



Liverpool Plains Shire Council

Fit for the Future

An Agenda for Efficiency & Modernisation

Improvement Plan Framework

(Addendum to the LPSC Operational & Delivery Plans)

What is *Fit for the Future*?

In 2014 the NSW State Government announced a significant local government reform program: ***Fit for the Future***.

The Fit for the Future (FFTF) agenda aims to:

- ◆ Improve the overall effectiveness and strength of local government in providing infrastructure and services that communities need;
- ◆ Provide benefits to ratepayers by ensuring that councils will be financially sustainable into the future; and
- ◆ Enable councils to be more effective strategic partners with other levels of government.

The NSW government has been working with *all* NSW Councils on FFTF since 2011. The state government has also recently announced that councils which are assessed as being FFTF will have access to a broad range of benefits. These include access to a State Government borrowing facility, priority for other government funding and grants, and greater planning powers.

The State Government has established four main criteria that it considers necessary for a council to be FFTF. These criteria have been developed around the work surrounding *Destination 2036*, the Independent Local Government Review Panel (ILGRP), the NSW Treasury Corporation (TCorp), in addition to input from the local government sector. The relevant criteria are:

- ✓ ***Scale and capacity*** to engage effectively across the community, government and industry.
- ✓ ***Sustainability***.
- ✓ Effectively ***managing infrastructure*** and ***delivering services*** for communities; and
- ✓ ***Efficiency***.



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How are Councils assessed as being fit (or not fit) for the future?

The Independent Pricing and Regulatory Tribunal (IPART) has recently been requested by the NSW Government to perform the role of the Independent Expert Panel to assess how council proposals meet the FFTF criteria. All NSW Councils (including Liverpool Plains Shire Council) are required to prepare proposals as to how they will meet the criteria over the medium term: 2019—2020. These submissions are required to be submitted to IPART by 30 June 2015. IPART's role is in line with overarching terms of reference and to ensure a consistent, impartial and balanced assessment of FFTF proposals.

IPART has developed a corresponding methodology for assessing proposals. Once council submissions are made, IPART will assess them and provide the NSW government with a final assessment report by **16 October 2015**.

How will LPSC's FFTF proposal address the scale & capacity criteria?

As detailed previously, the Government has established the scale and capacity criterion as the platform for council proposals. In making a FFTF proposal, councils must first assess their scale and capacity against the ILGRPs recommendations.

In the case of Liverpool Plains Shire Council (LPSC), the ILGRP recommended that LPSC was to remain a stand-alone council as a member of the Namoi Joint Organisation (JO) OR to merge with Gunnedah Shire Council. Given that the two options were available in the ILGRP report, Council asked the community what their preference would be. A comprehensive community consultation campaign was conducted which included a survey. This survey was distributed widely using a range of information channels including direct mail outs, distribution via local business houses, creation of a FFTF website with a corresponding online survey, community meetings at all of the Shire's population centres, pop-up stalls at a range of local events and functions, and the designated FFTF council liaison officer.

In addition to the above, the respective Mayors, Deputy Mayors and General Managers met to discuss the potential of a merger. Following this, both councils resolved to remain independent of one another. However, it was agreed that the General Managers explore additional areas of resource sharing to reduce costs and improve capacity of both councils. A Resource Sharing Agreement has been subsequently developed. These activities will greatly assist LPSC in expanding its capacity to provide efficient and effective services.

In making its decision to not proceed with a merger, the following additional factors influencing scale and capacity were also considered:

- A **positive population growth** has been predicted and demonstrated;
- The **emerging mining resource sector**—for example, the significant Shenhua Watermark Mine has been recently approved by the NSW Planning Assessment Commission (PAC). A 1,500 person mining workforce accommodation facility has also been recently approved in the Shire and is set to commence work in the near future;
- Council has a history of developing and implementing **innovative solutions**. It is multi-award winning in a number of areas particularly in the IT and project management areas. These significant achievements are being leveraged by other local government organisations and private enterprise. Examples include the Tr@cer EDMS system (being on-sold to Councils nationally), the Quipolly Dam Upgrade (winner of national project management and design awards) and the Liverpool plains Asbestos Management Program ('LAMP' - winner of national awards), and the LPSC ePlanning initiative with the successful development and implementation of the Electronic Housing Code and Online DA Tracking.
- The Shire's **competitive advantages**: being located in proximity to a regional capital (Tamworth); located at the confluence of major road and rail networks in the Kamilaroi/New England Highway and the great Northern Rail Line. The Shire is located 45 mins from a major regional airport and is less than 6 hours by road to Sydney.
- A **strong sense of local identity**: This is also reflected in the community consultation activities conducted during FFTF which are summarised overleaf.
- Council's participation in the pilot **Namoi Joint Organisation**.

