Government of **Western Australia**
Department of **Local Government and Communities**

Integrated Planning and Reporting

Framework and Guidelines

September 2016

Contents

Section 1 - Introduction

1.1 Background

In 2010, the Integrated Planning and Reporting (IPR) Framework and Guidelines were introduced in Western Australia (WA) as part of the State Government's Local Government Reform Program. All local governments were required to have their first suite of IPR documents in place by 1 July 2013.

This updated IPR Framework and Guidelines reflects current local government IPR practice and the lessons learned by the local government sector since 2010.

A series of consultation workshops were held in early 2016. The workshops were attended by half of all local governments in WA. Attendees included elected members, Chief Executive Officers and other key personnel. Feedback from the workshops has informed the revisions to the Framework and Guidelines.

1.2 Context

IPR is a foundation of modern local government. Past reviews of local government in WA found serious performance and sustainability issues in the sector, in particular:

- Strategic planning systems that did not deliver accountable and measurable linkages between community aspirations, financial capacity and practical service delivery.

- Financial planning systems that failed to accurately demonstrate a local government's capacity to deliver services and manage assets that can sustain their communities into the future.

- Asset management systems lacking the rigour of process and integrity of data to accurately reflect true asset management costs.

- General lack of a formal approach to workforce planning across the sector.

IPR addresses these concerns with processes to:

- Ensure community input is explicitly and reliably generated, and informs the long and medium term objectives of the local government.

- Develop plans to meet the objectives.

- Identify the resourcing required to deliver the plans and enable rigorous and transparent prioritisation within resource constraints before finalising the plans.

In addition, IPR aims to encourage local governments to:

- Link with and influence planning by others – including regional planning bodies, State and Federal agencies and community organisations – that also impact on community outcomes.

The Department of Local Government and Communities publishes a [suite of other documents](#) to assist local governments and communities to develop competence in IPR. Other information and resources will be added as they are developed:

- [Integrated Planning and Reporting Advisory Standard](#)
- [Asset Management Framework and Guidelines](#)
- [Workforce Planning Toolkit](#)
- [Long Term Financial Planning Framework and Guidelines](#)
- [Model Long Term Financial Planning](#)
- [Abridged Model Long Term Financial Planning](#)
- [Long Term Financial Planning Tools](#)
- [Community Development: A Guide for Local Government Elected Members](#)
- [Working Effectively with Local Governments: A Guide for Community Sector Organisations](#)

1.3 Regulatory requirements

All local governments are required to plan for the future of their district [under Section 5.56 (1) of the Local Government Act 1995](#). [Regulations](#) under Section 5.56(2) of the Act outline the minimum requirements to achieve this. Relevant sections of the legislation and regulations are included at Appendix 1. The minimum requirement of the plan for the future is the development of:

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

Note that there are also separate provisions regulating the [Annual Budget](#) and [Annual Report](#).

The Advisory Standard published by the Department of Local Government and Communities refers to the minimum regulatory requirements as well as "Achieving", "Intermediate" and "Advanced" Standards of IPR performance. In the lead up to July 2013 when the IPR regulatory requirements came into effect, and since, local governments have been steadily working to meet the regulatory requirements. Local governments should be on a pathway of continuous improvement, moving steadily through Achieving, Intermediate or Advanced Standards of IPR.

The pathway will be different for each local government. As mentioned elsewhere, the application of IPR needs to be commensurate with factors such as size, resourcing and circumstances. However, this shouldn't be confused with the standard of practice. There is no presumption that larger local governments will always be capable of higher standards or vice versa.

The Framework and Guidelines are aligned with nationally consistent practices and continue to highlight the iterative nature of the Integrated Planning and Reporting process.

1.4 Purpose of the guidelines

These guidelines outline each component of the IPR Framework – its purpose; the process; the role of the community, Council and administration – and how the components fit together.

These guidelines address two key local government planning processes in particular:

- Preparation of the Strategic Community Plan, resulting in a 10+ year Plan informed by community aspirations.
- Preparation of the Corporate Business Plan, resulting in a Plan that mobilises resources to implement the first four years of the Strategic Community Plan.

The Framework and Guidelines establish mechanisms to review and report on all elements of the Integrated Planning and Reporting process.

"One size does not fit all"

Each local government should use IPR at a scale appropriate to the size and needs of the particular organisation and community. The level of detail in the plans can be adapted to suit, as long as the plan meets the minimum requirements.

It is also recognised that local governments will have different approaches to IPR. The Framework does not require a single methodology to be applied by local governments. They can establish their own methodologies according to circumstances, availability of resources and taking into account existing processes.

Furthermore, local governments are encouraged to innovate and continually enhance and share their IPR practices.

Section 2 - Overview

2.1 What is Integrated Planning and Reporting?

In essence, IPR is a process designed to:

- Articulate the community's vision, outcomes and priorities
- Allocate resources to achieve the vision, striking a considered balance between aspirations and affordability
- Monitor and report progress

IPR enables community members and stakeholders to participate in shaping the future of the community and in identifying issues and solutions. This is not restricted by the Council's direct service delivery responsibilities. A community's aspirations

are expressed as a vision, outcomes (or similar) and priorities[1]. The community vision and outcomes are typically higher level than the scope of local government activity. Examples include prosperity, social cohesion, safety, and health. While such vision elements and/or outcomes are a driving force for local governments, many other factors are involved that are outside their control.

The Strategic Community Plan doesn't make local government accountable for high level community visions or outcomes. Rather, the Strategic Community Plan needs to include clear definition of the Council's strategic priorities, intentions for asset stewardship and service delivery, and resourcing implications over the coming decade – clearly linked to the community's aspirations.

The Strategic Community Plan can also encompass the contributions of others and provide inspiration and guidance for alignment of all relevant stakeholders in favour of the community's aspirations.

The IPR process takes into account how the community is changing over time, with respect to demography, the nature of economic activity, people's expectations and so on. Technology is changing the way we communicate and interact with each other. The future may require different assets and services.

The process also acknowledges that aspirations will almost always exceed resources. IPR does not provide carte blanche for either unfunded commitments or unbridled rates increases. Options should be robustly assessed and prioritised, with the community able to provide meaningful input on real choices.

Uncertainties should be acknowledged, such as where significant projects are subject to grant funding.

While Council is required to have regard to community input, it is always the Council that has the final decision-making authority and responsibility for the best balance of costs and benefits in striving to meet the community's aspirations. Council may not delegate this responsibility. It is not obliged to accept community preferences with respect to that balancing act and those preferences can be conflicting in any event. The key is to consider and respond with due care and transparency.

Resource allocation occurs through long and medium term financial projections based on robust costings of services and assets, reviewed every two years and refined through each year's Annual Budget. This is at the heart of integration in the Framework. Identifying resourcing requirements is fundamental to balancing aspirations with affordability through robust prioritisation as mentioned above. IPR therefore goes

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[1] Note that the regulations refer to "the vision, aspirations and objectives of the community". This guideline and the Advisory Standard use the term "aspirations" to refer collectively to the vision, outcomes and priorities of the community for ease of reference. The critical requirement is that the community vision is articulated and it is clear what is most important to the community in achieving the vision. The structure of the Plan reflects Council's preferred strategic framework. It is up to the local government whether it uses objectives, outcomes, goals, strategic focus areas, key result areas, or similar.

beyond ranking wish lists and considers alternative ways of achieving outcomes with and for the community. This is essential to achieving and demonstrating financial sustainability.

Monitoring and reporting are key parts of the Framework. Annual implementation is tracked monthly, while the Corporate Business Plan is reviewed annually. Two yearly Strategic Reviews begin with an update of progress against the Strategic Community Plan.

Core Components

Strategic Community Plan	Community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10+ years
Corporate Business Pan	Four-year delivery program, aligned to the Strategic Community Plan, and accompanied by four-year financial projections
Informing Strategies[2]:	
– Long Term Financial Plan	Long term financial position
– Asset Management Plans	Approach to managing assets to deliver chosen service levels
– Workforce Plan	Shaping workforce to deliver organisational objectives now and in the future
– Issue or Area Specific Plans	Any other informing plans or strategies (eg ICT, recreation plan, youth plan, local area plan etc)
Annual Budget	Financial statements and policies for one year

2.2 Integrated planning and reporting cycle

Vision, strategic direction and aligning medium term delivery

IPR is cyclical. Nominally, it begins with community visioning which is at the top of the diagram below. This forms the front end of the Strategic Community Plan, which also contains the community's aspirations for the long and medium term. Resourcing implications of alternative strategic scenarios are modelled in the Long Term Financial Plan.

The medium term priorities form the front end of the Corporate Business Plan. The desired work program is developed and costed in detail. Generally, the first attempt will exceed what is considered affordable. After further prioritisation, a realistic work program with accompanying financial projections is settled upon. The first four years of

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[2] The Long Term Financial Plan, Asset Management Plans and Workforce Plan are referred to collectively as the "core" informing strategies

the Long Term Financial Plan are updated accordingly and final changes made to the Strategic Community Plan, Asset Management Plans and Workforce Plan if and as required.

It is therefore a highly iterative process as the Strategic Community Plan, Corporate Business Plan and core Informing Strategies settle together.

Annual cycle

The next part of the cycle is the annual cycle. It consists of the Annual Budget, monitoring implementation, and the Annual Report. The Annual Budget is based on the relevant year's work program and financial year in the Corporate Business Plan.

Each year the Corporate Business Plan is updated and reviewed. Both progress and significant revisions are recorded in the Annual Report. A year is added to the Long Term Financial Plan.

Strategic review

Every second year, the process enters the Strategic Review. The Strategic Review alternates between the minor and major versions. The minor version is generally a desktop review process and tends to focus on resetting the Corporate Business Plan. The major version involves re-engagement with the community on vision, outcomes and priorities, and a comprehensive review of the whole IPR suite.

While not mandatory, aligning the Strategic Review with the election cycle enables the post-election Council to quickly get behind the "steering wheel" of strategic direction which is at the heart of its governance role. Note that if a local government is making a one-off adjustment to bring the two cycles into alignment, this must be done while meeting the requirement for a Major Strategic Review at least every four years (see Section 5).

Integrated Planning and Reporting Cycle
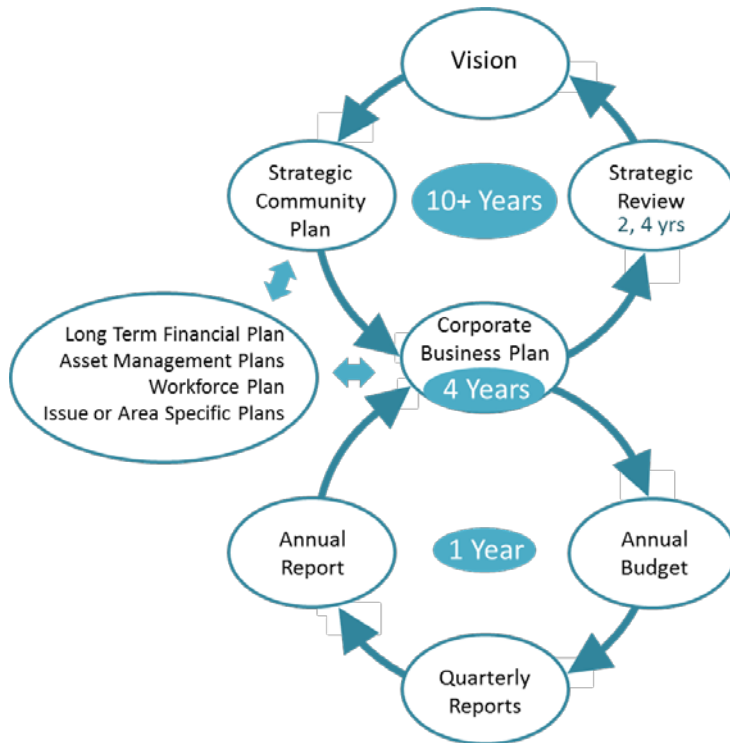
2.3 Benefits of Integrated Planning and Reporting

