INTEGRATED PLANNING AND REPORTING

FRAMEWORK AND GUIDELINES

CONTENTS

FOREWORD

It is my pleasure to introduce the *Integrated Planning and Reporting Framework and Guidelines*.

A survey of local government conducted in 2009 as part of the local government reform program revealed:

- 36% of the State's 139 local governments undertook limited or no strategic planning

- 81% undertook limited or no planning for asset maintenance and renewal

- 77% undertook limited or no financial management planning, and

- 82% of local government undertook limited or no financial planning to identify asset maintenance and renewal gaps.

Clearly this is unacceptable.

It is my intention to change the Local Government Act (Administration) Regulations to ensure each local government adopts as a minimum 10 year Strategic Community Plans. It is hoped that the sector will embrace this initiative prior to it becoming a legislative imperative.

The guidelines set out in some detail suggested ways of proceeding. The broad elements of the process involve:

- Research (environmental scanning) on matters such as current and expected changes in community demographics, social issues and local national and global impacts.

- Active engagement with the community is an essential part of the process. Communities demand to be engaged to consider and to state their aspirations.

- Several meetings of the Council and senior management teams is envisaged as the Council, guided by its management team, prioritise community aspirations after considering business cases for each major initiative. The priorities in the final plans must be of community benefit, affordable including whole of life costing, realistic and achievable.

- Once the Strategic Community Plan is finalised, the management team will develop operational plans (Corporate Business Plans) and processes including internal measurement and monitoring structures and processes to ensure the priorities in the Strategic Community Plan are being achieved.

- Importantly the process requires annual reporting to the community on achievements/outcomes and the need for any variation as circumstances change. The community will want the opportunity to provide comment.

I commend these guidelines to you.

Hon John Castrilli MLA

MINISTER FOR LOCAL GOVERNMENT; HERITAGE;

CITIZENSHIP AND MULTICULTURAL INTERESTS

PART 1 INTEGRATED PLANNING
AND REPORTING FRAMEWORK
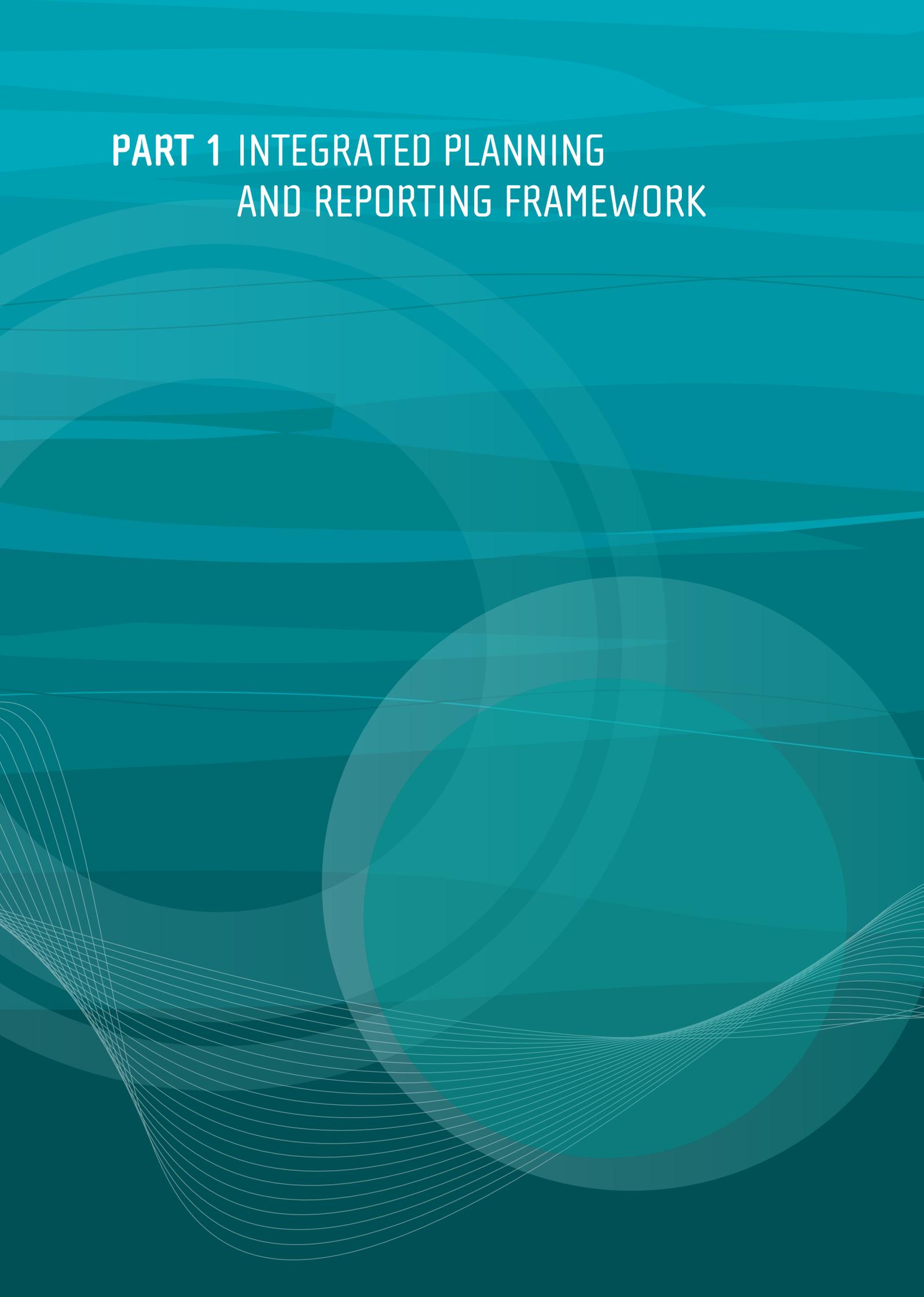
PREFACE

All local governments are currently required to produce a plan for the future under S5.56 (1) of the *Local Government Act 1995* (the Act). It is intended that regulations will be made under S5.56(2) of the Act to briefly outline the minimum requirements to achieve this.

This Integrated Strategic Planning Framework provides the basis for improving the practice of strategic planning in local government. It addresses the minimum requirements to meet the intent of the Act and outlines processes and activities to achieve an integrated strategic plan at the individual local government level.

There are three major parties to the development of an integrated strategic plan:

1. **The community** – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.

2. **The Council** – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, and the annual budget.

3. **The local government administration** – supports delivery of the Strategic Community Plan, the 4-yearly reviews, and annual budget through its corporate business planning.

To achieve an integrated strategic planning process at least two plans are needed:

Figure 1.1

STRATEGIC COMMUNITY PLAN

(10+ year time frame)

Provides the long term view informed by community aspirations and reviewed every 4 years.

CORPORATE BUSINESS PLAN

Activates the Strategic Community Plan, integrates other plans for specific outcomes and sets out the resource strategies.

Reviewed annually to deliver the annual budget.

ANNUAL BUDGET

The minimum requirement to meet the intent of the plan for the future is the development of:

- A Strategic Community Plan; and
- A Corporate Business Plan.

The key principle of the planning process is to provide both the future aspirations for the local government and a path to achieve them. Specific strategies address issues such as community safety or disability plans and place or local area plans. Strategic outcomes are supported by the identification and planning of all financial, human resource, asset and infrastructure requirements and income opportunities over the longer term.

It is acknowledged that local governments will have different starting points for integrated strategic planning and many will have existing processes that specify how place or area plans, specific strategies, Council endorsement of four year plans or annual plans are to be treated.

The framework does not intend to require a single methodology to be applied by local governments.

The framework is intended to guide local governments to a successful integrated strategic planning process, which, at its most simple, would deliver the following outcomes:

- There is a long term strategic plan that clearly links the community's aspirations with the Council's vision and long term strategy.
- The local government has a Corporate Business Plan that integrates resourcing plans and specific council plans with the Strategic Plan.
- The Council has a clearly stated vision for the future viability of the local government area.

Adopting integrated strategic planning is potentially the most important performance improvement initiative available to local governments. Currently, more than two thirds of local governments in Western Australia do not have a strategic planning process that is linked to long term asset management and financial planning.

1. INTRODUCTION

An Integrated Planning and Reporting Framework and Guidelines are being introduced in Western Australia as part of the State Government's Local Government Reform Program initiated by Local Government Minister Hon John Castrilli MLA.

The Local Government Reform Steering Committee noted that while there are examples of good organisational planning in the local government sector, the sector overall is not strong in having:

- Strategic planning systems that deliver accountable and measurable linkages between community aspirations, financial capacity and practical service delivery.
- Financial planning systems that accurately demonstrate a local government's capacity to deliver services and manage assets that can sustain their communities into the future.
- Effective asset management systems with the rigour of process and integrity of data to accurately reflect true asset management costs.

This framework document directly addresses these concerns by providing a process to:

- Ensure community input is explicitly and reliably generated.
- Provide the capacity for location specific planning where appropriate.
- Inform the long term objectives of the local government with these inputs.
- Identify the resourcing required to deliver against the long term objectives.
- Clearly articulate long term financial implications and strategies.

An integrated strategic planning approach will enable more effective delivery of the local government's strategic intentions.

2. PURPOSE OF GUIDELINES

The Framework and its Guidelines outline the minimum planning and reporting methodology to achieve the outcomes prescribed in the legislation. They are not intended to restrict the range of processes that may be undertaken within a local government to achieve those outcomes.

The Framework:

- Recognises that planning for a local government is holistic in nature and driven by the community.
- Builds organisational and resource capability to meet community need.
- Optimises success by understanding the integration and interdependencies between the components.
- Emphasises performance monitoring so that local governments remain adaptive and responsive to changes in community needs and the business environment.

The format and structure of individual local government's integrated strategic plans will vary with the size and complexity of the local government. While it is anticipated that local governments will develop a Strategic Community Plan and a Corporate Business Plan, planning elements such as Informing Strategies and the Corporate Business Plan may be presented in a single document or as a range of separate documents.

It is essential that planning information is integrated. Plans with a short term focus, such as annual or operational plans, are sub-plans of a longer term corporate business or strategic plan that deliver pre-determined priorities with pre-determined resources. Other shorter term plans, such as local area or place plans can be used to inform the Strategic Community Plan, but remain sub-plans of the Strategic Community Plan.

