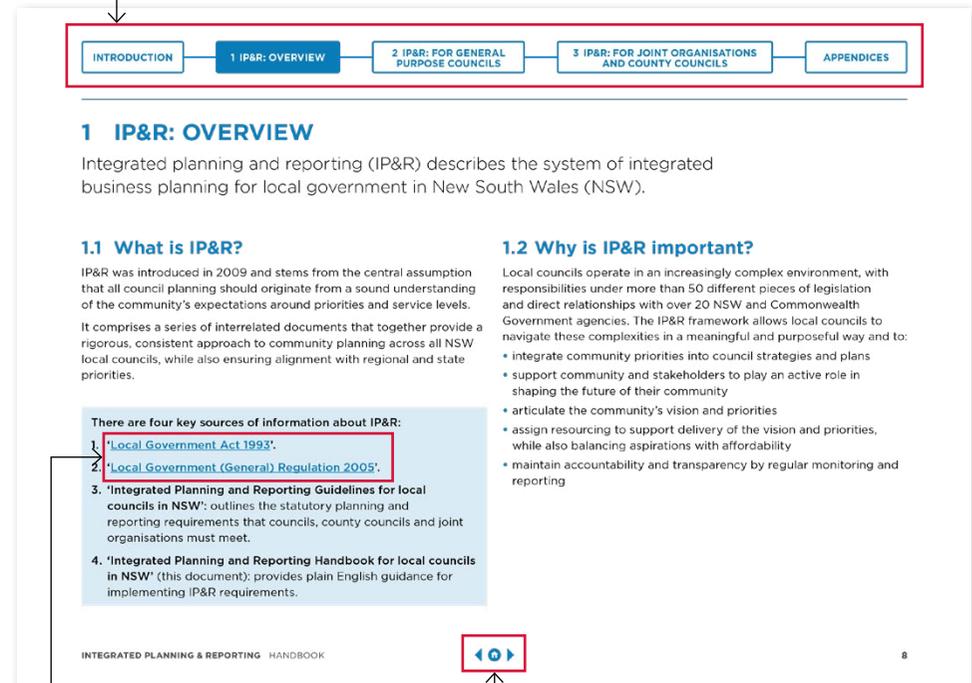
There are hyperlinks throughout the document that let you jump to sections within the document, or link to websites.

These buttons allow you to go to the previous or next page, and jump to the table of contents (   ).

1

IP&R: OVERVIEW

Integrated planning and reporting (IP&R) describes the system of integrated business planning for local government in New South Wales (NSW).

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Integrated planning and reporting (IP&R) describes the system of integrated business planning for local government in New South Wales (NSW).

1.1 What is IP&R?

IP&R was introduced in 2009 and stems from the central assumption that all council planning should originate from a sound understanding of the community's expectations around priorities and service levels.

It comprises a series of interrelated documents that together provide a rigorous, consistent approach to community planning across all NSW local councils, while also ensuring alignment with regional and state priorities.

There are 4 key sources of information about IP&R:

1. '*Local Government Act 1993*' (the Act).

2. '*Local Government (General) Regulation 2021*' (the Regulation).

3. '*Integrated Planning and Reporting Guidelines for Local Government in NSW*': outlines the statutory planning and reporting requirements that councils, county councils and joint organisations must meet.

4. **'Integrated Planning and Reporting Handbook for Local Councils in NSW'** (this document): provides plain English guidance for implementing IP&R requirements.

1.2 Why is IP&R important?

Local councils operate in an increasingly complex environment, with responsibilities under more than 50 different pieces of legislation and direct relationships with over 20 NSW and Commonwealth Government agencies. The IP&R framework allows local councils to navigate these complexities in a meaningful and purposeful way and to:

- integrate community priorities into council strategies and plans
- support community and stakeholders to play an active role in shaping the future of their community
- articulate the community's vision and priorities
- assign resourcing to support delivery of the vision and priorities, while also balancing aspirations with affordability
- maintain accountability and transparency by regular monitoring and reporting.

1.3 Who is IP&R for?

The main parties in the IP&R process are outlined below. Each has their own unique but inter-connected role:

Community

To provide the best value and outcomes for residents, ratepayers, businesses and visitors by working together to develop the strategic plan for their area—from high-level visioning and aspirational thinking to providing feedback on specific IP&R outcomes.

Stakeholders

Non-government organisations and groups, NSW and Commonwealth Government agencies and community organisations.

Elected council

Mayor and Councillors for determining, developing, endorsing and reviewing the IP&R strategies and plans.

Administration of council

Staff, contractors and volunteers of the council organisations are responsible for formulating, delivering and reviewing each IP&R document.

IP&R: Supporting local outcomes

Operating principles

In 2016, the *Local Government Act 1993* (the Act) was amended with a new set of operating principles to address the way local government leads, plans for, and makes decisions about services and resources. They...

Enable **councillors** 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 to deliver them
- have meaningful conversations about the cost of meeting community expectations and map out a 4-year strategy to deliver key priorities, projects and services
- set appropriate fees and charges
- monitor council's progress
- report back to the community on success in achieving goals
- be assured that statutory and other planning, consulting and reporting requirements are being met.

Assist **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 meet legislative requirements
- identify achievement, projects and programs for each 4-year term
- develop reporting regimes, including how risk will be effectively managed
- understand the role employees play in delivering community priorities
- understand how they will be accountable through reporting and performance management.

1.4 How is IP&R delivered?

IP&R is aligned with the NSW local government election cycle. Each newly elected council considers the information from the previous council's State of our City Report and engages with the community anew as part of the IP&R review process.

Component documents

The key components of the IP&R framework are outlined below and should be read and understood by everyone with responsibility for developing, delivering, endorsing and reporting on IP&R plans.

Community Strategic Plan (CSP)

- Highest level of strategic planning undertaken by a council—all other plans must support achievement of CSP objectives.
- Articulates community vision and reflects aspirations.
- Considers state and regional plans as they apply to the council.
- Contains, as a minimum, community vision, strategic directions and outcomes, and a means of measuring progress.
- Based on social justice principles.

Duration: 10+ years

Review: In line with election cycle, generally every 4 years

Community Engagement Strategy (CES)

- To support the development of all plans, policies, programs and key activities.
- Must demonstrate a commitment to genuine and inclusive engagement.
- Based on social justice principles.

Duration: As required

Review: Within 3 months of the local government elections.

Resourcing Strategy (RS)

- Demonstrates how work identified in the Delivery Program and Operational Plan will be resourced, as identified through:
  – Long-Term Financial Plan
  – Workforce Management Planning
  – Asset Management Planning.

Duration: 4-10 years, in line with Delivery Program and Operational Plan.

Review: Continual monitoring to measure effectiveness and respond to change; the Long-Term Financial Plan, Asset Management Strategy and Plans need to be reviewed and updated annually to cover a minimum 10 year period/forecast. The Workforce Management Strategy is to be reviewed and updated every 4 years along with the Delivery Program.

Delivery Program (DP)

- Describes elected council's commitment to deliver against the CSP over 4-year term.
- Describes what can be delivered with the available resources as outlined in RS (below).
- Aligned with strategic directions and outcomes of the CSP.

Duration: 4 years

Review: Annual review with 6-monthly reporting

Operational Plan (OP)

- Identifies annual projects and activities to deliver against DP outcomes.
- Includes council's annual budget and Statement of Revenue Policy.

Duration: 12 months

Review: One plan each year for the 4 years of the council term, in line with DP

Annual Report (AR)

- Reports back to the community on the work undertaken by a council each year to deliver on the commitments of the DP through that year's OP.
- AR must contain a copy of the audited financial statements.

Duration: 12 months

Review: Annually

State of our City Report

- Prepared by each outgoing council and noted by incoming council.
- Reports to the community on effectiveness of implementation of the CSP.

Duration: 4-yearly

Review: In line with election cycle, generally every 4 years

Integrated Planning and Reporting Framework

The diagram shows the following elements connected:

- State Plans and Strategies
- Relevant Regional Plans and Priorities
- JO Statement of Strategic Regional Priorities
- Community Strategic Plan
- Other Council Strategies and Plans
  Examples include:
  Disability Inclusion Access Plan
  Local Strategic Planning Statement
  Environmental Strategies
- Resourcing Strategy
  - Long-Term Financial Plan
  - Workforce Management Strategy
  - Asset Management Strategy and Plans
- Delivery Program
- Operational Plan
- Annual Report
- Community Engagement Strategy
  May include Community Participation Plan
- Ongoing monitoring and review

Scale

The process and end products of the IP&R framework should match the size, resourcing and circumstances of each council, county council or joint organisation.

Integration

All IP&R documents should connect and integrate well together. The documents need to be developed in an iterative way, with each informing development of the others.

A planning working group, drawn from across the council, which meets regularly to share progress on the plan development, progress and review and which is enabled and supported by the general manager, is a key requirement of a set of well-integrated plans.

This planning working group will contribute their knowledge and expertise over a number of key strategic areas. When done well, this collaborative approach results in an effective IP&R process, promotes buy-in from across the organisation, and reduces the likelihood of non-related strategies being developed.

Connection

To assist readers (councillors, staff, community members) to make connections across the package of IP&R documents, it is a good idea to use consistent colour coding or numbering of strategies and activities. This can help identify the linkages between the themes and outcomes of the Community Strategic Plan with the activities and services in the Operational Plan. This can then be applied to the reporting process.

Providing supporting information on 'how to read this plan', such as a description with images of document covers to show where the plan sits in the package of IP&R documents, as well as a list of definitions or glossary is also useful.

IP&R documents should be written and published in a manner that is easy to read and understand and uses plain English and accessible formats. Online versions offer the ability to use technology to enable them to be user-friendly.

Here are 2 examples of approaches used by different councils to support navigation and understanding:

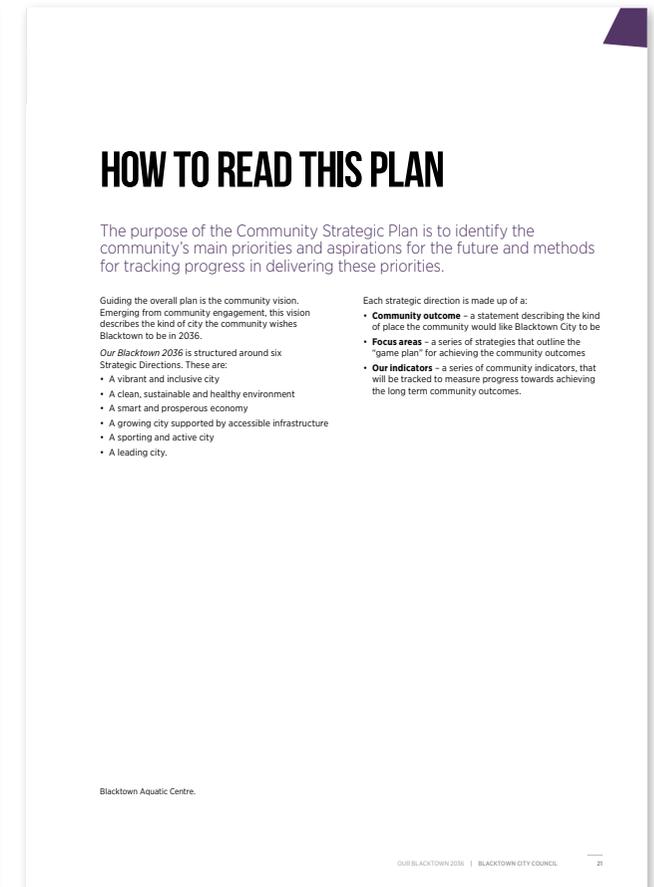**Figure 1:** Using graphics to support understanding

Figure 2: Provide context

Plan on a page

Council plans and strategies can be long and complex documents. To help readers focus on what is important councils can consider using a 'plan on a page' approach to outline key themes, outcomes and goals, strategies, measures and targets. Other information—such as the community vision or stakeholder overview—can be included to provide context and meaning.

This 'plan on a page' approach can be easily adapted for other IP&R plans (e.g. Long-Term Financial Plan), with the added advantage that they can also be used as information, induction or training tools for councillors, new and existing staff, and members of the community (e.g. committee members and volunteers).

Integrated Planning and Reporting priorities 2017-2022

	Leadership	Strategy and planning	Information and knowledge	People	Customers and Stakeholders	Process management, improvement and innovation	Results and sustainable performance
Goals	**1.** Values based leadership and culture.	**2.** Align strategic direction to core functions and sustainability.	**3.** Create value through applying knowledge.	**4.** Organisational capability through our people.	**5.** Proactive management of relationships with member councils and key stakeholders.	**6.** Continuous improvement through process management and innovative thinking.	**7.** Sustainable performance.
Achievement looks like	**1.1** Leaders are visible at all levels of the organisation and are supported to effectively lead and drive performance.	**2.1** Being responsive to the impact of population growth on core functions. **2.2** Strategic partnerships/ relationships supportive of our mission and vision. **2.3** Business activity contributes to local and regional growth and optimal environmental outcomes. **2.4** Converting strategy into action plans that anticipate and accommodate change and allocate accountability.	**3.1** We will better utilise the knowledge and expertise of our people and the knowledge embedded in our organisational systems to inform decision-making and enhance transparency, business continuity and resilience.	**4.1** A high performing team enriched through diversity. **4.2** A workplace where safety and wellbeing come first.	**5.1** Mutual understanding of needs, priorities, expectations, functions, operations, service standards, span of control and influence.	**6.1** Recognising and being open to opportunities for improvement through innovation.	**7.1** We are recognised as a valued regional service provider and reliable cost effective deliverer of our core functions and operations. **7.2** Levels of service align with agreed priorities, financial and asset capability and long-term financial plans.
Success looks like	• Improved leadership and management skills. • Leaders supported to lead. • that are proud, confident and visible at all levels of the organisation. • A strong culture that aligns with our Values.	• Leadership strategy aligned to Vision, Mission and Values. • Informed decision making. • Strong relationships between Council and Traditional Custodians and Aboriginal and Torres Strait Islander peoples. • Strategy that converts into action.	• Getting the most out of our technology and systems. • Systems that create efficiencies, consolidate data and enable us to share knowledge easily. • Having adequate resources to meet our committed service standards and levels. • Rewarding and recognising success and high performer.	• Being proud of each other and our great workplace • People that are trained and competent to carry out work safely and skilfully. • Everyone knowing that 'Safety first' is how we do business; no exceptions - ever - zero harm. • Achieving targets on time and on budget. • Visibility of team performance (activity v. outcome). • Gaining knowledge and learning from experience.	• Proactively engaging member councils and key stakeholders. • Strong, solution focussed and respect based relationships. • Being easy to do business with. • Member councils and stakeholders regularly providing honest and timely performance feedback. • Feedback is used to achieve continuous improvement. • Member councils understanding and accepting the basis for calculating financial contributions.	• Process dependencies and interdependencies identified. • Innovative thinking in how we do business. • A workforce adequate in number and capability to meet agreed levels of service. • A sustainable talent pipeline that reflects future business needs. • Informed and detailed plans. • Innovation and continuous improvement is 'business as usual'. • Process management achieves positive and sustained results.	• Being a valued regional service provider. • Providing quality services that support a sustainable and productive region. • A pricing structure reflects sustainable financial management. • Services delivered at agreed standards and levels. • Performance and results communicated across our organisation and used for learning and continuous improvement.

KEY: Social · Environmental · Economic · Governance · Money · People · Assets

Figure 3: Plan on a page approach (Rous County Council)

A2040 — Our plan to thrive 2020–2024

Liveable. Green. Connected.

Liveable Alexandrina is defined by distinctive townships, places, spaces and transport networks that support active lifestyles, vibrant cultures and productive enterprise.

Green Alexandrina is climate-ready, a place where nature is valued and resources are managed sustainably and creatively to support a new economy.

Connected Alexandrina is created for, with and by the community. We are safe, healthy and all enjoy accessible infrastructure and services.

What we call Alexandrina is a great deal more than the sum of its parts. Every town, every pocket of the region is unique. Every place and every person has a story to tell.

A2040 is our plan to thrive for the next 20 years. Across this period, the community's vision is addressed in plans with long-term strategic and resourcing requirements.

This document sets out the five action areas: Climate Response; Appropriate Growth; Community Inclusion; Transport Connections; and Environmental innovation. Each of these action areas has five supporting activities and measures for the community's aspirations to be more Liveable, Green and Connected.

We have great ambition as a community. Together with our partners, almost anything is possible by 2040. It will take determination, creativity, energy and resilience.

The A2040 suite of plans

Every year	Business plans and budgets Village conversations
Every 4 years	Service plans Capital works
10–20 years	Asset Management Plan Long Term Financial Plan

Climate Response
Climate change is the issue of greatest concern to the people of Alexandrina. Increasingly frequent adverse events, the fragility of our ecosystems and the security of our water supplies led to our 2019 Climate Emergency declaration.

Appropriate Growth
Well managed development relies on the best available social and physical infrastructure and services. Appropriate growth supports residents, farmers, businesses, community organisations and the many visitors central to job creation and our economic destiny.

Community Inclusion
Bringing generations and communities together, welcoming visitors into our region and embracing diversity will support our growing population, stimulate spending and attract investment.

Transport Connections
Our community needs a high-quality road, water, rail and trail network that is safe, well maintained, supportive of healthy lifestyles, and is environmentally sustainable.

Environmental Innovation
It is clear that we can go well beyond the management of waste, water and energy and extend to circular resource systems, regenerative farming, aquaculture and nature-based recreation and ecotourism.

Liveable Alexandrina	Green Alexandrina	Connected Alexandrina
1.1 Increase township greening and tree planting for canopy cover All village innovation plans (VIPs) to include performance targets for urban greening and tree canopy enhancements	**2.1 Reduce Council greenhouse gas emissions and advocate for the uptake of renewable energy** Formalise Council's role within a distributed energy strategy by 2022	**3.1 Support prosperity and wellbeing in Alexandrina by building the resilience of our communities, the economy and the environment to a variable and changing climate** Develop a comprehensive community education and behaviour change program to advance climate change adaption and resilience
1.2 Attract and retain younger residents to live, work and play in Alexandrina Facilitate and advocate accessible health, emergency and community services, activations, arts and culture, open spaces, sport, recreation, education and employment pathways that lead to a sustainable lifestyle for families	**2.2 Work with industry partners to identify and embed nature-based tourism experiences to secure funding to protect, conserve and enjoy our natural environment** In line with the Economic Development Strategy, facilitate opportunities that deliver new nature-tourism ventures and investment	**3.2 Partner on community-led Village Innovation Plans (VIPs) to identify and enhance sustainable social, economic and environmental outcomes for Alexandrina** Complete Village Innovation Plans (VIPs) by 2024 and ensure that key informing strategies are developed to advocate for change and drive sustainable outcomes
1.3 Design and locate community infrastructure to ensure safe, inclusive and convenient access for communities and individuals Deliver our Disability Access and Inclusion Plan (DAIP) in 2021 and monitor progress through annual village conversations for each township	**2.3 Encourage community participation and partnerships with key stakeholders for greater involvement in sustainability issues and promote the adoption of a sustainable lifestyle** Establish indicators and monitoring processes to raise awareness of the benefits of sustainability for community wellbeing. Strategically promote performance of greater sustainability within Council and the community through sustainable design in the built environment	**3.3 Leverage Business Alexandrina to increase opportunities to co-design innovative solutions for industry** Develop and deliver an annual community innovation program for Alexandrina
1.4 Advocate for a rethink of transport planning to focus on needs identification for improving accessibility, social inclusion and wellbeing Conduct a community transport audit by 2022 to better inform VICs and ideas for change with the community	**2.4 Explore opportunities to integrate eco-friendly and sustainable materials into the procurement process and practices to road management** Refine and implement procurement policies, contract management and asset management to better incorporate 'green' criteria	**3.4 Advocate for multiple modes of public transport that connect communities to Adelaide and across our region** Enact an advocacy plan for improved transport safety, connectivity, infrastructure and network efficiency by 2023
1.5 Commit to purchasing recycled materials and products in our public spaces Design and implement an open space strategy with guidelines for recycled materials and products	**2.5 Contribute to the development of a long-term approach to waste management on the Fleurieu Peninsula** In partnership with FWRA increase the diversion of all Municipal Solid Waste (MSW) from landfill by 75%	**3.5 Support local industry to connect, explore and pilot new initiatives.** Through Business Alexandrina engage leading experts to strengthen business and community networks in the region to maximise innovation uptake and return on investment

We acknowledge the traditional custodians of the lands and waters of our district. The Alexandrina Council region intersects with the traditional lands of the Ngarrindjeri, Peramangk and Kaurna First Nations.

Alexandrina Council
11 Cadell Street, Goolwa, PO Box 21, Goolwa SA 5214
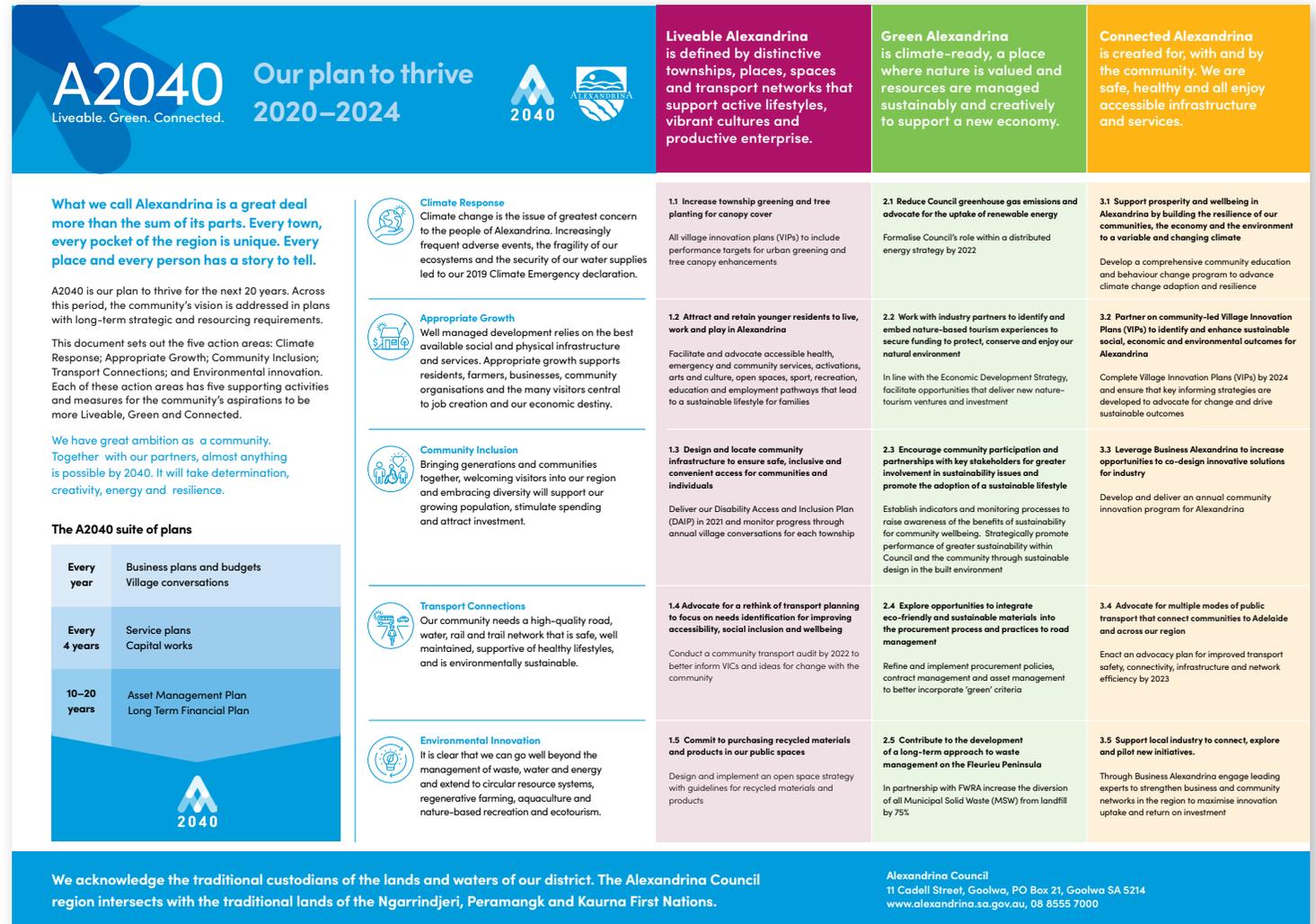www.alexandrina.sa.gov.au, 08 8555 7000

Figure 4: Plan on a page (Alexandrina Council, South Australia)

2

IP&R: FOR GENERAL PURPOSE COUNCILS

This section provides an overview of the IP&R requirements for general purpose NSW local councils and guidance to deliver best practice outcomes.

