

GOVERNANCE POLICIES

Integrated Planning & Reporting (Planning)



Policy Number:	G17
Relevant Delegation:	Not Applicable
Adoption Details:	22 February 2016
Last Review Details:	25 November 2019

POLICY OBJECTIVE:

To set out the Shire of York's broad approach to implementing the Integrated Planning and Reporting Framework (IPR) as it relates to forward planning and budgets.

POLICY SCOPE:

This policy applies to the development of the component plans and documents of the IPR Framework and subsequent reporting against the provisions.

POLICY STATEMENT:

INTRODUCTION

The Local Government Act 1995 (the Act) section 1.3(3) states that 'in carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity'. It also requires the Council to plan for the future (s5.56) and comply with any regulations which set out how this will be done.

It is important that this Framework is implemented in a positive way which helps the Council develop direction and solutions in a structured and transparent way. This policy sets out the key parameters which will be used.

This policy should be read in conjunction with the Financial Planning and Sustainability Policy (F11), the Asset Management Policy (O5) the Risk Assessment Policy (G19), the Community Engagement and Consultation Policy (G13) and the Workforce and Human Resources Policy (O3).

PRINCIPLES

- (a) Integration of strategic, financial and operational decisions lies at the heart of the IPR processes.
- (b) Decisions are made with consideration to the Shire's long term financial sustainability.
- (c) There is a high level of alignment and integration between the Shire's various plans including the Long Term Financial Plan, Strategic Community Plan, Corporate Business Plan, Asset Management Plans and Workforce Plan.
- (d) The Annual Budget is prepared using the agreed Long Term Financial Plan as its base.
- (e) Formal consultation is undertaken on all components of the IPR Framework prior to making final decisions to adopt.

PROVISIONS

1. THE STRATEGIC COMMUNITY PLAN (SCP)

- 1.1 In conjunction with general processes used to explore the range of potential futures sought by the community, the focus of early stage engagement will be on developing:
 - an understanding and description of the community's desired levels of service.
 - helping people understand cost impacts.
 - developing action scenarios for discussion.
 - identifying community priorities for strategic direction and Council investment in that future.
- 1.2 In developing the SCP the Council will aspire to a working target of achieving the Intermediate Standard as set out in the Department of Local Government and Communities Integrated Planning and Reporting Advisory Standard.

2. Corporate Business Plan (CBP)

- 2.1 The Corporate Business Plan will be fully reviewed every four years and reviewed and updated annually. It will reflect the first four years of the LTFP.
- 2.2 The Corporate Business Plan is the key mechanism for achieving integration of desired strategic direction and allocation of Shire resources to achieve the desired future. The Corporate Business Plan develops and integrates matters relating to resources, including asset management, workforce planning and long-term financial planning. The CBP will be structured in a way that provides the community with easily understood information about priorities, delivery and financial impacts of key service areas relative to the strategic direction.

3. Annual Budget

- 3.1 The development of the Annual Budget is driven by the Corporate Business Plan which also drives the LTFP so that the Annual Budget reflects year one of the CBP and the LTFP. Any variation between the Annual Budget and CBP should be explained and addressed in the review of the CBP.
- 3.2 Council has the ability to raise revenue through the adoption of fees and charges for services and facilities. Fees and charges should be reviewed on an annual basis, in conjunction with the preparation of the Annual Budget. In determining its fees and charges, the Shire will take into account user capacity to pay.
- 3.3 One month's formal consultation should take place prior to the Council considering adoption of the Annual Budget. Consultation outputs should be formally reported to the Council as part of its final deliberations.
- 3.4 The Annual Budget should be ready for consideration for adoption by Council in June, the month prior to the financial year which the Annual Budget relates.