The Framework is intended to facilitate good practice and continuous improvement in strategic planning across the entire local government sector in Western Australia.

3. RELATIONSHIP TO NATIONAL FRAMEWORKS

These Guidelines are informed by:

a. The Western Australian Local Government Reform Steering Committee Report.

b. Local Government Sustainability Framework guides published by the Local Government and Planning Ministers' Council.

c. The New South Wales Government's Integrated Planning and Reporting Guidelines.

d. The Queensland Government's Planning and Accountability documents.

e. The New Zealand Local Authority Planning Requirements.

4. ROLLOUT OF THE GUIDELINES

The Guidelines have been developed by the Strategic Planning and Community Engagement Working Group of the Local Government Reform Implementation Committee for use within the local government sector. They will be used to inform proposed legislative changes to be introduced in 2011.

5. GLOSSARY OF TERMS

The range of interchangeable terminology that is used within the local government sector to describe integrated strategic planning components and processes can cause confusion. Terms that have been assigned a specific meaning within the Guidelines have been defined below. These definitions aim to best describe the integrated planning component or process in terms of its purpose, without restricting or mandating terminology.

Term	Definition
Amalgamation	To combine into a unified or integrated whole; unite.
Budget / Annual Budget	A statutory requirement outlining the financial estimates to deliver the Corporate Business Plan.
Community	A group of people living in the same locality and under the same government. Can be extended to include those who visit, work or recreate within the locality.
Community Planning	A process for involving community members in identifying key issues and priorities for the given locality.
Corporate Business Plan	A local government's internal business planning tool that translates Council priorities into operations within the resources available. In its entirety, it details the services, operations and projects a local government will deliver over a defined period, the processes for delivering these and the associated cost. The Corporate Business Plan may be comprised of Corporate Business Plan Priorities and team operational, technical delivery and financial plans. It is often only the Corporate Business Plan Priorities that are endorsed by council and publicised to the community.
Corporate Business Plan Priorities	The summarised articulation of a local government's operations for a defined period of time. It identifies and summarises the services, projects and operations that the local government will seek to deliver and how much they will cost.
Corporate Governance	The system by which a local government is directed and controlled. It refers to the suite of processes, systems, rules and relationships under which decisions are made and control is exercised.
Council	The group of individuals elected to the office of Councillor for the local government by members of the community from within defined local government area districts or wards.
Informing Strategies	Interconnected local government plans or strategies that support, and are driven by, the development of integrated planning elements. These may include resource specific plans such as asset management plans and workforce plans or may be issue specific such as community safety strategies or active aging strategies.

Integrated Planning and Reporting	A framework for establishing community priorities and linking this information into different parts of a local government's functions.
Land Use Planning	Planning control mechanism to govern the way land is used.
Local Area Planning/Place Planning	A proactive and localised community planning process.
Local Government	A general term for a body corporate constituted under the *Local Government Act 1995* (encompassing cities, towns and shires) which is governed by a Council of elected members and administered by employed staff, which has responsibility for certain governing functions within territorial areas smaller than the State.
Local Government Administration / Administration	The group of individuals employed by a local government, headed by a Chief Executive Officer (CEO), and responsible for managing the local government to achieve the direction set by the Council.
Objective	Statements that describe what a local government wants to achieve.
Outcome	An end result; a consequence. What will be achieved as a result of doing something.
Reporting	Relaying information about how a local government has performed against what it said it would deliver.
Resourcing	The level of resources that a local government can afford in order to meet objectives – including assets, time, cost and people.
Strategic Planning	A review to see where a local government currently stands, where it wants to be in the future, and what major steps it must take in order to achieve its desired future state.
Strategic Community Plan Activation	The process by which short, medium and long term community aspirations are used to inform local government operations. This is achieved through a process of Council setting (4-5 years) priorities and direction and the local government administration actualising this through the delivery of operational plans.
Strategic Community Plan	The strategy and planning document that reflects the longer term (10+ year) community and local government aspirations and priorities.
Strategy	Describes how a local government will achieve its objectives.
Vision	Describes the desired future state of a community or local government.

6. ACKNOWLEDGEMENTS

7. DEVELOPING INTEGRATED STRATEGIC PLANNING

The Guidelines outline how to fully develop each component of the Framework and explains its purpose, and the roles of community, council and local government administration. Each section contains a summary table.

The Guidelines address two key local government planning processes:

- Strategic Community Planning – Resulting in a 10+ year Strategic Community Plan informed by community aspirations.
- Corporate Business Planning – Resulting in an ongoing and integrated Corporate Business Plan that activates Strategic Community Plan priorities. The Corporate Business Plan incorporates four to five year priorities set by Council and a ten year rolling financial plan. Annual reviews drive the operations of the local government within its resourcing capabilities.

Note: Annual Budgets that are aligned with strategic objectives result from these planning processes.

The **Strategic Community Plan** responds to three questions put to the community and the local government:

- Where are we now?
- Where do we want to be?
- How do we get there?

The plan prioritises community aspirations giving consideration to:

- Social objectives.
- Economic objectives.
- Environmental objectives.
- Factors such as changing demographics and land use.

The **Corporate Business Plan** activates the Strategic Community Plan by responding to:

- Council's distillation and prioritisation of the community's short, medium and long term aspirations.
- Existing operational plans, priorities and external factors impacting on resourcing.
- The assessment and integration of services and business area plans.

The process through which the Corporate Business Plan is developed incorporates:

- Activating the Strategic Community Plan.
- Operations Planning - including:
  - Asset Management.
  - Financial Management.
  - Workforce Management.

- Annual reviews and reprioritisation of the Corporate Business Plan on the basis of:
  - Internal issues and performance.
  - External issues impacting in the near future.

The relative size and complexity of the local government will determine the most appropriate approach to the presentation of the Strategic Community Plan and Corporate Business Plan.

However strategic planning is expressed, local governments ensure sustainability by undertaking a process of identifying long term community aspirations and using these to shape the four to five year priorities of the local government within a context of long term financial planning and Annual Budgets.

This process occurs in consultation with the community, considering its communication and social inclusion needs. It also takes place within a context where progress against strategic planning goals is monitored, measured and reported back to the community, ensuring accountability and providing the opportunity to amend the strategic plan.

The Framework and Guidelines establish mechanisms to review and report on all elements of the integrated strategic planning process.

7.1 ROLES AND RESPONSIBILITIES

The three major parties to the development of an integrated strategic plan are:

- The local government administration through the Chief Executive Officer (CEO).
- The Council.
- The community.

Each has a unique role and set of responsibilities in effective and sustainable integrated strategic planning.

The local government administration CEO is the facilitator of the integrated strategic planning process.

The CEO ensures the process is transparent and has an articulated and genuine aim of delivering the aspirations of the range of communities in the local government area. The CEO then assists Council to develop services, operations and activities to fulfil community aspirations in line with priorities set by Council. The CEO plays a significant leadership role in establishing an organisational culture which delivers sustainable community outcomes through effective corporate governance and resource capability, and which supports robust strategy evaluation with regular reporting to the community.

The elected members of the Council set the local government's strategic and operational directions.

By working to understand community aspirations and desired outcomes as well as current local government capacity to deliver these, the Council can determine affordable, realistic and achievable priorities. It is not necessary for council to approve every element that comprises or drives the Corporate Business Plan. However, Council must ensure that it understands and approves the direction and priorities of the Corporate Business Plan, including the local government's short and long term capacity to deliver the plan.

Council should regularly review the Strategic Community Plan and local government priorities on the basis of changes in the community environment or aspirations. As community representatives, Council must ensure appropriate, transparent and regular reporting on progress towards local government priorities. It is intended that Councils will move towards decision making at a more strategic level to optimise achievement of community well-being and organisational sustainability.

The community is an active partner in realising the local government's future.

It is the future vision, aspirations and service needs of the community, or more accurately, the range of varied communities within a local government area, identified through local government forums and planning groups, which informs the local government's direction and operations. Communities also ensure, through examining Corporate Business Plan priorities and reviewing local government performance via Annual Reports and other communications, that the local government is making adequate progress towards achieving their needs and aspirations.

Local governments are ultimately accountable to the communities they serve. They need to recognise long term community aspirations and set priorities and directions to fulfil them by administering operations within the available resources. They should then report progress to the community by linking back to its initial aspirations and amending plans to reflect changing community needs and circumstances.

7.2 CONCLUSION

The Integrated Planning and Reporting Framework provides the mechanism to achieve sustainable local government in an environment of effective corporate governance.

The Guidelines provide information about the minimum planning and reporting requirements necessary to achieve the outcomes prescribed in the legislation. They are not intended to restrict the planning processes undertaken within a local government, but rather to provide a set of good practice processes that will assist local governments to implement the components of the Integrated Planning Framework, meet the outcomes prescribed in the legislation and ultimately achieve sustainable integrated planning outcomes.

