

**Report to General Manager**Attachments: N/A

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**SUBJECT:** Integrated Planning and Reporting Framework - Release of Draft Legislation and Guidelines**AUTHOR:** Kerry Gilbert, Director Corporate Services, 18 May 2009**SUMMARY:**

To outline the Integrated Planning and Reporting Framework being proposed by the Department of Local Government.

**RECOMMENDATION:****THAT** the report be received.**Financial Implications**

There are no additional financial implications.

Signed \_\_\_\_\_

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## **DETAIL**

The Minister for Local Government, Barbara Perry MP, recently released the draft Integrated Planning and Reporting Framework setting a new direction for Local Government.

Following extensive consultation with a variety of stakeholders, the State Government has released the Exposure Draft Local Government Amendment (Planning and Reporting) Bill 2009 and the Local Government (General) Amendment (Planning and Reporting) Regulation 2009 for public consultation. The draft legislation is supported by draft Planning and Reporting Guidelines (compliance is mandatory) and a draft Planning and Reporting Manual (supporting information to assist councils). A set of frequently asked questions has also been prepared.

The new planning and reporting framework for NSW local government is proposed to improve local councils' long term community planning and asset management as well as streamline reporting to the community. The new framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long term plans.

Councils are invited to make submission to the Department on the draft legislation, and the guidelines and manual. The closing dates for submissions have been staggered, so that comments on the legislation can be considered first.

The closing dates for submissions are:

1. Draft Bill and Regulation - 12 June 2009
2. Draft Guidelines and Manual - 3 July 2009

Under the proposed Integrated Planning and Reporting Framework councils will be required to develop:

- **A 10-year Community Strategic Plan** - this outlines the local priorities and future aspirations
- **A Resourcing Strategy** - this includes asset management planning, a workforce management strategy and long term financial planning.
- **A Delivery Program and Operational Plans** - an 'action plan' to show how projects and programs are going to be delivered during council's term in office.

The following outlines the key criteria of each component under the proposed Framework:

### **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.

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Other partners, such as State agencies and community groups may also be engaged in delivering the long-term objectives of the plan.

The Plan is to be for a period of at least 10 years. Developed and endorsed by the council following engagement with the local community pursuant to a community engagement strategy. Councils must ensure that the Community Strategic Plan is adequately informed by relevant information relating to social, environmental, economic and civic leadership (governance) issues - also known as quadruple bottom line (QBL). This information must be presented to the community in an accessible format to assist its participation in the planning process.

The Community Strategic Plan must include a community vision statement, strategic objectives for the community that address social, environmental, economic and civic leadership issues identified by the community, strategies for achieving each objective and must have due regard to the State Plan and other relevant State and regional plans of State government. The Plan must also identify assessment methods for determining whether the objectives are being achieved.

The 2020 Vision: North Sydney Community Strategic Plan, which is currently being reviewed, will comply with the proposed legislative amendments, including significant community engagement.

### **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 - minimum 10 year plan
- Workforce Management Planning - minimum 4 year plan
- Asset Management Planning - minimum 10 year plan

The Resourcing Strategy is the point where Council assists the community by sorting out who is responsible for 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.

The integrated planning and reporting framework is consistent with the National Frameworks for Local Government Financial Sustainability, March 2007 developed by the Local Government and Planning Ministers' Council and endorsed by the NSW Government. The National Framework's aim is to promote nationally consistent, prudent, transparent and accountable financial management by local governments. States and Territories are required to be able to assess their councils' financial sustainability in accordance with their own circumstances which may include legislative reform, policies, programs and guidance.

The 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. The Long Term

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Financial Plan must be updated at least annually as part of the development of the Operational Plan and reviewed in detail as part of the four yearly review of the Community Strategic Plan.

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

North Sydney Council currently has in place a Revenue Policy and Long Term Financial Model, which is reviewed annually; a 10 year Asset and Infrastructure Management Plan and an annual Property Asset Management Plan. These documents will be reviewed and revised in accordance with the proposed legislative amendments and planning and reporting guidelines. Council will need to develop a Workforce Management Plan.

### **The Delivery Program and Operational Plans**

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

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

A council must prepare a new Delivery Program after each ordinary election of councillors to cover the activities of the council for the four year period commencing 1 July following the election. The Delivery Program must inform, and be informed by, the Resourcing Strategy.

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 six months.

Supporting the Delivery Program is an annual Operational Plan. 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. It must also include a detailed operational budget for the year.

### **The Annual Report**

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 will also include 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.

### **What happens to the State of the Environment Report?**

The requirement for councils to prepare a State of the Environment (SoE) Report has been maintained. During the development of the new planning and reporting framework the option to

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remove the requirement for a separate SoE Report was considered, as environmental reporting is to be integrated into reporting on the implementation of the Community Strategic Plan and Delivery Program. However, given concerns that were raised during consultation about the option to remove the SoE Report and the heightened importance of environmental management at a time of serious concerns about climate change, a separate SoE Report will continue to be required.

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

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

Councils are strongly encouraged to develop their SoE Report in partnership with other councils in their region and Catchment Management Authorities, as environmental monitoring and reporting is usually more useful when done at a regional and/or catchment scale. North Sydney Council already prepares its SoE Report in partnership with Northern Sydney Regional Organisations of Councils (NSROC).

