



Local Government Association
of South Australia

The **Voice**
of Local
Government

GUIDE TO PREPARING A STRATEGIC MANAGEMENT PLAN

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Local Excellence
Councils Working Together for Communities

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1. Introduction

This guide updates and builds on “Approaches to Strategic Management Planning in Local Government” which was released by the LGA in 1999, when Strategic Management Plans (SMPs) were first embedded in what was then the new [Local Government Act 1999](#) (the Act). It has been developed for the LGA by Starr Solutions Management and Consulting, following assessment of over 40 sets of SMPs in use in South Australian Councils.

The document is focused on providing basic information and practical tips for Councils with limited resources. The aim is to assist the development and review of Strategic Management Plans which:

- balance aspirations with the realities of their environment;
- meet legislative requirements;
- are reflected and used in the day to day activities of Council; and
- integrate well with other management plans, Annual Business Plans (ABPs) and Annual Reports (ARs).

Strategic Management Plans are a key interface between Elected Members’ primary policy setting role and Officers in Councils delivering outcomes based on Council policy. While this guide will assist Elected Members to appreciate the importance of well developed SMPs, it is aimed primarily at Chief Executive Officers (CEOs) and senior staff responsible for managing the process of developing SMPs and ensuring that they become the principal influence on everyday decision making and outcomes.

1.1. Terminology

“Strategic management planning” is the comprehensive term used in the Act and in this guide. Most of the naming conventions employed here are commonly used in Councils, but are not universally adopted. The content of a Council’s SMPs, and the way they are integrated into the day to day operations of Council is much more important than whether the term “goals” or “objectives” is used to describe what the Council is seeking to achieve. Commonplace terms are explained in the text and a full glossary is provided for reference at Appendix B.

In this guide the singular term “Strategic Management Plan” (or “SMP”) generally refers to the medium to long term overarching plan required by the Act and usually called Council’s Strategic Plan. Note however that the Act also stipulates other required elements which form part of the SMPs. These include an infrastructure and asset management plan, and a long-term financial plan. The LGA has produced other advice on preparing these elements of the SMPs.¹ In this paper these elements are referred to collectively, as the “suite of SMPs”.²

¹ See the Local Government Financial Sustainability Information Papers:

- No 6 *Infrastructure and Asset Management*, and
- No. 8 *Long-term Financial Plans*

at <http://www.lga.sa.gov.au/goto/fsp>

² See Section 122 of [the Act](#).

1.2. What is Planning?

Planning is not simply a task; it is a way of setting directions, managing change and achieving outcomes in a timely and efficient manner. A strategic approach is having a clearly understood end point and arranging resources, tactics and actions to the achievement of that end point.

There are two key issues to consider when getting started:

- 1 ensuring that the Council has involved people (and groups) who have an interest in, and/or, who can influence the intended direction of Council and the community. This requires finding ways to engage 'stakeholders' in the planning process to make sure that the Council understands and acknowledge their aspirations, needs and concerns; and
- 2 applying energy and rigour to analysis of the environment in which the Council operates, to be certain that Council makes informed decisions about directions and related actions.

The information included in this paper will assist Councils to explore the above and determine an approach to strategic management planning that is relevant and appropriate to their local communities within the framework outlined in [the Act](#).

1.3. Developing an SMP versus reviewing the SMP

By definition SMPs take a medium to long term view, and it is not helpful to their achievement if there are frequent major or radical changes in direction. On the other hand, there is little to no value in a "set and forget" plan. [The Act](#) requires each Council to undertake a "comprehensive review" of its suite of SMPs at least within 2 years of each general election.

This guide sets out a comprehensive process for initially developing an SMP or conducting a major review of the plan. It recommends commencing from first principles early in the term of the Council. See further discussion at 3.3 below. While they have the same basic structure, each Council's SMP will vary in quality, content and timeframe. It is for each Council to determine which parts of this process will lead to improvements in the content and use of the SMP when it is next reviewed.

1.4. Is the Council's SMP doing its job?

When properly researched, designed and implemented, the Council's SMP will be a "guiding light" for the organisation and the community and will be the principal driver of key decision making and activity. Through the vision, mission and value statements everyone will understand what is important; and why. Council Members, Council staff and the community will be "on the same page". Council's policies, service levels and resourcing will support achievement of its strategies, the Annual Business Plan (ABP) will reflect relevant actions to achieve its goals/objectives and the Annual Report (AR) will provide details of progress made. Staff performance plans will assign responsibilities and annual reviews will check on progress made in achieving the outcomes of the plan.

2. Local Government Act

2.1 Objectives of the Act

Central to consideration of the nature and types of plans that Councils might adopt is the context within which Councils operate as set out in the [Local Government Act 1999](#).