4. Input Documents: Long Term Financial Plan

- 4.1 The Shire of York's Long Term Financial Plan (LTFP) is an important part of Council's Integrated Planning and Reporting Framework. It will be reviewed prior to the commencement of Annual Budget preparation, with a full formal review being undertaken in line with the review of the Strategic Community Plan. Outcomes from that annual review will be formally reported as part of the Annual Budget process.
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- 4.2 The LTFP will be structured where possible to show links with the SCP direction.
 - 4.3 To retain alignment with the Corporate Business Plan, the LTFP will be reviewed on an iterative basis every year and will be made available for consultation alongside the Annual Budget and CBP.
 - 4.4 In preparing the LTFP at the time of the four year review cycle, the following analysis shall be identified:
 - expenditure required to maintain existing services to residents, including expenditure needed to maintain identified assets in a condition that will sustain existing service levels to its residents.
 - mechanisms to improve the Shire of York's capacity to fund recurrent operations.
 - a target to achieve a positive net operating ratio over the life of the Plan.
 - options for increasing revenue opportunities.
 - new services and infrastructure options, and impacts on affordability.
 - a ratepayer affordability impact statement.
 - 4.5 The LTFP will be regularly updated to reflect the Council's final decisions in relation to delivery of the SCP, adjustments to the Corporate Business Plan and Annual Budgets.
 - 4.6 Where the LTFP departs from the level of funding identified in the relevant Asset Management Plans as being necessary to maintain levels of service and/or asset condition and life in the short or long term, this shall be explicitly noted. Impacts on levels of service will be outlined and the program for returning to desired funding levels identified.
 - 4.7 Borrowings are not to be used to fund ongoing operational expenditure.
 - 4.8 The Shire is permitted to establish Cash Reserve accounts as per section 6.11 of the LG Act. Interest earned on the cash balance of the Reserves will be set aside to the individual Reserve accounts to assist in maintaining their real value.
 - 4.9 The Shire will use various Cash Reserves as a means to save and quarantine funds for a future purpose, smooth peaks and troughs in funding requirements and to temporarily retain any surpluses or grant funding.
 - 4.10 The Shire will prudently manage its Cash Reserves to ensure that appropriate levels of funds are maintained to meet future commitments.
 - 4.11 Cash Reserves will be fully reported to Council during any review of relevant projects and programs, including reviews under the Integrated Planning and Reporting requirements and the Annual Budget process.

5. Input Documents: Workforce Plan

- 5.1 The Workforce Plan will be developed with the intent of finding innovative ways to deal with issues facing the Shire of York in terms of recruitment and retention of staff. This shall include:
 - (a) regard for implementing the provisions of the Human Resources and Workforce Policy (O3).
 - (b) active and on-going consideration of opportunities for local resource sharing; and
 - (c) development of partnerships with relevant organisations and agencies.

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- 5.2 The Workforce Plan will be reviewed in the year prior to any IPR review and subsequently adjusted where necessary after completion of the IPR review.
 - 5.3 The Workforce Plan will be made available as an information document during any formal IPR consultation processes.

6. Input Documents: Asset Management Plans

- 6.1 Asset Management Plans (see also Policy O5) will provide a primary input into the development of the IPR framework by:
 - (a) identifying key community levels of service requirements, translating these into technical levels of service and providing associated costs over the long term.
 - (b) giving effect to the Asset Management Improvement Strategy.
- 6.2 The Asset Management Plans will be reviewed in the year prior to any IPR review and subsequently adjusted where necessary after completion of the IPR review.
- 6.3 The Asset Management Plans will be made available as information documents during any formal IPR consultation processes.

7. Input Documents: Other Strategies

- 7.1 Where the Council has adopted strategic documents, which guide long-term direction for the Shire, these will be summarised as input into Council deliberations. They will also be made available as information documents during any IPR consultation.

8. Other Documents

- 8.1 The Council will prepare a list of major capital projects which it proposes to undertake over a ten year period. Where the projects have been identified as required under the Asset Management Planning process this will be indicated. This list will be used as an input into the IPR process and will be adjusted to take account of any final decisions.

9. Project Planning and Budgeting

- 9.1 In budgeting projects there must be confidence in being able to deliver in the year indicated. Where a significant capital project is being undertaken, there will be a three part staging process of feasibility review, design and implementation. Feasibility review and design should be provided for in the 1-2 years prior to implementation (i.e. not in the same year as proposed implementation).
- 9.2 Where a project is dependent on external funding to proceed this will be made clear in relevant IPR documents.
- 9.3 The Council will make clear which projects it supports but will not proceed with until funding is secured.
- 9.4 Where a significant project is desired and funding is to be actively sought, the Council will prepare first stage feasibility and design stages in preparation for seeking funding but will not proceed further until funding for actual construction has been achieved. Funding may be sought for feasibility and design stages for those projects that have been identified in the IPR process as being both desired and consistent with strategic direction.

PENALTIES:

Not applicable.

KEY TERMS/DEFINITIONS:

Not applicable.

Responsible Officer: Chief Executive Officer
Contact Officer: Chief Executive Officer
Relevant Legislation: Local Government Act 1995

Review History:

Date Review Adopted:	Resolution Number
Adopted – 22 February 2016	
Reviewed – 24 October 2016	
Reviewed – 25 November 2019	291119
Former Policy No:	G4.1