

# PLANNING A SUSTAINABLE FUTURE

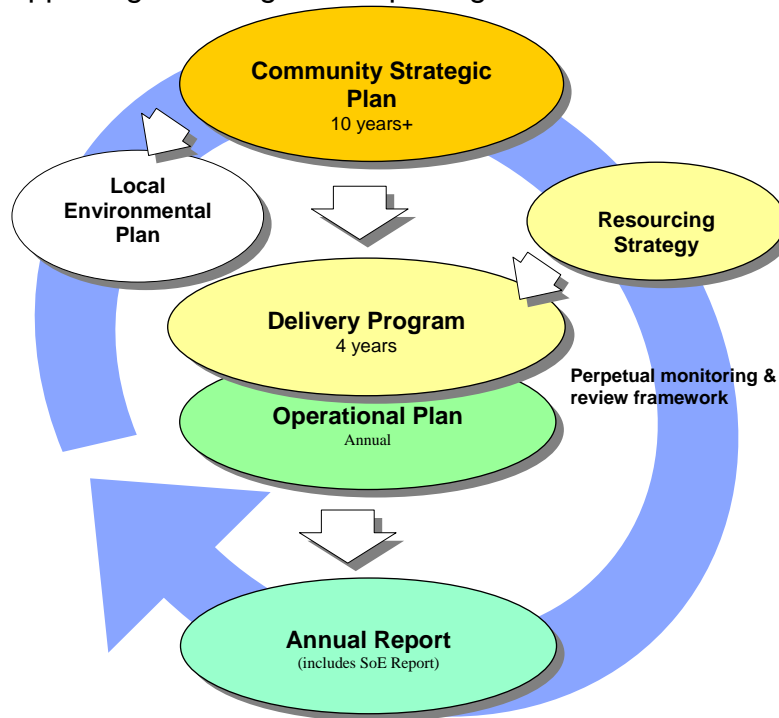
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## **Planning and Reporting Guidelines** for local government in NSW

2009

# A new approach to planning and reporting

A new planning and reporting framework for NSW local government has been introduced. These reforms replace the former Management Plan and Social Plan with an integrated framework. It also includes a new requirement to prepare a long-term Community Strategic Plan and Resourcing Strategy. The essential elements of the new framework are outlined in these Guidelines. Guidance to assist councils to implement the new framework is explained in the supporting Planning and Reporting Manual.



## Integrating council plans and reports

*The new system recognises that communities do not exist in isolation – they are part of a larger natural, social, economic and political environment that influences and, to a large extent, shapes their future direction.*

*Neither do council plans exist in isolation – land use and infrastructure planning produces social, environmental and economic outcomes, and vice-versa – they are connected.*

*This system encourages councils to draw their various plans together, to understand how they interact and to get the maximum leverage from their efforts by planning holistically for the future.*

*It recognises that most communities share similar aspirations: A safe, healthy and*

*pleasant place to live, a sustainable environment, opportunities for social interaction, opportunities for employment, reliable infrastructure etc. The difference lies in how each community responds to these needs. That is what shapes the character of individual towns and cities.*

*The new system opens the way for councils and their communities to have important discussions about funding priorities, service levels and preserving local identity and to plan in partnership for a more sustainable future.*

*The system has been developed after extensive consultation with the Local Government Sector and other key stakeholders.*

# How to use these Guidelines

Local councils in NSW are required to undertake their planning and reporting activities in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005. The Act will provide that the Director General of the Department of Local Government can issue Guidelines that must be followed by local councils when undertaking their planning and reporting activities.

An Integrated Planning and Reporting Manual has been developed to provide councils with information and guidance to assist their transition to the new planning and reporting system. An outline of the Manual is provided below.

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## **GUIDELINES LEGISLATIVE REQUIREMENTS**

These Guidelines list all the mandatory requirements from the Act, the Regulation and the Essential Elements that the Guidelines require that councils follow.

You must include these essential elements in your plans and reports to comply with the Local Government Act.

The Essential Elements have been kept to a minimum and are deliberately broad in nature to allow councils as much flexibility as possible in implementing the requirements.

## **MANUAL EXPLANATORY NOTES**

The supporting Planning and Reporting Manual is issued in line with proposed s.406(5) of the Local Government Act 1993 to provide guidance to councils to explain the reasoning behind, and the general intent of the requirements of the legislation and guidelines. Councils are required to consider the content of the Manual when they are implementing the new planning and reporting requirements.

Because each council is different, it is reasonable to expect that the legislative requirements will be applied in different ways, depending on the geographical location, demographics and culture of the council area. For example, a small rural council might carry out community engagement activities in a different manner to a large city council.