The SoE Report is to be included in the Annual Report. The prescriptive requirements of the previous SoE Report have been removed, so that reports now focus on how Council has met the environmental objectives in its Community Strategic Plan.

### **What happens to the Social Plan?**

Councils will no longer be required to complete a separate Social Plan. Social planning becomes an integral part of the development of the Community Strategy Plan. Councils' must ensure that their Community Strategic Plan adequately addresses social as well as environmental, economic and civic leadership issues. It must also reflect the four social justice principles of equity, access, participation and rights.

Recommendations made in past Social Plans may still be relevant, and some may still be awaiting implementation; as is the case of 'A Social Plan for North Sydney 2008 - 2012'. Councils need to consider the social issues and priorities in these plans, and consider how they fit into the Community Strategic Plan, the Delivery Program and Operational Plans. Councils can still continue to prepare a separate Social Plan if they want to, so it can inform the preparation of the Community Strategic Plan.

### **Key Stakeholders**

The new planning and reporting framework is essentially a set of tools from which each council can build an integrated planning and reporting system to suit their community's needs. The framework will allow councils to build plans of appropriate size, scale and content for their communities. The most important thing is that the Community Strategic Plan, and the implementation structures that support it, are fit for the purpose and appropriate to the communities to which they relate.

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### **Local Councils/Councillors**

Each council's role is to use the planning process creatively and for the benefit of their community. Apart from providing a clear picture for the future, the planning process can also help councils to better connect with their communities, to gain a more detailed understanding of the area in which they live and the regional context in which their community operates. The process can also provide opportunities for councils to streamline their operations.

The success of the planning process relies on the commitment of the Mayor and the General Manager as well as all councillors. The ability of the Mayor and the councillors to capture a vision for the community's future and to inspire others to participate in that future will be fundamental to the success of the project.

The General Manager has a pivotal role to play in mapping out the council's approach to the planning process and ensuring the community receives the information it needs to participate in a meaningful way. The General Manager will also be responsible for guiding the preparation of the Community Strategic Plan and council's response to it via the Delivery Program.

### **Department of Local Government**

The Department's role in the planning process is to build the over-arching system, to provide guidance and assistance to councils in implementing it and to check that the system is working. The Department also liaises with other State agencies to ensure that the planning and reporting system aligns with the NSW State Plan and its delivery framework.

### **NSW Government Agencies**

The NSW State Plan was developed in 2006 and sets out the Government's goals and priorities under five key themes: Rights, Respect and Responsibility; Delivering Better Services; Fairness and Opportunity; Growing Prosperity Across NSW; and Environment For Living. Under the State Plan's delivery framework there are nine regional delivery plans to concentrate on issues that relate specifically to each region. These regional delivery plans provide councils with knowledge about the NSW Government's priorities in each region, which can be used to inform council's planning. There are also opportunities for State agencies and councils to work together in delivering services to the community. For example, there are benefits in Councils and Catchment Management Authorities working together to manage and monitor the environment.

### **Community**

The community has a very important role to play by contributing to councils' planning processes. Councils will be required to develop a Community Engagement Strategy. The focus of the development of the Community Strategic Plan is to ensure that the community and its many different stakeholder groups are engaged in the planning process and are provided with the opportunity to have a say in the long term plans for each community.

### **Phasing in of the new strategic planning provisions**

It is planned that all councils will be operating under the new system from the commencement of the next local government electoral term in September 2012. It is planned to introduce the new system in three groups of councils over a three year period. Councils will be asked to nominate the group they would like to be in after the legislative changes have been passed by Parliament, as follows:

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## Re: Integrated Planning and Reporting Framework - Release of Draft Legislation and Guidelines

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- Group 1: Community Strategic Plan adopted by 31 March 2010 and Delivery Program adopted by 30 June 2010.
  - Group 2: Community Strategic Plan adopted by 31 March 2011 and Delivery Program adopted by 30 June 2011.
  - Group 3: Community Strategic Plan adopted by 31 March 2012 and Delivery Program adopted by 30 June 2012.

Councils are encouraged to consider which group they would like to be in. It is expected that councils that already have, or are substantially progressed towards having a community strategic plan would be in Group 1. North Sydney Council falls into this group. It is proposed that the new Community Strategy Plan 2009 - 2020 be aligned with the new Delivery Program 2010 - 2013 and subsequently the Operational Plan 2010/11.

The table below provides a summary comparison between the proposed integrated planning and reporting framework and Council's existing planning and reporting framework. North Sydney Council is ready to move towards the integrated planning and reporting.

Proposed DLG integrated planning and reporting framework	North Sydney Council's current planning and reporting framework
Community Strategic Plan (CSP) - 10 years +	2020 Vision: North Sydney Strategic Plan (2004 - 2020)
Delivery Program - 4 years	Management Plan - 3 years
Operational Plan - 1 year	First year of the Management Plan
Long Term Financial Planning - 10 years	Revenue Policy Long Term Financial Model - annual
Asset Management Planning - 10 year	Asset and Infrastructure Management Plan - 10 years Property Asset Management Plan - annual Plans of Management (various)
Workforce Planning - 4 years	<i>To be developed</i>
Annual Report	North Sydney Council Annual Report Regional State of the Environment Report (NSROC)

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