



ACCOUNTABILITY

Resourcing Strategy

A Council's Resourcing Strategy is an important element of its Integrated Planning and Reporting framework as a long-term strategy to achieve the objectives established by the Community Strategic Plan for which Council is responsible.

The Integrated Planning and Reporting reforms to the Local Government Act in 2009 followed engagement with the sector on the 2006/07 Department of Local Government (DLG) discussion papers - "Planning a Sustainable Future" and "Asset Management Planning for NSW Local Government." There were considerable concerns about the poor condition of assets and the significant backlog of asset maintenance and renewal in local government.

The feedback from the engagement was:

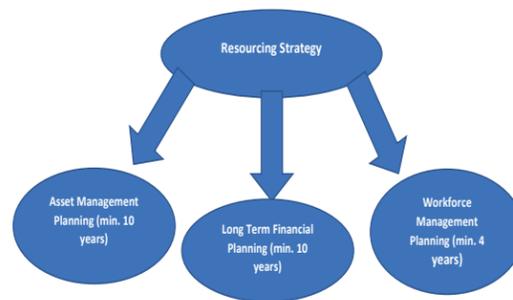
- There is a general lack of strategic focus
- Limited resources for strategic planning
- Confusion over roles and responsibilities
- The existing framework is too rigid
- Lack of technical capacity in some councils
- Lack of supporting systems
- Problems integrating with other plans.

The reforms came in 11 years ago and those issues still exist in many NSW councils today.

I was a member of the Working Group that developed the new Integrated Planning and Reporting Framework; chaired the industry Integrated Planners Network and assisted the DLG with its regional Integrated Planning Workshops including being a presenter at the Workshop at Moree in November 2009.

The resourcing strategy includes long-term financial planning, workforce management planning and asset management planning. The main concept of the Resourcing Strategy is that it is a vital part of the planning for the next 4 year Council term to ensure that the Council has the finance, assets and people needed to deliver on the Delivery Program. The planning and reporting of the elements of the Resourcing Strategy must be integrated with each other and the CSP and Delivery Program. Councils often find it difficult to portray this in a way that is easy to understand for lay people including Councillors and the community.

The reporting element of the Resourcing Strategy is as important as the planning element as it checks, along the way, to see whether the Delivery Program is being delivered within the resources available.



Council must prepare a **Long Term Financial Plan (LTFP)** that is used to inform decisions during finalisation of the CSP and to develop the Delivery Program. It has a timeframe of at least 10 years. It is updated at least annually during development of the annual Operational Plan.

It includes:

- projected income and expenditure, balance sheet and cash flow statement;
- planning assumptions used to develop the plan;
- sensitivity analysis - highlights factors/ assumptions most likely to affect the plan;
- financial modelling for different scenarios, e.g. planned / optimistic/ conservative, and
- methods of monitoring financial performance.

I was pleasantly surprised when I read Orange City Council's LTFP as it contained a lot of information I have been looking for that is normally in a Revenue Policy document. For example, it included information about rates on page 6 that I have been seeking for ages, but still does not provide a map of the CBD. <file:///C:/Users/aespa/Documents/Orange%20City%20Council/Long-Term-Financial-Plan-2019-20-to-2028-29.pdf>

It is only 23 pages long, which is good as providing mountains of detail tends to work against accountability. However, the part that considers different scenarios is difficult to read and it would be much better with graphs to illustrate the results. It is difficult to see whether the LTFP and Asset Management Strategy are integrated or how they have been used to inform decisions during finalisation of CSP and to develop the Delivery Program.

The Essential Elements required for Asset Management Planning are limited to:

- 'Council has accounted for and planned for all existing assets and any new asset solutions proposed in CSP and Delivery Program' and
- 'Asset Management exists to support the CSP and Delivery Program'.

Orange City Council's Asset Management Strategy is relatively succinct being only 28 pages. There seems to be an error in the value of assets managed being shown as a total of \$1,419,835 Million. In the financial statements the assets total \$1,126 Million.

The Asset Management Strategy seems unnecessarily

complex having ten different conditions for each asset category. Most councils would only use 5 categories of conditions so decisions can be made about what maintenance and renewal works are urgent, and so that the community can understand what the different conditions look like:

| Level | Condition | Description | Residual or Remaining Life Estimate |
|-------|--------------|--|-------------------------------------|
| 1 | Excellent | No work required (normal maintenance) | 90-100% |
| 2 | Good | Only minor work required | 60-90% |
| 3 | Satisfactory | Some work required | 30-60% |
| 4 | Poor | Some renovation required within 1 year | 10-30% |
| 5 | Very Poor | Urgent renovation/upgrading required | 0-10% |

Table from Hay Shire Council Asset Management Strategy 2018-2028

The Key Performance Measures included in the Asset Management Strategy are interesting, but I have not seen them reflected elsewhere in performance reviews. I may be looking in the wrong place.

- The amenity of local retail and industrial areas - including signage, street furniture and gardens, car parking enhancements;
- Community safety and accessibility of the built environment - including reductions in road pavement roughness, and increases in accessibility including maintaining and extending network of sealed roads, footpaths, and bridges;
- Accessibility of footpaths, and levels of street lighting;
- Environmental amenity - including the cleaning of stormwater drainage pits, water quality works, public transport and bicycle way enhancements.

The remaining part of the Resourcing Strategy is the **Workforce Management Strategy**. The requirements are that a Workforce Management Strategy, with a minimum timeframe of 4 years, exists that addresses the HR requirements of Delivery Program.

Orange's Workforce Management Plan is dated 2019 - 2023 so it seems to mistakenly be a rolling program. Updating it each year is unnecessary work. The Plan contains interesting information that would be easier to read if it included graphs.

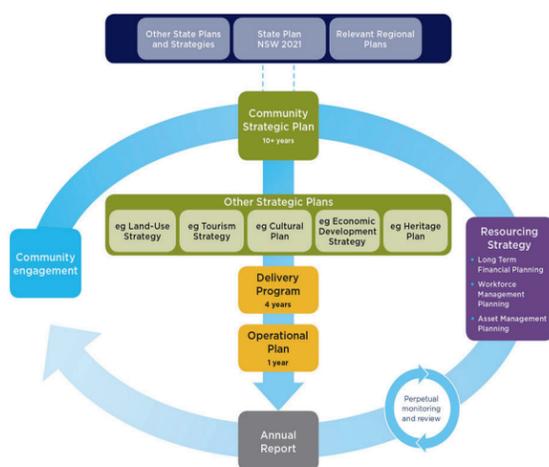
A couple of the workforce issues raised are:

'Council is committed to diversity in the workplace to reflect the current and changing diversity of our community. Council has work to do to increase female participation in leadership positions, and provide improved pathways for women and other target groups to senior roles, and this is included in the Action Plan.'

The age distribution of the workforce demonstrates a significant retirement risk and lower percentage of young people within the workforce.'

The Plan is rewritten every year, which is not a requirement. It seems that the achievements of the Plan are not reported publicly.

In summary the Resourcing Strategy is a vital part of the Integrated Planning and Reporting Framework. All elements need to be integrated with each other; presented in a way to be understood by lay people, and reported on to see whether the Delivery Program is being delivered within the resources available.



I have received feedback that many people find these columns informative and I am happy to receive comments from readers about this column and other issues you would like me to cover so please either contact me at Orange City Life or aes@amandaspaldingconsulting.com