In summary [the Act](#):

- provides scope for Councils to determine levels of participation, involvement or direct service delivery for their local communities;
- makes specific reference to the importance of service provision, equity of access to services and the use of resources in an effective and efficient manner;
- encourages participation with other Councils, Regional bodies and State and National Governments in public policy setting and achieving mutually common objectives; and
- seeks the coordination and participation by Councils in the planning and delivery of services by all spheres of Government.

[The Act](#) also requires Councils to:

- be open and accountable authorities, responsive to community needs and aspirations;
- strike a balance within communities between economic, social, environmental and cultural considerations;
- identify the service levels that will be provided to the community; and
- measure and publish its outputs in an accountable, understandable and transparent manner.

2.2 Strategic Management Planning

In its broadest sense [the Act](#) requires plans to provide for the management of the local area collectively referred to as “strategic management plans” and those plans are to be for “at least 4 years (the *relevant period*)”. However, [the Act](#) requires the preparation of Infrastructure and Asset Management Plans (IAMPs) and Long-term Financial Plans (LTFPs) with at least a 10 year horizon [s122 (1a)]. This Guide recommends that SMPs should also be prepared for at least a 10 year period, although the emphasis and monitoring may focus in more detail on the 4 year period which is the life of the current elected Council.

2.3 Public consultation/community engagement

Section 50 of [the Act](#) mandates minimum public consultation requirements for Councils and Section 122(6) specifically cites SMPs:

- (6) *A council must adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans.*

SMPs include the LTFP and IAMP. Although this provision does not specify the extent of consultation required, it is not considered necessary to consult on minor updates to these plans. However, any significant or material proposed changes to any part of the SMPs should be the subject of consultation, in accordance with the Council’s public consultation policy.

3. Getting started

Notwithstanding the legislative requirements for development of SMPs, the framework promoted in [the Act](#) does not dictate to Councils and their communities how to approach their planning activities. It allows broad scope for Councils and their communities to determine:

- the specific outcomes desired by the stakeholders;
- the approach and strategies to be used to deliver the outcomes including the levels/types of plans adopted;
- the scope of services the Council will provide, facilitate or advocate for its area;
- the nature of the consultation approach the Council will adopt to formulate or review its plans;
- how the Council will monitor the outcome of the plans; and
- under what circumstances a review of plans should take place, how and the extent to which reviews are to be conducted.

It places Councils in a position of strength:

- recognising Councils have an important role in public policy making and objective setting on a Regional, State and National basis;
- providing autonomy to achieve the objectives of Councils' strategic management plans;
- enabling Councils to decide what services are to be provided, the manner in which services are delivered and the role Councils may wish to adopt e.g. direct service delivery, facilitator or advocate for services in Council areas; and
- enabling Councils to determine how best to monitor and report on the effectiveness of their plans.

Councils' SMPs are pivotal policy and management documents within which all associated business and management planning is undertaken. They provide the basis for other business plans developed at different levels within the corporate body that reflect community and/or political aspirations.

Councils that adopt an approach to their planning activities simply to meet their legislative compliance obligations are not likely to generate plans that are innovative or relevant to the emerging needs of their communities. While [the Act](#) provides the framework, Councils have scope in determining the contents of their plans, the strategies they will use to develop, promote, measure and report on the success of their plans.

Planning provides the opportunity for Councils and their communities to think about the goals/objectives appropriate for their local area, and to review the services Councils need to provide to fulfill them.

Planning also enables Councils to identify opportunities to participate in State and Federal Government policy and planning activities, to explore opportunities for collaboration in service delivery and participate, where appropriate, in activities on a regional basis. Strategic management planning is also useful to ensure that the aspirations of other spheres of government do not negatively impact on the fiscal or resource capacity of Councils to achieve their goals/objectives by "cost shifting" of state or national initiatives.

3.1 Strategic planning roles and responsibilities

Defining and understanding the roles and responsibilities of the principal participants of the strategic planning process is an important part of setting the agenda and ensuring a sound outcome for all the parties.

The Elected Council has prime responsibility for:

- approval of the final document and ensuring it is the foundation for all the other plans and service delivery strategies of the Council;
- the Council policies which are the link between the Strategic Management Plan, the services provided by the Council and the manner in which the administration carries out Council decisions;
- review and approval of plans such as the LTFFP, IAMP and amendments to (Land Use) Development Plans³; and
- approval of the service levels that Council will provide to its constituents.

The Administration of the Council is responsible for both facilitation of the process and preparation of the materials which are put before the Council for approval and implementation, specifically:

- identification and collation of information from internal and external sources which may influence the SMP;
- documentation of all the input and feedback received from stakeholders while developing the SMP;
- development and updating of Council Policies to align with the SMP for adoption by the Council;
- development of the detailed plans which input into the SMP or are derived following its approval by the Council;
- implementation of the SMP and ensuring it is delivered in the timeframes and to the extent or level approved by the Council; and
- regularly reporting the outcomes of the various plans to the Council in reports and public documents such as the ABP and AR.

