



**Local Excellence**

Councils Working Together for Communities

*Financial Sustainability*

# Information Paper 26

## **Service Range and Levels**

January 2012



## Introduction

This Information Paper is one of a series of Information Papers about Financial Sustainability and Financial Governance in Local Government.

The series of Information Papers was originally published in 2006 to 2011 as part of the Financial Sustainability Program. The history of that program and a complete list of Information Papers and other resources, including a glossary of terms and abbreviations, is provided on the LGA's "Financial Sustainability" web page: <http://www.lga.sa.gov.au/goto/fsp>.

The entire series of Papers was revised in early 2012 to take account of legislative changes and other developments. These Papers are addressed to, and written primarily for the benefit of Council Members and staff, but they are also available as a resource for the general public and students of Local Government.

This Information Paper, No. 26 in the series, was newly released in January 2012 to coincide with the revision of the previous papers.

## What is a Council service?

Services are provided to carry out a Council's functions and objectives.

Local Government's functions and objectives are set out in Sections 7 and 8 of the [Local Government Act 1999](#) ("the Act").

Section 8, in particular, gives Local Government a wide discretion to provide services, in order to meet its objectives:

### **8—Objectives of a council**

*A council must, in the performance of its roles and functions—*

...

*(b) be responsive to the needs, interests and aspirations of individuals and groups within its community;*

...

*(i) seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to its services, facilities and programs.*

Sections 122 and 123 of [the Act](#) also make reference to a Council's services, in the contexts of a Council's strategic management plans, and annual business plan.

Accordingly, a Council "service" could be defined as any specific activity undertaken by a Council for the benefit of the whole community or a particular sector of the community.

The scope and nature of services varies significantly across Councils and is primarily determined by the direction provided by a Council's strategic management plans and associated annual business plan, and in response to the needs of a Council's community.

There is occasionally some misunderstanding about whether "delivering services" is an activity different or distinct to the activity of "maintaining assets" such as roads, footpaths, bridges and drains. The maintenance of assets is not itself a service to a community. Rather it is the assets themselves that deliver services. For example, the existence of a road provides a service to motorists, cyclists and pedestrians. The quality of the service and the

cost-effectiveness of the service that the asset delivers will differ according to the choices that a Council makes: for example when and how a road is graded or re-sealed.

It is for the Council to decide (in its policies) both the *range* and *level* of the services it will provide. A wide range of typical Council services is listed at Attachment A.

### **Classifying services: more than one list needed**

A Council might choose to classify its services in one or more various ways. For example, a listing of all the services that a Council provides might choose to distinguish between:

- Statutory services that Council is required by law to provide, and discretionary services that Council chooses to provide;
- Regulatory and non-regulatory services;
- Core services; and non-core services;
- By beneficiary:
  - Council services which are provided across the whole of the Council area, or only in selected locations;
  - Council services which citizens *choose* to access as the need arises
  - Council services which citizens are *required* to accept as the need arises or depending on circumstances
- 'Public goods' vs. Private' goods;
- Primary and secondary services.<sup>1</sup>

### **Means of service delivery**

Section 8 of [the Act](#) (Objectives of a council) states:

*"A council must, in the performance of its roles and functions—  
(h) seek to ensure that council resources are used fairly, effectively and efficiently".*

To use resources "fairly, effectively and efficiently" Councils have a number of service delivery models and options available. These models and options are discussed in Financial Sustainability Information Paper No. 7: *Service Delivery Framework and the Role of Shared Services*.

### **Two levels of policies**

Determining policies for Council services requires two stages.

First, determining which services will be provided. This requires a high-level strategic policy on the Council's *range* of services.

Second, for each service that the Council chooses to provide, the Council should adopt a separate service *level* policy.

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<sup>1</sup> Apart from the first distinction (between statutory and discretionary services) the other classifications are optional; merely alternative ways that a Council might choose to categorise the services that it provides. This Paper suggests using firstly the distinction between statutory and discretionary services, and then a further distinction between 'primary discretionary' and 'secondary discretionary' services.

## **Service Range Policy**

A Council should begin by nominating its statutory services: the ones it is required by law to provide. See the list at Attachment A.