What did the community say?

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In response to the survey, a total 1102 residents responded—representing approximately 25% of overall eligible participants or a quarter of the surveyed population. In respect of question 2 of the survey:

The Council's current position is to stand alone. The NSW State Government has provided LPSC with two options:-

- Remain an **independent** (stand alone) Council, and work in partnership with the Namoi Councils Joint Organisation.

OR

- Merge with Gunnedah Shire Council.

Overall:

87.3% of total respondents indicated that they would prefer to **stand alone**.

8.3% of respondents indicated that they would prefer to **merge**

4.4% of respondents **did not answer** this question.

On the above basis, the FFTF submission to IPART will indicate Council's desire to remain a stand alone and independent. Notwithstanding, the identification of the costs and benefits to merging with Gunnedah Shire Council have been minimal to date. Therefore, Council will give further consideration to building into the FFTF proposal an independent analysis of the costs and benefits of a merger. A comparative examination of where each Council stands at Year 5 in its reform program versus the alternate option of a merger. Gunnedah Shire Council would need to formally agree to such a strategy.

Community consultation has been a key element of the Liverpool Plains Shire Council, in support of the evidence-based approach for the "Fit for the Future" submission. Consultation means listening. Listening properly is based on trust, good relationships and taking the time to allow people to determine how and where they want to contribute. In some cases, this meant taking extra time to seek out people who may not have had the confidence or interest to approach council directly. It also involved taking the time to talk to key individuals, groups and organisations one on one. Consultation with the community began in early March 2015. Consultation for the "Fit for the Future" project included more than 15 events which included meetings and pop up stalls across the Shire.

Consultative tools included:

- Presentations to organisations such as Lions, Rotary and Quota
- One on one meetings with key individuals and groups within the community.
- Meetings held with 355 Committees.
- Discussions held with key business owners in each village and town.
- Site specific website with all the details and updates on "Fit for the Future": <http://yoursayliverpoolplainsshirecouncil.com.au>
- A Fit for the Future hot line.
- Promotion of events and survey in the media, which included radio, print, TV, and social media. Along with advertising events and promoting the survey on the local radio stations, interviews were also conducted with ABC Radio, 88.9 and Prime Seven news. Posters and flyers were also placed strategically in each town and village along with flyers promoting "Fit for the Future" events and the survey. Flyers were also attached to community and school newsletters.
- Promotion of survey at local events including Relay for Life, Quirindi Canter, Werris Creek "Friends of the Library" monthly market stall and the Quirindi Heritage Rally.
- An online and paper-based "Fit for the Future" survey.

How will the other three criteria be addressed?

In keeping with the community's clear preference to stand-alone as a Council in a Joint Organisation (JO), Council's FFTF proposal will be based on the completion of **Template No. 2: Council Improvement Proposal**. The primary purpose of this template is for council to assess its current and projected performance against the FFTF benchmarks, and to develop strategies and actions to improve LPSC's performance against the criteria of **Sustainability, Infrastructure & Services**, and **Efficiency**. LPSC must demonstrate how it meets these criteria.