3.2 Service Levels

Implicit in development or review of the SMP is the need to have documented the current service levels for each material service the Council provides. The legislation does not prescribe a full range of services that a Council must provide although many are implied by the “functions of a Council” listed at section 7 of [the Act](#). Nor is there any legislative guidance about the level, standard or extent of each service that the Council chooses to provide.

Council should document not only services it provides (the range) but also the extent (the level) to which each service will be provided.⁴ Service levels describe the level of service which Council intends to provide. It is likely that more than one service level will apply. For example, waste management might be expressed as frequency of collection, types of collection, and hours of operation of a transfer station, etc.

³ The Council shares responsibility for Development Plans with the Minister for Urban Development and Planning. [Development Act 1993](#) ss24, 25

⁴ See LGA Financial Sustainability Information Paper 26 “Service Range and Levels” at <http://www.lga.sa.gov.au/goto/fsp>

Where formal service level policies do not exist it is important for Council's administration to draw together the various documentation of existing services and the levels of service provided as a first step in the planning process. Whether these are public documents such as waste services information materials or more implied obligations such as for dog control, this will provide important primary documentation for the elected Council.

The cost of the service is a reflection of the service levels adopted, rather than driving the level of service provided. In this sense service levels are intrinsic to the review of the SMP, as any change in the community's or Council's views about the range or level of services will have financial implications.

Service levels need to be reviewed annually if they are modified through the ABP and adopted each year by Council during the budget process. See further discussion of service levels at 6.5.1. below.

3.3 Content of a Strategic Management Plan

This section denotes the common elements of the SMP. Other key components such as setting actions and assigning responsibilities are addressed following adoption of the SMP. It is important for regular and timely review of the SMP to set a defined period (length) of the SMP, the intervals of its review and regular reporting cycles to both the elected Council and the community. This will often take the form of a policy which states:

- the duration covered by the plan, (e.g. a four-year term or preferably longer);
- review intervals with a minimum as defined by [the Act](#); and
- the periodic reporting points as part of the management reports to the Council.

While a minimum four year horizon is stipulated in [the Act](#), a ten year plan will align it with the statutory minimum timeframe for preparation of IAMPs and LTFPs. Larger Councils are tending toward a twenty year vision. In such cases it is common to also prepare a four year "corporate plan" with a focus on current priorities.

This guide recommends commencing from first principles in the first year following a general election (which meets [the Act](#)'s requirement). This will ensure that the SMP reflects the views of the elected Council and allow for early and total integration with Council's day to day operations. Further revision may be necessary at any time if material issues arise which may deserve inclusion. Reporting to the community may take the form of the Annual Report, although many Councils also publicise progress through newsletters and websites. Reporting to Council will be more comprehensive and regular. This guide suggests six-monthly reporting. (See the template provided at section 7.2 below.)

3.3.1 Vision Statement

Stating the vision of Council/community is a critical element of strategic thinking; a clear image of what the future should look like provides clarity of purpose. It should encapsulate a realistic future desired state in a succinct declaration.

A vision statement could be expressed as follows:

“Quality lifestyle and environment in a unique and prosperous area of the State.”

While there is no ‘right way’ of developing a vision, it is suggested that describing the preferred social, technological, ecological, economic and political themes that should exist in the community may help in word smithing the statement. See further discussion on vision setting at 4.3 below.

3.3.2 Mission Statement

A mission statement defines why the Council exists, and what it is meant to do, and with whom. The establishment of a clear mission statement is the starting point for recognising the issues and for setting broad goals/objectives.

A properly crafted mission statement should:

- serve as a filter to separate what is important from what is not; and
- communicate a sense of intended direction to the entire organisation.

A mission is different from a vision in that the former is the cause and the latter is the effect. A mission is something to be accomplished whereas a vision is something to be pursued for that accomplishment.

A mission statement could read as follows:

“A sustainable organisation which delivers high quality services and provides opportunities for the diverse needs of [Council’s name] communities.”

3.3.3 Core Values

Council’s core values are the guiding principles on which people make decisions and conduct themselves. Unlike visions, missions, goals/objectives and strategies, core values should be constant. They underlie the culture of the organisation and guide selection of strategies. Core values often found in Council plans include:

- Responsive Service Delivery: Council will seek to understand community needs and provide customer focused services and facilities, delivered in a timely manner;
- Good Governance: Council will act with honesty and integrity in the best interest of the community while fulfilling its ethical and statutory obligations;
- Cost Effective Management: Council will apply sound financial management principles and prudential management practices to ensure efficient and effective use of its resources;
- Effective Communication: Council will use frequent and varied communication methods to inform the community, seek input/engagement and demonstrate transparent decision making;
- Responsible Custodianship: Council recognises its responsibility to future generations in its use of resources and protection of the environment;
- Customer Focus: Council understands community needs and will strive to provide appropriate and timely services to meet those needs; and
- Accountability and transparency: Council will communicate honestly and openly with its stakeholders displaying responsible business ethics in fulfilling its governance and statutory obligations.