The benefits of IPR need to be considered in light of the local government's budget over the coming decade, and the other resources that could potentially be attracted. IPR aims to ensure that the totality of those resources are optimally applied to achieving community outcomes, whilst maintaining financial sustainability. When IPR is done well, decisions over those considerable community resources meet the "Five A's":

The "Five A's" of Integrated Planning and Reporting

Aspirational	**A**ffordable	**A**daptable	**A**ligned	**A**ccountable
guided by the community's vision and goals	confidence that assets and services are affordable and best value	the ability to adapt plans while maintaining sustainability	provides a basis to work with others/ attract other resources to the vision	enables scrutiny
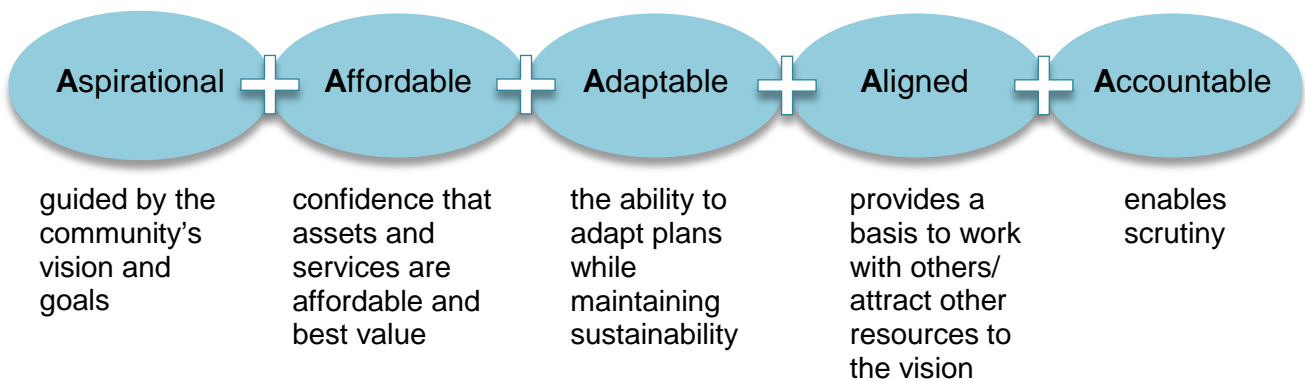
2.4 Who does what?

The four major parties to IPR each have a unique but inter-connected role. They are:

- Community
- Stakeholder Organisations
- Council
- Administration

Community

The term "community" can have many meanings. It can refer to "…people brought together due to geographical proximity, shared characteristics, beliefs or interests. Communities can interact and communicate both face-to-face and/or remotely using a variety of media including the internet."[3]

For the purpose of these guidelines, community refers at least to a group of people living in the same locality[4] and under the same local government, and businesses and community groups in the locality. The concept of community can be and often is extended to include those from other places who visit, work or recreate within the locality. Those who have left and reside elsewhere ("diaspora") may also be considered part of the community.

Ideally, the local government actively partners the community in realising the future of the local area. Communities provide vital input to understanding aspirations and service needs. In turn, they have a key role in monitoring progress. These roles are voluntary and rely on engaging local government processes, where the community feels they genuinely have a voice in decisions that affect them in the long, medium and short term.

Stakeholder organisations

Business sector organisations, community sector organisations, and State, Federal and regional agencies have a vital role to play in meeting community outcomes. In some cases, community outcomes will best be served by alignment and collaboration amongst those organisations (see Section 8). This can be difficult to achieve and sometimes organisations will continue to pursue conflicting agendas in accordance with their own jurisdiction. Unless statutory force is involved, this does not override the IPR. Again the quality of the process will have a strong bearing on the level of engagement achieved and it may take a considerable period of time to develop to the optimal state.

Council

The Council sets the local government's strategic and policy directions and makes the final judgement call on the best balance between aspirations and affordability. This is at the heart of the elected Council's governance role and a prime means of giving effect to local democracy. It is up to the Council to ultimately determine affordable and achievable priorities that respond to the needs and aspirations of the community. Therefore, it needs to engage with the community and other key stakeholders on the real choices it is facing in the long, medium and short term and

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[3] Fritze, J., Williamson, L. & Wiseman, J. 2009, Community engagement and climate change: benefits, challenges and strategies, Department of Planning and Community Development, Victorian Government.

[4] Note that the community also includes property owners who may live outside the area at any given time.

really listen. The Council has a formal role in adopting the Strategic Community Plan, Corporate Business Plan and Annual Budget, and is required to undertake regular monitoring and reporting, including the Annual Report.

Administration

The Administration is responsible for advising Council, providing appropriate and effective engagement, planning and monitoring processes and, implementing Council's decisions. The Administration supports Council to set the strategic direction of the local government. This support takes the form of information and advice to Council and leading the preparation of the suite of IPR documents. The Administration ensures that the detailed planning and costing of service level options provides a robust underpinning for community engagement and Council decision-making. The CEO plays a significant leadership role in establishing workforce capacity and developing organisational culture, especially a culture that embraces community engagement as the platform upon which the activities and functions of the local government are built.

Section 3 Components

This section covers the IPR components in more detail. For each section, there will be a description, a model page of contents, a self-assessment checklist, and the relevant extract of the Advisory Standard (as applicable).

3.1 Strategic Community Plan

Description

Overview

The Strategic Community Plan is the Council's principal 10-year strategy and planning document. It is the guiding document for the remainder of the IPR suite. Community engagement to determine their vision and priorities is central to the Plan.

Key points

It is helpful to articulate the key points of the Strategic Community Plan – what difference it will make to the community – in the front of the document. Those key points provide a basis for widely communicating the intentions.

Strategic context

The strategic context includes the community and economic profile; opportunities and challenges facing the community over the coming decade; and the regional, state and planning landscape. These would be expected to influence the content of the Plan. What are the trends and issues? What are the significant sub-regional, regional, State and/or Federal strategies and plans that have a material bearing on the prospects for the local area?

Vision and strategic direction

The community's aspirations (vision, outcomes and priorities) are expressed in the Strategic Community Plan. The community is likely to create a vision and outcomes that guide the local government's service delivery role but also stretch beyond it. This also serves to inspire the community and enable the local government to represent the community with other parties who influence community outcomes. The Strategic Community Plan is a vehicle to guide ongoing dialogue, advocacy and partnerships.

The Council may also wish to include its values and mission statement. Along with this, the Council's decision-making criteria provides valuable information on what was taken into account in formulating the Strategic Community Plan.

The Strategic Community Plan is structured with the local government's choice of strategic framework. Usually this will be based on the outcome areas of social, economic, and environmental wellbeing. Usually there will be an outcome area related to good governance as well. The outcome statements can be called outcomes or goals or similar – that is the choice of each local government. The Plan should provide strategic direction across the local government's responsibilities.

Clear priorities over the medium and long term

The community's aspirations over the long and medium term should be clearly articulated. It should be very clear what the local government will be focused on. The medium term priorities will be taken forward into the Corporate Business Plan.

Resourcing

The Strategic Community Plan should show the long term financial profile. This should include the anticipated rates requirement. The first four years will be fairly robust, enhancing confidence in the longer term financial sustainability of the Plan. It is acknowledged that the Long Term Financial Plan will be updated every year (more substantially every second year), however, it is important to show a sustainable starting point in the Strategic Community Plan, with a subsequent trail of revisions until the next Major Strategic Review. The Plan should also highlight asset and workforce requirements, and give assurance that the associated financial implications are included in the long term financial profile.

Strategic risk management

Strategic risks need to be considered in the Strategic Community Plan. Strategic level risks can be internal or external and are associated with achieving the organisation's long term objectives. Examples include natural disaster; governance breakdown; substantial funding changes; lack of community engagement; or organisational dysfunction such as incompetence, fraud or critical skill shortages. Strategic level risks should be considered by Council and are usually owned by Council and/or the Executive Team.

Monitoring and reporting

Last but not least, the Strategic Community Plan needs to be clear about how its progress will be monitored and reported (see also Section 4). Note that this may include monitoring progress towards high level community outcomes, even though the results may reflect other factors (i.e. over and above the impact of the Plan). There is less emphasis on performance in this Plan.

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its Strategic Community Plan is highly discretionary.

1. Foreword
   - Foreword by the Mayor/President

2. Introduction
   - Key points of the plan
   - Purpose of the Strategic Community Plan and where it fits into IPR
   - Review cycle

3. Context
   - Community and Economic Profile (including demographic trends)
   - State, federal, regional and sub-regional context and strategies/plans etc
   - Strategic issues facing community

4. Community Engagement
   - Description of the community engagement that was undertaken in the course of developing the Strategic Community Plan

5. Strategic Direction
   - Community vision and outcomes
   - Values
   - The local government's roles and services
   - Decision-making criteria (how Council assesses costs, benefits and risks in making choices)
   - Council priorities
   - Objectives and strategies
   - Major projects

6. Resourcing Implications
   - 10-year financial profile (includes rates profile)
   - Asset and workforce requirements

7. Strategic Risk Management
   - Strategic risk management

8. How will we know if the plan is succeeding?
   - Progress/success measures

Self-assessment good practice checklist

- Is it easy to see what the Strategic Community Plan will deliver for the community in one place?

- Are the opportunities and challenges facing the community clear?

- Are the challenges and opportunities reflected in the content of the Plan?

- Does the Plan explain what community engagement was undertaken and how the Plan was influenced by the community's input?

- Has the community's vision been captured?

- Is it clear how the Council takes account of costs, benefits and risks in making choices?

- Are Council's priorities explicit?

- Is the Strategic Community Plan comprehensive?

- Have other relevant organisations and agencies been involved?

- Have the resourcing implications been identified and is a financial profile provided?

- Have strategic risks been identified and managed?

- Is there a set of key measures that will enable Council and the community to monitor progress?

- Does the Plan include a review schedule?

- Has the Plan been publicly notified?

Advisory Standard – Strategic Community Plan	
Achieving Standard	Achieving Standard is met when: - A Council has adopted a Strategic Community Plan that meets all of the regulatory requirements: (i) A minimum ten-year timeframe

	(ii) States community aspirations - vision, outcomes[5] and priorities
	(iii) Developed or modified through engagement with the community, and this is documented
	(iv) Has regard to current and future resource capacity, demographic trends and strategic performance measurement
	(v) Is adopted, or modifications to it are adopted, by an absolute majority of council
	(vi) is subject to a full review scheduled for 4 years from when it is adopted
	▪ The local government has a community engagement policy or strategy
	▪ Community engagement[6] involves at least 500 or 10% of community members, whichever is fewer, and is conducted by at least 2 documented mechanisms
	▪ A Strategic Review is undertaken every two years, alternating between a Minor Strategic Review and a Major Strategic Review
Intermediate Standard	Intermediate Standard is met when: ▪ The Strategic Community Plan connects most of the activities and services that are delivered by the local government with the community's aspirations - vision, outcomes and priorities ▪ The Strategic Community Plan takes into account a range of relevant external factors, including relevant plans of State and Commonwealth agencies ▪ Community engagement involves more than the minimum number of community members as provided for in the Achieving Standard, is inclusive and uses more than the minimum number of documented mechanisms that apply in the Achieving Standard
Advanced Standard	Advanced Standard is met when: ▪ The Strategic Community Plan meets Achieving and Intermediate Standards ▪ The Strategic Community Plan connects all of the activities and services that are delivered by the local government with the community's aspirations - vision, outcomes and priorities ▪ The Strategic Community Plan demonstrates effectiveness in achieving community objectives

3.2 Corporate Business Plan

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[5] Local government to use its preferred terminology
[6] Refers to Major Strategic Review

Description

Overview

The Corporate Business Plan (Corporate Business Plan) is the Council's 4-year planning document. It gives effect to the first four years of the Strategic Community Plan and is pivotal in ensuring that the medium term commitments are both strategically aligned and affordable. This is achieved through rigorous scrutiny and prioritisation in the Strategic Review process (see Section 5).