2 IP&R: FOR GENERAL PURPOSE COUNCILS

This section provides an overview of the Integrated Planning and Reporting (IP&R) requirements for general purpose NSW local councils and guidance to deliver best practice outcomes.

2.1 Community Strategic Plan

Description

The Community Strategic Plan (CSP) is the highest-level plan that a council will prepare. The purpose of the CSP is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. It guides all remaining strategies and plans and must be developed by councils with and on behalf of the community.

The minimum timeframe for a CSP is 10 years and it addresses 4 key questions:

1. Where are we now?

2. Where do we want to be in 10 years' time?

3. How will we get there?

4. How will we know we have arrived?

These questions help identify the community's vision, aspirations and priorities and establish baseline targets, strategies and measures to aid performance monitoring and reporting.

Mandatory requirements

The mandatory and statutory requirements for preparing the CSP are outlined in the Model Standards and Appendix A-1-1. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Components

Councils can present the CSP in any way they choose, provided the legislative requirements and essential elements of the Guidelines are met.

As this is a plan for the whole community, the document should be easy to locate, navigate and understand by a range of readers. The central elements of a CSP are outlined below:

Context

There is a legislative requirement for councils to consider NSW Government priorities when preparing the CSP.

Councils should also consider relevant state and regional plans, strategies and priorities to ensure the CSP aligns with broader contexts. For rural and regional councils, this may include the Statement of Strategic Regional Priorities for a Joint Organisation.

Vision

Creating a community vision for the CSP is one of the most important outcomes from the community engagement process. It is aspirational, sets the tone for the CSP, and supports a sense of shared ownership and purpose.

A statement that clearly articulates the community's vision and priorities can be used by council and other stakeholders as an advocacy tool, to support funding or grant applications, or influence policy development and resources allocation at State and Federal levels of government.

Example vision statements

From a regional CSP prepared jointly for a number of councils:
We build and maintain sustainable communities while retaining the area's natural beauty

From a metropolitan CSP:
We are a welcoming, safe and diverse community where we are proud to belong, invest and prosper

From a rural CSP:
We will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment and economic activity to attract residents, families and tourists

Objectives

Objectives—often used interchangeably with 'goals' or 'strategic directions'—are used to define what the community's long-term vision will look like once it is realised.

There is no set requirement for the objectives; rather, their purpose is to answer the question, 'Where do we want to be in 10 years' time?'.

However, it is useful to word them in a way that suggests an end result and paints a picture of the future the community would like to see. In line with IP&R best practice, it is important that objectives are measurable so that progress can be tracked and reported against.

Strategies

Strategies are the method or approach by which the objectives of the CSP will be met. Their purpose is to answer the question, 'How will we get there?'.

It is useful to use a verb at the beginning of each strategy to create a sense of action or activity. These strategies cascade down to the Delivery Program and Operational Plan, where they are expanded on with specific and measurable actions, timeframes and responsibilities.

Standards: Community Strategic Plan

Noting that councils differ in their size, resourcing and communities, the following 'good', 'better' and 'best' standards have been developed to support council staff as they navigate the CSP process:

Good

This is achieved when the CSP:

- meets all essential elements described in the Guidelines including:

  - a minimum 10-year timeframe
  - the community priorities and aspirations are identified
  - a broad range of issues relevant to the whole community are addressed
  - a vision, strategic objectives and strategies to achieve those objectives
  - methods of assessment
  - explains who is responsible for delivering each strategy.

- addresses quadruple bottom line (QBL) social, environmental, economic and civic leadership issues in an integrated manner
- is based on social justice principles of equity, access, participation and rights

- gives due consideration to the State Plan and other relevant state and regional plans
- is informed by information that identifies key issues and challenges for the local government area, or surrounding region
- has considered the levels of service that the community has indicated it expects
- is based on effective and well documented community engagement outcomes
- is publicly exhibited for 28 days
- is endorsed by council after all public exhibition submissions have been considered.

Self-assessment checklist

☑ Is council and community able to ask and answer the 4 key questions?
  - Where are we now?
  - Where do we want to be in 10 years' time?
  - How will we get there?
  - How will we know when we have arrived?

☑ Is the CSP clearly a community plan?

☑ Does it include a community vision statement?

☑ Is it clear how the outcomes of the community engagement process have informed the development of the CSP?

☑ Does it consider state and regional plans and priorities?

☑ Does it reflect the social justice principles of access, equity, participation and rights?

☑ Is it clear how the strategic directions of the CSP will flow through to the delivery program?

☑ Has it identified assessment methods to monitor progress in achieving the objectives?

Better

This is achieved when the CSP:

- meets **ALL** the Good criteria
- reflects the community engagement undertaken to inform it (e.g. with quotes or pictures submitted by community members for veracity)
- identifies high-level objectives and strategies, rather than relying on operational detail
- integrates most of its activities and services with the community's aspirations
- considers a wide range of relevant state and regional plans, including Joint Organisation Statement of Strategic Priorities, Local Strategic Planning Statement
- is informed by engagement with more than 10% of the community and using a variety of tools and methods
- is accessible to all community members and uses plain language, graphics and other visual devices to aid comprehension
- is translated into community languages where needed.

Best

This is achieved when the CSP:

- meets **ALL** the Better criteria
- integrates all activities and services with community aspirations
- effectively achieves community objectives.

Self-assessment checklist

☑ Is it easy for the community to navigate, with plain language, use of graphics, colour coding or other visual devices?

☑ Is it clear how council will work with partners, stakeholders and/or agencies to help deliver CSP objectives?

☑ Does the CSP demonstrate that these groups have been engaged in developing the CSP?

Self-assessment checklist

☑ Council celebrates and communicates CSP achievements.

Model table of contents: Community Strategic Plan

It is up to each council to decide how to structure the CSP for optimum clarity and readability. The table below indicates core areas to be included. It is a guide only and councils can re-order, re-name or expand this table of contents to suit.

1. Foreword
- Foreword by the Mayor and/or General Manager

2. Introduction
- Overview of key elements of the CSP
- Outline of the purpose and relevance of the CSP
- Overview of IP&R cycle

3. Context
- Community and economic profile, including demographic trends
- Reference to federal, state and regional context, priorities, strategies and plans
- Assessment of strategic risks and challenges facing the community

4. Community engagement
- Description of community engagement conducted to support development of the CSP

5. Strategic direction
- How to read this CSP
- Community vision
- Values
- Council's role and services
- Stakeholders, partners and agencies
- Objectives and strategies (can be by topic, theme, QBL)

6. Measuring success
- Progress/success measure

Process

The CSP is required to undergo regular review in line with the local government election cycle. In normal circumstances, this occurs every 4 years.

Delivery

The CSP must provide a compelling vision for the community, clearly identify priorities and aspirations, and address a broad range of issues that are relevant to the community. While a council has a custodial role in initiating, preparing and maintaining the CSP on behalf of the local government area, it is not wholly responsible for its implementation. Other partners, such as state agencies and community groups may also be engaged in delivering the long term objectives of the Plan. As this can only be achieved with meaningful engagement, councils are required to prepare and implement a Community Engagement Strategy when developing and reviewing its CSP. The table below provides an outline of potential stakeholders to engage with about the CSP:

Community

- Residents
- Ratepayers
- Hard to reach groups:
  - Children
  - Young people
  - Aged
  - People with disability
  - Emerging cultural groups
  - Aboriginal and Torres Strait Islander communities
- Community organisations, interest and support groups
- Schools and education providers
- Businesses and business groups
- Developers, including Community Housing Providers
- State and federal government agencies
- Media
- Local and State Members of Parliament
- Visitors and tourism groups

Council

- Elected council
- Council staff, e.g.:
  - Corporate and governance
  - Communications and engagement
  - Executive/senior team
  - Community and strategic planning
  - Council committees and advisory groups

Endorsement

The draft CSP must be placed on public exhibition for at least 28 days. Following consideration of community feedback, the CSP should be presented to Council for formal endorsement.

Publishing

The CSP must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

Measurement

Success of the CSP lies in how effective it is in advancing community priorities and outcomes. Progress can only be measured if the CSP answers the 4 key questions:

- Where are we now?
- Where do we want to be in 10 years' time?
- How will we get there?
- How will we know we have arrived?

It is important that councils have a framework in place to monitor progress. The type of monitoring councils undertake depends on the objectives and strategies that have been set. The aim of the assessment process is to answer a few key questions:

- Are we reflecting our principles?
- Are we moving towards or away from achieving our long-term objectives?
- Are the partners identified in the CSP doing what they said they would do?

Review

Councils are required to undertake a review process every 4 years to assess how effective the CSP is in achieving its objectives in line with the local government election cycle. It is up to each council to decide how this review is conducted and the depth of change required. Council may endorse the existing plan, or develop and endorse a new CSP, as appropriate, to ensure there is a plan covering at least the next 10 years.

Any changes to the CSP vision, objectives and strategies should consider:

- the information in the State of our City Report
- the review of information that informed the previous CSP
- the review of the Community Engagement Strategy.

2.2 Community Engagement Strategy

Description

Effective and meaningful engagement is at the heart of local government and the IP&R process. It helps communities shape their own futures and informs the vision and direction of council.

All councils are required to prepare a Community Engagement Strategy (CES) to support 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 that is exhibited and endorsed by council.

While community engagement does not replace the decision-making powers of elected Councillors or the General Manager, it does enhance the capacity of councils to make well-informed, sustainable decisions that clearly demonstrate community buy-in and support.

Mandatory requirements

The mandatory and statutory requirements for preparing the CES are outlined in Appendix A-1-2. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Components

Social justice principles

The CES must identify relevant stakeholder groups within the community and outline when, how and why each group will be able to provide input into council's long-term planning and decision making. It must be based on the following social justice principles:

- Equity
- Access
- Participation
- Rights.

For best outcomes, community engagement should:

- only occur where there is an opportunity for the community to influence decisions or actions
- provide enough information that participants can make informed decisions, understanding the wider context in which the decisions are being made
- be accessible and make every effort to include hard to reach or vulnerable groups
- contribute to and inform the development and enhancement of council plans and policies as well as the delivery of services and infrastructure assets
- be supported by appropriate, contemporary and accessible engagement tools and platforms
- clearly demonstrate it supports the social justice principles of equity, access, participation and right
- identify how it will 'close the loop' on engagement and provide feedback to participants about outcomes and decisions made.

Implementation

While each council and community will be different, the following steps can be useful to consider when preparing the CES:

Scoping

- What is the purpose of the engagement?
- What information is required and what can and cannot be influenced during the engagement process?
- What principles will underpin with engagement process (e.g. openness, transparency, respect)?
- What timeframes apply?
- What level of resourcing is required and who will provide it?
- What are the engagement risks and opportunities?

Stakeholders

- Who are the main stakeholders, both within and outside the local government area?
- Whose input is needed to support informed decision-making?
- Which groups have an interest in the process or outcomes of engagement?
- Who may be required to help deliver future priorities or services?

Methods

- What are the best ways to reach and engage with stakeholders?
- Are additional methods required for engaging with hard to reach or vulnerable groups?
- Compile a list of methods that may be used, e.g. workshops, community forums, meetings or briefings, surveys, focus groups, community information sessions.
- Ensure that methods are suitable for the audience, e.g. inform, consult, participation.

Strategies

- Determine how and when to target each stakeholder group.
- Identify how to tailor information to each group or stakeholder, e.g. community-wide information versus targeted stakeholder engagement.
- Are multiple methods required?

Implementation

- Develop an implementation schedule to ensure activities are conducted in a timely and efficient way.
- Consider time or resource constraints for delivery.
- Allocate resources and responsibilities.
- Develop an action plan, with buy-in from key internal stakeholders where required.

Review and report

- How will you evaluate the effectiveness of engagement, both during and after delivery?
- How will you 'report back' or close the loop on engagement?
- Are there any reporting or statutory requirements that must be met?

Process

A CES must be prepared, adopted and implemented to support councils as they develop plans, policies and programs. As a minimum, the CES must identify relevant stakeholder groups within the community and outline the methods that will be used to engage with each group.

The CES should be reviewed within 3 months of the local government elections as part of a broader review of the Community Strategic Plan (CSP). Where a council has community engagement requirements under other legislation or regulations—such as the *Environmental Planning & Assessment Act 1979* (EP&A Act)—these should be integrated into the CES wherever practical.

Taking a proportionate approach to engagement

The level of engagement required will depend on the scale and size of the plan, policy or program being proposed. For example, engagement to support development of the CSP will include activities to engage the whole community, whereas engagement about a local park upgrade would likely be limited to within a few kilometres of the site.

It is also important to understand the difference between community consultation and community engagement. This is best illustrated by the International Association for Public Participation. Spectrum (IAP2) which is designed to assist with determining the level and type of engagement

The State Government's Community Builders website is also helpful.

For effective community engagement, councils should aim for 'involvement' at a minimum (see Figure 5) and work with the community to ensure their concerns and ideas are reflected in the final CSP.

INCREASING IMPACT ON THE DECISION →

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Figure 5: IAP2 Public Participation Spectrum (https://www.iap2.org.au/resources/spectrum/)

Standards: Community Engagement Strategy

The following 'good', 'better' and 'best' standards have been developed to support councils as they develop the CES:

Good

This is achieved when the CES meets all essential elements described in the Guidelines including:

- Reference to social justice principles of equity, access, participation and rights.
- Identifies relevant stakeholder groups within the community and outlines methods that will be used to engage each group.
- Reviewed within 3 months of the local government elections, as part of the broader review of the Community Strategic Plan.
- Is publicly exhibited for 28 days.

- Is endorsed by council after all public submissions have been considered.
- Is reviewed at a minimum of every 4 years.
- Clearly informs the community of how they will be engaged on the CSP and other plans and strategies.
- Requirements under other legislation or regulations, are integrated, where practical.
- Is publicly available on council's website.

Self-assessment checklist

- ☑ Is the CES based on social justice principles?
- ☑ Does the CES identify relevant stakeholder groups within the community and outline methods that will be used to engage each group?
- ☑ Is there evidence that these groups are being engaged in the way described?
- ☑ Is the community profile as up to date as possible to inform who should be engaged?
- ☑ Has the CES been adopted by council after a 28-day exhibition period?
- ☑ Is the CES on your website?

Standards: Community Engagement Strategy

Better

This is achieved when the CES:

- meets **ALL** the Good criteria
- incorporates other legislated requirements for engagement (e.g. Community Participation Plans)
- identifies strategies for engaging directly affected stakeholders.
- identifies different strategies for engaging diverse and hard to reach elements of the community
- includes a process for communicating to participants how their input affected the decision
- is informed by council reports on how community engagement informed the goals, priorities and strategies in key plans
- is accessible to all community members and uses plain language, graphics and other visual devices to aid comprehension
- is translated into community languages where needed.

Self-assessment checklist

☑ Does the CES explain how the community's voice will be used to inform decision making?

☑ Does the CES explain how community feedback will be analysed and assessed, including how petitions and form letters will be treated?

☑ Does the CES include a process for providing feedback to the community on how they influenced decision making?

☑ Does the CES include all relevant legislative requirements for engagement (e.g. IP&R and the EP&A Act)?

☑ Are you engaging with diverse and hard-to-reach communities?

Best

This is achieved when the CES:

- meets **ALL** the Better criteria
- has been designed with input from the community
- provides meaningful strategies to involve a representative sample of the community
- considers when the community may not be involved in decision making
- includes measures for evaluating its success.

Self-assessment checklist

☑ Was the community involved in designing the CES?

☑ Does the CES attempt to obtain broader, more representative input or does it just involve the usual voices?

☑ Can the community clearly see what they can and cannot influence and how their input will inform decision making?

☑ Does the CES include ongoing, collaborative engagement methods such as establishing consultative committees or a special community taskforce?

☑ Are you reviewing all aspects of your CES?

☑ Are your engagement techniques effective and appropriate for the topic and audience?

☑ Is your engagement genuine or tokenistic?

☑ Do the demographics of engagement participants reflect that of the broader community?

☑ Have you conducted an audit into internal staff awareness of and compliance with the CES?

☑ Is the CES accessible to all members of the community with plain language, use of graphics or other visual devices as well as translation into community languages where needed?

Model table of contents: Community Engagement Strategy

Just as each council and community is different, so too is the approach to community engagement. The CES must be tailored to address the needs and attributes of individual communities to ensure effective participation and genuine involvement.

It is up to each council to decide how to structure the CES for optimum clarity and readability. The table below indicates core areas to be included. It is a guide only and councils can re-order, re-name or expand this table of contents to suit.

1. Foreword
- Foreword by Mayor and/or General Manager

2. Introduction
- Background
- Principles/values guiding engagement
- Key objectives
- Risks and opportunities
- Roles and responsibilities

3. Stakeholders
- Identification and analysis, e.g. issues and interests
- Challenges/barriers to be considered
- Preferred methods of engagement
- Consideration of NSW Government stakeholders (e.g. Department of Planning, Industry and Environment, Transport for NSW)

4. Implementation
- Identifying engagement opportunities
- Identifying resources and support
- Timeframes for activities

5. Engagement tools
- Map tools and audience/stakeholders
- Ensure any practicalities with implementation are addressed

6. Measurement and evaluation
- Identify methods for capturing feedback about engagement approaches and activities, e.g. Community Satisfaction Survey, exit surveys from engagement events

Delivery

It is important that the CES is adopted and accepted as a key council-wide document with buy-in from both staff and elected representatives. The roles and responsibilities of internal stakeholders are outlined below:

Mayor

The Mayor is to:

- act as the spokesperson for the council to promote engagement on key strategic plans including developing the CSP.
- together with the General Manager, ensure adequate opportunities and mechanisms for engagement between council and the local community.
- promote partnerships between council and key stakeholders.

Mayor and councillors

Elected representatives are to:

- promote engagement on key strategic plans including supporting and participating in community engagement for the development of the CSP.
- participate in the development of IP&R component documents, including the CSP
- as members of the elected body, endorse the CSP on behalf of the community and approve the remaining component IP&R documents.

General Manager

General Manager is to:

- oversee preparation of the CES and IP&R component documents and endorsement by the elected council.
- ensure that community members are given enough information to participate in the IP&R process in a meaningful way.

Staff

Council staff are to:

- work with and support the general manager in the development of the strategy and plans to engage the community.
- implement the engagement strategy and provide timely advice to the general manager on community views.

Endorsement

The *Local Government Act 1993* (the Act) states that councils must establish and implement a strategy.

Whilst exhibition of the CES is not required under the Act, it is best practice to exhibit the draft CES for at least 28 days. However, a CES must be exhibited for 28 days if it is combined with a Community Participation Plan, as per the EP&A Act.

Following consideration of community feedback, the strategy should be presented to elected council for endorsement.

Publishing

The CES must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

Measurement

A review of the CES should include evaluation of its effectiveness in meeting stated objectives. The self-assessment checklist above provides some guidance on how to measure the effectiveness of the CES, both within council and by the community.

Internal effectiveness

When reviewing the effectiveness of the CES within council, consider the following questions:

- Are staff aware that council has a CES?
- Do they use the CES to guide their project planning?
- Does the CES clearly explain engagement processes?
- How easy have they found the CES to use and how effective has it been to them in their work?
- Have they used the CES when engaging with the community, or opted not to?

External effectiveness

Council can use its community satisfaction or wellness survey to determine whether the community:

- is aware how they can have their say on council plans, strategies and policies.

- has been engaged in the past and, if so, effectiveness of the methods used to engage them.
- is satisfied that their input has been considered, even if the outcome was not what they wanted.

Targeted engagement with state agencies or peak community groups can also be beneficial.

Performance indicators

Measuring the community's satisfaction with how it has been engaged can be challenging.

Due to the range and scale of council projects, and the varying levels of community interest they attract, annual trends in the number of people participating in engagement activities may not provide an accurate picture of true engagement.

It may be more beneficial to set performance measures for different types of engagement or attendance by particular groups, e.g. measuring diversity of participants or the inclusion of hard-to-reach groups.

Providing exit surveys or using a people counter at engagement events can also help record attendance and satisfaction levels.

Review

When reviewing the ongoing effectiveness of the CES and engagement activities, as well as ongoing community relevance and suitability, councils may consider the following:

- Has the community profile changed?
- Does the CES consider all relevant stakeholder groups?
- Are the techniques appropriate to the current community?
- Have we fulfilled the obligations set out in the last CES? Was it a realistic and deliverable strategy?
- What engagement innovations can we include?
- What level of engagement will be undertaken in the review of the CSP, e.g. whether the vision and goals still reflect community aspirations?
- Can the Community Participation Plan required under the EP&A Act be incorporated into the CES?

2.3 Resourcing Strategy

If the Community Strategic Plan (CSP) is responsible for capturing the community's long-term vision and aspirations, it is the responsibility of the Resourcing Strategy (RS) to clearly articulate how council will implement and resource that vision.

The Resourcing Strategy consists of 3 components:

1. Long-Term Financial Planning
2. Workforce Management Planning
3. Asset Management Planning.

Integrating resourcing plans with the Delivery Program (DP) and Operational Plan (OP)

As all of the component documents within the IP&R framework are linked to one another, activities and actions in the DP and OPs must be reflected in the Resourcing Strategy and all resourcing implications clearly identified and addressed. For example, an action to extend library operating hours would require additional staffing costs, which in turn would need to be reflected in the Workforce Management Strategy and identified for funding in the Long-Term Financial Plan.