Figure 1.2 Illustrates the different elements of the Integrated Planning Framework.
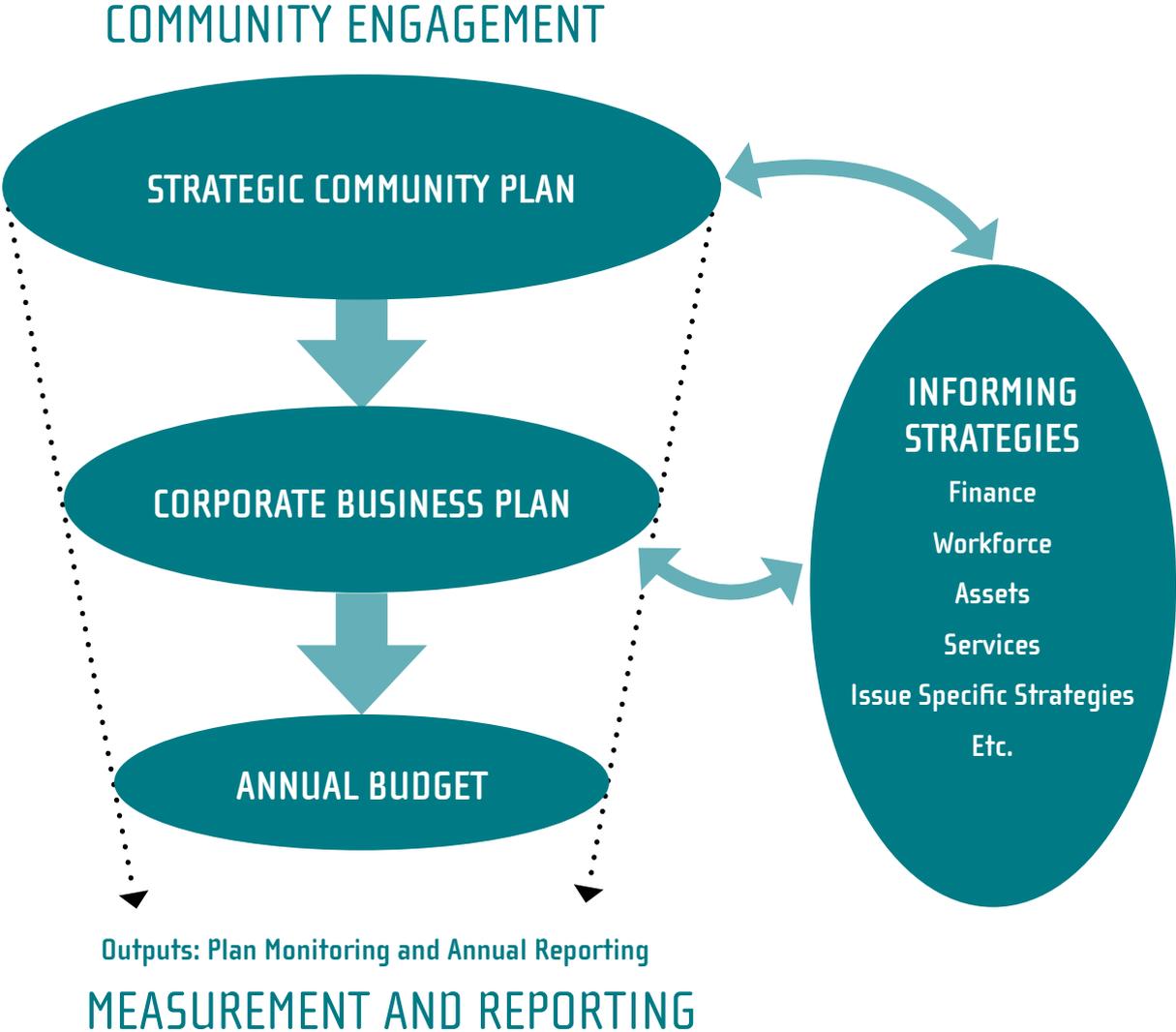
COMMUNITY ENGAGEMENT

STRATEGIC COMMUNITY PLAN

CORPORATE BUSINESS PLAN

ANNUAL BUDGET

INFORMING STRATEGIES

Finance

Workforce

Assets

Services

Issue Specific Strategies

Etc.

Outputs: Plan Monitoring and Annual Reporting

MEASUREMENT AND REPORTING
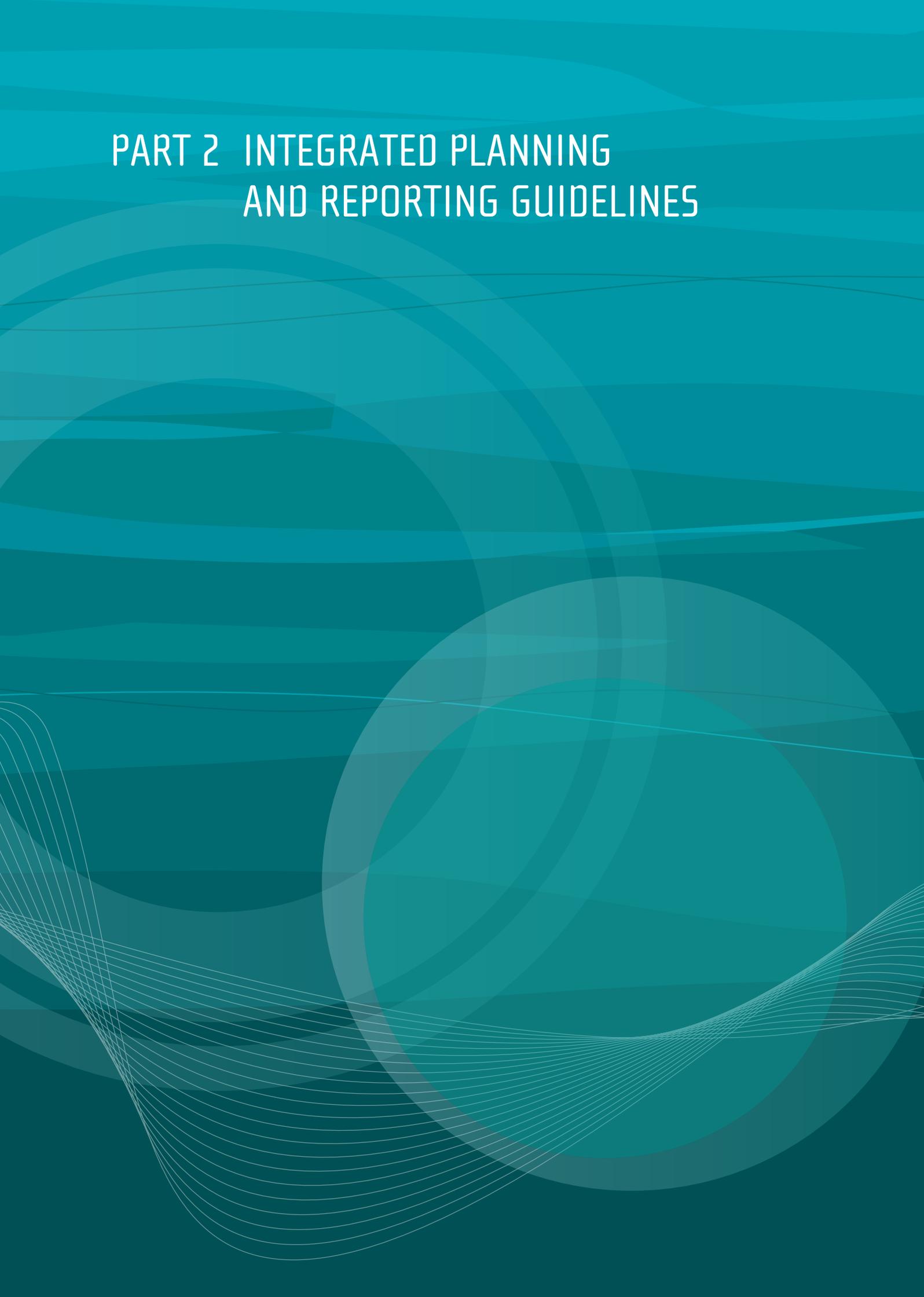
PART 2 INTEGRATED PLANNING AND REPORTING GUIDELINES

1. INTRODUCTION

The Integrated Planning and Reporting Guidelines have been developed to reflect good local government integrated planning practice and to assist local governments to increase their own integrated planning capacity and long term sustainability. They align with a nationally consistent approach to integrated strategic planning. A number of integrated planning models employed both nationally and internationally have been benchmarked and built on as part of the Guidelines development processes. Key findings from the models researched can be found in Appendix A.

2. DEVELOPING THE STRATEGIC COMMUNITY PLAN

What is it?

- The document which states community long term (10+ years) vision, values, aspirations and priorities with consideration to other local government plans, information and resourcing capabilities.
- It is not static and must be reviewed regularly.

What does it do?

- Establishes the community's vision for the local government's future and its aspirations and service expectations.
- Drives the development of local government Area/Place/Regional Plans, resourcing and other local government Informing Strategies (such as Workforce, Asset Management, Services) and supporting strategies.

Who is involved?

- Local government administration:
  - Facilitates the Strategic Community Planning process by providing the necessary information, plans and strategies.
  - Undertakes the required community engagement processes (through local government administration staff or a consultant).
  - Integrates community aspirations and desired outcomes with community planning, services, assets and land-use to develop achievable operational plans, services and issue specific strategies.
  - Publishes and distributes the completed document.

- Council (the elected members):
  - Approves the process and structure of the community engagement model.
  - Understands community aspirations and desired outcomes, and the interdependencies between community planning, services, assets and land-use.
  - Adopts the Strategic Community Plan.
- Community:
  - Provides genuine and, as far as practicable, representative community input.

How is it developed?

- Community engagement identifies long term aspirations and sets community priorities. Independent and professionally facilitated workshops are the preferred method for eliciting community views and aspirations, although other means may be appropriate.
- Information from local government Area/Place/Regional Plans, resourcing capabilities and other local government Informing Strategies such as Workforce, Asset Management and other supporting strategies can be used to assist in long term community aspiration development.

2.1 IN PRACTICE – STRATEGIC COMMUNITY PLAN

The information required, processes and outputs of Strategic Community Plan development are detailed below.

What do I have to gather?

- Identified community well-being issues.
- Identified social inclusion issues.
- Internal strategy and research on emerging trends.
- Demographics State/National legislation or policy.
- Known State/National events that may impact.
- Local area/place planning information.
- Changing external factors such as global events that may impact on WA/community.
- Strategic Community Plan Reviews.

What do I do?

- Community Engagement - stakeholders, methods.
- Community long term visioning and priority setting.
- Strategy and research of trends and long term impacts.
- Review and understand the interdependencies between community planning, services, assets and land-use.
- Local area/place planning processes.
- Quadruple bottom line analysis:
    – Social
    – Economic
    – Environmental
    – Civic Leadership.
- Review and understand broad resource implications of Strategic Community Plan.

What do I end up with?

- Strategic Community Plan (10year +):
    – Vision
    – Priorities
    – Objectives
    – Strategies
    – Assessment.
- Identified services expectations.
- Identified asset expectations.
- Identified land-use expectations.
- Indication of how we know the plan is succeeding.
- Informing Strategies.

What do I have to gather?

Local governments could collate the information summarised in the table above.

Social inclusion issues affecting: established and emerging culturally and linguistically diverse groups; elderly people; young people; homeless people and transitory groups; and any other diversity groups forming the overall community of the local government should be considered as well as population demographics and how these may change into the future.