A second list can then be made of the services that the Council has a discretion to provide, and chooses to provide as its highest priorities (“primary discretionary services”).

A third list can also be made of the services that the Council wishes to provide, subject to budgetary constraints, public demand and other factors (“secondary discretionary services”). The services that a Council might wish to consider on its primary and secondary discretionary lists can be drawn from the wide range at Attachment A, or other potential services.

There will also be potential services (including some of those on the ‘discretionary’ list at Attachment A) that the Council will choose not to include on any list, because they will be perceived as being of a lower priority and the Council is not likely to have sufficient resources to fund all of the services that its community requests.

One of the purposes of this high-level, strategic policy is to prioritise, for both the Council and its community, the services that the Council regards as the most important, those which are desirable but less important, and those which are of a lower priority and hence will not be provided at present.

The *Service Range Policy* need not specify the level to which each service will be provided nor the means that will be adopted to deliver the service. It is intended to be a statement of the Council’s major priorities in servicing its community.

A Model *Service Range Policy* is provided at Attachment B. This Policy is a basic example only. Service Range Policies are likely to vary considerably from one Council to another.

## **Service Level Policy for each Service**

For each one of the services on the:

- Statutory, required list; and the
- Primary discretionary services list

in the ‘*Service Range Policy*’ the Council should develop a separate policy, describing the *level* of service that it intends to provide for that service.

These policies will need to be revised from time to time, to acknowledge:

- changes in the Council’s strategic management plan and hence shifting priorities for the Council;
- the changing affordability of each service and changes in a council’s overall financial capacity;
- public demand and the results of public consultation (for example on draft annual business plans);
- the impact of any changes in relevant legislation;
- any new technology or methods that may become available to deliver the relevant service; and
- any other relevant changes.

Each policy would need to be adopted by the Council and then effectively communicated to its community, acknowledging the public input into development of the policy. This is an important part of a Council's commitment to accountability and transparency.

Three model service level policies are provided as Attachments:

- Attachment C1: Model Service Level Policy on Road Maintenance;
- Attachment C2: Model Service Level Policy on Waste Collection and management;
- Attachment C3: Model Service Level Policy on Library services.

These three Model Service Level Policies are examples only. Service Level Policies may vary considerably from one Council to another.

The major benefit of developing and adopting these policies is that it will allow Councils to make better informed and more objective decisions on budget matters related to service levels. When setting the Council's annual business plan, the Council will need to take account of its Service Range Policy and each one of its Service Level Policies, to ensure that its own stated priorities for services are reflected in the spending priorities in the annual business plan.<sup>2</sup> Likewise, when setting service levels in Service Level Policies, the Council should be aware of the financial implications of any decision to vary service levels.

### **Reporting Service Level Performance**

A Council may choose to include, in its annual business plan, specific targets drawn from its Service Level Policies. This may be followed up in the Council's annual report, with a report on the Council's actual performance against its service level targets.

The use of specific, measurable targets, in the annual business plan would give residents and ratepayers frames of reference to assess how well services are delivered, and the degree of accomplishment of the Council's objectives set out in its annual business plan.

Of course, a number of external and internal factors may influence service performance. If applicable, these other factors can be described in the Council's annual report.

### **Acknowledgements**

The contribution of Terry Bruun, Principal Consultant, Sustainable Outcomes in the preparation of this paper is acknowledged.

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<sup>2</sup> See LGA Financial Sustainability Information Paper No. 13 *Annual Business Plan* at <http://www.lga.sa.gov.au/goto/fsp>.