Key points

Again, it is helpful to articulate the key points of the Plan – what difference it will make to the community – in the front of the Plan. The key points of the Corporate Business Plan will tend to be highly tangible and specific.

Vision and strategic direction

The Corporate Business Plan typically includes a summary of strategic direction, including the ten and four-year priorities.

Assumptions and sensitivities

The assumptions for the coming years are included and significant sensitivities noted.

Who is responsible for what

The Plan also shows where functional responsibilities sit for external and corporate services. The organisation chart may be included if desired.

Services, service levels, any planned changes and major projects

The core of the document is the plan for the delivery of services, linked to strategic direction, over the four-year period. This should clearly show the service levels to be provided and any changes from current service levels. It should also identify major projects.

Financial profile and links to asset management plans and workforce plan

The service levels to be provided will have been prioritised based on an assessment of the costs and benefits of different options. By the time these have settled into the best balance between aspirations and affordability, the corresponding four-year financial forecasts will be able to set out the expected rating levels over the term of the Plan. Workforce and asset management implications and resourcing requirements will have been incorporated.

Risk management

Again, the risks to the Plan are identified and managed.

Monitoring and reporting

Finally, the progress and performance measures are included (see also Section 4). There is more emphasis on performance in this Plan. Note that the Corporate Business Plan is reviewed and updated every year.

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its Corporate Business Plan is highly discretionary.

1. Foreword
   - *Foreword by the Chief Executive Officer*

2. Introduction
   - *Key points of the plan*
   - *Purpose of the Corporate Business Plan and where it fits into IPR*
   - *Review cycle*

3. Context
   - *Summary of strategic direction, including ten and four-year priorities*

4. Delivery Plan
   - *Assumptions*
   - *Functional responsibilities*
   - *Services (linked to strategic direction) – services levels and any changes over four years*
   - *Major projects*

5. Four-year forecast budgets

6. Link to Workforce Plan
   - *Summary of key workforce implications/requirements*
   - *Include organisation development priorities*

7. Link to Asset Management Plans
   - *Summary of key asset management implications/requirements*

8. Risk Management
   - *Risk management*

9. How will we know if the plan is succeeding?
   - *Progress/performance measures*

Self-assessment good practice checklist

- Is it easy to see what the Corporate Business Plan will deliver for the community in one place?

- Is it clear how the strategic direction of the Strategic Community Plan flows through the Corporate Business Plan?

- Have other relevant organisations and agencies been involved?

- Have the resourcing implications been identified and are four-year financial forecasts provided?

- Does the delivery plan represent best value? How do you know?

- Have risks been identified and managed?

- Is there a set of key measures that will enable Council and the community to monitor progress?
- Does the Plan include a review schedule (annual updates and Strategic Reviews)?

Advisory Standard – Corporate Business Plan	

Achieving Standard	Achieving Standard is met when:
	- A Council has adopted a Corporate Business Plan that meets all of the listed regulatory requirements:
	  (i) A minimum four-year timeframe
	  (ii) Identifies and prioritises the principal strategies and activities the Council will undertake in response to the aspirations stated in the Strategic Community Plan
	  (iii) States the services, operations and projects that a local government will deliver over the period of the plan, the method for delivering these and the associated cost
	  (iv) References resourcing considerations such as asset management plans, finances and workforce plans
	  (v) Is adopted by Council by absolute majority
	Note the Corporate Business Plan must be reviewed annually.
	- Year 1 of the Corporate Business Plan establishes the Annual Budget
	- The local government also has in place:
	  – a Workforce Plan that meets the Achieving Standard
	  – asset management key performance indicators that meet the Standards
	  – a Long Term Financial Plan

Intermediate Standard	Intermediate Standard is met when: - The Corporate Business Plan meets the Achieving Standard - Core informing strategies (Workforce Plan, Asset Management Plans, Long Term Financial Plan) have been integrated to drive activities and service delivery - The Workforce Plan meets Intermediate Standard - Asset management key performance indicators are at "Standard is improving" - Financial management key performance indicators meet Achieving Standards
Advanced Standard	Advanced Standard is met when: - The Corporate Business Plan meets the Achieving Standard and Intermediate Standard - All activities and services delivered are integrated through the Corporate Business Plan - Asset key performance indicators are at "Standard is improving"* and all financial performance indicators meet Advanced Standards (where applicable) - The Workforce Plan meets Advanced Standard

* As described in Local Government Operational Guideline Number 18, Financial Ratios, June 2013 available here:

3.3 Issue or area specific strategies/plans

Description

Overview

The IPR Framework provides for issue specific strategies and plans. For example, these may include an information and communication technology (ICT) plan, recreation strategy, age-friendly community plan, arts and culture plan, and an economic development strategy.

There may also be plans that cover a wider range of issues but for a specific geographic area. These are generally known as local area plans or place plans or similar.

Any strategies or plans such as these are informing strategies under the IPR Framework. Preparation often involves considerable user and/or community input. They are a way of providing more specific and detailed guidance on strategic direction and in some cases actions. The level of specificity is at the discretion of the local government.

Alignment with IPR suite

It is important to link the documents into the IPR suite. Generally, issue or area specific strategies or plans are one of two types:

a) Either, they are solely higher level guiding documents, which articulate aspirations and strategic intent; or

b) They go further and also contain specific priorities regarding new or enhanced service levels, projects or activities.

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

If they contain specific priorities regarding new or enhanced services levels, projects or activities and the resource implications are significant, then the plan should be fed into the next Strategic Review (see Section 5). It is important to avoid creating issue or area specific plans or strategies with unfunded commitments that sit outside IPR.

New expenditure should be incorporated into the Corporate Business Plan and four-year budget forecasts/LTFP projections to determine where the line gets drawn in the list of priorities, relative to business as usual.

Managing community expectations

In these cases, it is important not to raise expectations in the community before the final decisions are made. While the issue or area specific plan may set priorities within a particular issue or area, significant reallocation of resources cannot be undertaken in isolation and only a Strategic Review can set priorities across all expenditure.

Many local governments are now scheduling their issue and area specific plans in their Corporate Business Plans so they are timed to feed into Strategic Reviews, progressively improving the strategic impact of their services and activities.

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its issue or area specific strategies or plans is highly discretionary. This model is based on type (b) as outlined above.

1. Foreword
   - *Foreword by the Chief Executive Officer and/or Mayor/President*

2. Introduction
   - *Key points of the plan*
   - *Purpose of the plan and where it fits into IPR*

3. Context
   - *Summary of strategic context (eg outcomes or goals etc from Strategic Community Plan, key issues, results of engagement with the community and other agencies as applicable, other relevant context)*

4. Strategies, Objectives and Actions
   - *How the outcomes or goals etc from the Strategic Community Plan will be met, including existing and any new services, enhancements to service levels, projects and activities*

5. Resource Implications
   - *Costings linked to ten and four-year financial forecasts or process for prioritisation through the next Strategic Review*

6. How will we know if the plan is succeeding?
   - *Progress/performance measures*

Self-assessment good practice checklist

- Is it easy to see what the plan will deliver for the community in one place?

- Is it clear how the strategic direction of the Strategic Community Plan flows through the plan?

- Have other relevant organisations and agencies been involved (if applicable)?

- Have the resourcing implications been addressed?

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

- Is there a set of key measures that will enable Council and the community to monitor progress and impact?

3.4 Asset Management Plans

Description

Overview

The effective management of assets is crucial to the sustainable delivery of local government services. Assets need to serve the needs of the community, in alignment with the Strategic Community Plan and the Corporate Business Plan. Local governments hold a large portfolio of long-lived assets, so it is critical to plan and prioritise the maintenance, renewal and replacement of existing assets and the acquisition of new assets. This requires a long-term "whole of life" view of asset management.

Furthermore, it is only through robust asset planning and costings that different options for the future can be explored with the community. For example, it is natural for communities to desire new facilities and oppose asset retirements, but with an understanding of the long term costs of the existing asset base plus potential changes, they are able to engage meaningfully with the choices.

Asset Management Plans are therefore a key part of the IPR Framework, both as a core informing strategy and as a tool for effective implementation.

There are three core asset planning outputs – asset management policy, asset management strategy and asset management plans – as outlined below. These may be separate documents, with the first two overarching all asset classes, accompanied by a set of documents comprised of a Plan for each asset class separately. However, in a small local government with relatively few assets, it may make more sense to have a single document with the Policy, Strategy and each asset class forming chapters, possibly with more detailed schedules (attached or separate).

In any event, whether as chapters or separate documents there needs to be an Asset Management Plan for each asset class. As a reminder of this, the guideline refers to Asset Management Plans (plural).

For ease of reference, the model page of contents below is written as a single document. It is up to each local government to ensure that the level of documentation is commensurate with the size and nature of the asset base, and that each asset class is adequately covered.

Asset Management Policy

An Asset Management Policy outlines a local government's asset management objectives, targets and plans. It establishes a platform for service delivery and provides the framework that enables the Asset Management Strategy and Plans to be produced. The Asset Management Policy must support a 'whole of life' and 'whole of organisation' approach to asset management.

The Administration develops the Asset Management Policy for consideration and adoption by the Council, based on Council priorities and community needs.

Asset Management Strategy

An Asset Management Strategy outlines how the local government's assets will meet the service delivery needs of its communities into the future, enable the local government's Asset Management Policy to be achieved, and ensure that asset management is established as an integral part of the local government's IPR suite. This includes the governance and management arrangements for asset management.

Asset Management Plans

Asset Management Plans define levels of service, the processes local governments use to manage each of their asset classes, demand and financial projections and an asset management improvement plan.

They are underpinned by an Asset Management Register, which is a record of assets which the local government controls and uses to deliver various services and activities (see chapter 7 in the model page of contents below). The Register includes an assessment of the condition of assets, which is a critical factor in determining renewal and preventive maintenance requirements to achieve the chosen service levels.

Asset Management Plans should be linked to the Strategic Community Plan and Corporate Business Plan. They should be developed for all major asset classes, including, but not limited to: roads, drainage, paths, parks and buildings. As mentioned above, there is discretion in the form of documentation, according to the size and nature of the asset base involved.

Alignment with IPR suite

Activities to ensure alignment between Asset Management Plans and other elements of the IPR suite include:

- Supporting ongoing policy and strategy development for the management of assets, and service level reviews.

- Capturing and evaluating proposals wherever new assets, upgrades, replacements, or asset disposals are involved, utilising whole of life costings.

- Including asset requirements associated with any future changes identified in the Workforce Plan.

- Maintaining an up to date asset register and asset condition assessments in order to show the current state of the assets and provide an indication of the extent of upgrade or renewal required to keep the asset at an acceptable level.

- Monitoring asset ratios (see Advisory Standard below)

- Regularly review risk assessment and strategies to ensure that risks to critical assets are managed and minimised.

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its Asset Management Plans is highly discretionary.

1. Introduction
   - *Key points of the plan*
   - *Purpose of the plan and where it fits into IPR*

2. Context
   - *Summary of strategic context – outcomes or goals etc from Strategic Community Plan, key issues, results of engagement with the community and other agencies as applicable and key links to the asset base*

3. Asset Management Policy

4. Asset Management Strategy

5. Governance and Management Arrangements

6. Stakeholders

7. Description of Assets
   - *Asset Hierarchies*
   - *Asset Inventory/Asset Quantities*
   - *Useful Lives*
   - *Asset Condition*

8. Asset Data

9. Asset Related Activities and Service Levels
   - *Asset Related Activities*
   - *Community and Technical Service Levels*

10. Asset Valuations
    - *Unit Rates*
    - *Valuations*

11. Future Considerations
    - *Population Growth*
    - *Technological Change Forecast*

12. Forecast Expenditure and Cash Flows
    - *Maintenance Expenditure*
    - *Renewal Expenditure*
    - *Asset Acquisition, Construction and Upgrade Expenditure*
    - *Asset Disposals*

13. Targets, Measures and Monitoring
    - *Reporting Requirements*
    - *Asset Management Targets, Measures and Monitoring, including asset ratios*

14. Asset Management Improvement Plan

Self-assessment good practice checklist

- Is it clear how the Plans reflect the strategic direction of the Strategic Community Plan and the work program of the Corporate Business Plan?