The Government has established certain measures with benchmarks for each of the FFTF criteria, which council must report against to show how it meets them. These measures and benchmarks are set out in the table below:

Fit for the Future Criteria and Measures (excluding Water and Sewer Funds)

Criteria and measure	Definition	Benchmark
1. Sustainability		
Operating Performance Ratio	$\frac{\text{Net continuing operating result (excl capital grants and contributions)}}{\text{Total continuing operating revenue (excl capital grants and contributions)}}$	Greater or equal to break-even average over 3 years
Own Source Revenue Ratio	$\frac{\text{Total continuing operating revenue (excl all grants and contributions)}}{\text{Total continuing operating revenue (incl capital grants and contributions)}}$	Greater than 60% average over 3 years
Building and Asset Renewal Ratio	$\frac{\text{Asset renewals (building and infrastructure)}}{\text{Depreciation, amortisation and impairment (building and infrastructure)}}$	Greater than 100% average over 3 years
2. Effective infrastructure and service management		
Infrastructure Backlog Ratio	$\frac{\text{Estimated cost to bring assets to satisfactory condition}}{\text{Total (WDV) of infrastructure, buildings, other structures, depreciable land, and improvement assets}}$	Less than 2%
Asset Maintenance Ratio	$\frac{\text{Actual asset maintenance}}{\text{Required asset maintenance}}$	Greater than 100% average over 3 years
Debt Service Ratio	$\frac{\text{Cost of debt service (interest expense and principal repayments)}}{\text{Total continuing operating revenue (excl capital grants and contributions)}}$	Greater than 0% but less than or equal to 20% average over 3 years
3. Efficiency		
Real Operating Expenditure	$\frac{\text{Operating expenditure}}{\text{Population}}$	A decrease in Real Operating Expenditure per capita over time

Note: WDV = written down value

What are LPSC's Options?

Based on the overwhelming community sentiment that LPSC wishes to stand alone, Council's membership in a Joint Organisation will be a pivotal component of demonstrating that it is FFTF. The ILGRP and the NSW Office of Local Government (OLG) has recommended that LPSC form part of the Namoi Pilot Joint Organisation (JO).

JO's are proposed to be a vehicle to connect ideas and priorities of local and State Governments at a regional level. They are designed to assist communities to prosper and are empowered to establish regional priorities through their following core functions:

- ♦ Strategic and sub-regional planning
- ♦ Inter-governmental relations and regional advocacy
- ♦ Information and technical exchanges between member councils
- ♦ Regional alliance of member council water utilities
- ♦ Road network planning and major projects
- ♦ Collaboration with state and federal agencies in infrastructure and service provision
- ♦ Strategic procurement (for example accessing state-wide contracts)
- ♦ Other joint activities as nominated by the member councils'

LPSC is already an active member of the Pilot Namoi JO. The Namoi JO comprises a total of seven councils: Moree Plains, Gwydir, Narrabri, Gunnedah, Liverpool Plains, Tamworth Regional Council and Walcha Shire, as generally shown on the map below:



The Namoi JO has specifically resolved into its Charter a responsibility to actively engage in a wide range of activities to ensure all of its member councils remain Fit for the Future. It is anticipated that following conclusion of a 'trial' period, JOs will become formally recognised and entrenched in legislation. The core functions enabled by this legislation are likely to be:

- ♦ Regional strategic planning
- ♦ Inter-governmental collaboration on both State and Federal levels
- ♦ Regional leadership and advocacy

The Namoi JO has already commenced the following projects:

- ♦ A Namoi Regional Investment Prospectus
- ♦ Namoi Regional Infrastructure Plan
- ♦ Namoi Regional Procurement Strategy
- ♦ Fit For the Future Strategies
- ♦ A B-Triple transport link within the Namoi Region to provide connectivity to markets.

What is LPSCs current financial sustainability rating?

In 2011, the Office of Local Government (OLG) appointed TCorp to assist them and NSW Treasury in the provision of a financial assessment and benchmarking report for each council. TCorp's key tasks in undertaking this work included:

- The creation of a definition of sustainability
- Establishment of a set of appropriate benchmark indicators
- Developing an assessment methodology including a rating scale and Outlook that could be used to compare Councils against a sustainability definition
- Reviewing both historical financial results and the long term (10 year) financial forecasts of each council.

Accordingly, in April 2013, LPSC's Financial Sustainability Rating (FSR) was determined as follows:

FSR— Weak

FSR Outlook— Negative

In the short to medium term, Council's financial position has been established by TCorp as being weak. As a consequence, TCorp has recommended that there is a need to source additional revenue such as a Special Rate Variation (SRV), to improve financial flexibility and to assist in reducing the Infrastructure Backlog to zero.