## List of typical Council services

<b>Statutory, Required Service</b>	<b>Sub-categories of services</b>
<b>Built environment management</b> <i>Development Act 1993</i>	Land use planning Development assessment Building assessment and inspection
<b>Environmental Health</b> <i>Public and Environmental Health (Legionella) Regulations 2008</i>	Monitoring cooling towers for Legionnaire's Disease
<b>Animal Services</b> <i>Dog and Cat Management Act 1995</i>	Dog and cat management
<b>Public safety</b> <i>Fire and Emergency Services Act 2005</i> <i>Development Act 1993</i>	Bushfire prevention planning Building inspection for fire prevention
<b>Discretionary Services</b>	<b>Sub-categories of services</b>
<b>Animal Services</b>	Control of pest animals and plants
<b>Public Health</b>	Monitoring of insanitary conditions Food safety inspections
<b>Arts and cultural services</b>	Arts and cultural centres Arts festivals or arts events Heritage advice
<b>Services from infrastructure</b>	Vehicle passage on roads and bridges Pedestrian passage on footpaths Stormwater drainage Aircraft landing site
<b>Community amenities</b>	Public toilets Bus shelters Cemeteries
<b>Community services</b>	Home and Community Care Community transport Aged care Nursing homes Community centres Community development Youth activities Child care Immunisation

<b>Discretionary Services</b>	<b>Sub-categories of services</b>
<b>Community Wastewater Management</b>	Wastewater treatment and disposal
<b>Customer services</b>	Responses to phone calls Responses to in-person visitors Responses to emails Responses to physical post Provision of printed information Provision of on-line information
<b>Economic Development</b>	Employment /Training Programs Business support Tourism facilities Tourism information and support
<b>Environmental (natural) management</b>	Landcare programs Coastal protection Climate change initiatives
<b>Libraries</b>	Provision of printed books, magazines
	Provision of e-books and magazines
	Provision of public internet services
	Provision of school holiday library programs
<b>Public safety</b>	Control of public nuisances Street lighting Regulation of Dry zones Crime prevention
<b>Recreation</b>	Reserves, parks and gardens Playgrounds Public swimming pools Cycling tracks Skate parks
<b>Traffic management</b>	On street parking Off street parking "Road calming devices"
<b>Waste management</b>	Rubbish collection Recycling Rubbish disposal Street cleaning
<b>Water resources management</b>	Wetlands Local area water catchment plans

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## SERVICE RANGE POLICY

### INTRODUCTION

In determining what services to provide to its community, the Council takes account of:

- legislative requirements that require the Council to provide certain services;
- consultation with the community;
- the Council's strategic management plan;
- the need for long-term financial sustainability; and
- the resourcing and income that may be associated with desired services.

These are services that the XXXXX Council will deliver at levels which are affordable having regard to Council's financial sustainability targets'. For each of these:

- statutory required services; and
- primary discretionary services,

the Council will develop and publish a separate service level policy, describing the level of service that the Council intends to provide.

### STATUTORY REQUIRED SERVICES

#### Built environment management

1. Land use planning
2. Development assessment
3. Building assessment and inspection

#### Environmental Health

4. Monitoring cooling towers for Legionnaire's Disease
5. Dog and cat management

#### Public safety

6. Bushfire prevention planning
7. Building inspection for fire prevention

## **PRIMARY DISCRETIONARY SERVICES**

### Services provided by Infrastructure

8. Sealed roads in townships, and unsealed roads outside townships
9. Footpaths in township areas in the towns of AAAAAA, BBBB, CCCCCC and DDDDD
10. Stormwater drainage to township areas in the towns of AAAAAA, BBBB, CCCCCC and DDDDD
11. Bridges to carry Council roads over waterways

### Community services

12. Home and Community Care
13. Community transport in the towns of AAAAAA and BBBB
14. Immunisation

### Community Wastewater Management Scheme

15. CWMS services in three regions: XXXXX, YYYYY and ZZZZ

### Responsiveness to public inquiries

16. In person at Council offices at AAAAAA and BBBB, as well as by phone and on the internet

### Arts and culture

17. Annual XXXXX Music Festival

### Economic Development

18. Tourism information and support at AAAAA

### Environmental Health

19. Food safety inspections

### Libraries

20. Providing library services at AAAAA and BBBB

### Recreation General facilities

21. Maintenance of existing reserves, parks and gardens in the towns of AAAAAA, BBBB, CCCCCC and DDDDD

### Waste management

22. Collection of waste and recyclables from the township areas of AAAAAA, BBBB, CCCCCC and DDDDD

## **What will Council provide?**

For each of the above services, the corresponding *Service Level Policy* will clearly express:

- the level of service the community can expect from the service;
- Council's role and responsibility in the delivery of the service;
- Means of delivery of the service; and
- How operating revenue will be raised to offset operating expenses associated with service provision.