The Manual provides information on how councils could apply the legislative requirements to their own situation. The contents of the Manual are not mandatory requirements. However, the information should be considered by councils when making decisions on the transition to the new planning and reporting system.

# PLANNING AND REPORTING GUIDELINES

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# LEGISLATIVE REQUIREMENTS

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## The Community Strategic Plan

The Community Strategic Plan is the highest level plan that a council will prepare. The purpose of the plan is to identify the community's main priorities and expectations for the future and to plan strategies for achieving these goals. In doing this, the planning process will consider the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve its aims and aspirations. While a council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the community, 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.

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# LEGISLATIVE REQUIREMENTS

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## Community Strategic Plan

### **Local Government Act 1993**

Following is a general summary of the proposed amendments to the Act:

#### **Community Strategic (CS) Plan**

- Each area to have a Community Strategic Plan that has been developed and endorsed by the council
- The CS Plan to identify the community's main priorities and aspirations for the future
- The CS Plan must cover a minimum timeframe of 10 years
- The CS Plan must establish strategic objectives together with strategies to achieve those objectives
- It must address social, environmental, economic and civic leadership issues
- It must be based on the social justice principles of equity, access, participation and rights
- The CS Plan must give due regard to the State Plan and other relevant state and regional plans

#### **Community Engagement**

- Each council must prepare and implement a Community Engagement Strategy for engagement with the local community in developing the CS Plan

#### **Submitting the CS Plan**

- Councils must provide the Director-General with a copy of the Community Strategic Plan and any amendment of the plan, within 3 months of the plan (or amendment) being endorsed.

### **Local Government (General) Regulation 2005**

There are no proposed requirements relating directly to the Community Strategic Plan in the Regulation.

# LEGISLATIVE REQUIREMENTS

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## **Planning & Reporting Guidelines – Essential Elements**

### **What are the general requirements of the Community Strategic (CS) Plan?**

- 1.1 The CS Plan should be developed with the understanding that it will be delivered as a partnership between council, state agencies, community groups and individuals. It should address a broad range of issues that are relevant to the whole community.

### **What information must be considered when preparing the Community Strategic Plan?**

- 1.2 Council must ensure the CS Plan is adequately informed by relevant information relating to social, environmental, economic and civic leadership issues. This information must be presented to the community in an accessible format to assist its participation in the planning process.
- 1.3 In addition to the legislative requirement to consider State government plans, any relevant State or regional draft plans and strategies that are available at the time of preparing the CS Plan must also be considered.
- 1.4 Due consideration must also be given to the expected levels of service expressed by the community when preparing the CS Plan.

### **How should the community be involved in preparing the Community Strategic Plan?**

- 1.5 As a minimum, the Community Engagement Strategy prepared and implemented by council must identify relevant stakeholder groups within the community and outline methods that will be used to engage each group.
- 1.6 Council must place the Draft CS 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 CS Plan.

# LEGISLATIVE REQUIREMENTS

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## **What is the basic structure of the Community Strategic Plan?**

1.7 The CS 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
- Strategies for achieving each objective

1.8 The CS Plan must identify assessment methods for determining whether the objectives are being achieved.

## **How often must the Community Strategic Plan be reviewed?**

1.9 The CS Plan must be reviewed every four years. From 2012, each newly elected council must complete the review by 30 June in the year following the local government elections and roll the planning period forward by at least 4 years (so that it is always a 10 year minimum plan).

## **What must the review include?**

1.10 The review must include the following:

- A report from the outgoing council on the implementation and effectiveness of the CS Plan in achieving its social, environmental, economic and civic leadership objectives over the past four years
- A review of the information that informed the original CS Plan
- A community engagement program, as prescribed by the Local Government Act and Essential Element 1.5

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## The Resourcing Strategy

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

*The Resourcing Strategy consists of three components:*

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

*The Resourcing Strategy is the point where Council assists the community by sorting out who is responsible for what, in terms of the issues identified in the Community Strategic Plan. Some issues will clearly be the responsibility of Council, some will be the responsibility of other levels of government and some will rely on input from community groups or individuals. The Resourcing Strategy focuses in detail on matters that are the responsibility of the council and looks generally at matters that are the responsibility of others. There may be possibilities to form Memoranda of Understanding or other arrangements on behalf of the community to achieve these matters.*

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# LEGISLATIVE REQUIREMENTS

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## Resourcing Strategy

### **Local Government Act 1993**

Following is a general summary of the proposed amendments to the Act:

- A council must have a long-term resourcing strategy to achieve the objectives established by the Community Strategic Plan
- The strategy must include provision for long-term financial planning, workforce management planning and asset management planning

### **Local Government (General) Regulation 2005**

There are no requirements relating directly to the Resourcing Strategy within the Regulation.