It is recommended that all the information in the table be available to the community during the planning processes in a form that is easily accessed and understood.

What do I do with it?

The table on page 23 summarises the processes that could be undertaken. Some explanatory notes follow:

- COMMUNITY ENGAGEMENT - the strategy should optimise community involvement and the quality of decision making. It may address different stakeholder groups and how they will be engaged, and make provision for public exhibition.

- STRATEGY AND RESEARCH - this is an internal process that analyses and identifies long term impacts and trends that can impact on and arise from the Strategic Community Plan.

- INTERDEPENDENT COMPONENTS - the engagement processes with the community will expose services, assets and land use requirements that will impact on long term financial planning. Community aspirations can be informed by local government Area/Place/Regional Plans, existing resourcing capabilities and other local government strategies.

- LOCAL AREA/PLACE/REGIONAL PLANNING - analyse information sourced from a local area, region or place in developing a set of specific community aspirations. This can assist local governments undertaking or considering structural reform as it ensures priorities identified at the local area/place/region are considered in the Strategic Community Plan for a new local government structure.

- QUADRUPLE BOTTOM-LINE ANALYSIS - identify and group key priorities under social, economic, environmental and civic leadership headings so that objectives and strategies can be developed.

- ASSESSMENT - when objectives and strategies have been identified, a method for monitoring achievement of the objectives should also be developed.

- COUNCIL UNDERSTANDING - Council undertakes a process of understanding community aspirations, the long term planning environment and the interdependencies between community planning, services, assets and land-use and begins to form a vision of what it wants the local government to deliver during its term.

What do I end up with?

The Strategic Community Planning processes may establish:

- A STRATEGIC COMMUNITY PLAN - a principal 10+ year strategy and planning document that outlines community vision and objectives, strategies to address social, economic, environmental and civic leadership issues, and incorporates changing internal and external factors that impact on the plan, and the means for assessing progress against the objective. This may also be known as a Community Plan.

- COMMUNITY IDENTIFIED SERVICE, ASSET AND LAND USE EXPECTATIONS.

- PERFORMANCE OUTCOMES AND REPORTING - The information and means of generating information on whether goals are being reached.

The Strategic Community Planning processes may drive:

- INFORMING STRATEGIES (ISSUE SPECIFIC STRATEGIES) – strategies that will turn identified community priorities into operational activities, for example, a Community Safety Strategy, Economic Development Strategy, Active Ageing Strategy, Tourism Strategy.

- PLACE BASED STRATEGIES

- LOCAL PLANNING STRATEGIES

- STRATEGIC PROJECTS BUSINESS CASES – for example Performing Arts Centres, Youth Centres, Major Road Projects, City/Town Centre Redevelopments, Recreation Centres, Urban Renewal, Social Programs.

- REGIONAL COUNCIL INVOLVEMENT AND ACTIVITIES

2.2 REVIEW

A schedule for local government and community review of the Strategic Community Plan must be developed. Amendments to the plan are based on performance information and changing circumstances.

At a minimum, a desk-top review of the Strategic Community Plan should be undertaken every two years (following councillor elections), and a full review and renewed long term visioning process be conducted every four years (following mayoral/presidential elections where held). This will ensure that community priorities and aspirations are kept up to date and remain relevant.

Ultimately, the Strategic Community Plan will be a driver for all other planning and the integration of asset, service and financial plans means the local government's resource capabilities are matched to communities' needs. Where structural reform is being put in place, this integrated approach to planning will help the new entities identify and meet the requirements of the participating local community.

STRATEGIC COMMUNITY PLAN SUMMARY

Description	Intent	Roles and Responsibilities	Elements
Principal strategy and planning document that reflects community long term vision, values, aspirations and priorities with consideration to local government Area/Place/Regional Plans, local government strategies, and resourcing.	• To involve the community in the establishment of a long term vision for the local government through the identification of strategic priorities and aspirations. • To provide the local government with clear direction understanding of the community well-being priorities over a longer time frame (social, economic, environmental and civic leadership) and to understand long term impacts based on research that will translate to service, asset and land use planning requirements. • To guide local government priority setting within the Corporate Business Plan.	**Community** Genuine community involvement is essential. Independent and professionally facilitated workshops are preferred. **Council** • Approves the process and structure of the community engagement model. • Adopts the plan. • Adopts the plan following reviews. **Administration** • Enables, guides and documents the process. • Provides administrative and technical support to the community and council. • Understands broad resource implications of Strategic Community Plan. • Integrates the priorities and focus areas into Corporate Business Plan deliverables.	• Long Term Community Vision. • Short, medium and long term community aspiration. • Objectives to address community well-being issues. • Strategies to address the Objectives. • Strategic performance Indicators. • Means of measurement.

Supporting Processes	Timeframes and Review	Outputs and Interdependencies

• Community Engagement strategy outlining stakeholder engagement methods.
• External analysis identifying trends, impacts.
• Alignment to State and National legislation and policy where appropriate.
• Interdependent relationship with local area/place/regional planning, land use planning and local planning scheme.
• Resourcing implications such as service and asset planning, financial planning.
• The tool for ensuring local community outcomes identified are considered in any local government, including new and reforming local governments.
	10+ Years
	
	Major Review
	• Every four years, council reviews the vision, priorities and aspirations of the plan with full and wide ranging community engagement. Renews the plan in line with contemporary community desires.
	
	Minor Review
	• Every two years following major review. "Desktop review" with community consultation and council endorsement.
	
	Timing
	• Reviews should take place as soon as practicable after council elections with major reviews aligning with mayoral / presidential elections where held.
		Outputs
		• Strategic Community Plan.
		
		Interdependencies
		• Informing or specific issue strategies e.g.
		  – Community Safety Strategy
		  – Economic Development Strategy
		  – Active Ageing Strategy
		  – Health and Well Being strategy
		  – Tourism Strategy.
		• Place Based Strategies.
		• Local Planning Strategies.
		• Strategic Project Business Cases e.g.
		  – Performing Arts Centres
		  – Youth Centres
		  – Major Road Projects
		  – City/Town Centre Redevelopments
		  – Recreation centres
		  – Urban renewal.
		• Corporate Business Plans
		  – Asset Management Plans
		  – Workforce Plans
		  – Financial Plans
		  – Operational Plans
		  – Services.
		Regional Council involvement and activities.

3. HOW TO DEVELOP THE CORPORATE BUSINESS PLAN

It is recommended that the Corporate Business Plan be developed through the following processes to achieve the desired planning outcomes, ensure effective corporate governance and promote local government sustainability.

1. Activating the Strategic Community Plan

2. Operations Planning

3. Informing Strategies

4. Local Government Operations Review and Re-prioritisation

When completed, these inputs may be presented in a single document or as a number of separate documents. The relative size and complexity of the local government will determine the most appropriate approach.

These processes have been tabled separately in the Corporate Business Plan summary to provide greater clarity.

3.1 ACTIVATING THE STRATEGIC COMMUNITY PLAN

What is it?

- The process by which council, having adopted the 10+ year Strategic Community Plan, sets the strategic priorities that will drive the operation of the local government over the medium to short term.

What does it do?

- Integrates the Strategic Community Plan with local government business to turn community aspirations into operational priorities and activities.

Who is involved?

- Local government administration:

    – Provides all relevant information, plans and strategies to assist council in its priority setting process.

- Council:

    – Understands community outcomes and aspirations and the interdependencies between community planning, services, assets and land use.

    – Sets the future direction and strategic priorities (as informed by the Strategic Community Plan) to guide the local government administration to achieve community aspirations.

    – Revisits and renews 4-5 year priorities based on reviews of the Strategic Community Plan.

    – Submits reviews of the 4-5 year priorities to the Community for comment.

- Community:

    – Gives feedback on reviews of the 4-5 year priorities.

How is it developed?

- Councillors participate in workshops or other discussions facilitated by local government administration staff or a consultant.

3.1.1 IN PRACTICE – ACTIVATING THE STRATEGIC COMMUNITY PLAN

The information required, processes and outputs involved in Activating the Strategic Community Plan are detailed below.

What do I have to gather?	What do I do with it?	What do I end up with?

• Short term, medium term and long term community priorities.
• Outcomes of Strategic Community Plan Reviews.
• Long-term council visioning.
• Detailed costs of proposed projects/ services.
• Industry trends.
• Performance data.
• Resourcing capability.
• State/National legislation, policy.
• Challenges and Opportunities.
	• Strategic Risk Assessment.
	• External analysis.
	• Understand limits - start of capability analysis.
	• Resource capability analysis.
	• Council visioning:
	  – Issues
	  – Challenges
	  – Key Priorities.
		• Strategic Directions:
		  – Vision
		  – Values
		  – Priorities - medium to short term (4-5 yrs).
		• Service levels.

What do I have to gather?

The information outlined in the table above could be used during the process.

It includes the objectives, aspirations and intent of the Strategic Community Plan, performance data linked to the Strategic Community Plan, and information relating to the resourcing capability of the local government to sustainably deliver community priorities and activities.

What do I do with it?

The following planning processes can be undertaken to ensure council meets its corporate governance and resource capability requirements:

- STRATEGIC RISK ASSESSMENT - identify and analyse any risks to the local government that may impact on achieving objectives, and how those risks can be managed.
- EXTERNAL ANALYSIS - examine the external factors that will, or could, have an impact over the short to medium term (four-five years). These might include population demographics; social inclusion; social; environment; economy; technology; political; and customer needs, among others.
- INTERNAL ANALYSIS – assess local government performance data to understand its capability to achieve council priorities.

- RESOURCE CAPABILITY ANALYSIS – examine resource capability (assets, finance, and workforce) so council has a clear understanding of the level of resource capability when determining future direction and priorities.
- COUNCIL VISION AND DIRECTION SETTING – determines strategic priorities. Council undertakes a process of:
  - Understanding purpose and direction as informed by the Strategic Community Plan;
  - Identifying where it wants to be in the (four-five year) short to medium term;
  - Determining where it is now; and
  - Defining key priorities to move towards its desired position.

What do I end up with?

Activating the Strategic Community Plan will generate:

- STRATEGIC PRIORITIES - A council's principal statement that sets strategic direction and identifies priority areas for the local government, informed by the Strategic Community Plan, external factors and internal capability analysis. This must be aligned to the review process detailed below.
- RESOURCING REQUIREMENTS - an understanding of the resourcing capability required over the term of office or planning period set by the council.