The service levels expressed in each of the above *Service Level Policies* will:

- be based on community consultation
- recognise the importance of Council's long term financial sustainability
- take into account the limited resources available to Council
- provide the direction for other relevant plans developed by Council
- be subject to review as circumstances change.

The respective *Service Level Policies* will not include the annual cost of providing the service at the nominated level, because these costs will vary over time. However, the Council will strive to maintain the designated levels of service in the most cost-effective manner.

In compiling its annual business plan, and determining the resources necessary for each financial year, the Council will refer to its *Service Level Policies*.

The Council will keep under review the cost of providing each service, to the levels specified in its *Service Level Policies*, and will take into account the financial implications for Council's other services, and the impact on Council's operating surplus/deficit.

Council's performance in meeting the specified levels of service will be included in its Annual Report.

## **SECONDARY DISCRETIONARY SERVICES**

These are services that the XXXXX Council will deliver, at levels which ensure the long term financial sustainability of Council, but without a designated service level policy for the service.

### **Services provided by Infrastructure**

- 23. one airstrip to service XXXXX town and surrounds

### **Community amenities**

- 24. Public toilets in the towns of AAAAAA, BBBBBB, CCCCCC and DDDDDD
- 25. Street cleaning in the towns of AAAAAA, BBBBBB, CCCCCC and DDDDDD

### **Cemeteries**

- 26. Provision for burial and memorialising cremated remains in public cemeteries at AAAAAA and BBBBBB

### **Environmental (natural) management**

- 27. Landcare programs
- 28. Local area water catchment plans

### **Traffic management**

- 29. Enforcing on-street parking limits within the town centre of AAAAAA and BBBBBB
- 30. Provision of off-street parking in the commercial area of AAAAAA and BBBBBB

### **Public safety**

- 31. Monitoring of insanitary conditions
- 32. Control of public nuisances
- 33. Street lighting
- 34. Enforcing a dry zone on the foreshore at CCCCCC

### **Recreation facilities**

- 35. Maintenance of a swimming pool at BBBBBB.
- 36. Maintenance of a cycling path between AAAAAA and BBBBBB

Council is committed to delivering each of these services at levels that are affordable and consistent with the achievement of Council's long-term financial sustainability targets, taking into account both the needs and preferences of its community for the various services and Council's financial constraints.

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## **ROAD SERVICES**

# **SERVICE LEVEL POLICY**

### **INTRODUCTION**

#### **1) INTRODUCTION**

Council *ABCD* provides a comprehensive public road network and maintains a publicly-accessible public road register.

The roads provide a service to motorists and other road users. Council is committed to maintaining these services, at levels which meet:

- community expectations and
- technical measures of performance.

This policy sets out the service levels for the services that the roads will provide. The service levels take into account targets established for Council's financial performance and other competing demands for Council's financial resources.

#### **2) LEGISLATIVE CONTEXT**

The *Local Government Act 1999* provides that:

- “All public roads in the area of a council are vested in the council” (Section 208(1))
- “A council may carry out roadwork in its area” (Section 212(1)).

As public roads are vested in a Council, the legislation confers a power on a Council to maintain these assets. The maintenance permits the roads to continue providing a service to road users.

#### **3) POLICY OBJECTIVES**

The Council classifies its roads into four categories:

1. Arterial sealed roads (500 or more vehicle movements per day, on average)
2. Minor sealed roads (fewer than 500 vehicle movements per day),
3. Primary unsealed roads (250 or more vehicle movements per day, on average)
4. Other unsealed roads (fewer than 250 vehicle movements per day)

by means of which varying levels of service are provided.

The service levels for each category of road may be measured in two ways:

- Community levels of service; and
- Technical measures of performance.