- In particular, are the service levels clear and aligned to the Strategic Community Plan and Corporate Business Plan?

- Has projected demand from population growth / decline / change in composition been considered?

- Are robust financial forecasts provided?

- Have the financial forecasts been incorporated into the four-year financial projections/LTFP and Annual Budget?

- Are the asset ratios (see Advisory Standard below) on track?

- Have risks been identified and managed?

- Do the Asset Management Plans represent best value? How do you know?

- Have resources been provided to implement the Asset Management Improvement Plan?

- Is there a set of key measures to monitor progress?

Advisory Standard – Asset Management Plan		
Asset consumption ratio (ACR)	Achieving Standard	Achieving Standard is met if ratio data can be identified and ratio is 50% or greater
	Standard Improving	Standard is improving if ratio is between 60% and 75%
Asset sustainability ratio (ASR)	Achieving Standard	Achieving Standard is met if ratio data can be calculated and ratio is 90%
	Standard Improving	Standard is improving if ratio is between 90% and 110%
Asset renewal funding ratio	Achieving Standard	Achieving Standard is met if ratio data can be identified and ratio is between 75% and 95%
	Standard Improving	Standard is improving if ratio is between 95% and 105% and the ASR falls within the range 90% to 110% and ACR falls within the range of 50% to 75%.

3.5 Workforce Plan

Description

Overview

It is essential to plan for a workforce that can deliver the Corporate Business Plan and to consider the workforce implications of the Strategic Community Plan. The Workforce Plan addresses the skills, expertise and knowledge requirements; the desired organisational culture and how to develop it; what organisational structure will work best; recruitment and retention in the context of labour market challenges and opportunities; and the facilities and equipment needed to support a productive and inclusive

workforce. The Workforce Plan will also have regard to other regulatory requirements such as Equal Employment Opportunity Plans and Outcome 7 of the Disability Access and Inclusion Plan.

In addition, similar to the Asset Management Plans, it is only through robust workforce planning and costings that options for the Corporate Business Plan can be fully explored. The extent and timing of new initiatives may be influenced by the full costs once calculated.

Workforce Plans are therefore also a key part of the IPR Framework, both as a core informing strategy and as a tool for effective implementation.

Note that it is not a requirement for Councils to adopt the Workforce Plan, although some do by agreement with their Chief Executive Officer. The Council has a legislative role in some aspects of the workforce, notably the appointment and performance management of the Chief Executive Officer, responsibility for ensuring that there is an appropriate structure for administering the local government, and some specific provisions regarding designated senior employees.

Other than those exceptions, the Workforce Plan is in the domain of the Chief Executive Officer's authority. Therefore, while the resourcing of the Workforce Plan is essentially an outcome of the Council's IPR decisions, it is for the Chief Executive Officer to ensure that the Workforce Plan enables the organisation's objectives to be achieved in the most efficient and effective manner.

Typically, the Chief Executive Officer provides the Workforce Plan for the information of the Council.

Analysis of internal and external environment and workforce

The Workforce Plan asks "where are we now"? It looks in depth at the current workforce, organisation structure and labour market (current and projected).

Strategic Community Plan and Corporate Business Plan workforce implications

Assessing the workforce implications of the Strategic Community Plan and the Corporate Business Plan is an essential part of the Workforce Plan. For the Strategic Community Plan, it is important to look at the overall strategic direction. For example, does it signal a shift to a more empowered workforce? A more collaborative workforce? A stronger emphasis on partnerships? A more consultative approach with the community in general? Enhanced project management discipline across the organisation? Bigger picture, longer term shifts like these have significant implications for recruitment and training and development potentially over several years.

For the Corporate Business Plan, the assessment needs to be quite specific in terms of skills and staff numbers. Risks, particularly with respect to key workers, need to be assessed. Here it is also vital to also look at alternative methods for meeting objectives and service levels. There may be ways to "do more with less". By the end of this assessment, the costs of additional staff if required, development issues and risks associated with the workforce needed to deliver the Corporate Business Plan will be identified.

Strategies to Meet Future Workforce Needs

Strategies will typically cover recruitment, retention, succession, productivity and organisation development. Strategies can include innovative marketing, to flexible work policies, to upgraded business process software, to enhanced staff training and development, to employee participation and culture change and anything in between. Many local governments also take the opportunity to review their structure. Is it still fit for purpose? Does it enable the organisation to deliver most efficiently and effectively?

Monitoring outcomes

The monitoring process identifies what is working and what is not and what new workforce and organisational issues have arisen. It enables plans and strategies to be adjusted in a timely way in continuous alignment with the Strategic Community Plan and Corporate Business Plan, primarily through the Strategic Reviews (see Section 5).

Alignment with IPR suite

Activities to ensure alignment between the Workforce Plan and other elements of the IPR suite include:

- Supporting ongoing policy and strategy development for workforce planning and human resource management.

- Ensuring workforce implications are considered in proposals for new or enhanced services, projects and activities.

- Including workforce requirements associated with any future changes identified in the Asset Management Plans.

- Undertaking workforce planning as an integral part of the management and operations of the organisation. Where there is a Human Resources specialist/ Department, this means they should not produce the Workforce Plan in isolation.

- Regularly review risk assessment and strategies to ensure that risks to critical positions are managed and minimised.

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its Workforce Plan is highly discretionary.

1. Introduction
   - *Key points of the plan*
   - *Purpose of the plan and where it fits into IPR*

2. Analysis of internal and external environment and workforce
   - *Organisation structure chart*
   - *Workforce profile*
   - *Financial analysis*
   - *Current labour market*
   - *Labour market trends and projections*

3. Strategic Community Plan and Corporate Business Plan workforce implications
   - *Broad implications of the Strategic Community Plan (significant shifts in capacity and/or capability)*
   - *Specific implications of the Corporate Business Plan*
   - *Consideration of alternative delivery methods (eg outsourcing, partnerships etc)*
   - *Cost of additional staff if required*
   - *Gaps, issues and risks*
   - *Impacts of current and future environment*

4. Strategies to meet future workforce needs
   - *Recruitment strategies*
   - *Retention strategies*
   - *Productivity strategies*
   - *Organisational development strategies*
   - *Supporting policies and processes*
   - *Organisation structure*
   - *Risk management*
   - *Cost of strategies*
   - *Outcome / performance measures*

5. Monitoring
   - *Results are reviewed against the outcome / performance measures included in the strategies section*

Self-assessment good practice checklist

- Is it clear how the Workforce Plan reflects the strategic direction of the Strategic Community Plan and the work program of the Corporate Business Plan?

- Have labour market trends been considered?

- Are robust workforce costings provided?

- Have the costings been incorporated into the four-year financial projections/LTFP and Annual Budget?

- Have risks been identified and managed?

- Does the Workforce Plan represent best value? How do you know?

- Have resources been provided to implement the strategies of the Workforce Plan?

- Is there a set of key measures to monitor progress?

Advisory Standard – Workforce Plan	
Achieving Standard	Achieving Standard is met when: ▪ Council has a current Workforce Plan ▪ The Workforce Plan identifies the current workforce profile and organisational structure ▪ The Workforce Plan identifies gaps between the current profile and the organisation's requirements ▪ The Workforce Plan identifies organisational activities to foster and develop workforce ▪ The Workforce Plan is budgeted for in the Corporate Business Plan and Long Term Financial Plan
Intermediate Standard	Intermediate Standard is met when the Workforce Plan meets the Achieving Standard and: ▪ Council has a Workforce Planning policy ▪ Council has a system to collect and analyse workforce information ▪ Organisational activities to foster and develop the workforce are being implemented as planned ▪ The Workforce Plan is integrated with other plans ▪ Reports to Council identify workforce requirements and implications and Council decision making takes these into account ▪ Employees have the opportunity to participate in the workforce planning process
Advanced Standard	Advanced Standard is met when the Intermediate Standard has been met and: ▪ Workforce planning, policy and practices are a high priority for the organisation and are incorporated into all planning, decision making, systems, policies and procedures ▪ Managers include workforce considerations as an integral part of the local government's operations for which they are responsible and accountable

3.6 Long Term Financial Plan

Description

Overview

The Long Term Financial Plan (LTFP) is a ten year rolling plan that incorporates the four-year financial projections accompanying the Corporate Business Plan. It is a key tool for prioritisation and ensuring the financial sustainability of the local government. Annual Budgets are directly aligned to the Corporate Business Plan/LTFP.

Assumptions

The LTFP identifies key assumptions such as demographic projections, rating base growth, consumer price index or local government cost index, interest rates and so on.

Significant Expenditure Implications of the IPR suite

Major capital and operational expenditure implications included in the IPR suite are included and specifically referenced in the LTFP.

Financial Strategies

The LTFP should include its strategies regarding:

- Rating structure
- Fees and charges
- Alternative revenue sources
- Pursuit of grants
- Reserves
- Debt funding
- Asset disposal
- Investment policy

Sustainability Measures

The use of asset and financial ratios are key sustainability measures that can highlight where attention needs to focus in order to keep on track. Note that there are a number of mandatory ratios, however each local government is able to supplement these with other ratios.

The Department of Local Government and Communities and Western Australian Treasury Corporation have partnered to release long term financial planning tools for local governments. The tools include the Financial Health Indicator calculator, which enables a local government to project changes to its financial position over the course of the long term financial plan. Local governments can use this to calculate projections of their financial health using the Financial Health Indicator methodology.

Scenario Modelling and Sensitivity Testing

Scenario modelling is used to explore alternative futures (such as optimistic, conservative and worst case scenarios) to determine the level of flexibility in the LTFP, and sensitivity testing is used to ascertain the impact of variations in the key assumptions (such as CPI estimates, payroll, interest rates, recurrent grant funding).

Alignment with IPR suite

Activities to ensure alignment between the LTFP and other elements of the IPR suite include:

- Ensuring that key assumptions are common across the local government. For example, land use planning, service delivery and finance areas should all be using the same development assumptions

- Incorporating detailed forecasts for the four years of the Corporate Business Plan, including asset management and workforce forecasts

- Ensuring long term financial implications are considered in proposals for new or enhanced services, projects and activities

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its Long Term Financial Plan is highly discretionary.

1. Introduction
   - *Key points of the plan*
   - *Where it fits into IPR*

2. Context
   - *A brief recap of the local government area, its size and location within the State, demographics, industries (consistent with community and economic profile in the Strategic Community Plan)*
   - *Local government assets and services*

3. Strategic Alignment
   - *Significant points of linkage to the Strategic Community Plan, Corporate Business Plan, Asset Management Plans, Workforce Plan and other informing strategies, and Annual Budget (eg any change of focus on specific services reflected in the LTFP)*

4. Assumptions
   - *Assumptions underpinning the plan including financial policies and strategies*

5. Financial Commentary
   - *Comment on the asset and financial ratios over the life of the Plan*
   - *Summarise the financial strategies for rating structure, fees and charges, alternative revenue sources, pursuit of grants, reserves, debt funding, asset disposal, investment policy*
   - *Comment on each of the financial statements*
   - *Comment on the supporting schedules including operating revenue, operating expenditure and capital works schedules*

6. Risk Management

7. Scenario Modelling and Sensitivity Analysis

8. Financial statements (forecasts)
   - *Forecast income statement*
   - *Statement of cash flows*
   - *Rate setting statement*
   - *Statement of financial position*
   - *Equity statement*

9. Supporting schedules
   - *Schedule of new / capital works proposed*
   - *Schedule of assumptions underpinning financial forecasts*
   - *Schedule of income / expenditure estimates and assumptions used (e.g. CPI %)*
   - *Schedule of borrowings and payments*
   - *Schedule of reserve movements and balances*
   - *Schedule of asset and financial ratios and any other key performance indicators (KPIs)*
   - *Schedules and comments on scenario modelling and sensitivity analysis*

Self-assessment good practice checklist

- Is it clear how the LTFP reflects the strategic direction of the Strategic Community Plan and the work program of the Corporate Business Plan?