2.3.1 Long-Term Financial Plan

Description

The Long-Term Financial Plan (LTFP) is a 10-year rolling plan that informs decision-making and demonstrates how the objectives of the CSP and commitments of the DP and OP will be resourced and funded.

The LTFP captures financial implications of asset management and workforce planning. For example, by identifying how additional assets will be funded, or existing assets renewed or upgraded and what provisions are made for changes to service levels.

Mandatory requirements

The mandatory and statutory requirements for preparing the LTFP are outlined in Appendix A-1-3. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Components

The LTFP is a tool to aid decision making, priority setting and problem solving. It is a guide for future action, to be reviewed and updated annually, and addresses the following:

- how council will survive future financial pressures
- opportunities for future income and economic growth
- whether council can afford what the community requests
- how council can achieve outcomes agreed with the community.

The LTFP must include:

- projected income and expenditure, balance sheet and cash flow statement
- planning assumptions
- sensitivity analysis, highlighting factors and assumptions most likely to impact the LTFP
- financial modelling for different scenarios
- methods of monitoring financial performance
- major capital and operational expenditure implications.

Process

Councils must prepare an LTFP for a minimum of 10 years. Council's LTFP must reflect the financial requirements relating to commitments in the CSP, DP, OP and Asset Management (AM) Strategy and Plans.

The LTFP should incorporate lifecycle costings of assets and detail workforce requirements. These forecasts should be brought together through relevant data and be underpinned by articulated assumptions for a period of at least 10 years.

Key elements of the LTFP are outlined below:

1. Planning assumptions

Many of the planning assumptions will come from the Community Strategic Planning process, others will be derived from general financial planning practices. Assumptions from the CSP might include:

- population forecasts
- anticipated levels of local economic growth
- major planned expenditure, such as capital works.

Other assumptions that should be included in the financial planning process include:

- Australian Government, NSW Government and regional economic forecasts
- inflation forecasts
- interest rate movements.

2. Revenue forecasts

In considering the likely revenue that will be available to meet the community's long-term objectives, the LTFP process needs to consider:

2.1 Capacity for rating

This is a major component of any council's revenue base. In making that judgement, councils can review information relating to:

- general or specific rates and charges
- the potential to reduce the reliance on rates through increased revenues from other sources (e.g. fees and charges)
- potential growth/decline in rating
- revenues from changing demographic and industry makeup
- possible need to increase reliance on rating due to reduction of revenue from other sources (e.g. a decline in grants or subsidies)
- projected impact of rate peg.

- opportunities for a special variation to general income
- council's current rating policy and likely changes to that policy in the future.

2.2 Fees and charges

In preparing the LTFP, councils should consider possible future income from fees and charges, including opportunities to reduce reliance on other forms of income.

In determining fees and charges, councils should ensure all the costs of providing services are considered. The planning process should include an assessment of the community's capacity to pay and any potential for that capacity to change.

2.3 Grants and subsidies

Councils receive general purpose Financial Assistance Grants from the Commonwealth Government and may also receive other grants and subsidies through specific programs. In preparing the LTFP, councils should consider:

- the potential effects should these grants and subsidies change
- whether the council has the capacity to replace the revenue stream
- whether council can provide the same level of services without this funding
- where funds would be directed if funding increases.

2.4 Borrowings

Many councils finance some capital expenditure through borrowings, particularly on major infrastructure projects. Borrowing allows project costs to be spread over several years which in turn supports greater inter-generational equity for these long-lived assets.

Borrowings can also help manage long-term expenditure peaks and troughs and may be a favourable option when interest rates are low.

Councils may use funds from commercial entities, or via an internal loan, following Ministerial approval.

2.5 Cash reserves

An alternative to borrowing is to build up cash reserves during years when expenditure is lower.

Cash reserves need to be carefully managed to achieve optimum investment incomes and to be available when needed for planned expenditures.

This can be a favourable option when interest rates are high.

3. Expenditure forecasts

By endorsing the CSP, council can estimate the funds required to meet community expectations.

Council should review the expenditure forecast as the CSP and AM Strategy and Plans are finalised, and as details are finalised in the DP and OP.

When council engages the community about the draft CSP, it can also discuss financial implications by asking:

- Are the strategies of the CSP financially achievable?
- How much is the community willing to pay to achieve these objectives?
- Are there other sources of revenue?
- What are the priorities?
- When developing expenditure forecasts, council should consider:
  - proposed new expenditure items
  - council's ongoing commitments.

When considering 'new expenditure' items, council must consider full life-cycle costings for capital and recurrent expenditures. Some commitments may extend beyond the life of the LTFP.

For example, a masonry building that has a useful life of between 50 and 100 years will incur operational and maintenance costs beyond the life of the 10-year LTFP. It may also require replacement, renewal or removal at the end of its useful life and these anticipated costs will need to be considered when developing future LTFPs.

Information about 'ongoing commitments' can be found in the draft AM Strategy, previous DP and repayment schedules for long-term borrowings.

It is important to ensure appropriate phasing of costs across the LTFP. For example, costs for capital projects that will be completed during the LTFP should reflect when specific expenditure for planning, construction, implementation and maintenance is expected to occur.

Projected income and expenditure, balance sheet and cash flow statement must be prepared in accordance with the current Code of Accounting Practice and Financial Reporting.

4. Sensitivity analysis

LTFPs are inherently uncertain and based on a range of assumptions, e.g.:

- interest rates
- the potential effect of inflation on revenue and expenditure
- employee leave entitlements
- fees and charges to be levied
- grants
- growth and development
- the rate peg
- staff levels
- borrowings.

It is important that assumptions in the LTFP are documented, and that matters with moderate to significant impacts are identified.

5. Risk assessment

As the LTFP is being formulated, it is important to continue testing the assumptions through a risk assessment process:

- How accurate are the projected expenditure estimates?
- How reliable is the revenue stream?
- What could impact expenditures?
- What could impact revenues?
- What other risks are associated with key projects e.g. loss of key staff or subsidies?
- How reliable are investment options?
- Are ratepayers' funds at risk?
- What are the potential legal and financial liabilities for the council key projects fail?

Other means of testing LTFP risks include conducting a cost/benefit analysis and/or SWOT analysis and rigorously considering all options and choosing the least risky or most likely to succeed options.

6. Financial modelling

Financial modelling during LTFP development will help council to weather unexpected events. It will also provide an opportunity for the council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The longer the planning horizon, the more general the plan will become in its later years. For example, the final year of a 10-year plan is unlikely to include specific detail; rather, it will project likely outcomes.

As decisions are made, more detail can be added to the LTFP. For example, as the council finalises its DP, the first 4 years of the LTFP will become firmer. As each OP is completed, the detailed budget will inform the next year of the LTFP. The diagram below shows the relationships.

LTFP development should include financial modelling of different scenarios, e.g. planned, optimistic, conservative.

For example, some councils demonstrate where additional projects or programs will be funded if rate revenue is 'X' instead of 'Y'. These models will be important when discussing the financial implications of the CSP with residents and will also help councillors to determine activities for the DP.

For councils considering applying for a special rate variation, one of the financial scenarios developed must address this option. This will support more informed discussion with the community about costs and benefits and help support any application to the Independent Pricing and Regulatory Tribunal.

Long-Term Financial Plan – 10 years

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

Detailed budget from the Operantional Plan

Forward estimates from the Delivery Program

Financial projections and assumptions

Increasing level of detail
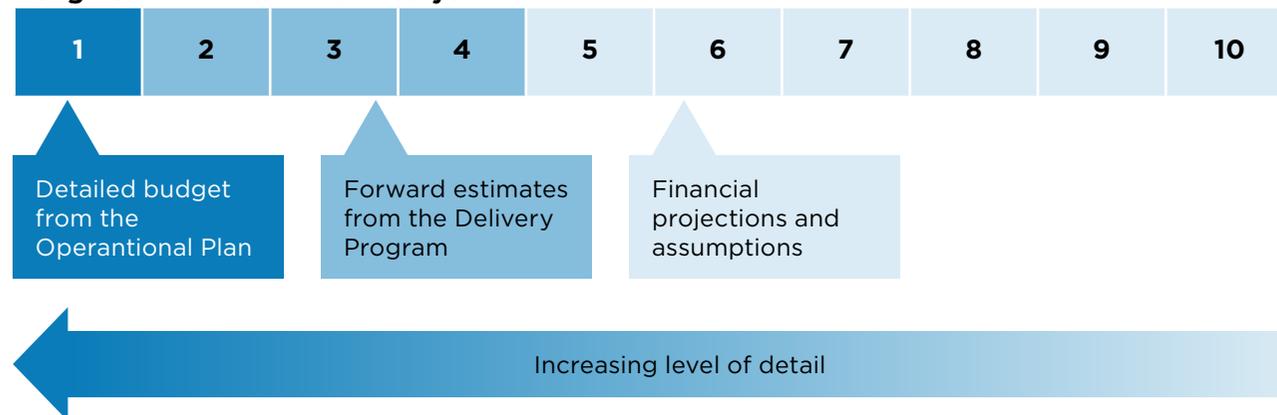
Standards: Long-Term Financial Plan

The following 'good', 'better' and 'best' standards have been developed to support councils as they develop the LTFP:

Good

This is achieved when the LTFP meets all essential elements described in the Guidelines including:

- 10-year timeframe commencing 1 July following ordinary elections.
- Is publicly exhibited for 28 days.
- Is adopted by council after all public submissions have been considered.
- Includes 10-year projected income and expenditure, balance sheet and cash flow.
- Is reviewed annually in line with OP to test assumptions.
- Is reviewed in detail as part of the 4-yearly review of the CSP
- Identifying any planning assumptions used to develop the LTFP.
- Sensitivity analysis is conducted, highlighting factors and assumptions most likely to affect the LTFP.
- Includes financial modelling for different scenarios e.g. planned/optimistic/conservative.
- Identifies methods of monitoring financial performance.

Self-assessment checklist

☑ Has it been used to inform decision-making during the preparation and finalisation of the CSP, DP and OP?

☑ Has regard been given to promoting the financial sustainability of the council?

☑ Does it include 10-year financial forecast with statements of:
  – projected income and expenditure
  – cash flow
  – financial position.

☑ Does it establish a clear revenue path for rates linked to specific expenditure proposals?

☑ Does it demonstrate how it resources the objectives of the CSP?

☑ Is there fair and equitable distribution of the rate burden across all rate payers?

☑ Does it ensure adequate funding for infrastructure maintenance and renewal?

☑ Does it provide information that confirms how council will be financially sustainable in the future?

☑ Is background provided for the assumptions used and documented?

☑ Is a sensitivity analysis included?

☑ Are KPIs clearly outlined with appropriate measures and timeframes for reporting?

☑ Is it clear how financial performance will be monitored and what methods will be used?

Standards: Long-Term Financial Plan

Better

This is achieved when the LTFP:
- meets all the Good criteria
- includes a well-developed Planning Assumptions Statement and is supported by major capital works and a risk assessment of major projects.

Self-assessment checklist

☑ Have all planning assumptions been documented?

☑ Are proposed increases in services and assets within the financial means of the council?

☑ Have financial strategies identified in other council planning been incorporated into the LTFP?

☑ Have capital expenditure guidelines been referenced when considering full life cycle costings of assets?

Best

This is achieved when the LTFP:
- meets all the Better criteria
- corresponds to the detailed financial projections accompanying the DP 4-year work program
- is annually refreshed and reset for another 10 years.

Self-assessment checklist

☑ Is it clear how DP commitments will be funded in the LTFP?

☑ Are DP activities and projects clearly identifiable in the LTFP?

☑ If a special rate variation is proposed, is it clear how this has been considered in the LTFP and is it clear what won't proceed if the rate variation is not approved?

☑ Have payments for proposed compulsory acquisitions been considered and captured in the LTFP?

Model table of contents: Long-Term Financial Plan

It is up to each council to decide how to structure the LTFP for optimum clarity and readability. The table below indicates core areas to be included. It is a guide only and councils can re-order, re-name or expand this table of contents to suit.

1. Foreword
- Foreword by Mayor and/or General Manager

2. Introduction
- Key points of the plan
- Purpose of the LTFP and its place in the IP&R process
- Review cycle
- How to read this plan

3. Context
- Brief recap of council area, its size and location, demographics, industries (consistent with community and economic profile in the CSP)
- Local Government assets and services/council's role
- Stakeholders/partners/agencies
- Financial issues/risks facing council

4. Strategic Alignment
- Significant points of linkage to the CSP, DP, OP, AM Plan, Workforce Plan and other informing strategies, Annual Budget

5. LTFP Assumptions
- Revenue (eg Rates and charges, interest and investment revenue, user charges and fees, other revenues, grants and contributions, section 7.11 developer contributions etc)
- Expenditure (employee costs, materials and contracts, debt servicing, depreciation, other operating expenses etc)
- Future and ongoing financial challenges

6. Council's current financial position
- Comment on asset and financial ratios over the life of the Plan
- Summarise the financial strategies for rating structure, fees and charges, alternative revenue sources, pursuit of grants, reserves, debt funding, asset disposal, investment policy
- Financial statements and commentary
- Supporting schedules including operating expenditure and capital works schedules and commentary

7. Risk Management

8. Sensitivity analysis

9. Scenario Modelling

10. Performance monitoring

Delivery

While preparing the LTFP, councils must ensure the following performance benchmarks are met:

Indicators	Qualitative Measure	Benchmarks
Operating performance ratio	Measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.	>0%
Own source operating revenue ratio	Measures council's fiscal flexibility and is the degree of reliance on external funding sources, e.g. operating grants and contributions.	>60%
Unrestricted current ratio	Specific to local government and designed to assess adequacy of working capital and ability to satisfy short-term obligations for unrestricted activities of council.	>1.5
Cash expense cover ratio	Indicates the number of months a council can continue to pay for immediate expenses without additional cash inflow.	> 3 months
Outstanding rates and annual charges	Used to assess impacts of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	<5% metro/coastal <10% rural/regional
Debt service cover ratio	Measures availability of operating cash to service debt including interest, principal and lease payments.	> 2
Debt service ratio	Indicates amount of general income used to repay debt and interest charges.	>0 < 20%
Asset Maintenance Ratio	Compares actual versus required annual asset maintenance.	>100%
Infrastructure backlog ratio	Shows proportion of the backlog against the total value of a council's infrastructure.	< 2
Building and infrastructure renewal ratio	Compares the rate of renewal against the rate at which they are depreciating.	> 100%

More information is available here.

The underlying assumptions on which the LTFP was prepared must be reviewed and updated at least annually as part of development of the OP and reviewed in detail as part of the 4-yearly review of the CSP.

Endorsement

The LTFP 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 LTFP is adopted by the council.

Publishing

The LTFP must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

Measurement

To ensure transparency and accountability, councils must prepare a number of reports to support reporting on the LTFP:

Type of report	Purpose	Frequency
Quarterly Budget Review Statement (QBRS)	Provides a summary of council's financial position to the elected council, so that budgetary adjustments may be made, if necessary. It is the mechanism by which community and councillors are informed of progress against Operational Plan (original budget) and last revised budget. Minimum requirements are identified in the Quarterly Budget Review Guidelines and form part of the legislative framework [clause 203(3)] of the *Local Government (General) Regulation 2021*.	Within 2 months of the end of each quarter except for quarter ending June.
Annual financial statements	To present the council's operating results and financial position for the year.	Annually, within 4 months of the end of the financial year.

See IP&R Fact Sheet: Quarterly Budget Review Statement in Appendix A-5 for more detail about reporting requirements.

Review

It is up to each council to decide how they will monitor performance against the LTFP. The statement of performance measures should be in accordance with the current Code of Accounting Practice and Financial Reporting.

The LTFP should be reviewed annually and in line with development of the CSP and OP and this review should include an assessment of the previous year's performance to determine whether estimates were accurate, and assumptions were appropriate. Adjustments can then be made if required.

As well as monitoring their own performance against the LTFP and annual budget, councils may also develop measures to assess their long-term financial sustainability.

2.3.2 Workforce Management Planning

Description

The Workforce Management Strategy (WMS) is a proactive, 4-year document that shapes the capacity and capability of the workforce to achieve council's strategic goals and objectives.

It clearly identifies how future staffing and skills requirements will be met, such as through recruitment, staff progression and development, internal redeployment, and succession planning.

Councils operate within challenging environments that demand greater flexibility, responsiveness and performance improvements to meet agile labour markets, skills shortages and an ageing workforce. With a well-written and thorough WMS, councils are in a stronger and more stable position to plan for and address future workforce needs. In summary, workforce planning should be:

- an ongoing activity
- a process, not just a set of actions
- able to support workforce planning with a clearly identified purpose that is linked to organisational objectives and informed by the DP and OP
- applicable to the current workforce while also anticipating future needs and capabilities.

Mandatory requirements

The mandatory and statutory requirements for preparing the WMS are outlined in Appendix A-1-3. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Other key legislation relevant to workforce management includes:

- *Multicultural NSW Act 2000*
- *Disability Inclusion Act 2014*
- *Public Interest Disclosures Act 1994*
- *Anti-Discrimination Act 1977*
- *Carers (Recognition) Act 2010*
- *Work Health and Safety Act 2011*.

Components

Ideally, the WMS will include the following elements:

- Workforce snapshot, including:
  - headcount, gender, diversity, FTE, turnover
  - graphic depicting age groups,
  - length of service of workforce
  - number of employees who also live within the local government area.
- Statement of desired workplace culture (e.g. achievement oriented, collaborative).
- Workforce environment scan (including skills shortages, aging workforce, staff retention, technological changes, financial challenges, current and future employment market, policy and legislative change, community expectations, 'workplace of choice' opportunities).
- Financial considerations (e.g. global salary increases, annual Award variation, provision for on-costs and leave entitlements).
- Outline workforce objectives, the strategies required and how progress will be measured (i.e. 'what we will do, why we will do it, how we will do it, and how progress will be measured').

Delivery

Details of specific action items, how they will be delivered over the 4 years of the WMS, and in which year they will be delivered

A guide has been provided in Appendix A-6 to support councils as they develop and integrate their WMS into the wider IP&R process.

Process

The WMS should be completed at the same time as the DP to ensure integration between these key documents. Similarly, strategies in the WMS must be reflected in the DP and OP and any costs associated with delivering the WMS must be reflected in the LTFP.

Standards: Workforce Management Planning

The following 'good', 'better' and 'best' standards have been developed to support councils as they develop the WMS:

Good

This is achieved when the WMS meets ALL essential elements described in the Guidelines including:

- Endorsement by council.
- Relevant strategies are reflected in the DP and OP and the costs associated with delivering the WMS are reflected in the LTFP.
- Timeframe aligns with the DP.

Self-assessment checklist

☑ Does council have a WMS?

☑ Does it address all the human resourcing requirements of council's DP?

☑ The strategies are included in the DP/OP.

☑ Are the costs for delivering the workforce strategy included in the LTFP?

☑ Is council investing in learning and development?

☑ Does the timeframe align with the DP?

Better

This is achieved when the WMS:

- meets **ALL** of the Good criteria
- matches recruitment and attraction strategies to the aspirations of different generations
- considers the need for specialised skills and experience in a tight labour market
- plans for managing different generations, sometimes within the one team
- plans for retaining corporate knowledge
- workforce statistics are refreshed each year.

Self-assessment checklist

☑ Have outcomes been reviewed against DP and OP?

☑ Is workforce planning integrated into organisational processes?

☑ Have areas of risk been considered and managed?

☑ Have diversity of culture and generational needs been considered?

Model standards: Workforce Management Planning

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Best

This is achieved when the WMS:

- meets **ALL** the Better criteria
- identifies what work is to be undertaken and what new work needs to be undertaken over the short and long term
- undertakes an assessment of over and under staffing
- assesses employee skills gaps (e.g. via performance management and learning and development programs)
- considers job redesign options to reduce impact on staffing (e.g. flexible work, job share)
- includes improved attraction and retention strategies for council
- includes defined investment in learning and development
- supports improved employee agility
- supports improved participation, retention and culture.

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Self-assessment checklist

- ☑ Has council reviewed current and potential future work needs?
- ☑ Has council assessed current employee skills?
- ☑ Has council considered different types of work arrangements?
- ☑ Has council reviewed its attraction and retention strategies and considered other options?
- ☑ Has council reviewed its workplace culture?

Model table of contents: Workforce Management Strategy

It is up to each council to decide how to structure their WMS for optimum clarity and readability. The table below indicates core areas that can be included. The order presented is a guide only and councils can re-order, re-name or expand this table of contents to suit.

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1. Foreword
- Foreword by the General Manager

2. Introduction
- Key points of the workforce strategy
- Purpose of the WMS and its place in the IP&R process
- Review cycle

3. Context
- Staff profile (e.g. gender, employment type and length of service)
- Strategic issues or risks facing staff (e.g. external pressures such as skills shortages, ageing workforce, lack of young people employed)

4. Engagement
- Description of workforce engagement (e.g. Consultative Committee) undertaken to support development of the WMS

5. Strategic direction
- Corporate values
- Points of linkage to the CSP, DP, OP, AM Strategy and Plans and LTFP
- Objectives and strategies (by topic, theme)

6. Measuring success
- Progress/success measures

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Delivery

The WMS requires internal engagement to ensure it is robust and relevant. It may be prudent to involve staff in preparing the plan to build momentum and support buy-in for delivery across the organisation.

Endorsement

The WMS should be considered by the Executive Team and Consultative Committee prior to endorsement by council.

The WMS must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

Measurement

The effectiveness of the projects, programs and activities outlined in the WMS are to be determined through the use of suitable targets and measures. These can be integrated into the DP and OP and progress identified within the relevant reports.

Review

Successful workforce planning is an active process that must be continually monitored, and adjusted when required, to promptly address new workforce or organisational issues. Monitoring and evaluating should comprise:

• establishing a regular monitoring and evaluation process
• outlining a timeframe for monitoring
• measures of success and performance indicators
• feedback from stakeholders during the monitoring and evaluation process
• identifying opportunities for shared learning.

2.3.3 Asset Management Planning

Description

Accurate data and a robust planning process is required to ensure that assets are managed and accounted for in an efficient and sustainable way on behalf of local communities and with a service delivery focus.

The key objective of asset management planning is to provide the required level of service for the community in accordance with the CSP and in the most cost-effective manner. Levels of service are key business drivers for asset planning, along with technical requirements that ensure asset sustainability. Assets may include roads, water and sewerage systems, drains, bridges, footpaths, buildings, recreational facilities, parks and gardens.

Asset Management Planning comprises 3 components:

1. Asset Management Policy (AM Policy)
2. Asset Management Strategy (AM Strategy)
3. Asset Management Plans (AM Plans) (for each class of asset).