<b>ARTERIAL SEALED ROADS</b>			
<b>Category</b>	<b>Service Measure</b>	<b>Attribute</b>	<b>Council's Service level *</b>
<b>Community levels of service</b>	Quality	Provide a smooth ride	
	Function	Meets user requirements for accessibility	
	Safety	Reduce hazards and increase safety	
<b>Technical levels of service</b>	Condition	Provide a smooth ride	
		Maintain seal	
	Cost effectiveness	Proactive maintenance	
	Safety	Provide a safe road network	

<b>MINOR SEALED ROADS</b>			
<b>Category</b>	<b>Service Measure</b>	<b>Attribute</b>	<b>Council's Service level *</b>
<b>Community levels of service</b>	Quality	Provide a smooth ride	
	Function	Meets user requirements for accessibility	
	Safety	Reduce hazards and increase safety	
<b>Technical levels of service</b>	Condition	Provide a smooth ride	
		Maintain seal	
	Cost effectiveness	Proactive maintenance	
	Safety	Provide a safe road network	

<b>PRIMARY UNSEALED ROADS</b>			
<b>Category</b>	<b>Service Measure</b>	<b>Attribute</b>	<b>Council's Service level *</b>
<b>Community levels of service</b>	Quality	Provide a smooth ride	
	Function	Meets user requirements for accessibility	
	Safety	Reduce hazards and increase safety	
<b>Technical levels of service</b>	Condition	Provide a smooth ride	
	Cost effectiveness	Proactive maintenance	
	Safety	Provide a safe road network	

<b>OTHER UNSEALED ROADS</b>			
<b>Category</b>	<b>Service Measure</b>	<b>Attribute</b>	<b>Council's Service level *</b>
<b>Community levels of service</b>	Quality	Provide a smooth ride	
	Function	Meets user requirements for accessibility	
	Safety	Reduce hazards and increase safety	
<b>Technical levels of service</b>	Condition	Provide a smooth ride	
	Cost effectiveness	Proactive maintenance	
	Safety	Provide a safe road network	

\* to be added by Council

#### **4) MEANS OF DELIVERY OF THE SERVICE**

Council will deliver its road service standards by employing road maintenance staff, and engaging contractors as required.

#### **5) HOW THE SERVICE IS FUNDED**

Operating expenses associated with Council's road services are funded by general rates revenue, and grants received.

#### **6) POLICY STATEMENTS**

The service levels expressed in this policy:

- are based on community consultation;
- recognise the importance of Council's long term financial sustainability;
- take into account the limited resources available to Council;
- provide the direction for other relevant plans developed by Council; and
- are subject to review as circumstances change.

Council's performance in meeting the specified levels will be reported on an annual basis.

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## **WASTE AND RECYCLING COLLECTION SERVICE LEVEL POLICY**

### **1) INTRODUCTION**

Council ABC provides a waste and recycling kerbside collection service to residents and businesses in the townships of AAAAA, BBBB, CCCC and DDDD. Council also provides transfer facilities for waste and recyclables outside those four towns.

In determining service levels for its waste and recycling services, Council has taken into account targets established for its financial performance and other competing demands for Council's financial resources.

### **2) LEGISLATIVE CONTEXT**

Waste collection is one of the functions of a Council listed at section 7 of the *Local Government Act 1999*. Section 155 of that Act states that "the collection, treatment or disposal (including by recycling) of waste" is a "prescribed service" for which the Council may impose an annual service charge on both rateable and non-rateable land.

### **3) POLICY OBJECTIVES**

The Council will provide services within the towns of AAAAA, BBBB, CCCC and DDDD; and services outside those towns, as specified in the table on the following page.

### **4) MEANS OF DELIVERY OF THE SERVICE**

Council will deliver its waste and recycling collection services by contracting with the XXXXX Regional Waste Management Authority.

### **5) HOW THE SERVICE IS FUNDED**

Council's waste and recycling collection services within the townships of AAAAA, BBBB, CCCC and DDDD are funded by an annual service charge on the properties that benefit from the service.

Services available to the properties located outside those four towns are funded by general revenue. The Council will not impose user charges for those services.