- Does the LTFP include 10 year financial forecasts comprising:
  - Forecast income statement?
  - Statement of cash flows?
  - Rate setting statement?
  - Statement of financial position?
  - Equity statement?

- Supported by:
  - Details of assumptions on which the plan has been developed?
  - Projected income and expenditure?
  - Key Performance Indicators (KPIs)?
  - Scenario modelling and sensitivity analysis?
  - Major capital works schedules?
  - Risk assessments of major projects?

- Do the first four years of the LTFP correspond to the detailed financial projections accompanying the four-year work program of the Corporate Business Plan?

- Have you used the Department of Local Government and Communities' Financial Health indicator to calculate your projections of financial health?

Advisory Standard – Long Term Financial Plan		
Operating surplus ratio	Achieving Standard	Achieving Standard is met if the operating surplus ratio is between 0% and 15%
	Advanced Standard	Advanced Standard is met if the operating surplus ratio is greater than 15%
Current ratio or working capital ratio	Achieving Standard	Achieving Standard is met if the ratio is 1:1 or greater (e.g. 100% or 1.0)
Debt service cover ratio	Achieving Standard	Achieving Standard is met if this ratio is greater than or equal to 2
	Advanced Standard	Advanced Standard is met at a higher level if this ratio is greater than 5
Own Source Revenue Coverage Ratio	Achieving Standard	Achieving Standard is met if the ratio is between 0.4 and 0.9
	Advanced Standard	Advanced Standard is met if the ratio is greater than 0.9

3.7 Annual Budget

Description

Overview

All local governments are required to adopt an annual budget in accordance with Part 6, Division 2 of the *Local Government Act 1995*, Part 3 of the *Local Government (Financial Management) Regulations 1996*, Australian Accounting Standards (AASB) and the Australian Accounting Standards Board Interpretations (AASBI).

The budget is a detailed financial plan for the coming year covering all aspects of a council's operations, and should reflect the resources generated by way of revenue and the resources consumed by way of expenditure. It is the basis for the setting of rates.

In addition to its planning aspects, the budget can and should be used by management as a benchmark against which actual financial and delivery performance can be measured.

As a short term operational plan the annual budget is directed to the ultimate objectives of the council and serves as a guide to maintaining a definite course of activity. It is imperative that all budget estimates such as capital works and new proposals are developed in accordance with the local government's Corporate Business Plan (as updated annually), with any significant variations explained. Managers must be motivated to achieve their individual operational objectives in line with the local government's objectives.

Above all, the budget must be realistic and achievable at all levels within the local government if it is to be used as a benchmark against actual performance.

Financial Statements

The Annual Budget must contain the Statements of Comprehensive Income, Cash Flows, and Rates Setting.

Alignment with IPR suite

Subsequent to the introduction of the IPR Framework, the annual budget results from that process in accordance with the adopted Corporate Business Plan.

It is anticipated that there will be modifications in the second year after each Strategic Review.

There will also be more detailed prioritisation within the broader budget "envelopes" of the Corporate Business Plan that will be determined/confirmed on an annual basis (eg priorities for footpath renewal projects).

Model page of contents

The following model page of contents is for reference only. The way each local government lays out its Annual Budget is somewhat discretionary.

1. Introduction
   - *Overview of what the Annual Budget will deliver to the community, linked to the Strategic Community Plan and Corporate Business Plan*
   - *Highlight any changes to financial strategies*
2. Statement of Comprehensive Income - By Nature or Type
3. Statement of Comprehensive Income - By Program
4. Statement of Cash Flows
5. Rate Setting Statement
6. Notes to and Forming Part of the Budget

Self-assessment good practice checklist

- Is everyone working from the four-year financial forecasts accompanying the Corporate Business Plan?

- Does the budget quantify financial and non-financial inputs to and outputs of the local government's operations and programs?

Section 4 Monitoring and Reporting

4.1 Overview

Monitoring and reporting is integral to the IPR Framework. As can be seen in previous sections of these guidelines, each element of the IPR suite has a monitoring section, which outlines the means by which progress will be measured and reported. This section of the guidelines considers monitoring and reporting as a whole.

4.2 Annual Report

The Annual Report is a key formal reporting mechanism in the Framework. Significant changes to either the Strategic Community Plan or Corporate Business Plan must be notified in the Annual Report. It is anticipated that the Annual Report will also outline progress towards the achievement of four-yearly Council priorities as established through the Corporate Business Plan (Intermediate Standard) plus progress towards the achievement of community outcomes established through the Strategic Community Plan (Advanced Standard).

The measures to be included in the Annual Report should ideally be identified in the Corporate Business Plan and Strategic Community Plan. It may be more useful to provide a summary rather than detail every measure. Critical elements such as the delivery of key projects and successful implementation of service level changes are likely to be useful inclusions.

4.3 Other Reporting Mechanisms

Reporting progress towards the Corporate Business Plan and the Strategic Community Plan is a vital link in community engagement (see Section 7). When this is done effectively, it not only contributes to the community's understanding of what the Council is achieving with and for the community, but also to the understanding of the difference the plans make.

However, in many local governments, the Annual Report (and the associated Annual Electors' Meeting) is a poor mechanism for communication with the public. It is an important formal accountability mechanism but it is not generally able to attract wide readership (or attendance in the case of the Annual Electors' Meeting).

Therefore, it is open to local governments to design complementary means of reporting progress and outcomes to the community. There are good examples in the sector, including video reports, user friendly newspaper inserts, displays at the local market etc.

4.4 Measuring Progress and Outcomes

What should be measured? This can be a challenging question. It is suggested that the selection of indicators should follow the following principles.

Principles of Indicator Selection

Principle	Description
Make sure there is a point	Know how the results will help you and your community
Stay on song	Align indicators with strategic goals and priorities
Don't make a rod for your back	Select the "critical few" indicators and consider whether the data is available, reliable, timely, affordable
Don't take responsibility for world peace	Be clear about the level of influence you have
Avoid "double counting"	Don't use multiple indicators that will always move together for the same underlying reason
Recognise limitations	Indicators are indicative!
Be transparent	Document how you designed and selected the indicators

In applying the principles, it is useful to take a structured approach to your indicators as a whole. The following is one way of creating a monitoring framework for your local government, however each local government is free to use their preferred approach.

Monitoring Framework
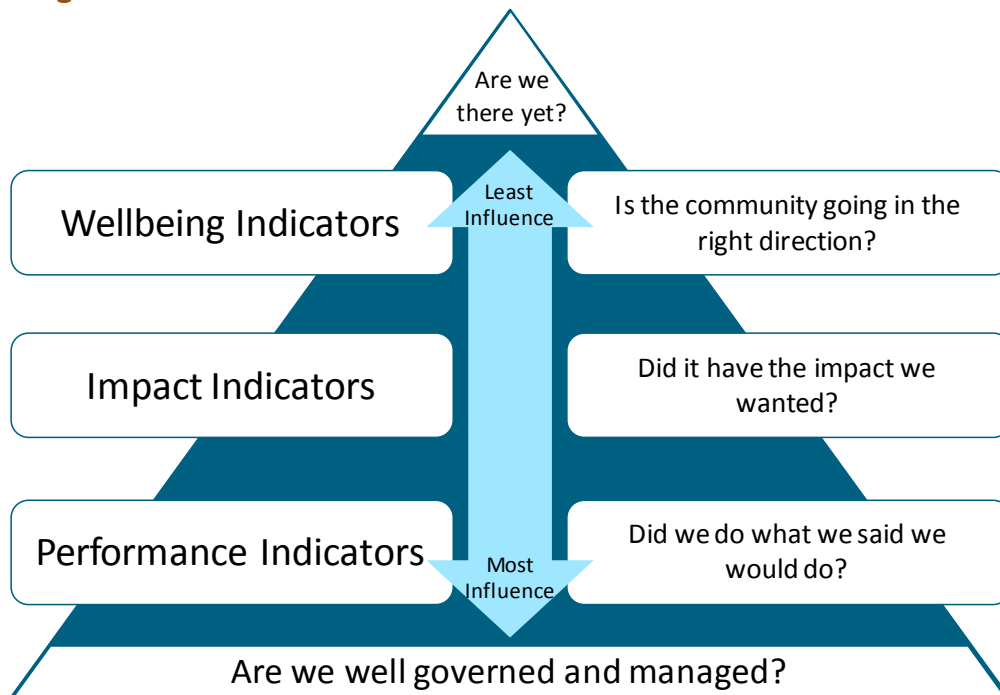
The levels of monitoring in the framework above are depicted in descending order of influence. This recognises the "don't take responsibility for world peace" principle. It is good to be clear (and communicate) how much influence you have on the results.

At the foundation of the pyramid, are the measures of good governance and management. These would include the asset and financial ratios as a minimum. Most local governments would supplement these with other key measures, depending on their priorities. Common examples would be advocacy, partnership development and community participation in local government decision-making.

The performance level is focused on outputs – services, assets, projects, activities. Typical indicators might be around delivery of the capital works program, usage of and/or satisfaction with facilities, processing times for development applications and so on. Community satisfaction is increasingly being used as a core measure. These indicators should ideally be seamlessly nested into the organisation's normal performance management system.

The impact level applies where it is important to evaluate the flow on effect from particular outputs. For example, if community safety is a major issue in the community, it may be useful to monitor the relationship between community safety initiatives (such as lighting, CCTV, crime reduction through environmental design, community policing partnerships etc) and crime and community perception of safety. That way the Council and the community can monitor the result of these investments and, if necessary, adapt the strategies to maximise impact.

The wellbeing level corresponds to the community vision and high level outcomes. These are usually outside the direct control of the local government but give important contextual information regarding "direction of travel" in the community's highest aspirations.

Generally, the higher level indicators in the pyramid will be aligned with the Strategic Community Plan and the lower level indicators will be aligned with the Corporate Business Plan. The foundation level indicators of good governance and management are commonly found in either or both Plans.

4.5 Monitoring Implementation

All local governments in Western Australia are required to submit monthly reports of financial activity in line with regulation 34 of the Local Government (Financial Management) Regulations 1996.

Most local governments include non-financial progress reporting on a monthly basis, which is consistent with good practice. At a minimum, this should be undertaken on a quarterly basis.

Self-assessment good practice checklist

- Do your indicators meet the principles of indicator selection?

- Do you have a structured monitoring framework across your IPR suite?

- Do you have the resources and systems in place to efficiently and effectively gather, analyse and present the data you need to populate your indicators?

- Have you notified any significant changes to the Strategic Community Plan or Corporate Business Plan in the Annual Report?

- Have you included a monitoring section for the Strategic Community Plan and Corporate Business Plan in your Annual Report?

- Do you provide information on progress and outcomes to the community in effective ways?

- Do you provide at least quarterly implementation reports to Council, linked to the Corporate Business Plan?

Advisory Standard – Annual Report	

Achieving Standard	Achieving Standard is met if:
	 - The local government's Annual Report meets the listed regulatory requirements:
	   (ii) contains an overview of the Strategic Community Plan and the Corporate Business Plan, which together constitute the Plan for the Future
	   (iii) also contains major initiatives to commence or continue in the next financial year
	 - The Annual Report must also contain details of:
	   (iv) any modification that was made to the Strategic Community Plan during the financial year; and
	   (v) any significant modification that was made to the Corporate Business Plan during the financial year

Intermediate Standard	Intermediate Standard is met when: - The Annual Report outlines progress towards the achievement of (4 yearly) Council priorities as established through the Corporate Business Plan
Advanced Standard	Advanced Standard is met when: - The Annual Report meets Achieving and Intermediate Standards - The Annual Report outlines progress towards the achievement of community objectives established through the Strategic Community Plan

Section 5 Strategic Reviews

5.1 Overview

While the IPR suite "rolls forward" every year, with one year added and annual adjustments made, the Strategic Review is the main process by which the IPR suite is kept current. The two yearly reviews alternate between a Minor Strategic Review and a Major Strategic Review. The indicative four-year IPR "roadmap" is shown below.