# LEGISLATIVE REQUIREMENTS

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## **Planning & Reporting Guidelines – Essential Elements**

### Long Term Financial Planning

#### **What are the general requirements for long term financial planning?**

- 2.1 Each council must prepare a Long Term Financial Plan.
- 2.2 The Long Term Financial Plan must be used to inform decision making during the finalisation of the Community Strategic Plan and the development of the Delivery Program.

#### **What is the minimum timeframe for the Long Term Financial Plan?**

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

#### **How often must the Long Term Financial Plan be reviewed?**

- 2.4 The Long Term Financial Plan must be updated at least annually as part of the development of the Operational Plan.
- 2.5 The Long Term Financial Plan must be reviewed in detail as part of the four yearly review of the Community Strategic Plan.

#### **What is the basic structure of the Long Term Financial Plan?**

- 2.6 The Long Term Financial Plan must include:
  - Projected income and expenditure, balance sheet and cashflow statement
  - Planning assumptions used to develop the Plan
  - Sensitivity analysis - highlights factors/assumptions most likely to affect the Plan
  - Financial modelling for different scenarios e.g. planned/optimistic/conservative
  - Methods of monitoring financial performance

# LEGISLATIVE REQUIREMENTS

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## Workforce Management Planning

### **What are the general requirements for workforce management planning?**

- 2.7 A Workforce Management Strategy must be developed to address the human resourcing requirements of a council's Delivery Program.

### **What is the minimum timeframe for the Workforce Management Strategy?**

- 2.8 The Workforce Management Strategy must be for a minimum timeframe of 4 years.

## Asset Management Planning

### **What are the general requirements for asset management planning?**

- 2.9 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.
- 2.10 Each council must prepare an Asset Management Strategy and Asset Management Plan/s to support the Community Strategic Plan and Delivery Program.

### **What is the minimum timeframe for the Asset Management Strategy and Plan/s?**

- 2.11 The Asset Management Strategy and Plan/s must be for a minimum timeframe of 10 years.

### **What is the basic structure of the Asset Management Strategy?**

- 2.12 The Asset Management Strategy must include an overarching council endorsed Asset Management Policy.
- 2.13 The Asset Management Strategy must identify assets that are critical to the council's operations and outline risk management strategies for these assets.
- 2.14 The Asset Management Strategy must include specific actions required to improve council's asset management capability and projected resource requirements and timeframes.

# LEGISLATIVE REQUIREMENTS

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## **What is the basic structure of the Asset Management Plan/s?**

- 2.15 The Asset Management Plan/s must encompass all the assets under a council's control.
- 2.16 The Asset Management Plan/s must identify asset service standards.
- 2.17 The Asset Management Plan/s must contain long term projections of asset maintenance, rehabilitation and replacement costs.

## **What Asset Management reporting must councils do?**

- 2.18 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.

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## The Delivery Program & Operational Plan

*This is the point where the community's strategic goals are systematically translated into actions.*

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

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

*Supporting the Delivery Program is an annual Operational Plan. It spells out the details of the Program – the individual projects and activities that will be undertaken each year to achieve the commitments made in the Delivery Program.*

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# LEGISLATIVE REQUIREMENTS

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## Delivery Program

### **Local Government Act 1993**

Following is a general summary of the proposed amendments to the Act:

- A council must have a Delivery Program, detailing activities it will undertake to achieve the objectives of its Community Strategic Plan.
- The Delivery Program must include a method of assessment to determine the effectiveness of each activity detailed in the Delivery Program in achieving the objectives at which the activity is directed.
- A council must prepare a new Delivery Program after each ordinary election of councillors to cover the activities of the council for the 4 year period commencing on 1 July following the election.
- The General Manager must ensure that progress reports are provided to the council, with respect to activities detailed in the Delivery Program, at least every 6 months.

### **Local Government (General) Regulation 2005**

There are no requirements relating directly to the Delivery Program within the Regulation.

# LEGISLATIVE REQUIREMENTS

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## **Planning & Reporting Guidelines – Essential Elements**

### **What are the general requirements of the Delivery Program?**

- 3.1 After 2012, each council must prepare and adopt its Delivery Program within nine months of the local government ordinary election.

### **What is the basic structure of the Delivery Program?**

- 3.2 The Delivery Program must directly address the objectives and strategies of the Community Strategic Plan and identify specific actions that council will undertake in response to the objectives and strategies.
- 3.3 The Delivery Program must inform, and be informed by, the Resourcing Strategy.
- 3.4 The Delivery Program must address the full range of council operations.
- 3.5 The Delivery Program must allocate responsibilities for each action or set of actions.
- 3.6 Detailed financial estimates for the four year period must be included in the Delivery Program.