<b>Services inside towns of AAAAA, BBBBB, CCCCC and DDDDD.</b>	
<b>Service attribute</b>	<b>Level of service</b>
Collection – waste	Weekly, 52 collections per year 140 litre bin
Collection – recyclable material	Fortnightly, 26 collections per year 240 litre bin
Collection – garden waste	Four-weekly, 13 collections per year 240-litre bin
Hard rubbish	Free pick-up within 7 days of request; up to two times per year
Complaints	Council will respond to a complaint within 72 hours. Council will ensure that 90% of missed collections are dealt with within 48 hours.

<b>Services outside towns of AAAAA, BBBBB, CCCCC and DDDDD.</b>	
<b>Service attribute</b>	<b>Level of service</b>
Waste transfer facilities	Domestic and household waste may be deposited in marked “waste” skip bins at one of three different sites: <ul style="list-style-type: none"> <li>• Corner of XXX Road and YYY Road</li> <li>• Corner of ZZZ Rd and AAA Road</li> <li>• Waste Transfer Station, RRRRR Street, CCCCC.</li> </ul>
Recyclable materials	Recyclable materials may be deposited into marked “recyclables” skip bins at the same three sites.
Hard rubbish	Free pick-up within 10 days of request, up to two times per year
Complaints	Council will respond to a complaint within 72 hours.

## **6) POLICY STATEMENTS**

The service levels expressed in this policy:

- are based on community consultation;
- recognise the importance of Council’s long term financial sustainability;
- take into account the limited resources available to Council;
- provide the direction for other relevant plans developed by Council; and
- are subject to review as circumstances change.

Council’s performance in meeting the specified levels will be reported on an annual basis.

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## **LIBRARIES**

### **SERVICE LEVEL POLICY**

#### **1) INTRODUCTION**

Council ABC provides a library service including two ‘static’ libraries at AAAA and BBBB, as well as a home library service for those unable to leave their house due to illness, a disability or lack of transport.

In determining these service levels, Council has taken into account targets it has established for its financial performance and other competing demands for Council’s financial resources.

#### **2) LEGISLATIVE AND POLICY CONTEXT**

Council’s libraries are subject to the *Libraries Act 1982* and the One Library agreement that enables members of any South Australian Council library to access services at any other Council library.

#### **3) POLICY OBJECTIVES**

The Council will provide services at two static locations and with a mobile library as specified in the table on the following page.

#### **4) MEANS OF DELIVERY OF THE SERVICE**

Council will deliver its library service at two static locations in AAAAAA and BBBBBB and with a mobile library van.

#### **5) HOW THE SERVICE IS FUNDED**

Council’s library services are funded from general revenue, and subsidies from the State Government under a ten-year funding agreement signed in 2011. The Council will not impose user charges for library services.

#### **6) POLICY STATEMENTS**

The service levels expressed in this policy:

- are based on community consultation;
- recognise the importance of Council’s long term financial sustainability;
- take into account the limited resources available to Council;
- provide the direction for other relevant plans developed by Council; and
- are subject to review as circumstances change.

Council’s performance in meeting the specified levels will be reported on an annual basis.

Service attribute	Level of service
'Static' library at AAAAA	<ul style="list-style-type: none"> <li>• Opening hours: Mon-Fri 10am to 6pm</li> <li>• Saturday 10 am to 4pm</li> <li>• Sunday 11 am to 3pm</li> <li>• Collection includes printed, electronic and audio books, music, movies, toys and internet services books, reference material, magazines, toys, CDs, and DVDs</li> <li>• Specialist services include:                             <ul style="list-style-type: none"> <li>○ a children's library;</li> <li>○ toy library</li> <li>○ school holiday program of children's activities</li> <li>○ large-print books for the sight-impaired.</li> </ul> </li> </ul>
'Static' library at BBBBB	<ul style="list-style-type: none"> <li>• Opening hours: Mon-Fri 10am to 6pm</li> <li>• Saturday 10 am to 4pm</li> <li>• Sunday: closed</li> <li>• Collection includes printed and audio books, music, movies, and internet services</li> <li>• Specialist services include:                             <ul style="list-style-type: none"> <li>○ large-print books for the sight-impaired.</li> </ul> </li> </ul>
Home library	Operates 4 days per week. A visit may be booked up to 14 days in advance. Items may be requested from either of the static libraries.