3.3.4 Goals/Objectives

These terms are often confused, or taken to have the same meaning. In strategic planning it is not critical which term is chosen; although it is important to be consistent throughout the document and over time.

Goals/objectives are high level statements that can be reasonably achieved within a defined timeframe with available resources. An example of a goal/objective might be:

“An environment which supports attainment of economic and employment prosperity and opportunities for all generational sectors of the community”

Goals/objectives provide the foundation of the development of relevant and effective strategies.

See further discussion on goals/objectives at 4.4 below.

3.3.5 Outcomes, performance measures and targets

Statements about outcomes provide the basis of the performance measurement system which must accompany a Strategic Plan, to gauge and report on progress to stakeholders. Outcomes are generally set at goal/objective level and have a longer term vision of what successful strategies identified for that goal/objective will achieve. There can be any number of outcome statements attached to a single goal/objective. To continue the previous example, outcome statements may be:

“Regional economic growth which facilitates new business and employment opportunities”

and:

“Tourism infrastructure which encourages greater tourism attraction for the area”.

Performance measures can be assigned at any level within the plan. In the example used in this guide (see 7.2 below), measures are set against actions, but they are also commonly used with strategies.

Outcome statements can also be accompanied by targets, which describe how success will be measured. Targets can be useful in providing further insight into the desired outcome, the activity necessary to achieve it and the measure of its success. This guide views measurement and reporting as internal functions and therefore recommends dealing with targets during the implementation phase and in documentation which reports on outcomes rather than in the published plan.

See further discussion on outcomes at 6.1 below.

3.3.6 Strategies

A strategy is a high level plan directed towards achievement of a goal/objective. Any number of strategies can be assigned to a goal/objective. For example, the goal: *“Economic and employment prosperity”* might have strategies such as:

“Regularly review the Development Plan to ensure there is appropriate and timely supply of land to encourage and support economic growth”, and

“Promote Council’s industrial zones as investment attraction locations for targeted industry sectors”

See further discussion on strategies at 6.2 below.

3.3.7 Actions

The inclusion of actions in the published SMP is optional. Actions tend to be set at varying levels of detail depending on the issue and can change over time. This Guide recommends adding actions during the implementation phase, rather than embedding them into the SMP document. This does not preclude making the actions, with associated accountabilities and timeframes, publicly available. Separating the documents allows for the modification of actions over time (as achieved, for example, or due to changing circumstances) without the need to revise the SMP.

See further discussion on setting actions at 7.1 below.

3.3.8 Key Performance Indicators

Key Performance Indicators (KPIs) help organisations understand how well they are performing in relation to their strategic goals/objectives. In the broadest sense, a KPI can be defined as providing the most important performance information that enables Council and its stakeholders to understand whether the organisation is on track or not.

Care should be taken to design the most appropriate indicators to assess the performance that matters most. Whilst it is tempting to measure what is easy to collect and count, this will not necessarily lead to meaningful information about achievement. KPIs should be measures of both financial and non financial indicators.

[The Act](#) requires that certain Financial Sustainability targets and KPIs are included in the SMP⁵. A small number of other non-financial KPIs are also recommended. These should be carefully crafted to reflect critical targets of the SMP, perhaps one per goal or objective. These non-financial but measurable KPIs ought to be relevant to residents and ratepayers, for example measuring the Council's delivery of specified services by reference to one or more of its:

- dimensions (geographical area serviced);
- effectiveness;
- efficiency;
- quality; and/or
- accessibility.⁶