A Minor Strategic Review is primarily a desktop exercise and usually focuses on resetting the Corporate Business Plan with consequential amendments to the core informing strategies as required. Assuming there are no major changes proposed, community engagement is discretionary. However, if significant changes are on the cards, then community engagement or consultation is expected. The degree of consultation or engagement should be reflective of the significance of the proposed change.

A Major Strategic Review re-engages with the community on the vision and key choices for the coming ten and four years. The four-yearly Major Strategic Review is a regulatory requirement.

Local governments may wish to align the timing of reviews with the election cycle. Aligning the democratic and planning cycles provides an early opportunity for the Council to engage in the strategy-setting process, which is at the heart of its governance role. This would mean that the Strategic Reviews would be timed to occur following October local government elections (with some preparation in advance), with the first day of implementation being 1 July of the following year (ie approximately 8 months later). Alternatively, a Council will wait for 20 months (until just prior to the next election) to be at the first day of implementing the results of its Strategic Review.

Alignment is not mandatory and there can be good reasons not to embark on a Strategic Review post-election. For example, it can be advisable to wait if there is an acting CEO in place, or to align with a Land Use Planning Strategy. Maybe there has been an unusual number of retirements and the new Councillors would prefer to "get their feet under the table" for a period of time before undertaking a Strategic Review.

For some local governments, their current four-year cycle is out of alignment with the election cycle, so a one-off adjustment would be needed to bring it into sync. The most common approach would be to undertake a Minor Strategic Review immediately following a Major Strategic Review. **This ensures that the requirement for a Major Strategic Review at least every four years can still be met. It is not permitted to make the adjustment by extending the four-year cycle.**

The work involved would be minimal, unless there are significant issues or changes the post-election Council wishes to propose to the community (in which case, the Council may push for a Strategic Review anyway).

Indicative IPR "Roadmap"

The following diagram depicts an indicative four-year road map for the IPR process. This is for reference only as each local government has significant discretion over the design of the process. For example, while community surveys are considered good practice, they are not mandatory. A local government may choose to conduct a community survey every year, every two years, every four years or not at all.

Indicative IPR "Roadmap"

YEAR 1	YEAR 2 Mini Strategic Review	YEAR 3	YEAR 4 Major Strategic Review
▪ Annual Report on previous year ▪ Annual Budget for year 2 ▪ Extend 4 and 10 year budgets by one year ▪ Revisions to CBP ▪ Plan survey and community progress report (for Mini Strategic Review)	▪ Annual Report on year 1 ▪ Community Survey ▪ Community Progress Report ▪ Minor Strategic Review — Updated Context — Limited community engagement — Revised 4 year program ▪ Revisions to IPR suite ▪ Annual Budget for year 3	▪ Annual Report on year 2 ▪ Annual Budget for year 4 ▪ Extend 4 and 10 year budgets by one year ▪ Revisions to CBP ▪ Plan survey and community progress report (for Major Strategic Review)	▪ Annual Report on year 3 ▪ Community Survey ▪ Community Progress Report ▪ Major Strategic Review — Updated Context — Extensive community engagement to refresh vision and goals — Revised 10 and 4 year strategic priorities ▪ Revisions to IPR suite ▪ Annual budget for year 1 (next 4 year cycle)

5.2 "Right sizing" the Major Strategic Review

The Major Strategic Review needs to be tailored to the circumstances of each local government. Relevant considerations include size/capacity; current practice and aspirations for improvement; and the nature and extent of potential change.

The following section outlines a pro-forma process and timeline – one version for a Major Strategic Review aligned to the election cycle and a second version for a non-election year. The steps in the review are fairly well spaced out to minimise acute pressure points, however these can be considerably condensed if desired. A small local government with minimal pressure to change could complete the steps in a much shorter timeframe.

Furthermore, the steps in the process themselves are highly scalable. For example, community engagement can be more or less extensive. Conversations at the local fair in a country local government area can achieve a level of engagement that would be the envy of a large metropolitan local government. Similarly, the process for reviewing the first cut of the strategic community plan will vary depending on a range of specific local factors.

The key message is that the Major Strategic Review should be designed on a "horses for courses" basis.

5.3 Pro-forma process and timeline

The pro-forma process and timeline for a Major Strategic Review is outlined below. There are two versions. The first is based on alignment with the election cycle and the other is based on a process undertaken in a non-election year. For a Minor Strategic Review, the process is similar, however, it is likely to have limited or no community engagement, and generally will not result in significant changes to the Strategic Community Plan.

Note that the pro-forma process and timeline is provided as an aid. It is not a mandatory approach and local governments have considerable flexibility to design their own process.

Pro-forma Strategic Review Process and Timeline – based on Major Strategic Review aligned to election

July Community Survey	Aug Community Report	Sept Update Profile, Strategic Context etc	Oct Election
Nov IPR Induction & Process Design	Dec/Jan Preparation for Engagement	Feb Community Engagement 10 and 4 years	
Mar SCP/CBP Revisions – first cut Draft 4 yr budget – corporate challenge		Apr Draft SCP/CBP – second cut Draft 4 yr budget – Council challenge	
May Consultation	Jun Adoption		
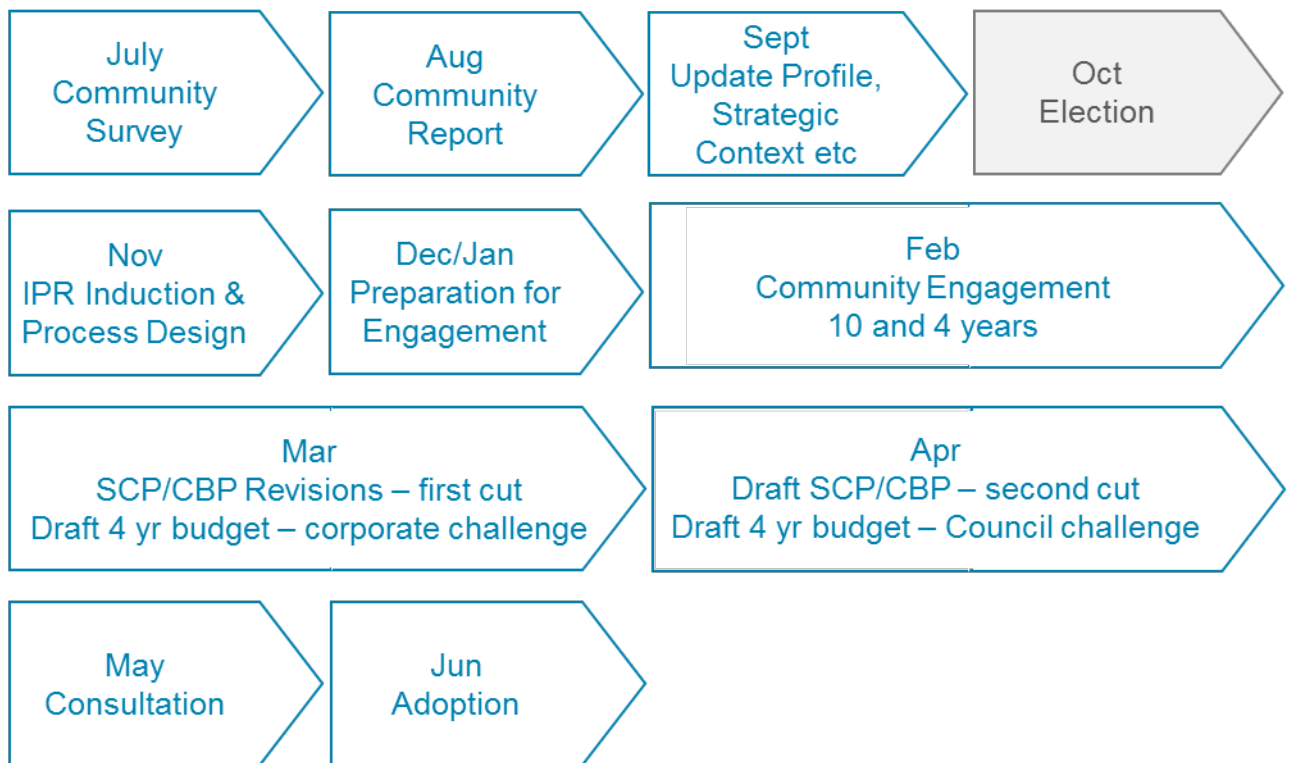
Pro-forma Strategic Review Process and Timeline – based on Major Strategic Review in non-election year

Aug Community Survey	Sept Community Report	Oct Update Profile, Strategic Context etc	Nov IPR Refresher & Process Design

Dec Preparation for Engagement	Jan Preparation for Engagement	Feb Community Engagement 10 and 4 years

Mar SCP/CBP Revisions – first cut Draft 4 yr budget – corporate challenge	Apr Draft SCP/CBP – second cut Draft 4 yr budget – Council challenge

May Consultation	Jun Adoption

Steps in the pro-forma process

Community Survey

While a community survey is not a requirement, local governments are increasingly using a survey as an integral part of their monitoring and reporting (see Section 4) to supplement engagement activity. This enables the local government to systematically monitor what is important to the community and what is the level of satisfaction with current delivery. A community survey, especially if conducted with a robust sample, can enable a wider, more representative cross-section of the community to be heard. If these questions are asked consistently in consecutive surveys, trends can be tracked over time. The Major Strategic Review surveys can include questions around future aspirations, willingness to pay etc. It is also possible to include special topic questions that vary from survey to survey.

Community Report

Each Strategic Review should begin with a review of progress since the previous review. This should be reasonably comprehensive for the Major Strategic Review, and be available to the community. While this is good practice, it is not mandatory and, if provided, can take many forms.

Update Profile, Strategic Context etc

The next step is to review and update the community and economic profile and strategic context. What are the latest population projections? Are there any new or

revised State strategies that are relevant to the area? Has there been any significant local government collaborations since the last Strategic Review? The answers to these and other relevant questions can be gathered in advance of the engagement with Council on the key issues and choices facing the community and Council in the coming decade.

IPR Induction/Refresher and Process Design

This step includes a post-election IPR induction or, if the review is in a non-election year, a refresher. Once Council is up to speed with the IPR and where their own process is up to, the next step in this pro-forma approach is to engage the Councillors in four key questions:

- What do they see as the key choices facing the community and the Council for the next decade (in the case of a Major Strategic Review)?

- What guidance would they like to provide regarding the engagement process and their role in the engagement process?

- What questions would they most like to gather community input on?

- What other organisations are most relevant to the key issues and outcomes of interest? What guidance would they like to provide regarding the engagement process and potential collaboration with others?

Several inputs provided by the Administration will inform their responses, including:

- Community Report (encompassing results of the Community Survey)

- Updated Community and Economic Profile and Strategic Context

- Any new strategy development (issue or area specific strategies and plans) that have been completed since the previous Strategic Review

- Advice on key issues facing the Council and community

- Community Engagement Options

Preparation for Engagement

Once the Council's guidance has been obtained, the Administration will prepare the engagement process in earnest. In this pro-forma approach, the ideal timing of the engagement would be between early and mid-February the following year.

Community Engagement 10 and 4 years

In this approach, February signals the beginning of the most intensive three-month period of the Major Strategic Review, beginning with the community engagement process. Community engagement can take many forms (see Section 7). With local governments now having all the building blocks of IPR in place (albeit in a process of continuous improvement), the core informing strategies can be used for their intended purpose in the Strategic Review. This means that genuine options can be considered by the community in the engagement process for both the long and medium term. An

effective engagement process can therefore provide simultaneous and meaningful community input into both the Strategic Community Plan and the Corporate Business Plan.

The engagement period may also include engagement and potential collaboration processes with other organisations (internal and external to the community) that are most relevant to the critical issues facing the community and the Council over the coming decade (see Section 8).