3.1.2 REVIEW

Local governments must establish a schedule to review council's priorities in line with reviews of the Strategic Community Plan.

At a minimum, council should undertake a desk-top review of its strategic priorities every two years (following councillor elections), and coinciding with its desk-top review of the Strategic Community Plan. Council should undertake a full review of its priorities and renewed long term visioning process every four years (following Mayoral/Presidential elections if held) and coinciding with the local government's full review of the Strategic Community Plan.

3.2 OPERATIONS PLANNING

What is it?

The local government administration:

- Plans the delivery of services, projects, infrastructure and other local government Informing Strategies to achieve the strategic priorities set by council.
- Establishes ongoing, rolling financial plans for the delivery of services, projects, infrastructure and other local government Informing Strategies.

What does it do?

- It details the operations and activities of the local government.
- The local government confirms its capability to achieve priorities by identifying and costing services, projects and Informing Strategies, including those that will be delivered as part of current Corporate Business Plan priorities and those that will inform long term financial projections.
- Details the financial capacity of the local government to deliver services and provide and maintain assets in the longer term.
- Establishes long term financial projections based on Strategic Community Plan aspirations and other local government Informing Strategies.
- Sets performance measures and processes for evaluating projects, services and the delivery of Corporate Business Plan priorities.

Who is involved?

- Local government administration:
  – Prepares the plan, taking into consideration all key inputs and strategic influences.
  – Develops and costs operational plans for the delivery of services, projects, and infrastructure based on the priorities and having used long term strategies related to Workforce, Assets and Finances to inform those plans.
  – Identifies and costs major infrastructure projects to meet current strategic priorities, and those to be included in long term financial projections.
  – Establishes long term financial projections based on Strategic Community Plan aspirations and other local government Informing Strategies.
  – Summarises operational plans into a set of Corporate Business Plan priorities for presentation to Council.
  – Sets performance measures and processes for evaluating projects, services and the delivery of Corporate Business Plan priorities.
- Community:
  – Gives feedback on the plan as part of the community consultation process in establishing and reviewing the annual outcomes of the Corporate Business Plan.
- Council:
  – Understands and approves the plan (that is, approves the Corporate Business Plan as a whole, based on the Corporate Business Plan Priorities). Council is not required to approve each individual business area or team operational plan.

3.2.1 IN PRACTICE – OPERATIONS PLANNING

The information required, processes and outputs of the Local Government Operations Planning component are detailed below.

Please Note: Some of the information gathering and processes will already have been undertaken to some extent as outlined in 3.1 Activating the Strategic Community Plan.

What do I have to gather?	What do I do with it?	What do I end up with?

• Local Government Strategic Priorities.
• Vision, Values.
• Resourcing:
  – Assets
  – Financial
  – Workforce
  – Services.
• Service Levels.
• Performance Data.
• Other local government Plans and Strategies (including shared resourcing agreements).
• External Trends.
• State/National legislation/events.
• Global factors.
	• External Analysis.
	• Operational Risk Assessment.
	• Internal Analysis.
	• Integration.
	• Resource Capability Analysis.
	• Service/Project Evaluation.
	• Alignment to Community Plan.
	• Organisational Structure and Development.
		• Local Government Operations:
		  – Services
		  – Assets
		  – Council Priorities
		  – Projects.
		• Defined Responsibility within the organisational structure.
		• Updated Resource Plans.
		• Measuring and reporting.

What do I have to gather?

The following information is gathered prior to commencing Local Government Operations Planning:

- The local government's strategic priorities, vision and values. These drive its operations.

- The resourcing capability of the local government to deliver all its operations and services.

- The levels of service that are expected by the community. These need to be considered in light of the levels of service which the local government has the capacity to provide.

- Performance data to assess where improvement is required.

- Where shared services agreements exist, all of the other local government's plans and strategies (including service plans) will need to be integrated in the 4-5 year and 10+ year financial planning process.

- External or internal challenges and opportunities that could impact on the local government's operations over the short term.

- Current and emerging State / National legislation or policy decisions that may impact on the local government and its operations.

What do I do with it?

During the development of the Corporate Business Plan the most important outcome is to integrate and determine resource capability. The following processes can assist in achieving the desired planning outcomes.

- EXTERNAL ANALYSIS – examine the external factors that will, or could, have an impact on the local government's operations. This must be done with reference to the priorities that the Council has determined.

- OPERATIONAL RISK ASSESSMENT – operational risks are generally concerned with a local government's systems, processes, resources and employees. The impact that these risks would have on delivering the local government's operations needs to be managed.

- INTERNAL ANALYSIS – performance data is assessed to understand how capable the local government is of delivering the vision and priorities that Council has determined. Required improvements are identified, as are the processes for building these into operations.

- INTEGRATION – determine the local government plans and strategies, operational requirements and other business considerations that need to be brought together and assessed. This is where a local government's options to achieve Council priorities are determined in line with the following process.

- RESOURCE CAPABILITY ANALYSIS – assess resource plans (assets, finance, workforce) to determine how capable the local government is to deliver its operations. This exercise ensures that changes in priorities are recognised, contributing to the sustainability of the local government. Performance targets will also be explored to monitor progress and provide a means for accountable reporting to community.

- SERVICE / PROJECT EVALUATION – a method of assessing and evaluating the local government's services and projects is required to ensure new and existing business is aligned to local government direction, is cost effective, optimises community outcomes and leads to a sustainable local government.

- STRATEGIC COMMUNITY PLAN REFERENCE – alignment between the Corporate Business Plan and the Strategic Community Plan must be ensured to enable accountable reporting to the community in the future.

- ORGANISATIONAL DEVELOPMENT – the vision and values Council has set for the local government need to be communicated throughout the local government administration. This encourages an integrated organisational system that understands purpose and alignment to strategic objectives.

What do I end up with?

The Local Government Operations Planning process will generate:

- A CORPORATE BUSINESS PLAN – Outlining the local government's operations (including services, assets, Council priorities and projects), with detailed financial estimates, administrative responsibilities and linkages to the Strategic Community Plan.

- UPDATED RESOURCE SPECIFIC INFORMING STRATEGIES – The interdependent relationship between the Corporate Business Plan and the Resource Specific Informing Strategies (financial, assets and workforce) ensures that resourcing capability is assessed and continually reviewed.

CORPORATE BUSINESS PLAN SUMMARY

Inputs	Description	Intent	Roles and Responsibilities	Timeframes and Review
Activation/ Linkage to Strategic Community Plan (Strategic Priorities)	Council's principal statement that sets strategic direction and identifies priority areas informed by the Strategic Community Plan, external factors and internal capability analysis.	To identify council priorities over a shorter time frame to drive integrated planning within the local government. To integrate community aspirations into local government operations and service delivery.	**Council** • Sets realisable priorities and focus areas. • Assesses the capacity and reality of the local government to deliver. **Local Government Administration** • Enables, guides and documents the process. • Provides administrative and technical support to the council. • Integrates the priorities and focus areas into corporate business plan deliverables. • Provides indicative costs and resource capability information on objectives, strategies and projects from Strategic Community Plan.	Prioritisation of community aspirations at 4-5 year intervals. **Major Review** Every 4 years - Aligns with reviews of Strategic Community Plan. **Minor Review** Every 2 years following major review. **Timing** Reviews should take place as soon as practicable after Council elections. Major reviews aligning with mayoral / presidential elections. Minor reviews aligning with council/half council elections.
Operations Planning	The principal planning process that reflects the local government's capacity and intention to deliver services and provide and maintain assets for their community. The organisation's internal business planning driven by Strategic Community Plan priorities that highlights the financial sustainability (or otherwise) of the local government.	To translate council priorities into actions and integrate all of the local government's planning efforts to determine what it can deliver within the available resources with the ability to cascade and drive annual planning and budgeting.	**Administration** Leads the process in the preparation of the Corporate Business Plan after taking into consideration all key inputs and strategic influences. **Community** Gives feedback on plan priorities as part of the community engagement process in either establishing or reviewing the plan. **Council** Approves the plan.	Articulated as a rolling 4 year plan supported by long term (10 year) financial projections. 10 Year Financial Plan Years 1 to 3 of the plan should provide more detail than years 4 to 10. Year 1 of the plan is the annual operational plan for the organisation from which the budget is developed. It should therefore be accurate and deliverable.

Elements	Supporting Processes	Outputs and Interdependencies

• Council Vision.
• Guiding Principles and Values.
• Activities to achieve the priority objectives and strategies from the Strategic Community Plan that will be addressed.
• Other council identified priorities.
	• Assessment of external factors identifying trends, impacts and opportunities.
	• Resource capability processes to test and understand ability to deliver prior to finalisation of document.
		Outputs
		• Strategic Directions:
		  – Vision
		  – Values
		  – Priorities – short to medium term (4-5 yrs).
		• Service levels.
		
		Interdependencies
		• Resource specific Informing Strategies (Asset, Workforce, Financial).

• Must address all of the local government's operations - including services, assets (capital works and ongoing operating), Strategic Community priorities and projects.
• Identifies how operations link to the Strategic Community Plan.
• Supported by detailed financial estimates (10 year financial plan).
	• Business planning process that integrates all internal and external factors.
	• Detailed internal resource planning that identifies asset, financial and workforce capability and must be understood prior to finalisation of the Corporate Business Plan.
	• 'Roll-forward' process that occurs after each annual review.
		Outputs
		• Corporate Business Plan.
		• Service Plans.
		• Operational Plans.
		• Specific Issues Based Plans e.g. Community Safety and Crime Prevention Plans.
		• Performance Measurement.
		  – A small number of powerful, effective, and uniform performance indicators utilised across the entire sector.
		Interdependencies
		• 10 Year Financial Plan.
		  – Financial projections based upon inputs by and summaries of:
		    – Asset Management Plan
		    – Workforce Plan
		    – Divisional or team based service or business unit plans
		    – Major project plans
		    – Revenue Strategy
		    – Subsidiary or specific issue strategies
		    – Other documents .
		Note: Not necessarily all of these documents would carry Council endorsement or involvement.
		• Resource Specific Informing Strategies.