Notwithstanding the TCorp recommendations, as a first step, Council is not intending to immediately pursue a SRV. Rather, focus will be provided on achieving further efficiencies in its operations and modernising the way that it does business. This process is being referred to as an **Improvement Plan**. **However while all potential efficiencies are being pursued Council has recognized that they maybe a need for additional revenue to be raised. This revenue would be used to maintain services at the standard indicated through the community consultation process and for infrastructure to be maintained at an adequate and sustainable level. The LTFP has therefore factored in a n SRV of 3.5% in years 3, 4 and 5, if required.**

TCorp have also recommended that councils like LPSC with a Negative Outlook need to investigate options to improve sustainability including:

- Consider using debt funding to reduce the Infrastructure Backlog and improve intergenerational equity
- Devising programs and strategies to contain costs and improve efficiencies
- Improve its Asset Management Plans and integration into the Long Term Financial Plan
- Increase spending on maintenance and infrastructure renewal, balancing this with the need for capital expenditure on new assets.

The feedback from the community received during the FFTF community consultation process strongly underpins the proposed LPSC Improvement Plan. The consistent and key messages received from LPSC residents during this process were:

- ⇒ The need for LPSC to find better ways of doing business → *refer to page 7 of this document.*
- ⇒ Cost recovery of services needs to be achieved → *refer to page 8 of this document.*
- ⇒ Innovative partnerships need to be fully explored → *refer to page 8 of this document.*
- ⇒ Resource sharing options need to be examined → *refer to page 9 of this document.*
- ⇒ Service level reviews could be undertaken → *refer to page 8 of this document.*

How will the LPSC Improvement Plan Work?

The LPSC Improvement Plan will be focused around the following key elements:

- ◇ A program of **Modernisation**;
- ◇ Building **Fiscal Responsibility**;
- ◇ Introduction of a **Service Review** program;
- ◇ Investing in its **workforce** and implementing a **cultural change program**;
- ◇ Providing greater structure around the **management of capital projects**; and
- ◇ Improving its interactions with the community and focusing on **community engagement**.

An Overview of the Proposed Modernisation Program

Liverpool Plains Shire has a strong desire and motivation to be 'fit for purpose' and to play a leading role in the provision of effective and efficient local government services. LPSC wants to shift its focus towards a more strategic view of its operations by developing a high capacity organisation. This revived entity will have the requisite knowledge, creativity and innovation to enable it to manage complex change and contemporary challenges.

The LPSC modernisation agenda comprises the following key components:

1. *The modernisation of management*—by making Senior Staff more strategic in focus and managers and their staff being directly accountable for operational outcomes. Staff will be encouraged to work more collaboratively and develop and apply innovations that are focused on the achievement of timely and tangible community outcomes;
2. *Modernising corporate governance*—through strong leadership and improved decision making based on appropriate and meaningful community consultation. Consideration will be given to streamlining current meeting arrangements;
3. *Modernising service delivery*—through the provision of best value services that are strategically targeted towards the greatest needs.
4. *Modernisation of systems using technological changes*—stakeholder consultation in the rollout of improved systems enabled by use of technology.

The requisite change and modernisation process is well underway at LPSC. Staff and its elected representatives are strongly focused on the need to improve efficiencies and effectiveness. This is also evidenced from the \$615,310 in demonstrated savings that it has made in the past 2 years. Council considers that it needs to significantly improve its financial and performance reporting. Whilst significant recent investment has been made, an ongoing commitment has been given to investing in new integrated financial and corporate reporting systems. Council has allocated an additional funding of \$80,000 in 2015/2016.

ACTION PLAN — Modernisation

STRATEGY	KEY MILESTONE	OUTCOME
Establish agreed core business functions	2015/2016	Policy position developed.
Identify & scope organisational corporate improvement requirements with the assistance of key stakeholders	2015/2016	Clearly identified and agreed project goals
Tendering & implementation	2016/2017	Corporate systems installed on time & within budget.

An Overview of the Proposed Fiscal Responsibility Program

Liverpool Plains Shire Council is committed to securing of its financial capacity and long term sustainability. The key to financial sustainability is by Council being committed to achieving and maintaining financial sustainability. More money is not always a panacea to solve financial problems. An additional commitment is needed to build technical knowledge and financial understanding of both staff and elected members. Council acknowledges that its decisions about service levels and revenue raising are critical factors in long term financial performance.