Strategic Community Plan/Corporate Business Plan Revisions – first cut; draft four-year budget – corporate challenge

Following the community engagement process in early to mid-February, the next step is to prepare the first cut of the Strategic Community Plan/Corporate Business Plan revisions. At this stage the revisions wouldn't focus on the finer points of the documentation, but key changes to strategies, services, service levels, major projects etc. These would be fed into the first draft of the "four-year budget" – the financial forecasts that accompany the Corporate Business Plan.

If the budget holders preparing the forecasts are listening to the community's aspirations, there is a better than average chance that when the whole thing is added up, it shows an unbalanced budget based on reasonable expectations of revenue (particularly rates profile).

But either way, this first cut of the revisions and draft four-year budget needs to be thoroughly scrutinised by the senior management of the local government. This is referred to in this pro-forma approach as the "corporate challenge". The corporate challenge needs to be designed to robustly test assumptions, priorities against community outcomes, resourcing requirements (efficiency) etc to ensure that the final result is a balanced budget representing the Administration's best efforts at achieving a strategically focused yet affordable plan and budget. The judgements made in the process of arriving at the result should be transparent.

Draft Strategic Community Plan/Corporate Business Plan – second cut; draft four-year budget – Council challenge

The draft Strategic Community Plan/Corporate Business Plan and draft four-year budget that is presented to Council is derived from the above process. Now it is the Council's turn to challenge. The only "rule of the game" is that the four-year budget must remain balanced for each of its four years, within a sustainable LTFP. They can take things out, put things in, change things, question things, reprioritise things, increase rates, reduce rates – anything they like (within lawful bounds) as long as each year remains balanced. This ensures the Council is able to exercise its decision making authority with discipline as befits this fundamental aspect of its governance role.

May: Consultation and Finish LTFP

Following the Council challenge, the draft documents are prepared (see Section 3) and issued for public consultation. This is a check in process – "have we got this right?" – rather than a fresh engagement. Submissions are accepted for a specified period.

The LTFP is also completed in this period followed by preparation of the Annual Budget.

Adoption

Any feedback is received (and incorporated as warranted), then the documents are prepared for final adoption by 30 June.

Self-assessment good practice checklist

- Is your community and economic profile and strategic context up to date?

- Are the key issues and choices facing your community and Council over the coming decade clear?

- Have other organisations – relevant to key issues and outcomes of interest – been identified for engagement and potential collaboration in community planning?

- Did the elected Council identify the key questions they were seeking community input on?

- Did the elected Council provide guidance on engagement with the community and particular organisations relevant to key issues and outcomes of interest?

- Do you have a refreshed vision and community outcomes (or similar) from your community engagement?

- Was your community engaged in meaningful choices for the future?

- Did the CEO and senior team (at least) go through some process of rigorously scrutinising and testing the four-year financial forecasts in light of the community's aspirations and reasonable expectations of revenue?

- Did the elected Council go through some process of rigorously scrutinising and testing the four-year financial forecasts in light of the community's aspirations and reasonable expectations of revenue?

- Have opportunities for better community outcomes through collaboration with other organisations been identified through the process?

- Did you provide an opportunity for the community to give feedback on the draft Strategic Community Plan (at least)?

- Do the components of your adopted IPR suite score well on the relevant checklists in Section 3?

Section 6 Integration

Integration in the Integrated Planning and Reporting Framework can be challenging. There are a number of aspects to integration, including alignment across the organisation, alignment from strategy to delivery, and alignment between the long, medium and short term. Section 3 covers a number of alignment tips that won't be repeated here. This section will cover the core mechanism for integration – the four-year financial forecasts (see diagram below).

The Corporate Business Plan "nests" inside the Strategic Community Plan – giving effect to the first four years. In order to ensure this is the best balance between aspirations and affordability, the work program for the first four years needs to be costed in detail. Instead of entering budget figures for just the following year, budget holders enter budget figures for the following four years, based on the proposed strategies, services, service levels etc. This needs to be consistent with the asset management plans and workforce plan.

As outlined in the previous section, any imbalance needs to be resolved through rigorous scrutiny of priorities and efficiency. When this process is complete, the four-year financial forecasts tie together the Corporate Business Plan, Workforce Plan and Asset Management Plan, in the context of the vision and outcomes of the Strategic Community Plan. This provides assurance of medium term deliverability and best value. In turn, the four-year financial forecasts form the first four years of the Long Term Financial Plan which, in its entirety, provides assurance of long term sustainability.

Importantly, this degree of robustness is what enables the Annual Budget to correspond to the relevant year of the Corporate Business Plan/four-year forecast. Without it, significant budget decisions continue to be made on an annual basis which is counter to the purpose of the IPR Framework. The Annual Budget process should be dealing with relatively minor adjustments and filling in the detail as required.

For the process to become fully embedded in the organisation, it is critical that the four year forecasts are given due consideration. This requires a disciplined approach to significant new proposals from staff or elected members out of cycle or untimely recognition of cost implications of the Corporate Business Plan. In such cases, unless there is a compelling reason to amend the Corporate Business Plan such proposals or cost implications should be referred to the next Strategic Review.

Four-year financial forecasts – core mechanism for integration
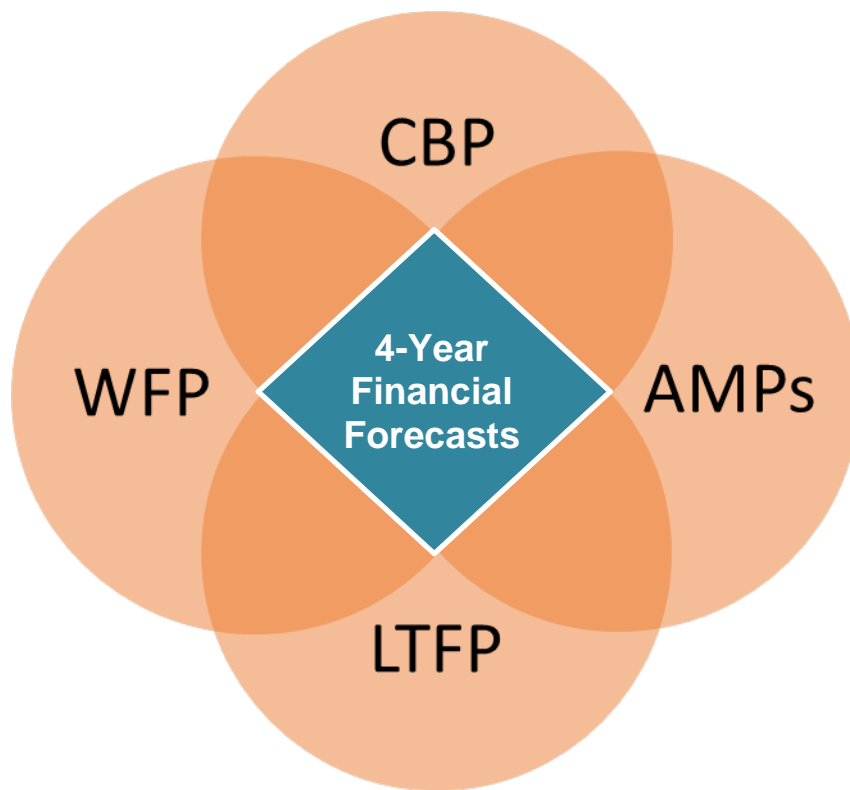
Self-assessment good practice checklist

- Do you have robust budget forecasts for the next four years?
- Do those forecasts match the four-year projections in the Workforce Plan, Asset Management Plans, and Long Term Financial Plan?

Section 7 Community Engagement

Community engagement plays a pivotal role in the IPR Framework. If the local government has an existing engagement plan, it is expected that this will be applied in preparing for their IPR engagement process. Otherwise, it is expected that local governments will prepare a community engagement plan specifically for their IPR.

The engagement activities need to be suited to the local community and within the resources of the local government to undertake. Costly activities aren't necessarily the best. Creativity and ingenuity can go a long way in enticing communities to participate. There are many examples of low cost but highly effective techniques being utilised in Western Australia and other jurisdictions.

The visioning and goal-setting process is undertaken with the community, and there is an expectation that the community will have a genuine role in engaging with the strategic issues and options and setting medium and long term priorities that balance aspirations with affordability.

In places with a strong tradition of community engagement, this requirement is readily met. However, in many communities, the history has been less positive and it can be a considerable challenge to entice a response. This is sometimes interpreted as apathy or implicit trust in the Council to make decisions on the community's behalf.

However, communities that are disengaged from planning for their own future may be at a considerable disadvantage. Furthermore, their disengagement may be less to do with apathy and trust than with lack of understanding, poor process design and/or disillusionment.

One thankfully less common situation now is a "town hall meeting" approach where the community gets told what is planned followed by the opportunity for questions and comments from the floor. Then there is little or no feedback regarding the final decisions. Over the years, numbers attending tend to dwindle.

The diagram below shows a positive dynamic with a reinforcing loop between the community members' understanding (left hand side of diagram) and experience (right hand side) of engagement. It is easy to see how this dynamic can fail if the relevance, method and/or impact of the engagement is poor (or poorly communicated) and/or if the experience is poor.

This dynamic can be used as a checklist for enticing communication, high quality process design around meaningful choices and "closing the loop" after the engagement.

Mutually reinforcing features of understanding and experience

- The subject matters to me
- The process will engage me
- My participation will make a difference

- Important decisions are made
- I felt part of it and I had my say
- I know what the decisions were and why – I see the results
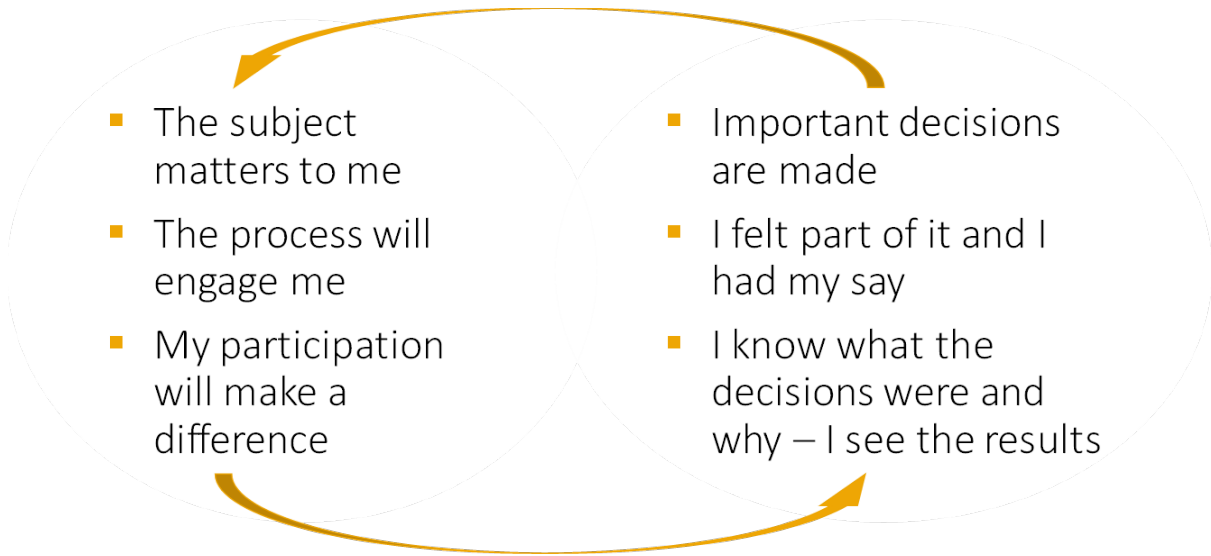
Most communities have at least some people who will generally participate in engagement activities, those who seldom do, and every combination in between. This can be shown as follows (adapted from Dale Quinliven *et al*[7]):

Community Participation - Typology

No thanks

Detached - generally no knowledge or interest in local government

Interested bystander

Largely vicarious – will participate occasionally on specific issues but generally happy that others are engaging

Engaged when enraged

Specific purpose – participation triggered by concern

Actively interested

Highly informed and engaged – will generally participate

[7] Quinlivan, D., Nowak, M., Klass, D., 2014, From Accountability to Assurance - Stakeholder Perspectives in Local Government, *Australian Journal of Public Administration*, vol. 73, no. 2, 206-217

Community members can be in different parts of this picture at different times, depending on circumstances, experiences, stage of life, beliefs and interests, local controversies and other factors. It will never be the case that all community members will or should want to, engage in community planning processes. A good proportion will always be content as long as they know that trustworthy others are actively involved.