Mandatory requirements

The mandatory and statutory requirements for preparing the AM Strategy and Plans are outlined in Appendix A-1-3. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Components

Council must account and plan for all existing assets under its control, and any new asset solutions proposed in its CSP and DP, by way of an AM Policy, AM Strategy and AM Plans (required for each asset class).

The Strategy must:

- include the Policy.
- identify assets that are critical to the council's operations and have a risk management strategy for these assets.
- include specific actions required to improve the council's asset management capability and projected resource requirements and timeframes.

The AM Plans must:

- encompass all assets and must identify service standards.
- contain long term projections of asset maintenance, rehabilitation and replacement including forecast costs for reflection in the LTFP.

Councils must report on the condition of their assets in annual financial statements and in-line with Report on Infrastructure Assets in the Local Government Code of Accounting Practice and Financial Reporting.

Asset Management: Guide to Policy, Strategy and Plans

1. Policy

Sets the direction and foundation

Role

- Sets the broad framework for undertaking asset management in a structured and coordinated way, aligned with CSP.
- Outlines why and how asset management will be undertaken.
- Gives clear direction for asset management defining the key principles that underpin asset management for that council.
- Promotes sustainability to protect the needs of future generations.

Guide to more detailed contents

- Strategic and organisational context and importance of asset management.
- Asset management vision and principles and/or goals which support the CSP.
- Policies and high-level directions underpinning the strategic principles or goals.
- Responsibilities for implementing the policy and relationships.
- Approach to measurement, audit, review and updating.

2. Strategy

Shows how the asset portfolio will achieve the vision and goals in a sustainable way

Role

- Includes the council-adopted Asset Management Policy and states the approach to achieving the vision and principles.
- Responds to the following questions: What is the current situation? Where do we want to be? How sustainable are our assets and how aligned to the direction set by CSP? What is the gap? What asset solutions will get us there?
- Identifies assets that are critical to the council's operations with a risk management strategy for each of these.
- Includes the specific actions required to improve council's asset management capability and projected resource requirements and timeframes.
- Documents and demonstrates an integrated approach to planning and coordination of asset management across the various asset groups.

Guide to more detailed contents

- Executive Summary.
- Context including policy vision, directions, agreed future.
- Current asset state - summary of asset classes; condition, financing, sustainability and CSP alignment.
- Gap analysis.
- Achieving vision and directions - performance of the asset management system and asset portfolio.
- Risk assessment – all hazards approach from ISO550000 with specific management plans for critical assets and risk mitigation and management plan for overall portfolio.
- Asset management approach/action plan – a high-level long-term action plan; key strategies, actions, programs to deliver directions/objectives/agreed future, including risk management and mitigation.
- Financial Summary – high-level long-term expenditure and funding requirements.
- Roles and responsibilities – clarify and specify including resourcing implications.

3. Asset Management Plans

Outlines actions and resources to provide a defined service level in a cost- effective way

Role

- Includes all the assets under council's control.
- Identifies community-identified asset service standards.
- Identifies actions and resources required to provide a defined level of service in the most cost-effective way.
- Provides long-term projections of asset maintenance, rehabilitation, renewal and replacement, including life cycle costs (for reflection in the LTFP).
- Can involve a top down or bottom up approach (refer International Infrastructure Management Manual 2015).

Guide to more detailed contents

- Executive Summary.
- Summary of the organisation's vision and strategy.
- Description of asset portfolio.
- Description of lifecycle management activities for operating, maintaining, renewing developing and disposing of assets.
- Levels of service, performance standards and reporting processes.
- Demand forecasts and management techniques.
- A long-term cash flow forecast.
- Key asset management improvement actions, including resources and timelines.
- Links to the CSP and LTFP, capital works and maintenance programs.

Standards: Asset Management Planning

It is a mandatory requirement for Council's to include actions in their AM Strategy to improve their capabilities. The following 'good', 'better' and 'best' standards have been developed to support councils as they consider where they are currently at with AM Strategy and further develop their approach:

Good

This is achieved when the adopted AM Policy, Strategy and Plans meet essential elements described in the Guidelines including:

- The AM Strategy includes a policy, strategy and asset plans for all classes of assets.
- The AM Policy states clearly the council's philosophy in relation to asset management and provides a clear basis from which asset management decisions can be made.
- The AM Strategy demonstrates how the council's assets will be enhanced, maintained, rationalised, replaced or renewed in order to achieve community outcomes consistent with the objectives of the CSP.
- The AM Plans provide clear information about how each class of asset will be managed including the maintenance cycle and when renewal or replacement is due.

Self-assessment checklist

☑ Has council created and adopted an AM Strategy which includes a policy, strategy, and asset plans?

☑ Is the AM Strategy for at least 10 years?

☑ Is the AM Strategy available on council's website?

☑ Does the AM Strategy identify assets that are critical to council operations?

☑ Does the AM Strategy identify asset service standards?

☑ Does the AM Strategy include specific actions to improve council's capability, projected resource requirements and timeframes?

☑ Are renewal and replacement schedules included in the DP and OP?

☑ Does the AM Strategy include long term projections of asset maintenance, rehabilitation, renewal and replacement costs?

☑ Does the AM Strategy consider long term changing needs, lifecycle costings and alternative service delivery models?

☑ Are asset management costs included in the LTFP?

☑ Have staffing implications from the AM Strategy and Plans been included in the WMS?

☑ Has council reported all the financial information including the condition of its assets in its annual financial statements?

☑ Are the required asset ratios reported?

☑ Are KPIs clearly outlined with appropriate measures and timeframes for reporting?

☑ Is it clear how financial performance will be monitored and what methods will be used?

Standards: Asset Management Planning

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Better

This is achieved when ALL the 'good' criteria have been met and:

- council has an effective asset management system
- the AM Strategy has a customer focus and demonstrates how it will contribute to meeting the community's expectations as set out in the CSP.

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Best

This is achieved when ALL the 'better' criteria have been met and:

- council has implemented and complies with ISO 55000 Standards for Asset Management.

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The International Infrastructure Management Manual (IIMM) identifies the 3 ISO Asset Management Standards which may impact organisations that have asset management responsibilities. IIMM provides valuable guidance to councils on how to implement good asset management practices.

Australian Infrastructure Financial Management Manual

The Australian Infrastructure Financial Management Manual (AIFMM) provides councils with updated information and guidance for integration of asset management with financial management, which is reinforced in the ISO 55000 series of asset management standards. AIFMM provides the tools to for sustainable management and financial reporting of infrastructure.

It is up to each council to decide how to structure their Asset Management Planning documents and integrate these with all IP&R documents.

Self-assessment checklist

☑ Does the asset management system have a single asset register and is it able to produce effective reports for asset manager and financial staff?

☑ Are asset decisions informed by the community's needs and expectations?

Asset Management Planning: Model table of contents

1. Executive Summary
- Purpose of the plan
- Asset description
- Levels of service
- Future demand
- Lifecycle management plan
- Financial summary
- Asset management practices
- Monitoring and improvement program

2. Introduction
- Background
- Goals and objectives for asset ownership
- Core and advanced asset management

3. Levels of Service
- Community research and expectation
- Strategic and corporate goals
- Legislative requirements
- Current level of service
- Desired level of service

4. Future Demand
- Demand drivers
- Demand forecasts
- Demand impact on assets
- Demand management plan
- Asset programs to meet demand

5. Lifecycle Management
- Background including asset condition and capacity/performance
- Operations and maintenance plan
- Renewal and replacement plan
- Acquisition, upgrade plans
- Disposal plan

6. Risk management
- Critical assets
- Risk assessment
- Infrastructure resilience approach

7. Financial summary
- Financial statements and projections
- Funding strategy
- Valuation
- Key assumptions made in financial forecasts

8. Improvement Plan and Monitoring
- Status of asset management practices
- Improvement program
- Monitoring and review procedures
- Performance measures

Process

The AM Strategy must be for a minimum of 10 years. A 10 year forward plan places councillors and staff in a better position to understand the condition of current assets and ensure decision-making accounts for potential impacts on future generations. A council should not face any surprises in managing its assets.

Good practice suggests that the AM Strategy and AM Plans require 3 separate but interrelated planning processes:

- Rolling 10 years' forecast, linked to the CSP and LTFP.
- Four-year timeframe to guide asset decisions, flowing from the DP.
- Annual timeframe for the detailed actions to be implemented in the OP.

Note: *Asset management plans may be for 20 years or more for some assets.*

Delivery

Councils should identify the key roles within their organisation with responsibilities for asset management planning.

There should be clear training programs in place for all levels of council and evidence that asset planning drives council in terms of the use and management of the asset it provides.

Endorsement

Council must adopt the AM Strategy (and Policy) and Plans.

Publishing

The Asset Management Policy, Strategy and Plans must be developed as public documents in multiple formats that are easy to access and read by the community it serves. They must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

Measurement

The measures used to monitor asset performance often relate to reliability, capacity and quality. Performance measures are intended to measure achievement against levels of service and therefore must be clearly and directly linked.

There is a requirement for both and a difference between:

- community/customer measures (which relate to how the community receives the service, in terms of both tangible and intangible measure).
- technical measures (internal measures that are more quantifiable, often using technical terminology which is less accessible for community use).

Community/customer and technical performance measures have a different but related purpose. Councils should plan and implement technical service levels to both support and influence customer service levels.

Annual reporting to the community in the context of CSP, DP and OP commitments is important, along with mandatory reporting. Relevant and current information assists with conversations that determine satisfactory and sustainable levels of service and these service levels will be subject to continual refinement and consultation between council and the community through the CSP, the DP and LTFP.

Review

In 2018, the Auditor-General for NSW made a number of observations about the performance of the local government sector related to asset planning and reporting.

These included that a number of councils had not reviewed their Asset Management Plans for 5 years, did not perform an annual review of the useful lives of their assets, maintained multiple asset registers with inaccurate or incomplete information, and did not reassess the fair values of assets regularly enough.

The following provides guidance about review of components of asset management, with consideration of the comments of the Auditor General:

Asset Management Policy

The Asset Management Policy should be subject to regular internal review preferably aligned with the IP&R 4-year planning cycle.

Asset Management Strategy

As the Strategy is a 'living' document that will include benchmarks and milestones aimed at improving council's asset management processes and procedures, it must be monitored regularly and adjusted or updated to reflect progression in its implementation.

It also needs to reflect any major changes in council's asset portfolio. These changes may reflect asset investments or disposals that have resulted from, or are reflected in, the DP or CSP.

Specific elements of the Strategy should be reviewed for currency, including reviewing service levels expected by the community, staff training needs, contract management procedures, and processes associated with the asset management system.

Asset Management Plans

As a minimum, AM Plans should undergo annual monitoring and review to reflect any changes in asset condition or service level of the asset portfolio.

2.4 Delivery Program

Description

The Delivery Program (DP) is a statement of commitment to the community from each newly elected council and translates the community's strategic goals into clear actions.

It is the primary reference point for all activities undertaken by council during its term of office. It allows council to determine what is achievable over the next 4 years, what the priorities are, and how programs will be scheduled.

Importantly, the DP allows council to demonstrate how its 'business-as-usual' activities help achieve Community Strategic Plan (CSP) objectives (e.g. garbage collection achieves a safe and healthy environment objective).

Mandatory requirements

The mandatory and statutory requirements for preparing the DP are outlined in Appendix A-1-4. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Components

The DP is a fixed-term, 4-year plan that aligns with the council electoral cycle.

There must be a clear link between the CSP, the DP and the Operational Plan (OP). Activities in the DP must clearly link to the strategies identified in the CSP and appear as more detailed actions in the OP.

The DP outlines how council will engage with the community and other stakeholders to determine service level expectations and identify appropriate measures. It must identify major projects and address ongoing improvements to the efficiency, productivity, financial management and governance of the council.

When deciding what to include in the DP, consider the following:

- Priorities identified by the community during the development of the CSP.
- Service levels expected by the community.
- Resourcing options considered when preparing the Long-Term Financial Plan (LTFP).

- Ongoing environmental, social/cultural or capital works programs.
- Opportunities to link with Commonwealth, State or regional programs and projects.
- Opportunities to partner with other councils to provide services.
- Council's legislative responsibilities and regulatory functions.

Process

Council must prepare and adopt its DP by 30 June in the year following a local government election and after it has been on public exhibition for 28 days.

This 9-month transition period allows the new council time to conduct community engagement and preparation for its DP. During transition, council should continue to implement the final 9 months of council's previous DP.

Standards: Delivery Program

The following 'good', 'better' and 'best' standards have been developed to support councils as they develop the DP:

Good

This is achieved when the DP meets all essential elements described in the Guidelines including:

- Four-year timeframe commencing 1 July following ordinary elections.
- Is publicly exhibited for 28 days.
- Is endorsed by council after all public submissions have been considered.
- Exhibits a clear link between the CSP, DP and OP.
- Contains strategies, ideas and a broad range of issues relevant to the whole community.
- Strategies identified in the CSP are carried through to the activities of the DP.
- Assessment methods to determine effectiveness of each principal activity are clearly detailed.
- Areas of service that council will review and how the council will engage with the community and other stakeholders to determine service level expectations and appropriate measures.

Self-assessment checklist

☑ Is it clear from the DP what council has committed to delivering during its term?

☑ Is it easy to see a clear link between the activities of the DP and how they will achieve the objectives of the CSP?

☑ Does the DP identify the full range of council's activities including the 'business as usual' activities and work towards the achievement of the CSP objectives?

☑ Has high-level responsibility been assigned to each activity?

☑ Is progress assessed and reported every 6 months?

Better

This is achieved when the DP:
- meets **ALL** the Good criteria
- considers and integrates relevant elements of the Resourcing Strategies: Long-Term Financial Plan, Workforce Management Strategy and Asset Management Plan
- lists all capital expenditure projects and considers all ongoing maintenance costs
- allocates responsibilities for completing various projects, activities or actions appropriately.

Self-assessment checklist

☑ Have risks been identified and managed?

☑ Are there clear measurable performance indicators and assessment methods to enable council and the community to monitor progress?

☑ Is there a clear timeframe included for the achievement of each activity?

☑ Have the resourcing implications been addressed?

☑ Do the financial estimates in the DP match the 4-year projections in the LTFP?

☑ Are activities identified in other documents reflected in the DP?

Best

This is achieved when the DP:
- meets **ALL** the Better criteria
- fully identifies all of council's activities and demonstrates how each will deliver CSP objectives
- reflects activities identified in other documents
- identifies key performance indicators
- details delivery of planned projects and services for each year, aligning each action to a budget and outlining all resourcing issues
- outlines timeframes for each action
- considers any proposed land acquisition related expenditures.

Self-assessment checklist

☑ Does the DP consider other plans and strategies, e.g. Disability Inclusion Plan, Local Strategic Planning Statement, Community Participation Plan, Safety Plan?

☑ Have other relevant organisations and agencies been involved?

Model table of contents: Delivery Program

The model table of contents below is provided as a guide for council staff who are responsible for developing or delivering the DP. It includes core topics and areas that can be included in the document, with the order and naming to be determined by council to suit:

1. Foreword
- Foreword by Mayor and/or General Manager

2. Introduction
- Overview of key elements of the DP
- Outline purpose and relevance of the DP
- Overview of place of DP in IP&R cycle

3. Context
- Relevance to CSP
- Resources—10 and 4-year priorities

4. Delivery Plan
- Assumptions
- Functional responsibilities
- Services (linked to strategic direction), services levels and any changes over 4-year cycle
- Major projects

5. Strategic direction
- How to read the DP
- Community vision
- Community values
- Council's role and services
- Outline of stakeholders, partners, agencies
- Objectives and strategies (by topic, theme or QBL)

6. Forecast
- Four-year budget forecasts

7. Workforce Plan
- Links to Workforce Plan

8. Asset Management Plan
- Key asset management implications and requirements

9.Evaluation
- How will we evaluate success of the DP?
- Measuring progress and success
- Assessment methods
- Indicators of success

Delivery

One of the important requirements of both the DP and the OP is to identify who will be responsible within the council for completing the various projects or activities. This gives a clear picture of expectations, accountabilities and timeframes. For the DP, the minimum requirement should be to allocate responsibilities to at least 'director' level, but it is preferable to allocate to a further level below this, if possible, so that project managers, as well as their Directors, are held responsible for delivering outcomes.

One of the general manager's key responsibilities in implementing the plans is to ensure that council staff understand the bigger picture, including how their work helps to achieve strategic objectives and better outcomes for the community. It is important that staff understand how their job and workplan fits within the OP, DP and long-term goals of the CSP. One way of doing this is to ensure linkages between individual workplans and the team business plans, with the DP and OP. This will give staff 'line of sight' to the community aspirations.

The council leads community strategic planning process and adopts objectives that are within its responsibility.

The council prepares a Delivery Program. based on the Community Strategic Plan objectives with assistance from the general manager and staff. The general manager allocates responsibilities for actions in the Delivery Program.

The general manager reports regularly to the council on progress in implementing plans.

The general manager prepares Operational Plan and allocates responsibilities.

The council reports to the community each year on progress in delivering the plans.

Directors, managers and staff implement actions and report back through organisation structure and staff performance system.

Delivery Program

Mayor & councillors

Community Strategic Plan

General manager

Operational Plan

COMMUNITY

Director

Staff

Manager

REPORTING

ACTIONS

Endorsement

The DP must be publicly exhibited for 28 days. It can be adopted by council after all submissions have been considered. Exhibition should occur after the CSP has been endorsed to ensure integration of the plans.

Publishing

The DP must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

Measurement

As with the CSP, councils can develop their own methods to measure effectiveness of the DP, provided these methods focus on both 'outputs' (the things we did) and 'outcomes' (the results of what we did).

For the DP, the main focus should be on outcomes. It is important to spell out exactly what the council hopes to achieve by implementing the DP. What are the anticipated results? What change do we want to see? How will we know we've arrived at our goal?

Review

Councils must review the DP each year and report against progress at least every 6 months. The review must occur before the OP is prepared to ensure activities are progressing well and still working towards achieving the community's goals.

If council decides to significantly change the DP, it must put the revised document back on public exhibition to allow the community the opportunity to provide feedback after which it must be adopted by council. Helpful questions to ask during the review process include:

- Are there any factors that might affect the DP being delivered on time and budget?
- Has anything occurred that might require a revision of the DP, e.g. a major flood, bushfire, significant failure of infrastructure, significant change in legislation?
- Are the activities in the DP progressing well enough to deliver community goals?

See IP&R Fact Sheet: Delivery Program Progress Report in Appendix A-4 for more information about DP reporting.

2.5 Operational Plan

Description

The Operational Plan (OP) is council's action plan for achieving the community priorities outlined in the Community Strategic Plan (CSP) and Delivery Program (DP).

An OP is prepared each year and adopted. Each OP identifies the projects, programs and activities that council will conduct to achieve the commitments of the DP.

Mandatory requirements

The mandatory and statutory requirements for preparing the OP are outlined in Appendix A-1-5. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021* (the Regulation).

Process

An OP is developed and adopted by 30 June each year for the following financial year. It must be placed on public exhibition for 28 days before it can be adopted. As a sub-plan of the DP, the OP must also:

- allocate responsibilities for each project, program or activity to be undertaken by council that year
- specify each service review to be undertaken that year
- include a detailed annual budget
- include a Statement of Revenue Policy
- identify suitable targets and measures to determine the effectiveness and efficiency of the projects, programs, services and activities outlined in the OP.

Standards: Operational Plan

The following 'good', 'better' and 'best' standards have been developed to support councils as they develop the OP:

Good

This is achieved when the OP meets all essential elements described in the Guidelines including:

- Annual plan commencing 1 July each year.
- Is publicly exhibited for 28 days.
- Is adopted by council after all public submissions have been considered.
- All activities and actions to be undertaken by the council during that year.
- Responsibilities allocated for each project, program or action.
- Service reviews to be undertaken.
- Measures of effectiveness and efficiency identified, and targets set.
- Detailed budget for each action.
- Statement of Revenue Policy.
- All requirements outlined in the Regulation.

Self-assessment checklist

- ☑ Is it clear what the OP is going to deliver each year?
- ☑ Is it easy to see how it relates to CSP and DP?
- ☑ Has resourcing been identified?
- ☑ Have service levels been considered?
- ☑ Is it clear who has responsibility for delivering each action?
- ☑ Have you developed key measures and targets to monitor progress?

Better

This is achieved when the OP:

- meets **ALL** the Good criteria
- identifies and reflects relevant actions from other documents
- has been developed with input from other organisations and agencies
- includes annual capital expenditure and maintenance costs for projects.

Best

This is achieved when the OP:

- meets **ALL** the Better criteria
- demonstrates clear integration between the CSP, DP and OP
- accurately reflects all activities to be undertaken by the council in that year
- identifies key performance indicators
- outlines resourcing requirements (i.e. people, money and asset) for each action and reflects Resourcing Strategy
- details delivery of planned projects and services for each year, aligning each action to a budget and outlining any other resourcing issues
- links responsibilities to staff performance review system
- considers any proposed land acquisition expenditures.

Self-assessment checklist

- ☑ Have you engaged with other organisations and agencies, where required?
- ☑ Have you considered resources implications for all the actions and activities?

Model table of contents: Operational Plan

There is no set format for the OP and councils can develop the format that best suits them and their business systems. Because the OP is a comprehensive document, it is important to organise it in a clear and accessible way. Activities should be presented in the same groupings as they are in the DP so the connections between each plan are clear.

1. Foreword
- Foreword by Mayor and/or General Manager

2. Introduction
- Key points of the OP
- Purpose and place within IP&R
- Review process

3. Context
- Summary of strategic context (e.g. outcomes/goals from CSP, community and stakeholder engagement outcomes and inputs)

4. Strategies, Objectives and Actions
- How outcomes/goals from CSP will be met (e.g. existing and new services, service level enhancements, projects and activities)

5. Resourcing
- Costings linked to 10 and 4-year financial forecasts or process for prioritisation through the next strategic review

6. Evaluation
- Progress/success measurement

Delivery

At this 'action level' of plans, it is not sufficient to nominate directors or executive managers as being responsible for delivery. Allocation of responsibilities should extend to manager, team leader or individual staff level, depending on the activities to be undertaken. In turn, these responsibilities should be directly linked to team and individual workplans and subject to standard performance review measures.

The OP should specify budget and resourcing required to deliver each project, program or activity. It may also be appropriate to allocate specific actions to the governing body (for example, lobbying Members of Parliament in relation to an identified community issue).

Endorsement

The OP must be publicly exhibited for 28 days. It must be adopted by council after all submissions have been considered. Exhibition should occur after the CSP has been endorsed to ensure integration of the plans.

Publishing

The OP must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

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 OP) 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 OP. Councils should consider including this map in their OP.

Measurement

The OP must identify suitable measures to determine the effectiveness of the projects, programs and actions undertaken. As the OP is an annual plan with multiple actions, progress is generally measured in terms of outputs rather than outcomes.

Councils should use their own judgement as to how detailed OP measures and targets should be, and how they support the 4-year DP. It is valuable to use a combination of indicators, targets and measures at the operational level.