3.4 A conceptual model

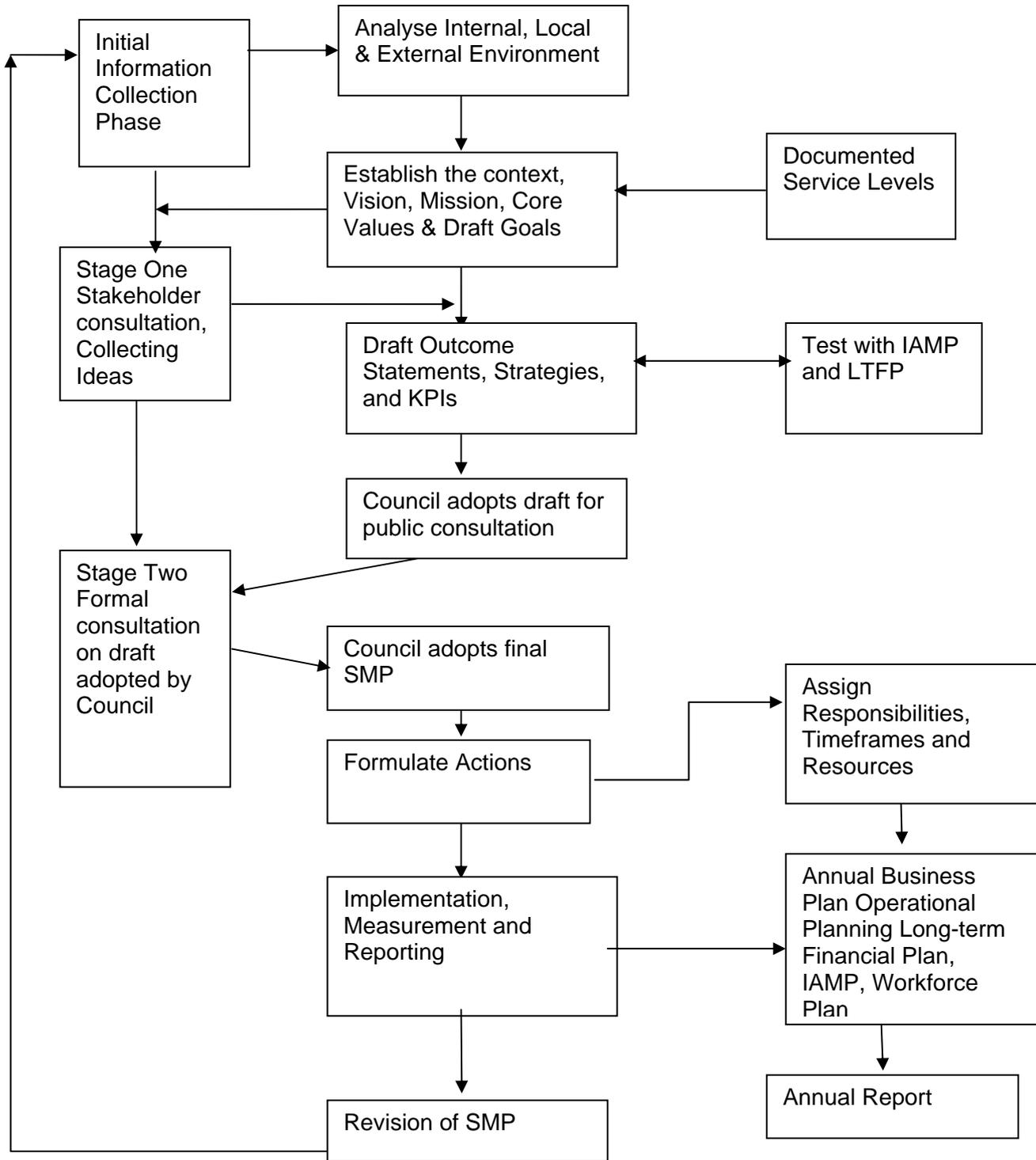
While the planning process is likely to differ for each Council there are fundamental similarities in methodology and theory. For example development of a vision and mission with associated goals/objectives, and strategies are consistent outputs from the process no matter what the size or capacity of the Council.

The flow chart on the next page demonstrates the linkages.

⁵ See LGA Financial Sustainability Information Paper 9 “Local Government Financial Indicators” at <http://www.lga.sa.gov.au/goto/fsp>

⁶ See *Performance Reporting by Local Government* (2012) Victorian Auditor-General at <http://www.audit.vic.gov.au/publications/20120418-LG-Reporting/20120418-LG-Reporting.pdf>