If this resonates as a typology of community participation in your community, the question is "are you happy with the relative proportions of the various types?" If not, can you improve the picture? It is suggested here that the mutually reinforcing features of understanding and experience are a good place to start in diagnosing where your community engagement process is falling short, and creating strategies to change the dynamic.

Furthermore, whether your community is generally engaged already or not, it is also incumbent upon a local government to consider specific strategies for engagement with diverse groups in the community. This may include engagement with Aboriginal communities, parents of young families, teenagers, migrant communities, people with disability and so on. In these cases, the features of understanding and experience may be quite different from those parts of the community that are traditionally been the most likely to engage.

Self-assessment good practice checklist

- Have you applied your community engagement plan or created one for your IPR (as applicable)?

- Is your communication of the relevance and importance of the IPR decisions effective?

- Are your community engagement processes very engaging?

- Is your marketing of the community engagement enticing?

- Is your community confident the local government is listening? Is the local government listening?

- Do you provide feedback on the results of the engagement and how the community's feedback was taken into account?

- Does the community see the results of the plans as they are being implemented?

- Does the Strategic Review engagement include a report back on progress against the previous plans?

- Does your engagement process reach the diversity of community members?

- Are you satisfied with the proportion of your community that is actively engaged?

Note the relevant items from the Advisory Standard extract for the Strategic Community Plan in Section 3.1.

Section 8 Collaboration for Better Community Outcomes

The IPR process provides a basis for collaboration with other organisations that are also contributing to community outcomes. These may be business groups, residents' groups, non-government organisations in the community sector, or government agencies etc. These organisations may be interested in collaboration at the broader community planning level and/or in issue or area specific strategic development and implementation.

It is increasingly common to see collaboration for better community outcomes as local governments and other organisations see the opportunity for scaled up impact through sharing information, coordination, and in some cases pooling resources for joint action.

In some cases, this may occur in formal partnerships. In others, it may be through more informal mechanisms for information sharing, coordinating activities and working together from time to time. Having community outcomes at the centre facilitates flexibility and collaboration.

The diagram below highlights a number of levels of collaboration towards better community outcomes, from agreed priorities for service planning, to shared approaches for community development, to multi-sectoral partnerships.

Better community outcomes through collaboration

Better
community
outcomes

Working in partnership
with all levels of government,
community groups and NGOs,
businesses and residents

Developing community capacity.
Building relationships and partnerships.

Delivering services based on agreed priorities. Listening to, and planning in response to, community needs

Local government has a unique dual role in collaborative community planning and in addressing some specific issues, as shown in the diagram below. It is a key player in its own right with relevant resources, knowledge and services. But it is also usually the only organisation with both a mandate and the potential capacity to bring all the relevant players together to collaborate in the planning process. This is a local leadership role that local government is best placed to provide.

As outlined in Section 5, the beginning of each Strategic Review provides the opportunity to initiate or refresh a process of engagement and potential collaboration with relevant organisations – those working towards community outcomes of mutual interest and addressing the key issues facing the community and Council over the coming decade.

The dual-role of local government in community planning
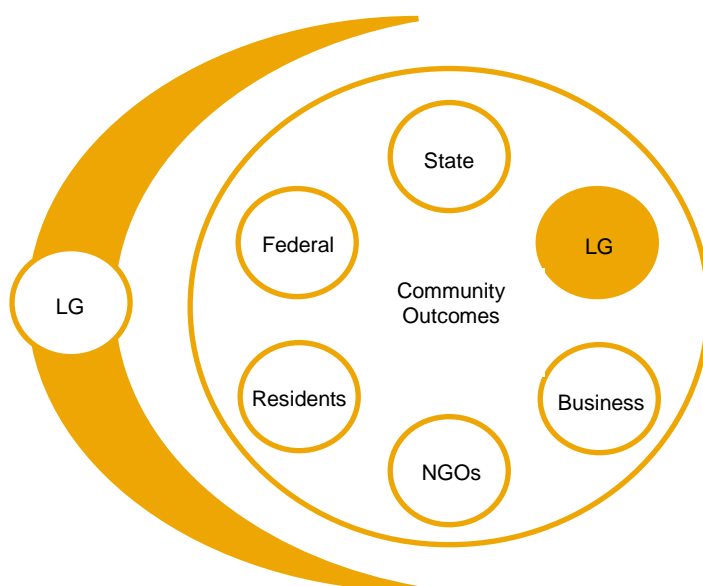
Self-assessment checklist

- Have other organisations – relevant to key issues and outcomes of interest – been identified for engagement and potential collaboration in community planning?

- Did the elected Council provide guidance on engagement with those organisations?

- Have opportunities for better community outcomes through collaboration with other organisations been identified through the process?

Section 9 Link with Land Use Planning

The IPR Framework has natural links to land use planning. Both the IPR and land use planning suites should be guided by an overarching community vision. The community will also have aspirations for the shape and form of their area (for the whole area and/or particular parts of it) which will be as relevant for the IPR suite as for land use planning.

This is shown in the diagram below. The community's aspirations for shape and form can be actioned through, say the provision of public space, infrastructure and tree planting (included in the IPR suite on the left hand side of the diagram), as well as land use regulations (on the right hand side of the diagram).

While the two sides are administered under different legislative frameworks and different time cycles, they should be considered as part of a total package for achieving the community's vision.

Where the two time cycles coincide, consideration should be given to undertaking community engagement at the top level together, or at least feeding one into the other. The objectives and strategies should be congruent and working in a mutually reinforcing manner.

Integrated Planning and Reporting and Land Use Planning

Strategise	Community Vision		
	Strategic Community Plan 10+ years Aspirations and priorities Resourcing implications Strategic decision making criteria	Aspirations for shape and form	Local Planning Strategy 10+ years Objectives for planning & development
Plan	Corporate Business Plan 4 year actions and budget		Local Planning Scheme Technical regulations
Deliver	Annual Work Program and Budget		Administration and Enforcement of Local Planning Scheme

Self-assessment good practice checklist

- Is there a common vision across IPR and land use planning?
- Are the objectives and strategies congruent and mutually reinforcing?

Appendix A: Glossary of Terms

Various terms are used to describe Integrated Planning and Reporting components and processes. In the interests of clarity, terms that have been assigned a specific meaning within these guidelines have been defined below.

Asset Management Plan	A "whole of life" plan for the appropriate acquisition, maintenance, renewal, replacement and disposal of assets that balances aspirations with affordability.
Budget / Annual Budget	A statutory requirement outlining the financial estimates for that year's delivery of the Corporate Business Plan.
Community	For the purpose of these guidelines, community refers at least to a group of people living in the same locality[8] and under the same local government, and businesses and community groups in the locality. The concept of community can be and often is extended to include those from other places who visit, work or recreate within the locality. Those who have left and reside elsewhere ("diaspora") may also be considered part of the community.
Community Aspirations	For the purpose of these guidelines, community aspirations refer to the vision, outcomes (or similar terminology) and priorities of the community as articulated in the Strategic Community Plan.
Corporate Business Plan	Four-year delivery program, aligned to the Strategic Community Plan, and accompanied by four-year financial projections.
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 governing body comprised of individuals elected to the office of Councillor or Mayor for the local government.
ICT	Information and Communication Technology
Informing strategies	These inform and support the Strategic Community Plan and Corporate Business Plan. The core suite consists of Asset Management Plans, Workforce Plan and Long Term Financial Plan, which help to balance the community's aspirations with what they can afford. Other informing strategies are issue or area specific.
Integrated Planning and Reporting	A framework to articulate the community's vision, outcomes and priorities; allocate resources to achieve the vision, striking a considered balance between aspirations and affordability; and monitor and report progress.

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[8] Note that the community also includes property owners who may live outside the area at any given time.

Land Use Planning	Planning control mechanisms that govern the way land is used.
Local Area Planning	Local area planning or place planning is an increasingly common approach in diverse local government areas. Planning is focused on defined localities within the "umbrella" of a broad plan that covers the entire district. As community values and issues of concern can vary from place to place, a focus on smaller areas allows greater attention to local issues and uniqueness.
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.
Objective	Statements that describe what a local government wants to achieve.
Outcome	An end state. It can be the consequence of action (at a lower outcome level) or be the result of multiple influences (at a higher outcome level).
Reporting	Relaying information about performance, impacts or outcomes.
Resourcing	The level of resources that a local government can dedicate in order to meet objectives – including assets, money and people.
Scenario modelling	Preparation of forecasts or estimates in the Long Term Financial Plan based on optimistic, conservative and worst case scenarios to understand the impact of variations on the financial sustainability of the local government.
Sensitivity analysis	Determines those factors or assumptions that if varied have greater impact on the Long Term Financial Plan.
Strategic Community Plan	Community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10+ years.
Strategy	Describes how a local government will achieve its objectives.
Community vision	Describes the desired state of a community.
Whole of life costs	In asset management, the sum of all the costs associated with an asset over its estimated useful life, including acquisition, installation, operation, maintenance, renewal and disposal costs.
Workforce Plan	A plan to ensure the workforce is capable of delivering organisational objectives now and in the future.

Appendix B: Legislation and Regulation – relevant extracts

From the Local Government Act 1995

5.53. Annual reports

(2) The annual report is to contain –

(e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and

(i) such other information as may be prescribed.

5.56. Planning for the future

(1) A local government is to plan for the future of the district.

(2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

6.2 Local government to prepare annual budget

(2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —

(a) the expenditure by the local government; and

(b) the revenue and income, independent of general rates, of the local government; and

(c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.

(3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.

Appendix B: Legislation and Regulation – relevant extracts

LOCAL GOVERNMENT (ADMINISTRATION) REGULATIONS 1996

19CA. Information about modifications to certain plans to be included (Act section 5.53(2)(i))

(1) This regulation has effect for the purposes of section 5.53(2)(i).

(2) If a modification is made during a financial year to a local government's strategic community plan, the annual report of the local government for the financial year is to contain information about that modification.

(3) If a significant modification is made during a financial year to a local government's corporate business plan, the annual report of the local government for the financial year is to contain information about that significant modification.

19C. Strategic community plans, requirements for (Act section 5.56)

(1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.

(2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.

(3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.

(4) A local government is to review the current strategic community plan for its district at least once every 4-years.

(5) In making or reviewing a strategic community plan, a local government is to have regard to —

(a) the capacity of its current resources and the anticipated capacity of its future resources; and

(b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and

(c) demographic trends.

(6) Subject to sub regulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.

(7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

(8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

(9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.

(10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

19DA. Corporate business plans, requirements for (Act section 5.56)

(1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.

(2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.

(3) A corporate business plan for a district is to —

(a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and

(b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and

(c) develop and integrate matters relating to resources, including asset management, workforce planning and long term financial planning.

(4) A local government is to review the current corporate business plan for its district every year.

(5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.

(6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

(7)   If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

19D. Adoption of plan, public notice of to be given

(1)   After the adoption of a strategic community plan, or modifications of a strategic community plan, under regulation 19C, the local government is to give local public notice in accordance with sub-regulation (2).

(2)   The local public notice is to contain —

(a) notification that —

(i)   a strategic community plan for the district has been adopted by the council and is to apply to the district for the period specified in the plan; and

(ii)   details of where and when the plan may be inspected;

or

(b) where a strategic community plan for the district has been modified —

(i) notification that the modifications to the plan have been adopted by the council and the plan as modified is to apply to the district for the period specified in the plan; and

(ii) details of where and when the modified plan may be inspected.