CORPORATE BUSINESS PLAN SUMMARY (cont)

Inputs	Description	Intent	Roles and Responsibilities	Timeframes and Review
Corporate Business Plan Review and Re-prioritisation	Reviews the current year of the Corporate Business Plan to re-prioritise operations and drives development of the Annual Budget. It sets out what the local government will deliver in the current financial year and how much it will cost with reference to changing internal, external, community and business environments. Provides an accurate and reliable foundation on which to produce the annual budget.	To maintain the delivery of local government services, projects and other strategies that will meet community priorities in response to changing environments. To establish the program of works that will be delivered during a financial year as intended by the Corporate Business Plan. Determines the Annual Budget.	**Administration** Reviews the Corporate Business Plan after taking into consideration all key inputs and strategic influences. **Council** Approves the reprioritised plan.	**Annually** All elements of the plan should be reviewed and reported each year prior to the annual budget process. This allows the corresponding year of the financial plan to accurately inform the annual budget.

Elements	Supporting Processes	Outputs and Interdependencies
• Must address all of the local government's operations for the financial year - including services, assets (capital works and ongoing operating), local government strategic priorities and projects. • Identifies how annual operations link to the Strategic Community Plan.Supported by detailed financial revenue, expenditure and processes that form the Annual Budget.	• An annual process that drives development of the Annual Budget and is the review process to roll the Corporate Business Plan forward. • Detailed budget development processes that inform and is informed by, the long term financial projections.	**Outputs** • Reprioritised 'Rolled Forward' Corporate Business Plan. • Annual Budget. • Performance Measures and Evaluation – Annually calculated with historical and current performance recorded in the Corporate Plan and Annual Report. **Interdependencies** • 10 Year Financial Plan.

3.3 INFORMING STRATEGIES

What are they?

- Informing Strategies (particularly Financial, Asset Management and Workforce) inform the local government of how capable it is to deliver the services and assets required by the community.
- Issue specific Informing Strategies such as Community Safety Strategies and Disability Support Strategies, or Major Infrastructure/Works Strategies also assist the local government to deliver the services, assets and projects required by the community.

What do they do?

- Informing Strategies allow a local government to set its priorities within its resourcing capability and deliver short term, medium term and long term community priorities and aspirations.
- All Informing Strategies have an interdependent nature throughout the Integrated Planning and Reporting Framework. This means they can inform other strategies, be informed by other components and be continually developed after other components are finalised. As they are managed somewhat separately to the Corporate Business Plan, local governments can explore options and pursue innovative solutions to resourcing issues.

Who is involved?

- Local government administration:
    - Leads the process in the preparation of the strategies after taking into consideration all key inputs and strategic influences.

- Council:
    - May approve some Informing Strategies (such as Finance, Asset and Workforce) but not all. The strategies which Council will be required to endorse will be determined by local government policy.

3.3.1 IN PRACTICE – INFORMING STRATEGIES

FINANCIAL

The information required, processes and outputs of the financial informing strategy are detailed below.

What do I have to gather?	What do I do with it?	What do I end up with?
• Planning assumptions. • Asset Management Plan. • Service Plans.	• Financial analysis. • Revenue planning. • Sensitivity analysis. • Scenario modelling.	• Financial Plan. • Up to date information.

What do I have to gather?

The following information is gathered when developing and progressively updating the financial informing strategy:

- The start of any planning or reviewing process needs to commence with assumptions. These are the foundation upon which the plan is developed. Assumptions can include: the expected rate of growth, acceptable level of debt etc.
- The key input is to integrate the components of the Asset Management Plan; particularly the Capital Works Schedule, whole of life asset costs and implications of addressing the renewal funding gap.
- Service Plans also need to be integrated to ensure changes in service delivery (type or level) are costed.

What do I do with it?

During the development of the financial informing strategy the following key processes are used:

- FINANCIAL ANALYSIS - determine the income and expenditure projections, balance sheet, cash flow statement and any other statutory reporting requirement.
- REVENUE PLANNING - determine the rates, borrowings, commercial activities, investments, fees and charges and grant opportunities to maximise available revenue.
- SENSITIVITY ANALYSIS - determine those factors or assumptions that if varied are most likely to impact the Financial Plan.
- SCENARIO MODELLING - prepare the projections/estimates in the plan based on different scenarios (e.g. expected, best case, worse case) to understand the impact of variation.

What do I end up with?

The following are outputs of the financial informing strategy processes:

- FINANCIAL PLAN - Outlining assumptions, projections, statutory reports, revenue strategy and sustainability indicators that address the minimum requirements outlined in the National Frameworks.
- UP TO DATE FINANCIAL CAPABILITY INFORMATION - Can be used to inform other components of the Framework.

ASSET MANAGEMENT

The information required, processes and outputs of the asset management resourcing component are detailed below.

What do I have to gather?	What do I do with it?	What do I end up with?
• Community priorities. • Defined levels of service delivery. • Asset Register. • Condition assessments. • Whole of life costings. • Capital works schedule.	• Policy development. • Service level review. • Risk assessment. • Strategy development. • Improvement program.	• Asset Management Policy. • Asset Management Strategy. • Asset Management Plan. • Up to date information.

What do I need to gather?

The following information is gathered when developing and progressively updating asset management strategies:

• During development of the Strategic Community Plan, or progressively with Local Area / Place / Regional Planning, priorities about services, service levels and asset based solutions to key issues are identified. This information needs to integrate with asset planning.

• The local government asset register is the basis for costing information that needs to integrate with financial planning.

• Asset condition assessments show the current state of an asset and provide an indication of the upgrading or renewal required to keep the asset at an acceptable level.

• Assets must be planned for and managed based on their lifecycle cost.

• The Capital Works Schedule (for new and existing assets) needs to be costed and integrated with financial planning.

What do I do with it?

During the development of the asset management strategy, the following key processes are used:

- POLICY DEVELOPMENT - Council endorses a policy governing the management of local government assets.
- SERVICE LEVEL REVIEW - determine the level of service that the asset needs to provide to meet existing and future community requirements.
- RISK ASSESSMENT - identify what assets are critical to the local government's operations.
- STRATEGY DEVELOPMENT - develop strategies to ensure that risks to critical assets are managed and minimised.
- IMPROVEMENT - determine what actions are needed to improve the local government's asset management capability.

What do I end up with?

The following are outputs of the asset management strategy processes:

- ASSET MANAGEMENT STRATEGY – demonstrates how the local government's assets will meet the service delivery needs of the community.
- ASSET MANAGEMENT PLAN - Informed by community priority and includes an asset management policy, whole of life costing for the asset register, strategies for critical assets and an improvement plan to build asset management capability.
- FINANCIAL IMPLICATIONS - The Asset Management Plan is integrated with the Financial Plan to ensure capability is understood.

WORKFORCE

The information required, processes and outputs of the workforce resourcing component are detailed below.

What do I have to gather?	What do I do with it?	What do I end up with?
• Long Term Plan priorities. • Local Government Strategic Directions. • Corporate Business Plan. • External factors. • Current workforce data.	• Workforce analysis. • Risk analysis. • Forecasting. • Strategy development.	• Workforce Plan.

What do I have to gather?

The following information is gathered when developing and progressively updating the workforce strategy:

- The Strategic Community Plan provides the enduring aspirations of the community. This needs to be considered when assessing how the workforce will need to change over the long term.

- The immediate strategic priorities set by Council. This provides information about how the workforce will need to change over the short term.

- The Corporate Business Plan outlines the short term operations of the local government identifying what it will deliver and who is responsible.

- Collect information about the external factors that would impact the workforce including current and projected economic factors, market factors, competitor factors and the level of supply.

- Data about the current workforce needs to be sourced. This can include demographics, skills, position requirements, succession plans etc.

What do I do with it?

During the development of the workforce strategy, the following key processes are used:

- WORKFORCE ANALYSIS - determine how capable the workforce currently is (in terms of achieving Corporate Business Plan objectives).
- RISK ANALYSIS - identify and assess the risks that are currently facing the workforce. This establishes a baseline for sensitivity analysis and allows for mitigation strategies to be included in the Workforce Plan.
- FORECASTING - analyse how the workforce will need to change over time to deliver the objectives in the Corporate Business Plan.
- STRATEGY DEVELOPMENT - identify how the local government will build workforce capability to deliver the Corporate Business Plan (with the view to achieving long term community priorities).

What do I end up with?

The following are outputs of the workforce strategy processes:

- WORKFORCE PLAN - A co-ordinated approach addressing the human resourcing requirements to deliver local government operations.

INFORMING STRATEGIES SUMMARY

Description	Intent	Roles and Responsibilities	Timeframe
Local government's internal documents that determine the ability to achieve community priorities through planned and managed services, assets, finances and people.	To determine the local government's ability to deliver prioritised community requirements that it is responsible for so that a deliverable Corporate Business Plan can be achieved. Informing Strategies are managed separately to the Corporate Business Plan to allow for and assist with longer term planning. This will also give local governments the opportunity to explore options and pursue innovative solutions. It can include investigating lease options as opposed to purchasing, volunteer arrangements, shared arrangements etc.	**Administration** Leads the process in the preparation of the strategies after taking into consideration all key inputs and influences. **Council** Many approve some but not all Informing Strategies. e.g. Resource Specific Informing Strategies.	• Assets 10+ years. • Financial 10+ years. • Workforce 4+ years.

Elements	Supporting Processes	Outputs and Interdependencies
Assets • To be determined by Asset Management Framework - *must address existing and proposed asset base, whole of life costing, service levels and renewal funding gap, and is a major input to development of the Financial Plan.* **Financial** • Assumptions. • Income and Expenditure projections, balance sheet and cash flow statement. • Revenue Planning (rates, borrowing, commercial, investments, fees and charges and grants - must be based on sound borrowing principles and practices). • Sensitivity analysis. • Scenario modelling. • Financial performance monitoring (that addresses the National Frameworks as a minimum). **Workforce** • Current workforce capacity and capability. • Required workforce capacity and capability to deliver the Corporate Business Plan. • Strategies to address the identified gaps in capacity and capability.	• Processes to inform community planning of resourcing capability. • Processes to test the ability to deliver the Local Government Strategic Priorities component prior to adoption. • Processes to integrate with the Corporate Business Plan. • Internal learning and development processes to enhance organisational capability. • Resourcing will be updated at least annually as part of the review of the Corporate Business Plan or earlier as changes in the external environment occur and alternative resourcing options are explored.	**Outputs** • Asset Management Strategy. • Finance Strategy. • Workforce Strategy. • Issue Specific Strategies. **Interdependencies** Strategic Community Plan Corporate Business Plan.