For example, an indicator might be that there is 85% or more satisfaction with a service delivered by the council through a user survey, or the measure might be the number of users of that service, and the target might be to increase the total number of users by a certain date. This combination allows the council to determine not only whether it delivered what it said it would, but also whether it delivered it to the timeframes, costing and quality expected.

The achievement of outcomes will be assessed over the 4 years of the DP. The sum of all the actions undertaken should move the council towards achieving the objectives identified in the CSP.

Progress of the OP is monitored by:

- Quarterly Budget Review Statement
- Annual Report

Review

Councils can prepare an OP each year or prepare all 4 plans for their term of office at the same time.

If the latter approach is taken, these plans must still be reviewed, exhibited and amended annually, as appropriate. It is also important that the community understands that the latter 3 OPs continue to be draft plans, subject to change and for consideration and adoption in the relevant year.

2.6 Annual Report

Description

The Annual Report (AR) is a key point of accountability between a council and its community. Its main focus is to report on progress of the DP and OP as these documents are wholly within council's responsibility to deliver.

Mandatory requirements

The mandatory and statutory requirements for preparing the AR are outlined in Appendix A-1-6. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021* (the Regulation).

Process

An example process for delivery of the AR is provided below:

APRIL TO MAY
- Establish working group to provide input and guide development and delivery of the AR
- Develop project plan with allocated responsibilities to guide development

JUNE
- Decide approach, style, data input, design and format of AR

JULY TO AUGUST
- Collect relevant data and inputs

SEPTEMBER
- Draw relevant material together and draft AR

OCTOBER
- Obtain approval from general manager and executive team

NOVEMBER
- Graphic design and summary reporting
- Council endorsement
- Publish on council website
- Formally notify NSW Office of Local Government

Components

Councils can organise and present the AR as they choose, provided mandatory requirements are addressed. It should be easy to navigate and understand by a wide range of people.

Delivery program

The main aim of the AR is to report on council's progress in implementing its Delivery Program (DP) and Operational Plan (OP) and to answer these questions:

- Did the council do what it said it would do?
- If yes, how much did it do and how well did it do it?
- If not, why not? Will it happen at a later date, or not at all?

It should be clear to the reader how the progress described in the AR links to the projects, programs, and services contained in the DP and OP. This could include a combination of quantitative and qualitative data to provide a complete picture of council's progress.

OLG publishes a checklist of reporting required each year.

Financial reporting

The Annual Report may include an 'easy to read' financial summary which shows key income and expenditure for the financial year.

Although full financial statements must also be included or appended to the AR, many people find it challenging to read these statements, so it is helpful to provide some basic interpretive information (e.g. diagrams, charts, infographics) for the community.

Standards: Annual Report

Noting that councils differ in their size, resourcing and communities, the following 'good', 'better' and 'best' standards have been developed to support council staff:

Good

This is achieved when the AR meets all essential elements described in the Guidelines including:

- Prepared and endorsed within 5 months of the end of financial year.
- Progress with respect to achieving the quadruple bottom line in the DP and OP.
- 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.

Better

This is achieved when the AR:
- meets **ALL** the Good criteria
- aligns reporting to the CSP and DP
- answers the question, 'Did council do what it said it would do?' and measures outcomes.

Best

This is achieved when the AR:
- meets **ALL** the Better criteria
- provides a comprehensive summary of activities and progress against CSP and DP
- includes a summary of the Annual Report for the community.

Self-assessment checklist

- ☑ Has the AR been finalised within 5 months of the end of the financial year?
- ☑ Has the AR been prepared with the community as its primary audience?
- ☑ Does the AR reference achievements in implementing its DP through that year's OP?
- ☑ Does the AR measure the effectiveness of the principal activities undertaken to achieve the objectives in that year?
- ☑ Does the AR contain council's audited financial statements and notes and other information or material required by the Regulation or the Guidelines?
- ☑ If council has a special variation in place, does the report meet the reporting requirements of the IPART approval?
- ☑ Has a copy of the report been posted on council's website and a copy provided to the Minister by notifying OLG of the appropriate URL link to access the report?
- ☑ In an ordinary election year, is a copy of the State of our City, prepared by the outgoing council, appended to the AR?

Model table of contents: Annual Report

There is no set format for the AR and councils can develop the format that best suits them and their communities, provided it is presented and structured in a way that supports wide understanding of the contents and complex information such as financial reporting.

1. Welcome
- Message from Mayor and/or General Manager

2. Introduction
- Purpose of the AR
- How to read the AR
- Highlights
- Financial summary

3. Overview
- Overview of council, such as vision and mission, map and profile of local government area, council organisational structure and governance.

4. Delivery Program reporting
- Reporting by theme, to mirror content of DP.

5. Statutory information
- Refer to checklist.

6. Financial statements
- Provided as part of document or under separate cover

Endorsement

The AR is to be endorsed by council within 5 months of the end of financial year.

Publishing

The AR must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

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

2.7 State of our City Report

Description

The State of our City Report should be presented to the second meeting of a newly elected council for noting. The report will cover the 4-year term of the previous council and will objectively track council's progress against the Community Strategic Plan (CSP). The report will provide information that sets the scene for the new council and may include achievements to date and highlight future work to be undertaken. The report should assist the new council to undertake a review of the CSP, which is an essential component of IP&R cycle.

It is recognised that not all councils are "cities" and as such councils may wish to refer to their report as "The State of our Region Report" or "The State of our Shire Report".

For simplicity, the report is referred to as the State of our City Report throughout this handbook.

Mandatory requirements

Councils should refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Process

An example process for delivery of the State of our City Report is provided:

SEPTEMBER TO DECEMBER
- Establish working group to provide input and guide development and delivery of the State of our City Report
- Develop project plan with allocated responsibilities to guide development

DECEMBER
- Decide approach, style, data input, design and format of State of our City Report

JANUARY TO MARCH
- Collect relevant data and inputs
- Hold workshop with Councillors

APRIL TO MAY
- Draw relevant material together and draft State of our City Report

JUNE TO JULY
- Obtain approval from general manager and executive team

AUGUST TO SEPTEMBER
- Graphic design and summary reporting

OCTOBER
- Noted by incoming council at second meeting

NOVEMBER
- Publish on council website alongside or appended to Annual Report

Components

Scope

The State of our City Report focuses on how effective council has been in delivering social, environmental, economic and civic leadership objectives over the 4-year term of the previous council. It reports against the high-level strategies and priorities of the CSP and has a community focus, rather than a council one.

Tracking progress

Measures and indicators in the CSP should be included in the State of our City Report. When compared to the baseline of the previous State of Our City report (or when data was last collected) this will show to what extent progress has been made. Key considerations include:

- Did the CSP identify assessment methods?
- How will assessment methods be used in the State of our City Report?
- How will the Report address the quadruple bottom line?
- How will the themes or strategic elements of the CSP be reflected in the Report?
- How will the review of the Long-Term Financial Plan be reflected in the Report?
- How will movement away from or towards the target/goal from the baseline measure be demonstrated?

Format

There are no specific format or structure requirements; however, councils must ensure that it is comprehensive enough to allow for informed community discussion as this report is a key contributor to the review of the CSP that will be undertaken by the incoming council.

The State of our City Report must be produced in a format that is easy to read and understand, accessible and reports clearly on key elements of the CSP.
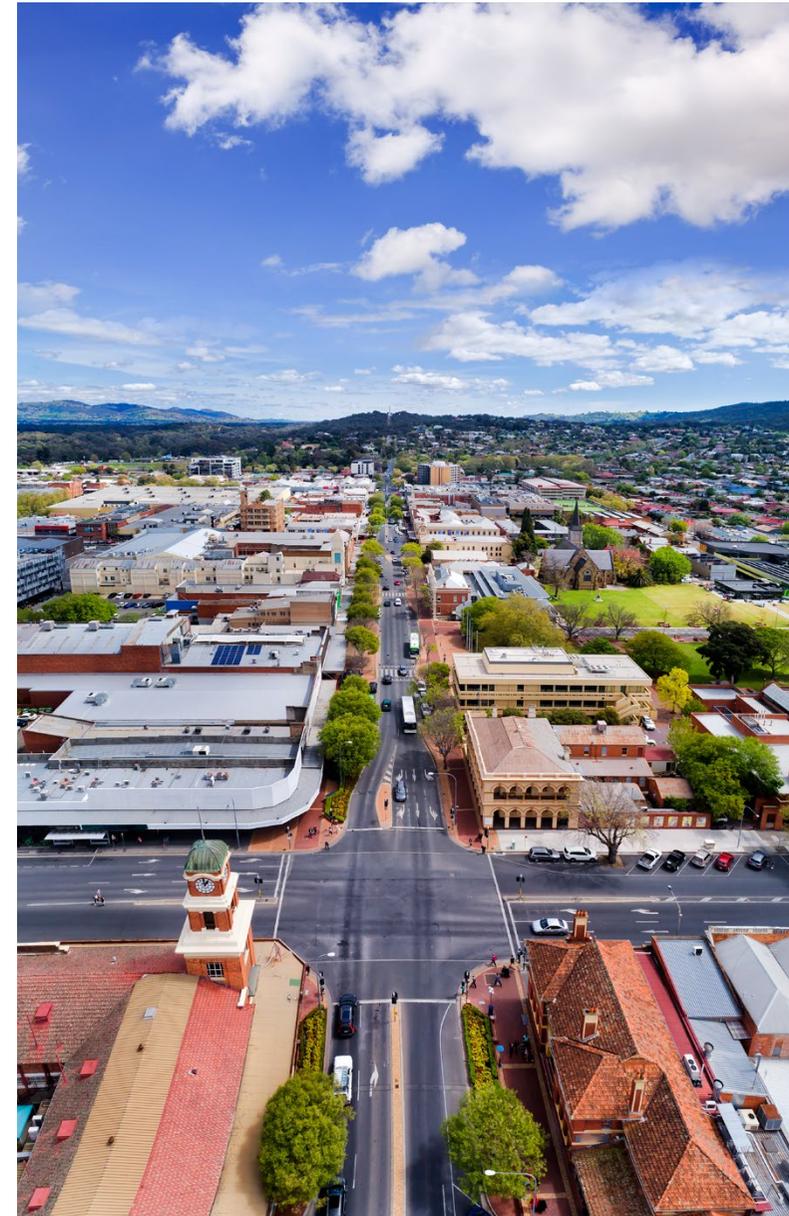
Standards: State of our City Report

Noting that councils differ in their size, resourcing and communities, the following 'good', 'better' and 'best' standards have been developed to support council staff:

Good

This is achieved when the State of our City Report meets all essential elements described in the Guidelines including:

- Is noted by the incoming council at the second meeting after the election.
- Covers the previous 4 years.
- Is based around the structure of the CSP.
- Includes data for the measures contained in the CSP.
- Shows the progress in clear terms.

Better

This is achieved when State of our City Report meets the Good standard outlined and:

- includes trend data for the measures contained in the CSP
- identifies areas in which progress may be moving away from the desired target.

Best

This is achieved when State of our City Report meets the Better standard outlined and:

- provides an analysis for the identified areas in which progress was from the desired target
- provides recommendations for considerations by the incoming council in the review and updating the CSP.

Self-assessment checklist

- ☑ The report shows the community's progress towards (or away from) its stated goals and aspirations as identified in the CSP.
- ☑ The report provides valuable status information on key community objectives and the utility of the strategies which were identified to address them.

Self-assessment checklist

- ☑ The report demonstrates if the community is better off as a result of the strategies undertaken and identifies where strategies may need to be revised if community outcomes are not acceptable.

Self-assessment checklist

- ☑ The report reflects on what might be behind outcomes where movement is away from the target or goal.
- ☑ The report is utilised as a key informant to the review or development of the CSP.

Model table of contents: State of our City Report

It is up to each council to decide how to structure the State of our City Report for optimum clarity and readability. The table below indicates core areas to be included. It is a guide only and councils can re-order, re-name or expand this table of contents to suit.

1. Introduction
- Message from Mayor (outgoing) and/or General Manager
- Purpose and context of report
- Councillor information
- Highlights
- How we measure progress

2. CSP Themes
- CSP Theme 1
  - Indicators
  - Term in review by strategy
- CSP Theme 2
  - Indicators
  - Term in review by strategy
- CSP Theme 3
  - Indicators
  - Term in review by strategy
- CSP Theme 4
  - Indicators
  - Term in review by strategy

3. Financial performance
- Overview

4. Next steps
- Where we are headed
- Future challenges

Endorsement

The State of our City Report is noted at the second meeting of the new council.

Publishing

The State of our City Report must be developed as a public document in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

In the year of the ordinary election, the State of our City Report is to be appended to the Annual Report in that year.

2.8 Other plans and strategies

The IP&R framework provides for issue-specific strategies and plans as a way of providing more specific and detailed guidance on strategic direction and, in some cases, actions. Examples include:

- Plans required under other legislations, such as:
  - Disability Inclusion Action Plan
  - Local Environmental Plan
  - Local Strategic Planning Statement
  - Community Participation Plan
  - Community Safety Plan
  - Coastal Management Plan.

- Plans developed by council, such as:
  - Information Communication Technology (ICT) Plan or Strategy
  - Recreation Strategy
  - Tourism Strategy
  - Economic Development Strategy
  - Arts and Culture Plan.

Plans or strategies of this type are referred to collectively as 'informing strategies' and sit between the community strategic plan and the delivery program under the IP&R framework. Refer to Appendix A-2: IP&R Fact Sheet: Other plans and strategies for more information.

Preparation of these plan and strategies often involves considerable stakeholder and community input. Engagement conducted to support development is to be consistent with the approach outlined in the Community Engagement Strategy in Section 2.2 of this Handbook.

Model table of contents

It is up to each council to decide how to structure their plans that related to specific issues and areas. The table below provides guidance on core areas for inclusion in these plans. This is a guide only and can be re-named or expanded by councils. It is noted however, that where plans are developed under other legislation, Council must follow the requirements of the legislation.

1. Message from the General Manager

2. Executive summary
- Key points of the plan
- Purpose of the plan and where it fits into IP&R

3. Context
- Summary of strategic context (outcomes or goals from the community strategic plan, key issues, community and other (agency) engagement findings, other relevant information)

4. Outcomes, strategies and actions
- How the outcomes of the community strategic plan will be met, including existing and any new services, enhancements to (or decrease in) service levels, projects and activities.

5. Resource implications
- Costings linked to 10 and 4-year financial forecasts of the long term financial plan and the delivery program.

6. Reviewing and monitoring the strategy/plan
- Progress and performance measures.
- Timing of review.

Self-assessment checklist

☑ Is it easy to see what the plan will deliver in one place?

☑ Is it clear how the strategic direction of the community strategic plan flows through the plan?

☑ Have the relevant stakeholders (including staff, other organisations and agencies) been involved?

☑ Have the resourcing implications been addressed? Are the relevant actions included in the delivery program and operational plan(s)?

☑ Does the plan represent best value? How do you know?

☑ Has the plan been adopted by council?

☑ Is there a set of measures that will enable council and the community to monitor progress and impact?

☑ Has a review cycle been included?

Endorsement

Councils are to be guided by the legislation under which these specific plans and strategies are developed and resource implications as to whether adoption or endorsement by council is required.

Publishing

These plans and strategies are to be developed as public documents in multiple formats that are easy to access and read by the community it serves. It must be readily available online (e.g. via council's website), written in plain English, follow web accessibility guidelines, and use graphic elements where possible so that any member of the community can understand its purpose and intent.

2.9 Monitoring and measuring performance

Monitoring performance is the process of collecting, analysing and reporting data regarding the performance of an organisation.

It is a tool to help local government evaluate the quality and effectiveness of their services and an important accountability mechanism between council's administration and councillors, and between councillors and the community.

The IP&R framework requires councils to report in the following ways:
- Quarterly Financial Budget Review Statements
- Delivery Program Progress Reports
- Annual Report
- State of our City Report.

Performance information assists in understanding how well council, parts of the council and individuals are performing. It allows for evidence-based decision making to inform other stages in the planning cycle, whether it be the annual operational plan or the longer-term community strategic plan.

It addresses the question 'how will we know when we have arrived?' by additional que tions such as:
- Did we do what we said we would do?
- If not, what were the barriers?
- How much did we do?
- How well did we do it?
- Is anyone better off as a result of what we did?

As each component of the IP&R framework has a different purpose, so too they will have different measures to monitor progress and performance.

Performance measures can include outcomes (the actual results of programs and services), inputs (resources used), outputs (program activities) and efficiency measures (ratio of inputs to outputs).

Deciding on measures

It is up to each council to put in place a framework for monitoring performance. Reporting that considers what worked, as well as what didn't, supports better future processes and creates trust with the community.

The table below provides more detail:

Supporting effective measurement

PLANNING	
Where are we now?	In 2021, community survey results indicated that 6 of the 8 playgrounds in the Local Government Area (LGA) were under-utilised, primarily through lack of shaded pleasant places for supervising adults.
Where do we want to be in 10 years' time?	By 2032, we want all 8 playgrounds in the LGA to be regularly utilised by families who have a positive playground experience.
How will we get there?	We will undertake a mature-tree planting program to increase available shade.
	We will install park benches near the new trees with good line of sight to play equipment to enable supervision.
How will we know when we've arrived?	In 2032, community survey results will indicate that all playgrounds in the LGA are being utilised.
	Supervising adults will report that playgrounds are pleasant places to be.

REPORTING	
May be appropriate for Annual Report	
How much did we do?	Between 2021 and 2023, 100 trees of varying maturity were planted across the 8 playgrounds in the LGA.
Should be answered for State of our City	
How well did we do it?	Of the 100 trees planted, at least 75% of the trees planted at each site have survived and are thriving. **OR**
	Of the 100 trees planted, approx. 10 % at each site survived (as the species was incompatible with this climate) **OR**
	Of the 100 trees planted, approx. 50% survived at each site (losses were due largely to vandalism and damage caused by trail bikes that frequent the parks)
Is anyone better off as a result?	In 2023, 85% of survey respondents indicated that the playgrounds were now more pleasant places to be. **OR**
	Complaints received since the trees were planted indicate that a high number of playground users have experienced allergic reactions to the trees. **OR**
	Playground users report that the trees now create a visual barrier between the playground and the neighbouring area, making the playground feel less safe.

Using measures, indicators, baselines, targets and data for quality reporting

In order for the planning cycle to continue, periodic measurement of progress against the objectives set in the plans needs to occur to ensure that the strategies and actions identified are delivering the intended outcomes.

Setting measures and indicators for strategies and actions in plans, with an identified baseline and target, a timeframe and a known source of data, will enable the key IP&R questions to be answered:

- Where are we now? (the baseline)
- Where do we want to be in 10 years' time? (the target)
- How will we get there? (the strategy, activity, program or action)
- How will we know when we've arrived? (the measure or indicator supported by data).

The IP&R framework requires councils to report to their communities on progress toward the achievement of the objectives of the Community Strategic Plan (CSP) and Delivery Program (DP). Key to successful reporting is sound measurement using reliable data.

Many NSW State agencies collect and publish data that will be useful for councils' reporting. The Australian Bureau of Statistics also collects data that can be sorted by local government area. While these data collections may not coincide exactly with the IP&R cycle (e.g. the Australian census occurs every 5 years), they nevertheless provide useful information that can assist councils to monitor trends over time in relation to the things that matter in local communities.

The CSP objectives are specifically measured and reported on through the State of our City. Sound measurement and understanding how well the strategies have worked in achieving the CSP's objectives are key steps in informing the development of the next CSP.

Principles

When establishing a framework for reporting there are a few key principles to keep in mind:

- All reporting in the council has the clear purpose of monitoring the progress of implementation of the council's suite of plans.
- Reporting informs reviews and amendments as necessary to keep the council on track for meeting its objectives.
- Every strategy, activity and action across the entire suite of IP&R documents is allocated a measure to determine its success. This includes identifying the baseline (where are we now?), the target (where do we want to be?), the timeframe in which the target is expected to be achieved and the indicator or measure that will be used to identify progress (how will we know when we've arrived?).
- Each indicator or measure is assigned a data source, and there is agreement from the data custodian that the required information will be provided at agreed times to enable reporting.

Note: *When creating KPIs for the CSP it is important to be realistic in what can be measured. As noted above there is no point setting a measure for an objective that council is not responsible for, unless you are able to report on it, which requires cooperation from other agencies, NGOs and community groups.*

Key questions to ask include:

- What data does council already collect?
- Can the data be assigned to an indicator and aligned with strategic goals and priorities?
- Which indicators are critical?
- Will the results help council and the community?
- Where are the gaps?
- Does council need to obtain new data eg community satisfaction survey, community perception surveys
- Can the results be replicated? (be clear on what calculations, sources, costs etc may be required to continue monitoring)?
- Is the data timely?

Deciding on assessment methods – Community Strategic Plan

Councils are required to undertake a review process every 4 years to assess the effectiveness of the Community Strategic Plan in achieving its objectives, the results of which become the basis of the State of our City Report. It is important to have a framework in place to enable monitoring of progress.

The type of monitoring councils undertake will depend on the objectives and strategies that have been set. The aim of the assessment process is to answer a few key questions:

- Are we reflecting our principles?
- Are we moving towards or away from achieving our long-term objectives?
- Are the various partners identified in the Plan to support its delivery doing what they said they would do?

Some councils use sustainability indicators to assess their progress in delivering strategic outcomes. Others prefer to use frameworks developed through the Global Reporting Initiative or assessment methods incorporated into the Business Excellence Framework. Another framework used by councils is the Results-Based Accountability framework.

This framework asks 3 simple questions to confirm that the plans are delivering what is intended:

- How much did we do?
- How well did we do it?
- Is anyone better off as a result of what we did? If not, why not?

By asking and answering the last question ("is anyone better off?"), informed decisions can be made about whether or not to continue with a particular strategy or action, because it makes clear whether or not it is effective in achieving the community's goals. Unless this last question is asked and answered, there is a risk that ineffectual strategies will continue to be funded and pursued, without a community benefit.

All of these methods are appropriate and councils are free to choose the methodology which best suits their particular circumstances. For councils that already use, for example, the Business Excellence Framework as the basis for their internal business model, it makes sense to apply this to the approach taken for implementing IP&R. The only requirement is that each council must have an assessment framework in place to test the effectiveness of the Community Strategic Plan – are its strategies working to achieve the community's vision for the future?

While it is not always possible to draw direct cause and effect correlations, the aim should be to gather as much information as practical to make an informed judgement on whether the plan, strategy or activity actually worked, or is starting to work.

It is also important to develop an assessment system that tests across the quadruple bottom line – social, environment, economic and civic leadership – and doesn't just focus on one particular area.

Monitoring systems should be designed for a particular purpose. They should focus on finding evidence of some form of change that would indicate progress towards or away from a strategic goal, rather than just gathering and presenting data.

Where a council decides to undertake its own monitoring programs, it is recommended that standard methodologies or protocols be used and that sufficient time is allowed to develop and implement the monitoring program.