To often staff see their financial management responsibilities as primarily to ensure compliance with legislative requirements. Optimisation of outcomes and ensuring that decision makers are aware of the long-term implications of decision making are often overlooked.

The LPSC fiscal program agenda comprises the following ten (10) key components:

1. Break even annual operating positions;
2. Ensuring that any rate increases meet underlying costs as well as annual growth in expenditures;
3. Medium-term pricing paths for any ongoing adjustments to rates and charges;
4. Smart strategic planning processes and 'real world' documents;
5. Asset management planning prioritised and directly linked to the long term financial plan;
6. Councillor and management capacity and expertise developed and maintained;
7. Sound policies and guidelines around smart growth and use of restricted assets;
8. Smart use of borrowings for infrastructure when justified through a rigorous capital expenditure review and identification of revenue sources to meet any loan repayments;
9. Good accounting and fully integrated financial systems; and
10. Good-quality performance reporting systems to measure performance and operational efficiencies.

To embed LPSC's new fiscal responsibility agenda Council will introduce the following requirements

- Include measures to promote efficiency improvements, productivity gains and fiscal responsibility measures;
- Ensure a fair and reasonable distribution of the rate burden across categories of ratepayers;
- Seek out all avenues to increase funding for infrastructure maintenance and renewal (where backlogs have been identified);
- Soundly justify any proposed increases in service levels or creation of new assets. These will be based on community consultation to determine desired service levels;
- Give effect to long-term financial and asset management plans prepared in full compliance with integrated Planning and reporting (IP&R) requirements;
- Establish reasonable timeframes as a revenue path for all categories of rates linked to specific proposals for infrastructure and services; and
- Contribute effectively to progressive elimination of an operating deficit.

The above items will be incorporated into a series of financial policies to guide its fiscal responsibility agenda. This mechanism will ensure conflicts, inconsistencies and gaps are identified in Council's approach to financial management. The following specific actions are proposed:

ACTION PLAN — Fiscal Responsibility

STRATEGY	KEY MILESTONE	OUTCOME
Adopt a range of new financial policies including Fiscal Responsibilities Principles and Restricted Assets	2015/2016	Policy framework to institutionalise fiscal responsibility
Formal implementation of a Councillor professional development program	Ongoing	Councillors having the information, skills and resources to undertake their roles and responsibilities effectively

An Overview of the Proposed Service Review Program

Liverpool Plains Shire Council is committed to improving its services. Council will introduce systematic and formal reviews of its services, both internally and externally, with the primary purpose of identifying and implementing service delivery improvements.

The LPSC service review program agenda includes the following key components:

1. *Conducting efficiency reviews* — through an Efficiency Review Group to conduct a full review of key operations commencing in 2015/2016. This efficiency analysis will be based on best practice concepts including zero based budgeting. The Group will comprise of nominated Councillors and staff and will address two (2) targeted areas each financial year.

Efficiency Works Pty Ltd (www.efficiencyworks.com.au), an accredited training company, have been recently engaged by LPSC to conduct Competitive Business System Training for 48 members of Council staff. The training program will focus on lean simulations, value stream mapping, problem solving, management strategies and change management fundamentals

2. *External service reviews* — to ensure best value external service delivery
3. *Leveraging better value services* —through the Namoi Joint Organisation (JO) and resource sharing activities with adjoining Councils. Evidence suggests that operating costs can be reduced by smart resource sharing and/or shared administration. Extensive resource sharing through regional organisations or Sub-Regional Alliances has proven to be successful for many councils. There is a wide range of possible activities for resource sharing, including:

- Community Strategic Plans
- Shared administrative services (including the sharing of senior/professional staff)
- A wide range of 'back office' governance functions
- Strategic financial planning & management
- Contract negotiation & management
- Procurement
- Library services
- Road network planning & major projects
- Engineering design & infrastructure project management
- Non-operational functions of local water utilities (strategic planning & management)
- Land use planning, development control, health & environmental regulation
- Tourism & economic development
- Children & aged services
- Regional alliances of local government water utilities

4. *Internal service reviews*— a review of existing Council corporate functions. A review of all committee functions (including section 355 committees) will be conducted. Options for improved cost recovery in service provision will be explored as well as optional service delivery models. There will also be a focus on building community capacity and Council will continue to work with communities to further identify which services are the most important, and those that are less important, or could be delivered to a revised standard.