Strategic Management Planning Process



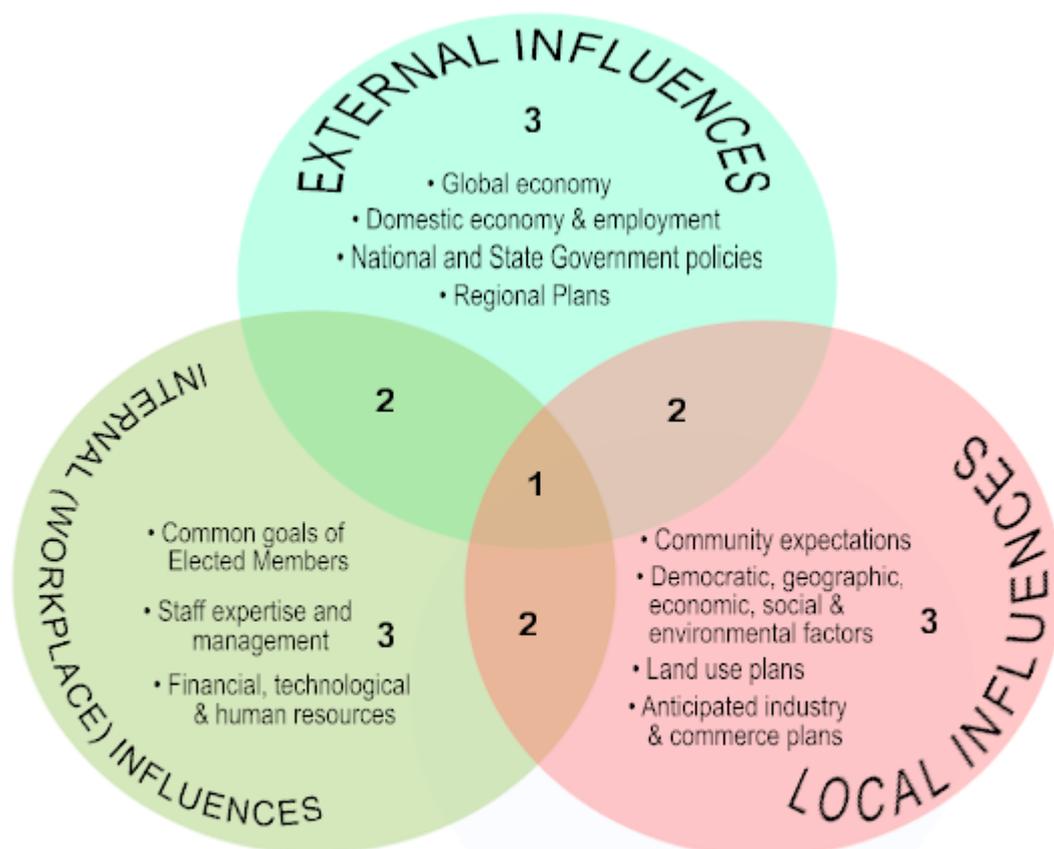
4. Preliminary Steps: From influences to draft objectives

A range of factors influence the content and approach adopted to develop SMPs within Councils. Before commencing planning activities, both staff and the elected Council should have an accurate picture of the environment within which consulting, development, promotion and monitoring the plan will occur. Analysis of these environmental factors or influences will often determine the extent to which plans can be successfully implemented within specific timeframes.

This paper recommends commencing with a scan of all potential influences, also known as an “environmental scan” - a process of gathering knowledge and data from the internal and external environment in order to detect opportunities and threats which may influence current and future plans. The end product of this process is a series of “issue papers” or “position papers” which will form the basis of discussions with the elected Council and senior staff to ensure the organisation has a comprehensive understanding of the current context in which it will propose development/alterations to its SMP.

The importance of this stage should not be underestimated. Too often Councils commence the strategic planning process with a “cold call” for input from interested parties. Without a proper appreciation by the stakeholders of the range of issues to which the Council must respond this is likely to lead to the composition of SMPs which do not balance aspiration with reality.

This model demonstrates the overlapping influences on the SMP which may be considered during the environmental scan.



1. Critical issues of the plan - (all parties have an important interest)
2. Overlapping features important in developing the plan
3. Factors that need to be taken into consideration in developing the plan

4.1 Collecting information and data

The following tables provide examples of places to look for information to include in an environmental scan. The depth of analysis required will depend on a range of factors such as:

- has comprehensive investigation of this issue been undertaken in the past, and if so how long ago?
- How critical is this issue to achievement of Council's goals?
- Is there a role for Local Government? (See the roles outlined in Section 6.2 below.)

External Influences

Examples of where to look	Examples of what to look for
State level <ul style="list-style-type: none"> • State Government • State Government agencies • Legislative requirements • Welfare support agencies • Other relevant state bodies 	<ul style="list-style-type: none"> • Strategic plans • Land use plans • Transport policies and plans • Economic development plans • Education/aging/water/power plans • Health plans • Demographic projections
National level <ul style="list-style-type: none"> • Commonwealth Government • Federal Government agencies • Legislative requirements • Welfare support agencies • Other relevant national bodies 	<ul style="list-style-type: none"> • Migration policies • Employment trends • National policy initiatives • Economic initiatives • Specific purpose funding of initiatives to States and Local Government
Regional bodies/adjacent local authorities <ul style="list-style-type: none"> • Regional LGAs • Regional Development Boards • Health Boards • Neighbouring Councils • Joint use subsidiaries • Business Enterprise Centres 	<ul style="list-style-type: none"> • Regional LGA plans • RDA plans • SMPs • Community expectations based on adjacent Councils' services
Business and commerce peak bodies e.g. <ul style="list-style-type: none"> • Farmers Federation • Mining industry • Industry bodies • Tourism bodies 	Employment data and economic forecasts for the area
Environmental organisations <ul style="list-style-type: none"> • NRM Board • Office of Climate Change • Zero Waste 	<ul style="list-style-type: none"> • Plans • Funding initiatives • Service Levels • Incentive schemes
Emerging technologies <ul style="list-style-type: none"> • NBN • Telcos • Industry specific advances 	Information about the impact of technology innovations on service delivery