3.4 CORPORATE BUSINESS PLAN REVIEW AND REPRIORITISATION

What is it?

- The process of annual review and reprioritisation of activities to ensure that the local government is capable of meeting the Corporate Business Plan priorities and long term priorities established by the Strategic Community Plan.

What does it do?

- It identifies the local government's current position in relation to the delivery of Corporate Business Plan priorities.
- It reprioritises services, projects or other operations to respond to changes in the community, business and environment or available resources.
- Allows for an evolving and rolling Corporate Business Plan which results in an Annual Budget.

Who is involved?

- Local government administration:
    - Reviews the Corporate Business Plan after taking into consideration all key inputs and strategic influences.

- Council:
    - Approves the reprioritised Corporate Business Plan.

How is it developed?

- External analysis and project evaluation, including Strategic Community Plan reviews, identifies internal and external changes that could impact on the local government's capacity to deliver ongoing Corporate Business Plan priorities.
- Projects, services, or other operations are dropped, added or reprioritised to respond to changes in the community and business environment or available resources.

3.4.1 IN PRACTICE – CORPORATE BUSINESS PLAN

The information required, processes and outputs of the Corporate Business Plan review are detailed below.

What do I have to gather?	What do I do with it?	What do I end up with?
• Corporate Business Plan.	• External Analysis.	• Roll Corporate Business Plan Forward
• Strategic Community Plan reviews.	• Internal Analysis.	– Services
• External trends and issues.	• Project Evaluation.	– Assets
• Internal performance data.	• Capability Analysis:	– Strategic Priorities
• Internal issues.	– Drop	– Projects.
	– Add	• Annual Budget.
	– Change	• Review and reporting.
	– Prioritise.	
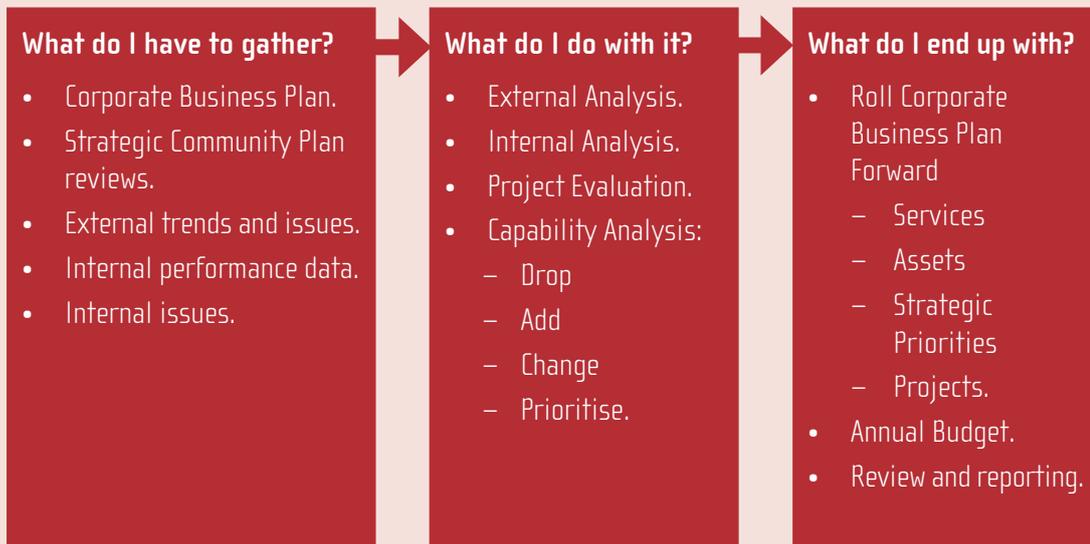
What do I have to gather?

The following information is gathered prior to commencing the review of the Corporate Business Plan. It is important that the initial planning aspect occurs to ensure alignment and resource capability before a budget is determined:

- The Corporate Business Plan is used to drive development of the Annual Budget. Each year of the Corporate Business Plan is intended to drive the Annual Budget.
- Any external trends or key issues that would impact on the objectives in the Corporate Business Plan for the ensuing financial year.
- Performance data to assess where improvement is required over the ensuing financial year.
- Any internal operational issues or requirements that could impact on objectives need to be sourced.
- Reviews of the Strategic Community Plan or reviews of Council priorities which activate short, medium or long term community aspirations.

What do I do with it?

During the review of the Corporate Business Plan and Reprioritisation, the following key processes may be used:

- EXTERNAL ANALYSIS - examine and manage external trends and issues that could impact on the local government's operations over the ensuing financial year.
- INTERNAL ANALYSIS - examine performance data, assess operational issues and identify the improvement strategies to be deployed throughout the duration of the Corporate Business Plan.
- SERVICE / PROJECT EVALUATION - significant changes in community aspirations, expectations, priorities or external factors may require a method for re-evaluating services and projects to ensure alignment, cost-benefit and resource capability.
- CAPABILITY ANALYSIS – micro testing of resource capability ensures that the local government responds to changes in the community and business environment by prioritising its operations within its available resources. The long term (10 year) financial projections are updated and utilised during this analysis. They also drive the development of the Annual Budget.

What do I end up with?

The following are outputs of the Corporate Business Plan review and Reprioritisation processes:

- ANNUAL BUDGET - The financial representation of "Year 1" of the Corporate Business Plan, including detailed statutory financial requirements.
- REPRIORITISED / ROLL FORWARD CORPORATE BUSINESS PLAN - Outlining all of the local government's operations (including services, assets, Council priorities and projects), with detailed financial estimates, administrative responsibility and linkage to the Strategic Community Plan. The interdependent relationship with the Informing Strategies means that the level of resource capability over the extended life of the Corporate Business Plan is reviewed, assessed and updated as required.

4 REPORTING

What is it?

- The process by which the local government informs the community and statutory bodies on its progress in delivering services, projects and other operations to meet the community's short term, medium term and long term aspirations.
- The Annual Report is the prescribed reporting requirement which local governments need to establish and maintain.

What does it do?

- It provides an internal review and monitoring function that allows the local government to respond to change.
- Ensures continued community involvement in the planning process and acknowledges that long term outcomes are being progressed.

Who is involved?

- Local government administration:
  – Undertakes performance monitoring and compiles reports.
  – Publishes and distributes reports and performance information.
  – Engages with community to obtain feedback on performance.
- Community:
  – Provides feedback on local government performance as part of the community engagement process.
- Council:
  – Approves the Annual Report.

How is it developed?

- The local government evaluates services, projects and other operations against their stated performance indicators.
- Progress is reported to the community and statutory bodies via a range of media.

4.1 IN PRACTICE – REPORTING

The information required, processes and outputs of local government reporting is detailed below.

What do I have to gather?	What do I do with it?	What do I end up with?

• Performance data from:
  – Strategic Community Plan
  – Corporate Business Plan
  – Informing Strategies
  – Budget.
	• Performance monitoring.
	• Evaluation.
	• Reporting.
		• Annual Report.
		• Report to community.
		• Newsletters.
		• Website.

What do I need to gather?

The following information is gathered for the purposes of Reporting:

- Performance data indicating progress and achievement against the Strategic Community Plan priorities, Corporate Business Plan and Budget.
- Use the defined method of assessment contained within these plans to build the systems to capture the required data.

What do I do with it?

To assist in accountable reporting the following key processes and minimum reporting standards are used. It is important to note that local governments that wish to report more frequently than suggested are encouraged to do so.

- PERFORMANCE MONITORING - establish systems that allow for review as follows:
  - Strategic Community Plan - annual monitoring
  - Corporate Business Plan - annual monitoring
  - Operational Plans - quarterly monitoring
  - Annual Budget - monthly monitoring.
- REPORTING - Establish systems that allow for reporting as follows:
  - Quarterly Reporting - report by the local government administration to Council outlining progress being made against the Budget that in turn reflects progress against the Corporate Business Plan.
  - Annual Reporting - report by the local government to the community outlining progress made against the Corporate Business Plan that in turn reflects progress against the Strategic Community Plan.

Outputs

The following are outputs of the reporting process:

ANNUAL REPORT - A report to community on the progress of Corporate Business Plan delivery and how this relates to achieving Strategic Community Plan priorities.

REPORTING

Description	Intent	Roles and Responsibilities	Timeframe
Report on the progress of delivering the Corporate Business Plan and how this relates to achieving priorities in the Strategic Community Plan	To satisfy local government's corporate governance requirement of accountable reporting to the community.	**Administration** Undertakes performance monitoring and compiles reports. **Council** Approves the Annual Report. **Community** Provides feedback on local government performance as part of the ongoing community engagement process.	Annually to community (against the Corporate Business Plan) and an additional report from the Council (against the Strategic Community Plan).

Elements	Supporting Processes	Outputs and Interdependencies
As a minimum must include: • Report from Mayor. • Report from CEO. • Overview of the Corporate Business Plan and progress made during the year - against the current year. • Other statutory requirements. • Financial statements. • Report against the Strategic Community Plan (from the outgoing councillors). • Standardised Performance Criteria.	• Quarterly reporting process against the current year of the Corporate Business Plan to monitor performance and respond to changing priorities. • Development of key performance indicators at appropriate levels to assess performance. • Monthly financial reporting against the Annual Budget. • Statutory financial reporting processes.	**Outputs** • Monthly financial reporting. • Quarterly reporting. • Annual Report. • Progress reports to community. **Interdependencies** • Strategic Community Plan Reviews. • Relevant State Government Legislation.

APPENDIX A – KEY FINDINGS FROM RESEARCHED MODELS

The models that have been benchmarked and built on as part of the Integrated Planning and Reporting Framework and Guidelines are:

- Local Government Sustainability Framework documents published by the Local Government and Planning Ministers' Council[1];
  - National Framework 1 - Criteria for Assessing Financial Sustainability;
  - National Framework 2 - Asset Planning and Management;
  - National Framework 3 - Financial Planning and Reporting; and
- New South Wales Integrated Planning and Reporting Guidelines published by the New South Wales Government - Division of Local Government, Department of Premier and Cabinet[2].