ACTION PLAN — Service Review Program

STRATEGY	KEY MILESTONE	OUTCOME
Establish the Efficiency Review Group	2015/2016	Group operational
'Efficiency works' training conducted with key LPSC personnel	2015/2016	Training completed
Review two (2) operational areas per financial year	2015/2016 and ongoing	Completed efficiency reviews that meet defined targets
Resource sharing with adjoining Councils for key technical areas	2015/2016 and ongoing	Explore & implement resource sharing opportunities
Review of all Committee structures in consultation with key stakeholders	2015/2016	Committees reviewed and changed implemented

An Overview of the Proposed Workforce & Cultural Change Program

Liverpool Plains Shire Council has identified the need to improve the strategic directions of its Workforce Management Plan in order to build an organisational culture that will meet the challenges of being Fit for the Future.

There is a need to urgently modernise its organisational structure. In the first instance it will review the Community Strategic Plan (CSP) and corresponding Delivery Plan. The new structure will be consistent with the priorities set out in these plans.

Council recognises that it must make an urgent commitment to being an employer of choice and invest in efforts to improve its efforts surrounding Human Resource (HR) management. In this regard, opportunities for resource sharing with the adjoining Gunnedah Shire Council are currently being explored. New consultative systems and knowledge sharing initiatives are also being progressively developed with the view of forging stronger partnerships and collaborations within the organisation. Staff will need to be an integral part of these solutions and engaged throughout this process.

The quality of management at LPSC needs to be a core focus. LPSC recognises that it needs to ensure that managers have appropriate technical and professional skills AND possess desirable leadership qualities.

There is an identified need to capture and document corporate knowledge across the organisation. In accordance with the 2013 TCorp recommendations, in order to improve its long term sustainability, Council will need to ensure that it has quality management and staff and maintains a long term vision. This is reflected in Council's concurrent preparation of its FFTF submission and the ten (10) year financial plan.

ACTION PLAN — Workforce & Cultural Change

STRATEGY	KEY MILESTONE	OUTCOME
Review the Community Strategic Plan & Delivery Plan	2015/2016	CSP & Delivery Plan review completed
Develop & implement a change management program	2015/2016	Program developed & implemented
Complete the review of the LPSC Organisational Structure cognisant of resource sharing opportunities	2015/2016	Review complete & changes implemented
Review Council's salary system	2015/2016	Salary system is Award compliant, market competitive and meets needs
Review the LPSC Workforce Management Plan	2015/2016	Workforce Management Plan review complete
Link strategic outcomes to performance objectives of senior staff and managers	2016/2017	Management accountable for performance against strategic outcomes
Identify opportunities for addressing skill shortages through the offering of traineeships & cadetships	2016/2017	Opportunities identified and implemented
Identify skill gaps within the work force and develop an appropriate training plan.	2015/2016	Council wide training plan developed.

An Overview of the Proposed Capital Projects Management Program

The effective management of capital expenditure is crucial due to Council's historical underperformance during the previous TCorp review process. Considerable inroads have been made to breaking down internal communication barriers, particularly between Departments, in respect to asset management.

A review of asset management processes is currently underway. The integration of asset management systems with financial planning processes is significantly advanced. The commitment to this process is also demonstrated in the ongoing allocation of funding to manage this process in the Long Term Financial Plan. It is also intended to have this process independently audited.

Council will continue to ensure that practical and realistic asset management requirements will be reflected in budgets and financial forecasts. As part of this process, an integrated process will be delivered to ensure that all projects have sufficient reserves.