Looking at others' assessment methodologies may also help a council to design its own approach. All assessment processes should draw on both qualitative and quantitative data. The way that people feel or respond to issues is often a stronger indicator of progress than a list of facts and figures. Combining both types of data will help to give a more comprehensive picture.

Following is a list of some of the methods that councils can use to test the effectiveness of their long- term strategic plans, in addition to the information that is available from the Australian Bureau of Statistics (including some links to further information or data sources):

- community satisfaction with various activities (determined by regular community surveys)
- community perceptions (determined by regular community surveys)
- housing affordability ratings – e.g. the percentage of residents considered to be in mortgage or rental stress
- local employment trends
- public health indicators
- crime statistics
- public transport usage and commuting distances and times
- usage figures for key facilities e.g. sports fields and aquatic centres, or sports participation
- participation in cultural activities
- progress towards waste reduction targets
- progress towards water quality targets.

Assessment example: monitoring environmental outcomes

In addressing the quadruple bottom line, all Community Strategic Plans will include objectives that relate to the environment and strategies to achieve these. In order to monitor progress against these environmental objectives, councils will need to gather information about the local environment, assess this information, consider relevant issues and suggest responses to these issues in order to inform the community's and the council's long-term plans.

Reporting is tied to whether or not strategic objectives are achieved. It is up to councils to decide, in consultation with their communities, what are the most relevant environmental themes to consider when preparing information to inform the CSP.

A list of environmental themes that councils might consider helping them identify key local environmental issues follows. These themes should be used by councils as a starting point to identify priorities when developing their CSP:

- air
- water
- land
- biodiversity
- population and land use

- energy
- climate
- transport
- noise
- waste
- water and energy consumption figures
- economic indicators such as commercial rental rates, gross regional product, tourism spend, labour market trends, development figures, property market details
- retail spending
- educational enrolments
- access to childcare
- infrastructure condition assessments and improvement targets
- sustainability indicators
- coastal and marine.

Alternatively, councils could consider the themes identified in the NSW Natural Resource Management targets, as well as themes that relate to other environmental issues. For example, these might include:

- native vegetation
- native fauna
- threatened species

- invasive species
- riverine ecosystems
- groundwater
- marine waters and ecosystems
- wetlands
- estuaries and coastal lake ecosystems
- urban water
- soil condition
- land management
- population and settlement/land use
- air
- heritage
- energy
- climate
- transport
- waste.

In determining whether the desired outcomes of the CSP are being achieved, councils will need to identify what environmental monitoring program is required. This will include identifying what environmental monitoring is being undertaken by others (for example State agencies), and how it may contribute to the information collected by the council about the local environment.

This monitoring program will then inform the environmental reporting the council does in relation to the environmental objectives of the CSP.

It is recommended that councils engage with the Local Land Services and other relevant organisations in their area to agree on a system of monitoring, evaluation and reporting that involves collaboration (local/regional/state).

Integrated Planning and Reporting provides a number of opportunities for councils to work with each other, and with other groups and agencies in environmental management, monitoring and reporting. For example, councils might consider participating in regional environmental planning and reporting partnerships to inform the CSP in their local government area.

There are also opportunities to draw from a wider range of data, to form regional partnerships or data-sharing arrangements for environmental monitoring across a region where local government areas share environmental features.

How it might look in action:

PLANNING	
Where are we now?	In 2022, 65% of all household waste goes to landfill
Where do we want to be in 10 years' time?	By 2032, we want household waste to landfill to be less than 40%
How will we get there?	Introduce green waste bins. Run community awareness programs about what can be recycled.
How will we know when we've arrived?	Every household will have a green waste bin. Recyclable items in landfill will be minimal (less than 10%).

REPORTING	
How much did we do?	During the term of council, all urban households (80% total households) were issued with a green bin. 6 community recycling days were held.
How well did we do it?	63% of households report regularly using their green bins. 20% reduction in recyclable items going to landfill.
Is anyone better off as a result?	In 2024, household waste to landfill has been reduced to 58% - moving towards the target of 40% or less by 2032. An increase in garbage collection fees has been avoided as a result.

Deciding on assessment methods – Delivery Program and Operational Plan

As with the Community Strategic Plan, the council will need to develop methods to determine the effectiveness of the Delivery Program. The methods will focus on outputs (the things we did) and outcomes (did it work?).

Assessing outcomes can be challenging because some things are simply difficult to measure, for example, changes in attitudes, improvements to ecosystems. Outputs are easier to determine – either something happened, or it didn't.

At Delivery Program level, the main focus should be on outcomes. In this regard it is important to spell out exactly what the council hopes to achieve by implementing the Delivery Program. What are the anticipated results? What change do we want to see? How will we know we've arrived at our goal?

Example 1

One strategy might be "Encourage less dependence on cars to reduce air pollution".

How could it be determined if this strategy had actually worked? Apart from undertaking rigorous scientific testing of air pollution levels and counting all the cars every day throughout the council area, it would be difficult to determine this definitively.

However, a range of information could be collected that would indicate the actions being undertaken are having a positive impact. Some of this information could include outputs from the Operational Plan.

For example, in this scenario, the council had decided that constructing more cycleways was one of the actions that would help reduce car usage, so an output might be "10 km of new cycleways was constructed over the past 4 years". This shows what the council did – but it doesn't really answer the question of whether building the cycleways reduced local dependence on cars. The council could install counters on the cycleways to see if usage increased over the 4-year period. This may indicate that there is less dependence on cars, but a direct correlation can't be drawn.

Alternatively, the council could monitor traffic counts on a few major roads and carry out some modelling that may indicate trends throughout the LGA. This might show if there has been a reduction in car usage – but there's nothing to say that the council's strategies are directly responsible for this.

Another approach could be to survey residents to find out if they are using their cars less now the cycleways are in place. This might provide an indication as to whether the strategy is working.

Example 2

Another strategy might be "Build the local economy through the development and implementation of a Tourism Strategy for the area".

How could it be determined if this strategy had actually worked?

A range of information could be collected that would indicate the actions being undertaken as a result of the Tourism Strategy, and whether the strategy is having a positive impact on the local economy.

For example, in this scenario, the council might use the number of visitor accommodation beds and bed occupancy rates as indicators of the success of the tourism strategy.

They might then be able to draw conclusions about the flow-on effects of those apparent visitor numbers to the local economy.

Another approach could be to survey local business to find out if they have experienced growth since the Tourism Strategy's implementation.

To ensure more rigour, such a survey would be undertaken immediately prior to the Strategy's implementation to be clear where the baseline was, and then, say, twelve months and other later times to be able to demonstrate progress towards (or away from) the desired goal.

There may be no absolute way of measuring a particular strategy. But there are indicators that may help to conclude that the strategy is on the right track.

The council will need to decide how much time, money and effort it wants to devote to the monitoring process, considering the likely benefits it will produce. If this is an issue of critical importance to the community, then more sophisticated monitoring may be appropriate. If it is less important, then a collection of anecdotal evidence and a list of outputs may be sufficient.

In determining the indicators that could be used, the council should revisit its Community Strategic Plan assessment framework. Some of the indicators chosen to monitor progress for the Community Strategic Plan may also be useful for monitoring the Delivery Program.

3

IP&R: FOR JOINT ORGANISATIONS AND COUNTY COUNCILS

This section provides an overview of the IP&R requirements for NSW Joint Organisations and county councils.

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3.1 Joint Organisations

Joint Organisations (JOs) have a streamlined planning and reporting framework under the '*Local Government (General) Regulation 2021*' and 'Integrated Planning and Reporting Guidelines for local councils in NSW'.

JOs are required to develop a Statement of Strategic Regional Priorities (SSRP) which sets out a vision for the region and provides an overview of the actions required to deliver the vision. The SSRP should draw from the Community Strategic Plans (CSPs) of member councils, regional-level plans and other state strategic documents to clearly identify the highest regional priorities.

As a minimum, each SSRP should include:

- Vision for the region
- Regional priority areas (around 5)
- Strategies and/or actions required to deliver the regional priorities
- Overview of the stakeholders, agencies and organisations required to help deliver activities and achieve regional priorities.

Developing the SSRP

The SSRP is a 4-year document that aligns with the IP&R reporting cycle and must be prepared within 12 months of ordinary election of councillors for all member councils. The following process is generally used to develop and promote the SSRP:

- Review of CSPs of member councils and key regional plans and strategies.
- Consultation with member councils, e.g. mayors, general managers and senior staff.
- Preparation of a draft statement for review and adoption by the JO Board.
- Publishing of SSRP on JO website.

As the priorities in the statement draw on the community strategic plans of member councils, there is no requirement for the JO to carry out community consultation on the statement of regional priorities.

Reviewing the SSRP

The SSRP should be reviewed at least annually and a complete review of the statement should be a carried out every 4 years and within 12 months of each ordinary election of councillors for all member councils.

Reporting on the SSRP

JOs are required to prepare audited financial reports and annual performance statements.

Communicating about the SSRP

JOs must develop a Communication and Engagement Strategy that:

- includes key messages about its role and commitment to achieving strategic priorities
- outlines methods for communicating effectively with member councils and stakeholders on progress in strategic priorities, including the achievement of key milestones and successes
- identifies monitoring and regular review processes, to ensure the Communication and Engagement Strategy remains relevant and effective.

3.2 County councils

County councils conduct the IP&R process with modified requirements for the Community Strategic Plan. All other components must still be delivered, but at an appropriate scale. Where county councils undertake other mandatory strategic and business planning (e.g. integrated water cycle management planning or weed management strategies), these must be wholly integrated with the IP&R framework.

All county councils are required to develop a Business Activity Strategic Plan (BASP) that:

- identifies the business priorities of council for a minimum 10-year period from when the plan is endorsed
- establishes high-level objectives, together with strategies for achieving objectives
- has due regard to the CSPs of a county council's constituent councils
- is developed in consultation with constituent councils and refers to relevant SSRPs, plans, programs, strategies and policies of a JO that apply to the county council's operations or functions.

Review

County councils must review the BASP following the ordinary election of councillors to constituent councils and before 30 June. At this time, the county council can endorse the existing BASP, endorse amendments, or develop and endorse a new BASP as appropriate—ensuring that the BASP covers a minimum 10-year timeframe.

Reporting

County councils are required to prepare annual reports, 6 monthly progress reports, quarterly budget review statements and annual financial statements.

Communicating

County councils must develop a Community Engagement Strategy to guide the way they communicate and engage with constituent councils and other relevant stakeholders.

Each county council must publish a copy of the BASP on its website within 28 days of it being endorsed, and also notify and provide a copy or online link to the BASP to the NSW Office of Local Government.

A

APPENDICES

A-1 IP&R FACT SHEET: SUMMARY OF MANDATORY REQUIREMENTS

This fact sheet summarises the mandatory requirements for each component of the IP&R Framework. It should be read in conjunction with the Office of Local Government's Integrated Planning and Reporting Guidelines for Local Government in NSW.

A-1-1 Community Strategic Plan

Local Government Act

Following is a summary of the requirements of section 402 of the *Local Government Act 1993* (the Act):

- 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

General purpose councils

There are no Community Strategic Plan requirements in the *Local Government (General) Regulation 2021* (the Regulation) for general purpose councils.

County councils

Requirements for County Councils are set out in 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 Local Government Act (see Essential Elements 2.1 and 2.2).

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 following the election. 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 Report) must be presented to and endorsed at the second meeting of the new council.

1.12 What the review must include

- 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 also 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.

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

A-1-2   Community Engagement Strategy

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 (General) Regulation

There are no requirements 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.

(For example, the Community Participation Plan requirements of the *Environmental Planning and Assessment Act 1979* may be wholly integrated into a council's community engagement strategy).

Environmental Planning and Assessment Act

Effective March 2018, the *Environmental Planning and Assessment Act 1979* (EP&A Act) includes a requirement for local councils to create a Community Participation Plan for planning-related engagement.

Under both the Act and the EP&A Act there are provisions for the Community Participation Plan and CES to be combined, should a council choose to do so. Combining them is considered best practice, giving the community greater clarity about how and when they will be able to have a say and providing consistency of approach and delivery.

A-1-3 Resourcing Strategy

The Resourcing Strategy consists of the following 3 components:

1. Long-Term Financial Planning.
2. Workforce Management Planning.
3. Asset Management Planning.

Mandatory requirements for the Resourcing Strategy are set out in full below.

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) (see also Essential Element 4.6).

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

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 categories of rates linked to specific expenditure proposals
- ensuring that any proposed increase in services and assets is within the financial means of the council
- 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 categories of 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 was 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.

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 of the existing assets under its ownership, 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 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 the condition of their assets in their annual financial statements, in line with the Local Government Code of Accounting Practice and Financial Reporting including condition assessment, renewal and maintenance expenditure.

A-1-4   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 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 identify 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 its 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 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 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 4.9.

A-1-5   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 a 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 in accordance with guidelines issued by the Director-General
- 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.*

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.

Exhibition and publication requirements

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 its 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.

A-1-6 Annual Report

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 and notes 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 prepared by the outgoing 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 and 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).

A-1-7 Planning and reporting for Joint Organisations

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 principal functions of:

- establishing strategic regional priorities for the area and strategies and plans to deliver these
- provide regional leadership for the area and 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 Regional Strategic 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 councillors 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

Note: *A Joint Organisation must adopt its revenue policy statement for a year 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
- These IP&R guidelines may include requirements in connection with the preparation, development and review of a Joint Organisation's Annual Performance Statement.

Note: *A Joint Organisation may, but is not required to, prepare an Annual Performance Statement for the first year in which it is established.*

Essential Elements

There are no Essential Elements relating to Joint Organisations.

A-2 IP&R FACT SHEET: OTHER IP&R PLANS AND STRATEGIES

The IP&R framework provides for supporting strategies and plans as a way of providing more specific and detailed guidance on strategic direction and, in some cases, actions.

Plans or strategies of this type are referred to collectively as 'informing strategies' and sit between the Community Strategic Plan and the delivery program under the IP&R framework. Examples include:

- Mandatory plans and strategies required under other legislations, such as:
  - Disability Inclusion Action Plan
  - Local Environmental Plan
  - Local Strategic Planning Statement
  - Community Participation Plan
  - Community Safety Plan
  - Coastal Management Plan.

- Best practice plans and strategies developed by council, such as:
  - Information Communication Technology (ICT) Plan or Strategy
  - Recreation Strategy
  - Tourism Strategy
  - Economic Development Strategy
  - Arts and Culture Plan.

Generally, supporting plans and strategies are issue- or area-specific and fall into one of two types:

1. Higher level guiding strategies which articulate aspirations and strategic intent.

2. More detailed plans that contain specific priorities about new or enhanced service levels, projects or activities.

Either way they should show how they link to the Community Strategic Plan, including as relevant the identified priorities.

If they contain specific priorities regarding new or enhanced services, projects or activities then the plan is to be fed into the next Strategic review. It is important to avoid creating issue- or area-specific plans or strategies with unfunded commitments.

New expenditure should be incorporated into the delivery program, resourcing strategy and operational plan to determine where the line gets drawn in the list of priorities, relative to business as usual.

Commitments made to services, projects and activities that are part of regional or state strategies which require council time, staff or money, e.g. a regional conservation plan, also need to be considered as part of the process and included in the documents.

In order to feed into the corporate planning cycle, it is useful to schedule council's issue and area specific plans in the delivery program so they are timed to fit in to the 4-year review cycle.

More information on the following common plans and strategies is contained in this fact sheet:

- Local Strategic Planning Statements (A-2-1).
- ICT Strategy (A-2-2).
- Emergency and recovery planning (A-2-3).

A-2-1   Local Strategic Planning Statements

The *Environmental Planning and Assessment Act 1979* (EP&A Act) requires councils to prepare and make local strategic planning statements. Local Strategic Planning Statements (LSPS) set out:

- the 20-year vision for land use in the local area
- the special characteristics which contribute to local identity
- shared community values to be maintained and enhanced
- how growth and change will be managed into the future.

The LSPS gives effect to regional and district plans, informs amendments to local environmental plans (LEPs) and development control plans (DCPs) and integrates land use planning across the EP&A Act and the *Local Government Act 1993* (the Act).

The 20-year vision may be derived from a community strategic visioning process conducted as part of the Community Strategic Plan (CSP) prepared as part of the IP&R process or from a separate engagement process.

The Act is clear that the IP&R framework is local government's principal strategic and operational planning framework. All plans must be connected to IP&R. The legislation is also clear that each community has one set of agreed strategic goals (those articulated in the CSP) but it may have many instruments to implement those strategic goals.

The LSPS is one of those instruments and the LSPS actions are informed by the CSP strategic goals and directions.

Councils have a choice about how they report on their LSPS outcomes. Given that the 2 plans are closely related, council should consider meeting their LSPS reporting requirements through IP&R reporting to ensure the community understands how its strategic goals are being delivered through land use planning outcomes (and will also save money by avoiding double reporting).

Councils have a wide range of flexibility in how they undertake their IP&R reporting. As long as they comply with the basic requirements in the guidelines, they are free to develop regimes that suit the size and identity of their communities.

Councils should also consider aligning the review and update of the LSPS with the mandatory review and update of the CSP (i.e. by June 30 after the local government election).

A-2-2   ICT Strategy

Whilst not a requirement under the Local Government Act and Regulations, the development and adoption of an Information Communications and Technology (ICT) Strategy by councils is an invaluable part of councils' resource planning and is considered best practice.

What is it?

ICT is an integral part of our everyday lives. The manner in which councils choose to carry out their functions and deliver services to the community is underpinned by the way they manage their information and use technology.

Alongside council assets, people and money, ICT is another resource to be planned for and managed in a way that supports the strategic objectives of the Community Strategic Plan as well as the day to day operations of the council.

An ICT Strategy is a comprehensive plan that outlines how technology will be used to meet council's information technology and business goals.

It details the multiple factors that affect the council's investment in and use of information and technology.

Basic requirements

Establish a clear purpose

Ideally, the ICT Strategy will provide an overarching reference for all ICT-related decision making, especially investment and service decisions.

It sets the ICT direction, architecture and priorities for council that align with the Community Strategic Plan and other documents in the IP&R suite, council and community needs as well as government information and data policies.

It communicates and promotes a consistent understanding of council's ICT plans, activities and expenditure to staff, councillors and the community.

Council's strategy needs to establish a clear purpose and the benefits that will be derived from such a plan.

Not just the responsibility of IT managers

Nearly every worker in council uses some form of ICT, whether it's a mobile phone, laptop, tablet, document sharing on the cloud, databases and booking systems, online security, software, record keeping and management, the list goes on.

Setting up a cross-council team to oversee development, implementation and monitoring of the ICT Strategy is the best way to share the load, ensure that the Strategy reflects the needs of council and the community, and improve buy-in from across council.

The project sponsor may be a member of the executive team responsible for ICT and team chairperson may be the manager.

Situational analysis

A key component of preparing any strategy or plan is a situational analysis or an environmental scan. In developing an ICT strategy this analysis will consider matters such as user expectations (staff and community), governance, new and emerging technologies, rapid change and obsolescence, funding sources, current and new staffing, risk assessment and asset management.

An analysis of the current state of a council's ICT capabilities is also important. A summary of findings should be included in the ICT Strategy as evidence that the analysis has been done and justification for the proposed change program.

Alignment with other IP&R documents

The ICT Strategy should clearly set out the projects and other initiatives that will be used to implement the desired changes that the plan describes.

A 'roadmap' of the planned program is useful to include. Alternatively, the program could be grouped by timing e.g. immediate (within the current year), short term, medium term and long term. It should identify, at a minimum, the work to be done, by whom and when it is expected to be completed.

This program of actions is to be clearly linked to the outcomes of the Community Strategic Plan and key performance indicators and baseline data should be set to measure and report on progress.

Model code of contents

It is up to each council to decide how to structure their ICT Strategy. Councils can use the model table of contents under the "Other plans and strategies", in Section 2.8.

Self-assessment checklist

The self-assessment checklist below may be of assistance when developing the ICT Strategy:

☑ Does the plan identify the ICT capabilities required to meet the organisation's foreseeable business needs over the life of the plan?

☑ Has a comprehensive analysis of the current state of council's ICT capabilities been undertaken?

☑ Is a summary of the results included in ICT strategic planning documents as evidence that the analysis has been done?

☑ Are details of the projects and other initiatives that are planned included in the plan?

☑ Have these been mapped or prioritised?

☑ Does council have an up to date cyber security policy

☑ Does it identify the work to be done and when it is expected to be completed?

☑ Are the governance arrangements to oversee its implementation described, including roles and responsibilities for implementation.

☑ Have the existing (or changes to) and any new service levels, projects and activities been costed and linked to the Long-Term Financial Plan, Work Force Management Strategy, Asset Management Plan and Delivery Program?

☑ Does it identify key performance indicators and baseline data, so that progress on the implementation of ICT strategies can be measured and reported?

Useful resources

The following resources may be useful when developing the ICT Strategy.

- https://www.dlgsc.wa.gov.au/local-government/strengthening-local-government/intergrated-planning-and-reporting/ict-strategic-framework
- www.digital.nsw.gov.au/transformation/cyber-security/cyber-security-policy
- https://www.qgcio.qld.gov.au/information-on/digital-and-ict-strategic-planning
- https://www.finance.nsw.gov.au/nsw-government-ict-strategy
- https://www.wa.gov.au/government/publications/digital-wa-state-ict-strategy-2016-2020

A-2-3   Emergency and recovery planning

Whilst not a requirement under the Local Government Act and Regulations, consideration of the resource implications of council's role in emergency management is an invaluable part of council's resource planning and is considered best practice.

NSW has well-established and proven emergency management arrangements underpinned by the *State Emergency and Rescue Management Act 1989* (SERM Act) in which councils are identified as a having a key role.

It is recommended that councils consider emergency and recovery planning and their role in preparing their communities for emergencies as part of their IP&R process.

What is it?

Emergency management is a range of measures to manage risks to communities and the environment. It includes the development and maintenance of arrangements to prevent, prepare for, respond to and recover from emergencies. It begins well before an emergency occurs and continues through to well after the emergency has passed.

Emergencies can impact on individuals and communities, as well as the surrounding environment and infrastructure.

Local councils are a critical partner in emergency management in NSW and have a clear role under the SERM Act and the State's Emergency Management Plan (EMPLAN) to lead emergency management arrangements at the local level.

The principle of the emergency management arrangements in NSW is that local communities have a greater insight into their needs and resources. Accordingly, the EMPLAN devolves control and co-ordination of emergency operations and the responsibility for preparedness, response and recovery to the lowest possible level, with structures in place for greater support at the regional and state level where local capacity is overwhelmed.

Councils provide leadership in delivering and supporting measures that strengthen local community preparedness and resilience. Through activities that build local capability, Councils are pivotal in creating communities that have adaptation capacity and are well prepared for any emergency or severe weather event. Resilience NSW provides assistance and resources to enable Councils to improve community preparedness. These include grants programs and the Get Ready community preparedness program.