Additional research was conducted to establish a more considered view in proposing a recommendation for Integrated Planning. The additional models selected were:

- Queensland Planning and Accountability Documents (consultation draft) published by Queensland Government - Department of Infrastructure and Planning[3]
- New Zealand Local Authority Planning Requirements published via the New Zealand Department of Internal Affairs[4]

The research on the four models focussed on intent, approach and requirements. It did not address deployment or implementation.

NATIONAL FRAMEWORKS

The intent of the National Frameworks is to apply consistency across local governments by providing a standard reporting means so that each State or Territory can assess financial and management performance on a comparative basis[5]. They are deployed within the legislative and operating context of each State or Territory. A summary of the existing National requirements are as follows.

- Financial sustainability indicators - income generating efforts (rates, other own source revenue, operating costs, operating results), service delivery efficiency (reflecting community need), short and long term sustainability (liquidity and debts) and asset management (management of ageing assets).
- Asset Management planning that is integrated with longer term Strategic and Financial planning, and is informed by community driven service levels.
- A longer term Strategic Plan[6] (that outlines current position, vision and objectives of Council, strategies to achieve objectives, resourcing and a means for monitoring performance) with a minimum life equal to the term of office of the Councillors that reflects community need.
- An Annual Budget[7] (including estimates, assumptions, revenue strategy, linkage to strategic objectives and summary of financial performance/position).

An Annual Report (outlining progress of Council's operations, audited financial statements, budget to actual variation and the impact on the Strategic Plan of such variation).

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1   www.lgpmcouncil.gov.au, May 2010.
2   www.dlg.ns w.gov.au, May 2010.
3   www.dip.qld.gov.au, June 2010.
4   www.dia.govt.nz, May 2010.
5   The National Frameworks are not intended to limit States or Territories in assessing the planning, management or performance of local governments - they provide a minimum base level.
6   Developed with Public Consultation.
7   Developed with Public Consultation and prepared so that community can understand.

NEW SOUTH WALES PLANNING AND REPORTING GUIDELINES

New South Wales (NSW) local governments must comply with the Essential Elements[8] of a Planning and Reporting Framework. They key components of the framework prescribed in the *Local Government Act 1993* (NSW) are summarised below:

- A Community Strategic Plan[9] with a minimum 10-year timeframe that outlines community aspirations and priorities, addresses quadruple bottom line issues (social, environmental, economic and civic leadership), identifies objectives and strategies, gives regard to the State Plan and other relevant state/regional plans, and is developed based on social justice principles;

- A Resourcing Strategy[10] to ensure delivery of the Community Strategic Plan that includes long term Financial Planning, Workforce Planning and Asset Management Planning;

- A Delivery Program[11] developed for each four year period following the election outlining the key activities[12] Council will undertake to meet the objectives identified in the Community Strategic Plan within the constraints of the Resourcing Strategy, and a method for assessing performance.

- An Operational Plan[13] is a sub-plan of the Delivery Plan that outlines the key activities to be undertaken throughout a financial year and includes a Statement of Revenue Policy[14].

- An Annual Report[15] that outlines achievement of the Delivery Program and the Community Strategic Plan[16], a State of the Environment Report[17] and the audited financial statements and notes[18].

The development of the above key components is subject to prescribed community engagement requirements.

QUEENSLAND PLANNING AND ACCOUNTABILITY DOCUMENTS

The Queensland (QLD) *Local Government Act 1993* was reviewed and resulted in a Local Government Bill 2009. The Bill was debated and passed on 4 June 2009 and assented to on 12 June 2009. The new Act will become law when it is commenced by proclamation. Until commencement, local governments in Queensland will continue to be governed by the *Local Government Act 1993*.

The planning and accountability documents are stated in Chapter 4, Part 3, s104 (3) *Local Government Act 2009* with the key components prescribed under the Local Government (Finance, Plans and Reporting) Regulation 2009[19]. The following documents form the basis of this framework:

- A long term Community Plan[20] outlining the local government's vision and how it will implement the vision via goals, strategies and policies. It is structured by the areas of economic development, environmental management, governance and social well-being and is developed according to the community engagement policy requirement.

- A long term Financial Plan[21] that includes an investment policy, debt policy, procurement policy and revenue policy.

- A long term Asset Management Plan[22] outlining sustainable asset management strategies, estimated capital expenditure for asset renewal, upgrade and extension, an asset improvement program and must be integrated with the long term Financial Plan.

- A five year Corporate Plan that sets the strategic direction for the local government, includes performance measures to monitor progress in achieving the vision stated in the long term Community Plan and states how the Community Plan will be implemented. The engagement process must be included.

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8   Compliance with the Essential Elements ensures compliance with the [NSW] *Local Government Act 1993*.
9   Section 402 of the [NSW] *Local Government Act 1993*, May 2010.
10 Section 403 of the [NSW] *Local Government Act 1993*, May 2010.
11 Section 404 of the [NSW] *Local Government Act 1993*, May 2010.
12 The General Manager must report to Council at least every six months on progress against achieving the key activities.
13 Section 405 of the [NSW] *Local Government Act*, May 2010.
14 Clause 201 of the [NSW] Local Government (General) Regulations, May 2010.

15 Section 428 of the [NSW] *Local Government Act*, May 2010.
16 During the year of the ordinary election.
17 During the year of the ordinary election.
18 Clause 217 of the [NSW] Local Government (General) Regulations, May 2010.
19 Expected to commence on 1st July, 2010, June 2010.
20 Covering minimum 10 year period, June 2010.
21 Covering minimum 10 years, June 2010.
22 Covering minimum 10 years, June 2010.

- An Annual Operational Plan stating the proposed outputs, activities to deliver the outputs, performance measures to monitor delivery of outputs and be integrated with the Corporate Plan.

- An Annual Report that outlines prescribed components including financial statements, general purpose financial reports, financial sustainability measures, specific resolutions, councillor particulars, overseas travel details, spending particulars, reserves and controlled roads, disclosures and specified other contents.

NEW ZEALAND PLANNING AND REPORTING REQUIREMENTS

There are different tiers of government in New Zealand - central, local and regional. The requirements prescribed within the *Local Government Act 2002* focus on local governments' role in community well-being and sustainable development. The key components of the New Zealand (NZ) planning and reporting framework are summarised below:

- Community Outcome Processes[23] that are co-ordinated by local government at least every six years to identify and prioritise community outcomes with its communities to inform the Long Term Council Community Plan, and are reported against at least every three years;

- A Long Term Council Community Plan (LTCCP)[24] that is produced every three years (providing direction for 10 years[25]) outlining all of Council's activities, how it works towards achieving community outcomes, how it will be resourced and a means for monitoring performance;

- An Annual Plan is produced as the first year of LTCCP adoption and for the two years before the next LTCCP is adopted, and is the main annual budget driver detailing all activity for a 12 month period and explains any variation to the LTCCP;

- An Annual Report outlines activities undertaken in the financial year referring to performance levels and intended activities detailed in the LTCCP, and reports on progress and financial spend against community outcomes.

The key themes that underpin this framework are consultation and partnering.

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23   Sections 91 and 92 of the [NZ] *Local Government Act 2002*, May 2010.
24   Section 93 of the [NZ] *Local Government Act 2002*, May 2010.
25   Subject to requirements of Part 1 of Schedule 10 of the [NZ] *Local Government Act 2002*, May 2010.

APPENDIX B – SUGGESTED GROUPINGS AND MILESTONES FOR TRANSITION PERIOD

GROUP 1 - LOCAL GOVERNMENTS WITH A COMMUNITY FOCUSSED PLAN FOR THE FUTURE

- Review the plan to align to the requirements of a Strategic Community Plan and test that community priorities are still relevant.
- Commence local area / place planning to inform the Strategic Community Plan in the future.
- Prepare (or update) the Financial and Asset Plans based on the Strategic Community Plan.
- Use the Strategic Community Plan and internal resourcing knowledge to inform the direction and prioritisation of the Local Government Strategic Priorities.
- Use the Local Government Strategic Priorities to drive development of the Corporate Business Plan.
- Prepare (or update) the Workforce Plan based on input from the draft Corporate Business Plan.
- Finalise the Corporate Business Plan within the resource constraints of the Financial, Asset and Workforce Plans.
- Use the Corporate Business Plan to drive annual budgeting processes.

GROUP 2 - LOCAL GOVERNMENTS WITH A LOCAL GOVERNMENT FOCUSSED PLAN FOR THE FUTURE

- Conduct external analysis to identify community priorities (that will form the interim Strategic Community Plan).
- Prepare (or update) the Financial and Asset Plans based on the external analysis.
- Use the external analysis to activate community priorities by identifying and prioritising Local Government Strategic Priorities.
- Use the Local Government Strategic Priorities to drive development of the Corporate Business Plan.
- Prepare (or update) the Workforce Plan based on input from the draft Corporate Business Plan.
- Finalise the Corporate Business Plan within the resource constraints of the Financial, Asset and Workforce Plans.
- Commence local area / place / region planning to inform the Strategic Community Plan in the future.
- Use the Corporate Business Plan to drive annual budgeting processes.

GROUP 3 - LOCAL GOVERNMENTS WITH A COMBINATION OF COMMUNITY AND LOCAL GOVERNMENT FOCUSSED PLAN FOR THE FUTURE

- Conduct external analysis to confirm / update community priorities to test existing community information and use this to satisfy the requirements of a Strategic Community Plan.
- Prepare (or update) the Financial and Asset Plans based on the Strategic Community Plan.
- Activate the Strategic Community Plan priorities by establishing the local government's strategic direction and prioritising local government strategic priorities.
- Use the local government strategic priorities to drive development of the Corporate Business Plan.
- Prepare (or update) the Workforce Plan based on input from the draft Corporate Business Plan.
- Finalise the Corporate Business Plan within the resource constraints of the Financial, Asset and Workforce Plans.
- Commence local area / place / region planning to inform the Strategic Community Plan in the future.
- Use the Corporate Business Plan to drive annual budgeting processes.

NOTES

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Government of **Western Australia**
Department of **Local Government**