Internal Influences

Examples of where to look	Examples of what to look for
Previous Council directions <ul style="list-style-type: none"> Financial sustainability trends Work in progress 	<ul style="list-style-type: none"> Current SMP Past corporate and business plans
The combined views of the Elected Council	<ul style="list-style-type: none"> SWOT analysis Common issues dealt with by Council
Current Council policy and service levels	Critical review of policy documentation and service levels
Resources available to Council to implement the plan	<ul style="list-style-type: none"> Long-term Financial Plan Infrastructure and Asset Management Plan Annual reports Cost/benefit studies of proposals Any prudential reports
Staff experience and capacity to guide implementation	Review of: <ul style="list-style-type: none"> workforce plans staff skill/experience profiles

Local Influences

Examples of where to look	Examples of what to look for
<ul style="list-style-type: none"> Community profile Information from the Australian Bureau of Statistics, including the national census, RDA data and other sources 	Emerging trends or changes in: <ul style="list-style-type: none"> society culture economy age demography property values.
Community aspirations	<ul style="list-style-type: none"> Feedback through Council community surveys Comparative performance surveys Attendance at Council/community activities Community uptake of previous initiatives Current use of Council services
Community expectations	<ul style="list-style-type: none"> Community surveys, complaints data, requests for service data
Community bodies <ul style="list-style-type: none"> Community associations Interest groups Sport and recreation 	<ul style="list-style-type: none"> Topical issues Participation data Aspirations

The examples cited above will vary from Council to Council as will their relative importance or impact. In developing the resultant issue papers the Council may wish to consider the following questions:

- How might this information impact on the area?
- Will the impacts be positive, negative or both?
- What are the benefits and risks?
- What is the potential likelihood and consequence?
- Does Council have a dependent or lead relationship with the parties?
- Does Council have the required resources (financial, technological and human capacity and expertise)?
- Will there need to be changes to Council policy?
- What role might Council play (e.g. service provider, facilitator, advocate etc)?

4.2 Issue papers

Collecting information and writing summary issue papers is a task which can be assigned to various Council staff, and will benefit from any specialist expertise available. It is recommended that the authors be provided with a template and a clear understanding of the task to ensure a consistency of approach.

Ultimately the issue papers will be workshopped with the elected Council but should first be reviewed by senior management. This step can be used to highlight deficiencies in data and strip unnecessary detail so that the Council Members are provided with succinct and accurate information about each of the selected topics.

As well as ensuring that staff and the elected Council have a similar understanding of emerging issues this process will greatly assist in educating Council Members and staff about the importance of a Strategic Management Plan in the everyday business of Council.

4.3 Council workshops to establish the current context

The objective of this phase is to build on the issue papers to provide Council Members with an understanding of emerging issues which may impact on the Council and its community and gain agreement about draft:

- Vision statement
- Mission statement
- Core values statement
- Goals/objectives for the next SMP
- Weightings of the importance of the draft goals/objectives

This will result in a draft version of the revised SMP for purposes of community engagement. Conducting a SWOT analysis with the Council Members based on the information provided by the issues papers is one way of establishing an understanding of how they collectively interpret the information provided.

Aim to achieve consensus on how this will be reflected in changes to the current SMP. Discussions with the elected Council at this stage should include a conversation about how Council will ensure that the new SMP is realistic and achievable, given existing resource constraints. While it is natural and proper to set goals/objectives which reflect a desirable future state and “stretch” the organisation, this must be tempered by the realities of resource capacity. Care should also be taken to ensure that there is no conflict between these goals.

During the workshops Council needs to agree on a draft of the vision it has for the community within the context of the environmental scan conducted to date.

The aims for the development of the "vision" are to:

- construct a phrase which embraces the purpose of the Council for its community;
- provide a basis for community consultation; and
- establish the point from which goals/objectives and key performance indicators may be established.

The Council workshops can also discuss a draft mission statement at this time.

If Council's current SMP already sets Core Values, check that these are still considered to be the best "guiding principles".

4.4 Draft goals/objectives

The number of broad "goals" or "objectives" which a Council has can vary depending upon the complexity of issues or interests of the Council but will often be between 4 and 7.