More information is available at https://www.nsw.gov.au/resilience-nsw/get-ready-program-for-local-councils or by emailing getreadynsw@resilience.nsw.gov.au for more information.

Basic requirements

Local Emergency Management Plans
Local Emergency Management Plans are developed by Local Emergency Management Committees (LEMC) to:

• clearly define roles and responsibilities of responders and community partners

• demonstrate a level of preparedness by the LEMC

• inform disaster management responses at region and State levels

• detail how support will be co-ordinated to a combat agency and affected communities

• provide a flexible set of arrangements that can be used as a cross reference by LEMC

• ensure compliance with the SERM Act 1989.

Councils are encouraged to consider the Local Emergency Management Plan as part of the IP&R process to ensure that resource implications for prevention of, preparation for, responding to and recovering from emergencies are considered in Delivery and Operational Plans and Resourcing Strategy.

Local recovery planning

Councils are encouraged to develop a Recovery Plan for their Local Government Area (LGA). During the recovery phase of disasters, councils play a lead role coordinating recovery strategies and activities within their communities.

It is recommended that a recovery plan include the following key elements:

- identification of council leads across the 4 recovery domains (Built, Economic, Social, Natural)
- Recovery Committee Structure and membership
- identification of NGOs/Community Service Organisation that would have a role in community recovery activities.
- establishment of a Community Resilience Network (CRN) to provide a link between the community sector and emergency management planning and recovery
- identification of communication channels and key messages
- social profiles for relevant 'at risk' townships within an LGA
- identification of council facilities suitable for potential recovery centres
- identification of key support agencies and partners.

Resilience NSW is developing a Local Recovery Plan template to provide guidance to councils in the development of their plans. Councils are encouraged to consider the potential resource implications of the Recovery Plan in Delivery and Operational Plans and Resourcing Strategy.

Model code of contents

Resilience NSW is developing a Local Recovery Plan template to provide guidance to councils in the development their plans.

A consistent approach to planning reflects the state's emergency management arrangements and legislative intent.

The Local Recovery Plan template provides the foundation of what needs to be included. Councils are encouraged to build on this basic structure.

Self-assessment checklist

The self-assessment checklist below may be of assistance:

☑ Does the plan identify the emergency planning and recovery capabilities required to meet the organisation's foreseeable business needs over the life of the plan?

☑ Has a comprehensive analysis of the current state of council's emergency recovery capabilities been undertaken?

☑ Is a summary of the results included as evidence that the analysis has been done?

☑ Are details of the projects and other initiatives that are planned included in the plan?

☑ Have these been mapped or prioritised?

☑ Does the plan identify the work to be done and when it is expected to be completed?

☑ Are the governance arrangements to oversee its implementation described, including roles and responsibilities for implementation.

☑ Does the plan identify council leads across the 4 recovery domains of built, economic, social and natural?

☑ Does the plan identify the Recovery Committee and Sub-Committee Structure?

☑ Does the plan identify council lead roles across the 4 recovery domains recovery committee? Does the plan include identification of Community Resilience Network member organisations – ie key NGOs/Community Service Organisations that would have a role in community recovery.

☑ Does the plan identify communication channels and key messages?

☑ Does the plan contain social profiles for relevant 'at risk' townships within an LGA?

☑ Does the plan identify council facilities suitable for potential recovery centres?

☑ Does the plan identify of key support agencies and partners?

☑ Have the existing (or changes to) and any new service levels, projects and activities been costed and linked to the Long-Term Financial Plan, Asset Management Plan, Workforce Management Strategy and Delivery Program?

☑ Does the plan identify key performance indicators and baseline data, so that progress on the implementation of the Recovery Plan strategies/actions can be measured and reported?

Useful resources

- The Community Recovery Toolkit https://www.emergency.nsw.gov.au/Pages/publications/guidelines-legislation-policies/recovery/community-recovery-toolkit.aspx

- Resilient Community Organisations: Emergency Management – Prevention, Preparedness, Response and Recovery https://resilience.acoss.org.au/the-six-steps/leading-resilience/emergency-management-prevention-preparedness-response-recovery

- National Strategy for Disaster Resilience https://knowledge.aidr.org.au/resources/national-strategy-for-disaster-resilience/

- Emergency Management Arrangements for NSW https://www.emergency.nsw.gov.au/Documents/publications/Emergency-Management-Arrangements-For-NSW.pdf

- Local Emergency Management Planning Guidelines https://www.emergency.nsw.gov.au/Documents/publications/guidelines/Guideline-Local-Emergency-Planning-2015.pdf

- Community Engagement Framework https://www.emergency.nsw.gov.au/Documents/publications/National-Strategy-for-Disaster-Resilience-Community-Engagement-Framework.pdf

- Resilience NSW: Get Ready for Councils https://www.nsw.gov.au/resilience-nsw/get-ready-program-for-local-councils

- Emergency Management Victoria: Community Resilience Framework for Emergency Management https://www.emv.vic.gov.au/CommunityResilienceFramework

- Emergency Management Victoria: Disaster Recovery Toolkit for Local Government https://www.emv.vic.gov.au/how-we-help/disaster-recovery-toolkit-for-local-government

- Emergency Management Victoria: Council business matters-managing the challenges of disaster recovery https://files-em.em.vic.gov.au/public/EMV-web/DISASTER_RECOVERY_TOOLKIT_BOOK5_WEB.pdf

- Hunter Joint Organisation: Local Disaster Communication Planning Framework 2020 https://www.hunterjo.com.au/wp-content/uploads/2020/11/hjo_disaster-comms-planning-framework.pdf

A-3 IP&R FACT SHEET: ASSET MANAGEMENT PLANS

It is up to each council to decide how to structure their Asset Management Plans for each class of asset. The example table of contents below includes core topics/areas to be covered in the documents. The order is a guide only, councils may rearrange, rename, expand or add to these as required.

International Infrastructure Management Manual

The International Infrastructure Management Manual suggests that improvement tasks can be grouped under the 6 headings outlined in the table below. Under each heading are some typical improvements activities relating to these areas:

International Infrastructure Management Manual guidelines for asset management

Key consideration	Model standard	Self-assessment checklist
Asset management preparation + corporate overview	• Confirm asset management team/coordinator roles • Confirm corporate asset management objectives/programs • Confirm asset management plan formats/scope • Prepare detailed activity asset management improvement plans • Define current levels of services/performance measures • List asset management policies (existing/required) • Prepare initial asset management plans • Update existing/initial asset management plans • Review selected levels of service.	The strategy answers the following questions: • What is the current situation? Where do we want to be? • What asset solutions will get us there? Assets that are critical to the council's operations are identified and include risk management strategies Specific actions that are required to improve the council's asset management capability as well as projected resource requirements and timeframes are included.
Asset management data improvements	• Confirm data classification/ identification system • Confirm data collection priority • Confirm data collection/recording contract requirements • Collect and input priority asset management systems attribute data • Collect/input priority geographic information systems spatial attribute data.	

Key consideration	Model standard	Self-assessment checklist
Asset management process improvement	Confirm the following processes for each asset: • Service delivery tendering • Level of service review/service performance monitoring • Asset condition assessment/performance monitoring • Attribute data collection/validation/recording • Customer enquiries • Asset accounting and economics • Renewal decision-making/demand management • Capital expenditure improvements • QA/continuous improvement • Include confirmed processes in Asset Management Plans • Review asset management processes.	The strategy documents and demonstrates an integrated approach to planning and coordination of asset management across the various asset groups.
Organisational + people issues	• Review of corporate asset management structure and project brief • Review of training needs and revision of training program.	Responsibilities and training needs are identified.
Asset management information system improvement	• Confirm asset management system development plan • Asset management system purchase/training • Develop a strategy for integrating mapping, financial and asset information systems • Review asset management system development plan.	Regular reviews of asset management systems are undertaken.
Asset management commercial tactics	• Core business review • Review packaging and scope of contracts • Review incentives to encourage desired contractor behaviour • Review contract management/supervision processes • Modify specifications to incorporate contract requirements associated with revised asset management processes • Implement project management systems.	Review related systems and processes including contract and project management.

A-4 IP&R FACT SHEET: DELIVERY PROGRAM PROGRESS REPORT

The Delivery Program Progress Report is a report from the general manager to the elected council. It must be provided at least every 6 months and report on the progress against the principal activities of the delivery program.

The purpose of the report is to enable councillors to understand how council is tracking in the context of the commitment it has made to the community through the Delivery Program.

Mandatory requirements

The mandatory and statutory requirements for preparing the Delivery Program are outlined in Appendices A-1. These requirements must be read and understood by councils prior to developing and delivering this document.

Councils should also refer to the Integrated Planning and Reporting Guidelines for Local Government in NSW for detail of mandatory planning and reporting obligations under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Basic requirements

Councils are free to organise and present the Delivery Program Progress Report in any way they choose, as long as the legislative requirements and essential elements are addressed.

Alignment with IP&R documents

The Delivery Program Progress Report should be structured in a similar way to that of the community strategic plan and the delivery program to show how the documents all link together.

Measures or indicators included in the delivery program or operational plan should also be included in the progress report.

Reporting

The Delivery Program and Operational Plan by their very nature contain a large number of projects, programs and services. Reporting on these can result in lengthy reports that are time consuming for the councillors and community to read. Councils may wish to report by exception rather than on every activity.

An exception report might include such things as:

- notable highlights achieved during the 6-month period
- the ratio of projects, programs and services on target/track vs total projects, programs and services
- details of projects, programs and services that are not running to time/budget and
- an explanation and remediation plans for each of these projects, programs and services.

Some councils use this approach, while others use a 'traffic light' system to illustrate how progress on each activity.

Frequency of reporting

Councils are required to report on the delivery program at least 6 monthly and to prepare Quarterly Budget Review Statements (see Appendix A-5).

In considering the best approach, it is useful to be mindful of the purpose of the Delivery Program Progress Report and its relationship with the budget review statements and annual report and weigh up the benefit of reporting more frequently than the required 6-monthly minimum and the content of such reports.

If the need for more frequent progress reporting is identified, councils may consider including a short exception report with details of projects, programs and services that are not running to time/budget and an explanation and remediation plans for each to complement the quarterly budget review statement for the first and third quarters.

A more comprehensive 6-monthly report (exception or otherwise) can then be provided at end of the second and fourth quarters.

The detail of how council has progressed against the commitments of the delivery program is to be included in the annual report. More information on the purpose and content of the Annual Report can be found in the next section/chapter.

Easy to read

The use of visual tools such as colour, graphs, maps and photos is encouraged.

Model Table of Contents

It is up to each council to decide how to structure their delivery program progress report.The example table of contents includes core topics/areas to be included in the document. The order is a guide only, councils may rearrange, rename or expand these as they see fit.

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1. Purpose of this report
- How to read the report

2. Executive summary
- Key highlights
- Snapshot of major projects and programs
- Snapshot of service delivery and operational performance indicators

3. Report
- Theme 1
  – Highlights
- Major projects and programs
- Delivery program indicators
  – Operational program indicators
  – Financial
- Theme 2
  – Highlights
- Major projects and programs

- Delivery program indicators
  – Operational program indicators
  – Financial
- Theme 3
  – Highlights
- Major projects and programs
- Delivery program indicators
  – Operational program indicators
  – Financial
- Theme 4
  – Highlights
- Major projects and programs
- Delivery program indicators
  – Operational program indicators
  – Financial

A-5 IP&R FACT SHEET: QUARTERLY BUDGET REVIEW STATEMENT

Council's Quarterly Budget Review Statement provides a summary of council's financial position to the elected council.

The Quarterly Budget Review Statement (QBRS) refers to the estimate of income and expenditure in the revenue policy of the operational plan, details the actuals and revises the actuals for the remainder of the year.

The quarterly frequency allows budgetary adjustments to be made, if necessary. It is the mechanism by which the community and councillors are informed of progress against the Operational Plan (original budget) and last revised budget.

It supplements the information contained in the Delivery Program report and allows the council to monitor actual income and expenditure against the forecast and adjust if necessary. This may inform the next operational plan or lead to an amendment to the Delivery Program.

The minimum requirements for the QBRS are included in the Code of Accounting Practice and Financial Reporting and form part of the legislative framework in accordance with cl 203(3) of the *Local Government (General) Regulation 2021*. The Quarterly Budget Review Statement Guidelines can be found on the on the OLG website at https://www.olg.nsw.gov.au/wp-content/uploads/Quarterly-Budget-Review-Statement-for-NSW-Local-Government.pdf

A-6 GUIDE TO WORKFORCE MANAGEMENT PLANNING

This guide is a practical tool help guide the process and final output of successful workforce planning.

The Workforce Management Strategy guide:

- outlines a 6 stage process and framework for developing your council's Workforce Management Strategy (WMS) (see diagram)
- is a tool to assist in gathering the data and presenting your council's current and future workforce capability needs, which will be used to inform and set out actions
- includes case examples of common challenges and best practice approaches to help councils analyse and act.

The WMS is an integral part of the Resourcing Strategy (RS) and is to be informed by and developed in conjunction with the Long-Term Financial Plan (LFTP) and the Asset Managemet (AM) Strategy and Plans.

1 SCOPE the Workforce Management Strategy

The first stage in developing a WMS is defining the scope.

In many organisations the usual approach to workforce planning is just a short-term budget and headcount exercise. Attempting to be this granular and precise is not helpful when looking longer term, especially when the external environment is uncertain.

Mercer

Defining the scope of the WMS will require:

- a clear purpose statement for the process and the Plan
- all executives, managers and supervisors (it is not solely the role of Human Resources)
- an agreed remit for the Plan including strategic and operational considerations
- engagement with each Program Delivery Manager to determine the future workforce needed to succeed on the delivery program and the objectives of the Community Strategic Plan
- key stakeholders such as Council's consultative committees, employee representatives and management
- dedicated resources to develop, monitor and evaluate the Strategy
- a timetable for implementation.

Example: Blue Mountains Council Workforce Strategy 2013-2023

The purpose of the strategy is to provide a platform to identify, consider and respond to the significant issues and risks facing the organisation now and into the future. In particular, it takes into account the increasing financial pressures facing council by strategically positioning the workforce to respond quickly to the changing needs of the organisation. Ultimately, this delivers a highly safe, skilled and engaged workforce that provides "value for money" services to the Blue Mountains community.

Basic questions to answer:

- Do you have a clearly agreed purpose for your workforce plan and what you are trying to achieve?
- What stakeholders are to be included - internal and external - to best understand the council's current and future workforce challenges?
- What are the future strategic priorities of the council?

Advanced questions to answer:

- How you will ensure you have enough information to inform your strategy?
- What government reforms are likely to impact on council's strategic direction and what role could you play to influence decision makers?

Example: Bellingen Council Workforce Management Scope statement (2012)

Council commenced development of the Workforce Management Plan in early 2011 with a Council Executive Team and a Councillor workshop, where initial discussions took place regarding structure and short-term resource issues. In December 2011 Council initiated an organisation-wide structure review designed to enable Council to:

- meet the expectations of the Shire of Bellingen 2030 Community Strategic Plan
- meet the challenges of future government reforms
- fulfil its core functions as well as deliver services in the most efficient way.

2 ANALYSE the current workforce

The next stage is understanding your council's current workforce context through analysis of available data.

The aim of Workforce Analysis is to develop a good understanding of the key drivers that will affect the future supply and demand for labour for the organisation. This involves scanning the internal and external environments to identify factors that may impact on the workforce.

Victorian Government

To analyse council's current workforce, you will need to consider:

- current workforce profile
- council's strengths and weaknesses
- the workforce profile - including age, gender, diversity, skills and known gaps
- an external scan of impacts and influences - such as Political, Economic, Social, Technological, Environmental and Legal
- an internal scan of impacts.

Note: *The Data Source section at the end of this template can be used to locate useful data.*

The contextual analysis should include consideration of:

- Do you understand how well council meets the service needs of the community?
- Are council's business objectives met by the current workforce structure?
- Do you have sufficient employee numbers with the right skillsets?
- How does your current workforce's profile compare to the community it serves, is it representative?
- Is your workforce sufficiently diverse?
- Do you understand where your staff / skill shortages exist and where succession planning is required?
- What would be the likely issues identified by employees about current workforce issues?

Example: Northern Beaches Council 2018
Strategic priorities were identified to address key issues and areas for improvement. The strategic priorities are:

- Drive a culture of high performance and engagement
- Enable our leaders to deliver
- Build a capable, fit for purpose workforce.

Basic questions to answer at the analysis stage:

• What is your employee head count and Full Time Employment (FTE)?

• What is the gender breakdown of your council workforce?

• What is the median length of tenure (ie in number of years)?

• What is the median age of your employees?

• How many senior leaders are women?

• What is your annual staff turnover?

• What is your average and median salary?

• Where do your employees live?

Advanced questions to answer at the analysis stage:

• How is the workforce organised?

• Are resources well-balanced?

• What issues impact on employee performance?

• What is critical for success in developing your workforce to better respond to community needs?

3 FORECAST
the workforce needs

This stage will use the data to inform forecasting the future needs of council's workforce.

> *We tend to extrapolate forecasts from recent trends. In times of uncertainty, things become more chaotic. So, you must dig deep into every assumption, try to identify any scenarios and risks that can be foreseen, and decide on the principles that will help you navigate your away through.*
>
> Professor Sparrow, Lancaster University UK

Forecasting workforce needs will require consideration of:

• labour force information based on the needs identified in the Community Strategic Plan and Delivery Program

• identification of internal and external changes and developments likely to be faced in future in order to meet the community's long-term objectives

• resources and partnerships that council will need to develop, monitor and maintain to deliver parts of the Community Strategic Plan

• potential organisational structural changes that could be required to meet demand

• the skills required to meet the Delivery Program

• emerging technologies critical to council's future success

• supply gaps that are likely to exist or be exacerbated.

Note: *The Data Source section at the end of this template provides a list of useful resources.*

Basic questions to answer:

- Where is council going in the next 4 years?
- What are the workload drivers for the council?
- Will projects or projected services/directions impact on council business?
- What are council's current and future business, work functions and activities?
- What are the required workforce composition and competencies?
- What are the anticipated changes over the planning period?
- What does the current and future labour market look like (regarding the availability of certain occupations and the people necessary to fill them)?
- How is technology expected to change and how will these changes influence the type and number of jobs available and the skills and education needed for these jobs?
- What is the impact of current or future government regulations on council business?
- How is the economy performing both locally and nationally?

Advanced questions to answer:

- How can you develop a pipeline of skills and capabilities to meet future demand?
- Which critical sectors could be sources of competition for skills (salary and remuneration?
- What steps could be taken to differentiate your council and attract the best talent?

Example: Hilltops Council (2017)
This council is facing challenges, both now and into the future. These are predominately related to the nature of our industry, the diversity of the organisation and the expectations of the community.

Some of the challenges have an impact on and have been identified and integrated into Council's 3-year Workforce Management Strategy. These include:

- learning and development
- succession planning and knowledge transfer
- career planning
- development of leadership and mentoring capabilities
- a sustainable workforce
- aligning the workforce with corporate goals and objectives
- skills shortages in specific occupational groups
- increasing compliance requirements
- achieving high levels of employee engagement
- an ageing workforce
- continually improving WHS
- reduction of leave balances
- increasing accessibility of HR information across the council.

4 IDENTIFY workforce gaps against future needs

This stage will identify workforce requirements, gaps and future needs.

Effective workforce planning is underpinned by a solid understanding of an organisation's current workforce capability and characteristics, the skills and knowledge required for the future, and how external factors might affect the supply and demand of workers. A comprehensive assessment of workforce needs allows an organisation to identify risks and establish workforce strategies that can deliver the right mix of skills at the right time.

New Zealand Auditor General 2009

Identifying the workforce requirements should include:

• developing strategies designed to enable the council to achieve its future workforce needs

• documenting strategies that will result in the desired changes to the council's workforce profile

• identifying key performance indicators, timeframes and who is involved

• identifying ways to consult with employees to fill gaps.

Basic questions to answer:

• Where are the key focus areas for action to meet your workforce's future development needs?

• What actions need to occur to meet the desired results for council?

• Who is responsible for driving the change and who will work with them?

• What resources are available to council to meet the need?

• What is the timeframe for reporting?

Advanced questions to answer:

• What are the challenges in developing skills and capabilities to meet future demand?

• What steps could be taken to address areas of disagreement and competitive resourcing?

• Have you reviewed best practice approaches from other councils?

Example: Albury City Council Workforce Strategy 2017-21
Analysis of Age Breakdown identifying gaps

Staff Age Demographics
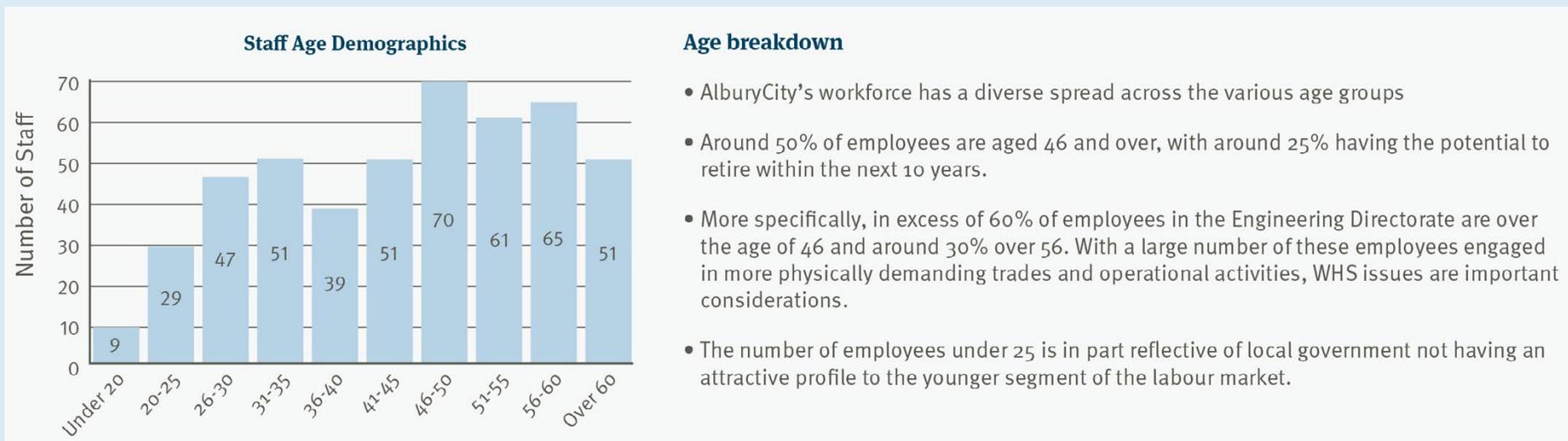
Age breakdown

- AlburyCity's workforce has a diverse spread across the various age groups

- Around 50% of employees are aged 46 and over, with around 25% having the potential to retire within the next 10 years.

- More specifically, in excess of 60% of employees in the Engineering Directorate are over the age of 46 and around 30% over 56. With a large number of these employees engaged in more physically demanding trades and operational activities, WHS issues are important considerations.