### **What input should the community have in the development of the Delivery Program?**

- 3.7 Council must consider priorities and expected levels of service expressed by the community during the engagement process for the Community Strategic Plan when preparing its Delivery Program.
- 3.8 The draft Delivery Program must be exhibited for public comment for a minimum of 28 days and public submissions considered before the final program is adopted.

# LEGISLATIVE REQUIREMENTS

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## **How often should the Delivery Program be reviewed?**

- 3.9 Council must review its Delivery Program each year when preparing the Operational Plan.
- 3.10 Council may choose to roll the Delivery Program forward beyond its elected term to enable effective forward planning, provided it is consistent with its Community Strategic Plan and Resourcing Strategy. Where a council does this, it is still required to report on the implementation of its initial Delivery Program. The new council is also still required to prepare a new Delivery Program for its electoral term as per Essential Element 3.1.
- 3.11 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 and be tabled and resolved to be noted at that meeting and considered by Council at its next meeting.
- 3.12 Where Council resolves that the proposed amendment is significant, the Delivery Program must be re-exhibited as per Essential Element 3.8 and in conjunction with the draft Operational Plan.

# LEGISLATIVE REQUIREMENTS

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## Operational Plan

### **Local Government Act 1993**

Following is a general summary of the proposed amendments to the Act:

- Council must have an annual Operational Plan, adopted before the beginning of each financial year, outlining the activities to be undertaken that year, as part of the Delivery Program.
- The Operational Plan will include the Statement of Revenue Policy (formerly included in the Management Plan).
- The draft plan must be publicly exhibited for at least 28 days and public submissions considered before the final plan is adopted.
- The exhibition must be accompanied by maps showing where the various rates will apply within the local government area.
- The council must post a copy of its Operational Plan on the council's website within 1 month after the plan is adopted.

### **Local Government (General) Regulation 2005**

The Regulation will include the provisions formerly contained in Section 404 of the Local Government Act, relating to the content of Council's annual statement of revenue policy.

This includes details of:

- Estimated income and expenditure
- Ordinary rates and special rates
- Proposed fees and charges
- Council's proposed pricing methodology
- Proposed borrowings

Budget review statements and a revision of estimates must be reported to Council within 2 months after the end of each quarter (except the June quarter).

# LEGISLATIVE REQUIREMENTS

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## **Planning & Reporting Guidelines – Essential Elements**

### **What is the basic structure of the Operational Plan?**

- 3.13 The Operational Plan must be prepared as a sub-plan of the Delivery Program. It must directly address the actions outlined in the Delivery Program and identify projects, programs or activities that Council will undertake within the financial year towards addressing these actions.
- 3.14 The Operational Plan must allocate responsibilities for each project, program or activity.
- 3.15 It must identify suitable measures to determine the effectiveness of the projects, programs and activities undertaken.
- 3.16 The Operational Plan must include a detailed annual budget.

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## The Annual Report

*The Annual Report is one of the key points of accountability between a council and its community.*

*It is not a report to the Department of Local Government or the NSW Government, it is a report to the community.*

*The Annual Report focuses on Council's implementation of the Delivery Program and Operational Plan because these are the plans that are wholly the council's responsibility.*

*The report also includes some information that is prescribed by the Local Government (General) Regulation 2005. This information has been included in the Regulation because the Government believes that it is important for community members to know about it – to help their understanding of how council has been performing both as a business entity and a community leader.*

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# LEGISLATIVE REQUIREMENTS

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## Annual Report

### **Local Government Act 1993**

Following is a general summary of the proposed amendments to the Act:

- Council must prepare an annual report within five months of the end of the financial year.
- The report will outline council's achievements in implementing its Delivery Program.
- The annual report in the year of the ordinary election will also include an outline of achievements in implementing the Community Strategic Plan.
- Council must prepare a State of the Environment Report for the area which reports on the environmental objectives that are identified in the council's Community Strategic Plan.
- The report must contain the council's audited financial statements and notes and any information 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.

### **Local Government (General) Regulation 2005**

Clause 217 of the Regulation requires the following information to be included in the annual report:

- Details of overseas visits by councillors and council staff
- Details of mayoral and councillor fees, expenses and facilities
- Contracts awarded by council
- Amounts incurred in relation to legal proceedings
- Private works and financial assistance
- Details of external bodies, companies and partnerships
- Details of the General Manager's total remuneration
- Details of the total expenditure on Senior Staff remuneration
- Information on stormwater levies and charges
- Information on companion animals management