Budgetary pressures and increasing community expectations means that Council must ensure that capital projects are properly scoped and more effectively delivered. As part of Council's new fiscal responsibility agenda is the introduction of a new Capital Projects Guidance Procedure for all capital projects. Such a framework is envisaged to include the following major elements:

- *An initial strategic assessment*—is the project consistent with Council's Community Strategic Plan?
- *Development of a business case*—is there a compelling case for investment? Budgetary considerations? What are the recurrent costs?
- *Project development*—what are the project resourcing requirements? What approvals are required? Is there a suitable/desirable site?
- *Tender process*— selection, definition and evaluation of tender processes. Ensure tendering processes following adopted Policy (such as local procurement policies) and industry best practice guidelines (wherever available).
- *Contract Management*—Development and implementation of the contract management system for the construction phase.
- *Project Review*— Evaluation of the project outcomes and assessment of benefits.

ACTION PLAN — Capital Projects Management

STRATEGY	KEY MILESTONE	OUTCOME
Extend the principles of the Local Government Capital Expenditure guidelines to encompass projects less than \$10m whilst developing a tailored capital projects guidance procedure & framework	2015/2016	Procedure that is appropriately reflected in Policy
Integration of financial asset management systems with financial planning processes	2015/2016	Complete integration

An ongoing commitment to community engagement

During the FFTF consultation processes, the overwhelming community feedback was the need to maintain and enhance its communications and interactions with the community. There was also a clear desire for Council to be more **collaborative** and work in partnership with the community.

Council is keen to build on the considerable recent community consultation efforts by:

- Meeting with the community more frequently in an 'informal' fashion throughout the Shire—Councillors and Directors have committed to meeting with communities on an ongoing basis in various villages and townships
- Maintaining the FFTF website in perpetuity: <http://yoursayliverpoolplainsshirecouncil.com.au/>
- Developing internal staff communications skills through additional staff training
- Regularly and meaningfully engaging with the community and ensuring that the outcomes of those consultations are reported back to the communities
- Maintaining and enhancing key stakeholder relationships

ACTION PLAN — Community engagement

STRATEGY	KEY MILESTONE	OUTCOME
Training of key personnel in customer service & communications management	2015/2016	All key personnel trained
Development of formalised & integrated consultation structures	2015/2016	Policies developed & implemented
Progressive development of improved community reporting structures	2015/2016	Support systems developed & implemented

How will we measure success?

Liverpool Plains Shire Council is intending to adopt a proactive role in the oversight and monitoring of its performance and compliance with all of its proposed reforms and initiatives adopted and contained within its 10 year FFTF proposal.

Council is intending to report progress on becoming FFTF on a regular basis. This information will be contained in the Annual Report. It is also Council's understanding that the Auditor General will be tasked with the responsibility of periodically assessing individual council performance as part of its new auditing role for the Audit Office of NSW.

Council is also fully committed to a further independent review of performance by adopting a review milestone whereby TCorp (or other similar organisation) would undertake a review of Council's progress in the 5th year of Council's performance in achieving the stated FFTF outcomes.

The following additional measures will be used to measure our success:

1. Core services will be adequately funded and encompass a range that is responsible in a rural location and can be funded from recurrent, untied reserves.
2. Core services will be clearly defined and understood, as are those services that are considered discretionary or are provided on behalf of third parties.
3. LPSC will have sufficient cash reserves to cover its needs for adequate working capital and restricted assets. Its cash flow will be reliable and adequate for its operational needs.
4. A core of permanent staff will be supplemented by outsourced and shared services and resources. LPSC will be regarded as an excellent example of a mixed services model delivering services through in-house resources and outsourced solutions.
5. LPSC will be compliant with all of its regulatory and statutory obligations and good governance will be considered the default position by councilors, management and staff.
6. The council, as an organisation will exhibit contemporary good practice in contract and project management, both as a purchaser of services and in the delivery of services for others.
7. The Council's financial management and financial systems will deliver accurate and reliable information on a timely basis for decision-making purposes and that information will be used effectively.
8. Decision will be made with due regard to financial sustainability and long term implications, among other factors.
9. LPSC will engage with its community, and conversely, Council will endeavor to educate and inform the community on Council's role, its opportunities and constraints.

ACTION PLAN — Measuring success

STRATEGY	KEY MILESTONE	OUTCOME
Commission TCorp to review Council's progress in achieving the FFTF Improvement Plan & establish new sustainability benchmarks	2021/2022	Independent analysis of progress and status of sustainability
Preparation of a FFTF Review Report (incorporating items 1—9)	2021/2022	Completed report with recommendations implemented