- The number of employees under 25 is in part reflective of local government not having an attractive profile to the younger segment of the labour market.

5 IMPLEMENT actions to address shortages, surpluses or skills mismatches

This stage involves implementing an effective workforce strategy that addresses key issues and assigns clear responsibilities.

Implementing a workforce management strategy should include:

- the methods by which decisions will be made and implemented, at both strategic and operational levels
- clear responsibility for delivery and reporting of the strategy
- a process and timetable for implementation
- communication strategies to embed understanding
- clear benefits of the strategy and how feedback is provided.

Basic questions to answer:

- Who are the key stakeholders and how are they engaged in the implementation of results?
- Who is responsible for delivery and who is ultimately accountable?
- Is there a clear and well understood timeframe for delivery?
- What communication channels will be applied to ensure effective understanding and commitment from all involved?

Advanced questions to answer:

- How will you celebrate your successes?
- Are there any performance or cultural approaches that will help ensure success?

Example: Albury City Council Workforce Strategy 2017-21
Actions to Implement

Attracting our People

We ensure our ongoing organisational capacity through understanding our current and future workforce needs. Effective recruitment and selection strategies are used to attract and secure the best people. Opportunities are provided for people to gain exposure to AlburyCity and what is has to offer through specific work placement arrangements.

Key Area	Specific Outcomes	Actions	Timeframe	Measures
Workforce Planning - A thorough understanding of our current and future workforce needs	• Effective workforce planning procedures and tools are available to leaders • Workforce demographics are used to guide decision making • Ensure that we have the right people in the right jobs at the right time – develop/recruit/outsource?	• Enhance current reporting on workforce demographic data • Continue to provide workforce planning support for AlburyCity Service & Efficiency Reviews • Enhance the process for Exit Interviews	• June 2018 • Ongoing • June 2019	• Workforce data is provided to Groups monthly • 100% of employees able to participate in Exit Interviews
Recruitment & Selection - Attract and engage quality people	• Recruitment actions are values and behaviour based • Ensure effective recruitment marketing and promotion • Recruitment approaches are fit for purpose and merit based • Opportunities are available for career progression	• Implement outcomes from the Workforce Resourcing Service & Efficiency Review • Utilise current technology and media as part of a revised Recruitment Marketing approach • Enhance the current On-Line Recruitment system • Review AlburyCity's Recruitment & Selection Procedures	• June 2018 • December 2017 • June 2018 • December 2017	• <10% positions readvertised • Procedures reviewed
Placements – Provide volunteer and work experience opportunities for people to experience what AlburyCity has to offer	• Opportunities for work placement are provided across AlburyCity • Support is provided to individuals to ensure their experience is both valuable and enjoyable • Placements occur in line with agreed AlburyCity approaches • Partnerships developed with educational institutions to facilitate placement opportunities	• Review the Volunteer Policy and Procedure • Develop a Work Experience Procedure • Continued support of CSU and La Trobe University Scholarship Program	• December 2018 • December 2018 • Ongoing	• All Teams support requests for work placements

6 MONITOR AND EVALUATE

The final stage involves monitoring and evaluating the workforce management strategy to measure success and identify areas for improvement.

Successful workforce planning is an active ongoing and dynamic process that needs to be monitored and adjusted.This will help position the council to be ready to address and make essential changes when the environment demands change.

State Services Authority Victoria

Monitoring and evaluating the workforce management strategy should include:

- establishing a regular monitoring and evaluation process
- a timeframe for monitoring
- measures of success and performance indicators
- feedback from stakeholders through the monitoring and evaluation process
- opportunities for shared learning.

Basic questions to answer:

- How well have we done and what more could we do?
- Are the planned actions still relevant in the changing environment and labour market context?
- What has been happening to the size, composition and skills requirements of the workforce?
- Is checking built into data capture?
- What has been the impact of investment in the strategies so far?

Advanced questions to answer:

- What are the upcoming workforce risks?
- Are there changing patterns of staffing and has this impacted employee performance and discretionary effort?

Example: Wollongong Council Workforce Strategy 2018

Areas of Change over the next 3-5 years

Diversity and Inclusion

Our Workforce Diversity Plan 2016-2019 demonstrates our commitment to a culture where diversity is encouraged and celebrated. This includes diversity of age, ethnicity and gender and extends to diversity of experience and thought. We will build a contemporary culture to attract and retain a diverse and appropriately skilled workforce that is increasingly representative of our community.
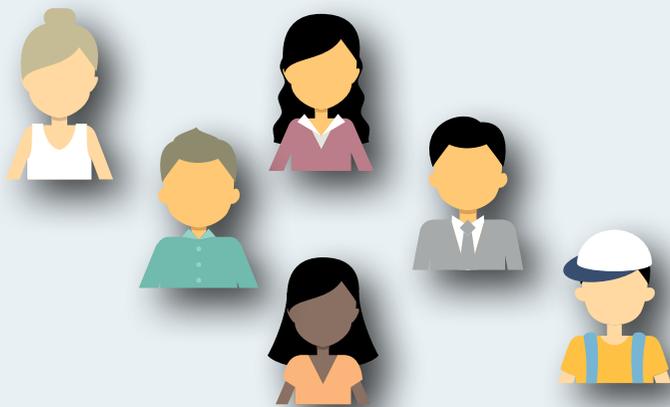
Flexibility and Capability

The need for employees who are able to adapt and transfer skills to different roles and projects is becoming increasingly sought after to support and deliver on Council's Delivery Program and Operational Plan. We are committed to building a capable workforce that has the necessary skills and access to training to deliver a high level of services to our community.

A Focus on Safety

Council is investing in its people through working on achieving a positive safety culture. The implementation of a Safety Culture Road Map is one of the key actions in this Strategy aimed at ingraining safety in the culture of Wollongong City Council.
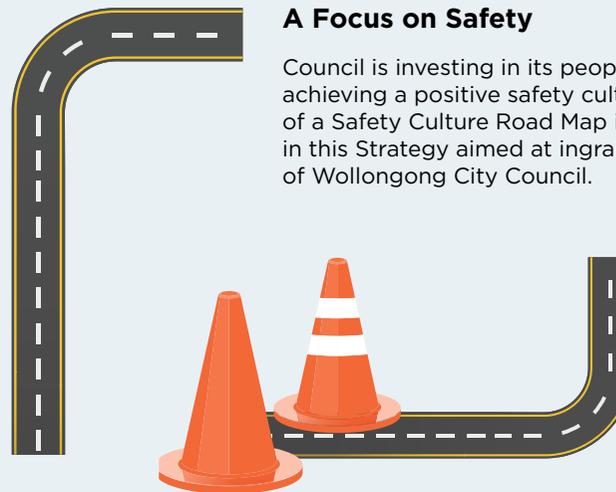
Further resources

These resources can be used to support your workforce management strategy and deal with common challenges that may arise.

1. Hard-to-fill positions

- A 2018 study found that 69% of councils across Australia were experiencing skills shortages in Engineers, Planners, Building Surveyors, Environmental Health Officer and Project Managers (Source: https://alga.asn.au/local-government-workforce-and-future-skills-report-australia).
- Some of the roles – like Engineers for example – are shortages also felt in other sectors – not just Local Government.
- Undergraduate work experience or scholarships can incentivise people with skills in high demand to work with you.
- Supporting skills development through study leave and ongoing skills development opportunities can help retain people.
- Having the right people to help coach and mentor graduate roles can ensure constant learning.

Top tips:

- Connect with universities and peak bodies and offer undergraduate work placements.
- Consider entry level positions for more than just one Graduate.
- Learn from Graduate Programs operated in other councils like Mid Coast and Albury.

2. Para-professional development to support professional skills shortage areas

- Para-professional roles support positions that traditionally require a Graduate.
- Some examples are:
  - Engineer
    - Diploma in Engineering
  - Planner
    - Certificate IV in Drafting
    - Diploma in Building Design
  - Surveyor
    - Advanced Diploma in Building Surveying

Top tips:

- Connect with your local TAFE Business Development Manager for the right qualification.
- Consider supporting existing employees in gaining accreditation to support positions that require university qualifications.
- Link with other councils to collectively upskill existing staff or create work placements.

3. Short sharp quals - Micro-credentials

- Mini qualifications or 'Micro-credentials' offer a way to learn part of a professional skills set to help you on a career pathway.
- Micro-credentials can offer a 'taster' that may lead you to deliver aspects of a professional's role or give you skills in a specific area.
- Examples of micro-credentials include:
  - grid connected solar systems
  - sustainable strategies
  - leadership in childcare
  - bridging courses for financial management.
- https://www.tafensw.edu.au/study/types-courses/micro-credentials

Top tips:

- Connect with your local TAFE Business Development Manager for the right micro-credential.
- Consider developing existing employees with a micro-credential to help them develop in their existing role.
- Consider a micro-credential as a way to create career pathways and improve innovation.

4. Entry level development

- Recruiting and retaining critical council roles can be more challenging in rural and remote councils.
- Some councils have deliberately set about developing career pathways from entry level job roles and exposing young people to a range of career opportunities (see Mid Coast council).
- Traineeships and Graduate programs are a great way to do this.
- Exposing young people to roles in councils can create interest and showcase a range of careers.
- An example of this is from Albury council https://www.alburycity.nsw.gov.au/careers/grow-our-own

Top tips:

- Be open to entry level roles and map out career pathways - use work experience, job rotation and secondments to showcase job roles.
- Focus on learning and development, good management and leadership skills, and provide clear upskilling opportunities.
- Culture matters. Consider ways to engage and share learnings.

5. Talent pools of young people

- NSW Councils employ 13.8% of people under 30 years compared to 25.2% in all industries.
- Often referred to as 'pre-vocational training' – developing a cohort of young people skilled in ways that increase their employability – can be a valuable contribution by council.
- These 'talent pools' can be a source of skilled employees for both councils and other businesses and help to identify future apprentices/trainees.
- Councils can also sponsor skills development of their community (and supplement council employee numbers) when undertaking training and also through offering work placements.
- Councils are generally eligible for a range of wage subsidies if they employ young people for a period of time. More information is available through https://www.dese.gov.au/jobs-hub

Top tips:

- Connect with Federal Government programs as these can support salaries for young people.
- Connect with your local TAFE Business Development Managers or TSNSW regional offices.
- Look to Eurobodalla council for ideas about talent pools.
- Check out the SPARK program that offered young people a Cert I in Construction https://ginninderry.com/spark-training-and-employment/

6. Apprenticeships and traineeships

- Recruiting entry level roles like Apprentices and Trainees can help offset an ageing workforce.It can also support transition to retirement for older workers through a staged mentoring and coaching program – valuing the knowledge of older workers and skilling younger workers at the same time.
- Pre-vocational training can help identify good apprentice and trainee candidates.
- (Existing workers are also eligible to become trainees and apprentices but they may not attract the full training subsidy.)
- Subsidies for apprentices and trainees announced in the Federal Budget are generous.
- https://www.dese.gov.au/boosting-apprenticeship-commencements
- Work through the Joint Organisations or ROCs to potentially share apprentices and trainees where it is practical to do so.

Top tips:

- Take advantage of the wage subsidies available through the Federal Government.
- Connect with your local TAFE Business Development Managers or TSNSW regional offices to determine your skills needs and qualifications.
- Consider ongoing entry level programs to respond to issues relating to an ageing workforce.
- Look to Wollongong and Mid Coast councils for their programs.

7. Increasing diversity

- There are around 394 occupations recorded as working within Local Government.
- The operational outdoor workforce is older (55% over 45 years) compared to professional/admin (50% over 45 years).
- From 2006-2016 there were slight declines in the participation rates of Aboriginal and Torres Strait Islander employees in NSW Local Government.
- 1 in 5 Australians are estimated to have a disability but are twice as likely to be unemployed (https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia-in-brief/contents/what-are-the-key-data-gaps).
- Veterans are also being encouraged to work within Local Government and many have transferable skills that are not readily understood.

Top tips:

- Collect employment data to help you track progress and identify untapped pools of talent.
- Look at your recruitment processes and check whether you could 'call out' diversity candidates by encouraging them to apply.
- Consider connecting with specialist recruitment agencies to actively engage with under-represented groups in your workforce (they can often source, prepare and shortlist candidates).
- Look to Richmond Valley council for great examples of diversity partnerships.

8. Mentoring

- Think about a Mentoring program to ensure effective knowledge transfer.
- Consider the skills critical to success.Some may be professional skills in financial and project management, engineering, planning and construction.
- Others may be skills learned on-the-job and complement technical outcomes such as effective team management, clear leadership and decision making, reducing waste and unnecessary processes, making services easier to access and taking time to look at new ways of approaching old problems.
- Plan your skills development around both 'hard' - knowledge and occupational skills gaps, and 'soft'- mentoring, coaching, leadership and interpersonal skills gaps.
- Apply an 'action learning' approach and relate learning directly to workplace needs.

Top tips:

- Develop a Mentoring program to offer meaningful learning transfer.
- Potentially link with other councils to share learning and 'on-the-job' approaches.
- Targeted existing as well as potential employees for skills development.
- Apply the 70/20/10 model to learning where 70% on the job, 20% from interactions and 10% formal education https://702010institute.com/702010-model

9. Future leaders and succession planning

- Take steps to be assured that every critical leader has a succession plan and is actively engaged in developing at least one team member for their role.
- Scenario planning can help prioritise actions for your leadership and skills development.
- Be transparent about any development opportunities to ensure future leaders are both 'willing' and 'able'.
- Review Future Leaders programs that may support both 'hard' and 'soft' skills.
- Consider opportunities such as conferences, secondment and special projects as part of this program.

Top tips:

- Consider the approach of City of Newcastle – a 6-month program to support development of critical skills to those identified as high potential employees. https://www.tafensw.edu.au/media/-/blogs/knowledge-is-power-tafe-nsw-upskills-newcastle-city-council

10. Investment in people managers

- Be clear about the job role – don't oversell or undersell and attract the wrong candidate.
- Invest in your people managers to ensure they have the right self-awareness, skills and capabilities to manage and develop employees.
- Balance technical management skills with people management skills.
- Managers and leaders should create important connections with the central purpose of the council and the work of their employees.
- Review your remuneration rates regularly and ensure it is comparative.
- Ensure that managers build trust, draw on the team's diversity, encourage problem-solving and foster innovations.

Top tips:

- Place recruitment and resignation data as a regular point of discussion.
- Encourage peer review of people management practices and ensure consistency in their application, e.g. study leave provisions, secondment opportunities.
- Identify high potential employees early, invest in their development and place them with your best managers.

11. Reward, recognition and development opportunities

- Career choices often result from exposure to a work environment.
- Future employees may be attracted to your workplace because they have some understanding of what you do.
- Consider student placements – at secondary or tertiary levels.
- Consider the level of investment you have committed in your Learning and Development budget and compare this to councils of a similar size.
- Mapping career pathways may help (where possible) but other development opportunities (within a role) can be a major source of retention.
- Development opportunities for growth and learning may be through non-accredited learning such as conferences, webinars, secondments, job shadowing, special projects.
- Some councils deliberately set out to 'Grow their Own' by attracting young people through entry level roles- see Wollongong Council's approach.

Top tips:

- Consider connections to school and universities through student work placements.
- Ensure employees share learning with others if they are offered a development opportunity.
- Track the connection between growth and learning and council's delivery plan.

12. Work environment

- Work environment is not just about desk space and equipment.
- Work environment also includes the location, setting, social and physical conditions under which work is done.
- Under Covid-19, work environments have become highly fluid and flexible, representing a significant change.
- For others, their work environment cannot shift settings and remains static.
- Other impacts include the people you work with and the layout, amenities and comfort of your work environment.
- Culture is reflected in the physical work environment.
- Open plan workspaces are more common and reflect a less hierarchical approach.

Top tips:

- Consider how welcoming the work environment would be to a new employee – what would be their first impression?
- Does your council have a social club or a way to include others in activities?
- Does everyone feel included and valued within teams? Think about ways to test this?
- Does the workspace and equipment reflect your culture in the desired way?

13. Accredited learning

- An accredited course is nationally recognised and may include a full or part qualification, or a Statement of Attainment.
- Accredited units of a full qualification can be used as a credit transfer to a full qualification at a later stage.
- An accredited course meets industry, enterprise and community needs.
- Accreditation of a training course is an official recognition of the status of an educational qualification by government. It gives the qualification legal status as a bona fide qualification for employment and education purposes.
- 'Smart and Skilled' is a fee free or partially subsidised vocational education program that regularly reviews skills needs and creates priority skills list to drive their development.
- Councils may use accredited learning to many operational and technical skills where this is a requirement of the job. For example, water operators and chainsaw use as well as skills in project management and leadership.

Top tips:

- Determine the skills needs and the investment capacity of council.
- Be clear on the time investment required by both the employee and the council to ensure high levels of commitment and completion.
- Use your performance/talent reviews to drive individual and cohort development.

14. Non-accredited learning

- Non-accredited learning focuses on a specific knowledge and skillset.
- They can serve as a useful introduction to a subject, peer learning device or to create greater awareness of a topic.
- Non-accredited courses can be delivered by anyone with expertise in the area/topic. They are usually shorter in duration as there is no assessment of competency.
- Non-accredited courses are generally not as expensive an investment as a professional study programs and they don't lead to qualification.
- Non-accredited training can work well for well qualified employees needing additional skillsets.

Top tips:

- Use non-accredited training to develop employees in strategic ways without requiring high levels of study time and assessment (required of accredited learning).
- Connect with subject matter experts and work with them to ensure non-accredited training directly translates to their work or approach to what they do.
- Use non-accredited learning to start conversations, highlight expert thinking and attract peer learning

15. Coaching skills for people managers

- Managers with good coaching and communication skills can work to develop, engage and improve employee performance.
- Many of these skills can be learned and developed, such as ways to ask open questions, how to build trust and collaboration, supporting employees to stretch their skills, active listening, motivating and encouraging commitment and performance.
- Coaching skills can improve communication and create a more positive work environment.
- Coaching skills can draw out barriers to high performance and support problem solving by teams.
- This can also provide benefits in addressing skills gaps and also provide employees with opportunities to develop.

Top tips:

- Identify whether a coaching approach would assist managers and their employees better understand and respond to barriers to high performance.
- Consider including coaching skills in employee reviews.

16. Inclusive practices

- Diversity and inclusion practices allow for a range of experience and thinking to be valued. This can boost performance, avoid groupthink and lead to better community outcomes.
- Establishing a sense of belonging is important for all employees but can be more critical for people from ethnic minority backgrounds, Aboriginal and Torres Strait Islanders, young people, new employees and those with different life experiences than the majority.
- Recruitment practices may reflect unconscious or conscious bias, perpetuating certain groups of employees.
- Raising awareness that diversity and inclusion is important for all employees, not just leaders and people managers.

Top tips:

- Do you collect and discuss your diversity statistics?
- Are there under-represented groups in the community that could be targeted to join your organisation?
- Could diversity awareness and understanding be used to help a new team member settle in?
- Do you demand diversity and inclusion practices from your tenderers, or include social procurement criteria in council contracts?

17. Clear and fair decision making

- Discretionary effort is the difference between average and great performance.
- Employees who connect to your values and see them in action may go the extra mile.
- Higher levels of engagement, motivation and collaboration regularly demonstrate better outcomes.
- Low productivity can reduce effort and energy for teams, and lead to ongoing disconnection and employees who lack commitment.
- People managers play a key role in instilling productivity by driving performance with clear outcomes, support and recognition.
- Having the right equipment, resources and methods of working can also assist.

Top tips:

- Consider highly productive parts of council and ask the manager to share their approaches to people management.
- Ask employees to identify ways their job could be made more efficient and enjoyable.
- Review the barriers to greater productivity and prioritise investment to reduce these barriers.

18. Better communication

- Good communication at all levels means employees feel respected and understood.
- Given the many parts to council, information does not always filter down which leaves room for gossip and mixed or contradictory messages.
- Small problems can avoid becoming greater ones if employees feel they can communicate with impunity.
- Consider that employees are as critical as rate payers in being informed and aware of the work of council, and consider celebrating and highlighting successes.
- Areas of controversary may need more detailed explanation and increased openness. Allow questions to be asked openly or anonymously to encourage transparency.

Top tips:

- Think about an audit of your existing forms of communication to both employees and the community.
- What more could be done to increase the effectiveness of communication?
- Prioritise areas for development where lack of communication or relationship building has resulted in problems arising.
- Think about your systems and processes and ways they can create barriers to good communication.

Data sources

Data sources from a number of agencies can be used to support the development of a workforce management strategy.

National Skills Commission

This Commission was formed after the Joyce Review (2019), i.e. Strengthening Skills: Expert Review of Australia's Vocational Education and Training (VET) https://www.nationalskillscommission.gov.au/about/about-national-skills-commission

The Commission aims to provide advice and leadership around Australia's labour market, including information on current and emerging trends.They also aim to simplify Australia's vocational education sector.

The 3 main aims are:

• to make an enduring and relevant contribution to labour market information

• to improve the quality, accessibility and relevance of VET

• to contribute to a labour market that effectively aligns skills needs with education and training.

The National Skills Commission has produced a list of priority skills list for Australia.

https://www.nationalskillscommission.gov.au/our-work/skills-priority-list

Australian Local Government Association (ALGA)

https://alga.asn.au/no-let-up-in-local-government-skills-shortage-report/

This review of the local government employment market, drawn from the findings of the National Skills Commission list of priority skills, reflected ALGA's report of 2018.

https://alga.asn.au/local-government-workforce-and-future-skills-report-australia/

This showed skills gaps in engineers, planners, building surveyors, environmental health officers and project managers.

Australian Bureau of Statistics (ABS)

https://www.abs.gov.au/statistics/standards/occupation-standard/latest-release

ANZSCO coding of occupations can assist councils better understand labour market trends, as detailed by the ABS.

Abbreviations used in this document

the Act	Local Government Act		KPIs	Key Performance Indicators
AM Plan	Asset Management Plan		LEP	Local Environmental Plan
AM Policy	Asset Management Policy		LGA	Local Government Area
AM Strategy	Asset Management Strategy		LSPS	Local Strategic Planning Statement
AR	Annual Report		LTFP	Long Term Financial Plan
BASP	Business Activity Strategic Plan		NGO	Non-Governmental Organisation
CES	Community Engagement Strategy		OLG	Office of Local Government
CSP	Community Strategic Plan		OP	Operational Plan
DCP	Development Control Plan		QBL	Quadruple Bottom Line
DP	Delivery Program		QBRS	Quarterly Budget Review Statement
EMPLAN	State Emergency Management Plan		the Regulation	Local Government (General) Regulation
EP&A Act	Environment Planning and Assessment Act		RS	Resourcing Strategy
IP&R	Integrated Planning and Reporting		SSRP	Statement of Strategic Regional Priorities
JO	Joint Organisation		WMS	Workforce Management Strategy

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INTEGRATED PLANNING & REPORTING

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