Collectively the goal/objective statements need to capture the totality of Council's undertakings, including its statutory responsibilities. This is critical to ensure that all staff endeavour can be viewed in the context of the SMP, and everyone can feel that their work contributes to its outcomes. For example, dog management is not only a statutory responsibility, it is contributing to the quality of life and safety and well being of the community.

Typically the goal/objective statements will cover the major interests of the Council and community/stakeholders but they need to be broad enough to have a series of strategies and actions identified to facilitate their attainment.

The major areas that goals/objectives often reflect include (in no particular order of importance):

- Environment and built form (*e.g. A City that values, protects and enhances the natural environment; Living in balance with our environment*);
- Economic, employment, and business interests (*e.g. An economically prosperous, attractive and functional City; Working together to capitalise on opportunities*);
- Community, recreation, culture (*e.g. A safe and healthy City that supports vibrant community life; Encouraging a positive, creative and supportive place for communities to thrive*);
- Functions and obligations of the Council (*e.g. Demonstrate effective, open and responsible governance and management*);
- Organisational excellence (*e.g. A local organisation providing progressive leadership, accountable governance and quality services to the community*);
- Infrastructure and asset management (*e.g. Provide and maintain Council assets, infrastructure and services to meet the current and future needs of the community*);
- Financial sustainability (*i.e. planned long-term service and infrastructure levels and standards can be met without unplanned increases in rates or disruptive cuts to services*);
- Advocacy and representation (*e.g. Expand Council's impact and sphere of influence using effective partnerships, collaborative relationships and advocacy*); and
- Community leadership (*e.g. fostering and demonstrating leadership at all levels of community life*).

A number of outcome statements and strategies will later be assigned to the goals/objectives. There can be any number of strategies identified but it may be preferable to restrict them to 8-10 per goal or objective. An additional level of detail is often contained in the Actions or other plans of the Council.

5. Consultation with stakeholders

Understanding the aspirations of and engagement with community and key stakeholders is a cornerstone to any effective planning process including the development or revision of the SMP. However, stakeholders will by definition have varying agendas and Council is unlikely to be able to meet all expectations. The environmental scan will already have identified a range of relevant issues which have been collated in the issue papers and may be reflected in the draft goals/objectives.

This guide recommends that early engagement of a wide range of stakeholders such as residents, ratepayers and businesses should occur at the beginning of the process to obtain their ideas and reactions. This will be based on the preliminary work agreed through the environmental scan and Council workshops and may take many forms such as:

- release of the issue papers for comment;
- surveys based on the important findings identified by the environmental scan;
- presentations;
- focus groups;
- public forums; and
- newsletter or media releases.

The consultation methodology should use a variety of presentation formats to encourage broad and considered feedback to Council. Don't overlook the value of Council's website, and the use of social media.

Input should be sought from:

- community groups;
- regional organisations;
- business organisations;
- government agencies;
- local sporting groups;
- council staff; and
- schools.

Special efforts may need to be made to gain the opinions of some sectors of the community such as young people, minority groups and the elderly.

Ensure that all feedback received through this first stage of consultation is properly recorded. Where participants have provided contact details, ensure that they are kept informed of progress and advised of how they can have further input in the second round of consultation.

All feedback needs to be collated and used in further development of the SMP, which will ultimately be released for a formal round of consultation before being finally adopted by Council. This formal consultation on the draft plan is a requirement of [the Act](#). If the feedback were to result in major changes being agreed by Council it would be necessary to undertake the formal consultation a second time.

For further discussion on formal consultation see 6.6 below.

6. Developing the Plan to Council adoption

This phase commences with collation and analysis of the feedback obtained from a range of community engagement mechanisms. This is used to draft appropriate outcomes and strategies. Once the SMP is fully drafted it will also be necessary to set the KPIs which will be used to measure success of selected aspects of the plan.

A workshop with the elected Council is a recommended method for discussing the feedback and preferred responses.

6.1 Outcome statements

Describing the desired outcomes in relation to each goal/objective helps to specify the intended results and prompts groupings of strategies which impact on that outcome. Proposing the outcome statements and strategies can be a challenging task and it may be an advantage to workshop initially with senior staff, particularly those who have had experience in implementing the strategies/actions which make up or represent goals/objectives.

By way of example, consider a goal/objective of service and asset maintenance and improvement. e.g.:

“Provide and maintain Council assets, infrastructure and services to meet the current and future needs of the community”

Possible outcome statements may be:

“Council services appropriate and responsive to the needs of the community”

If the Council is anticipating the addition of new assets the outcome statements may be:

- *Existing community assets managed sustainably in accordance with the IAMP*
- *New infrastructure which meets the needs of the growing community, also managed sustainably in accordance with the IAMP.*

6.2 Strategies

The addition of strategies to the plan will provide the detail necessary for Council to clearly outline its directions for the life of the plan. This will be based on the draft plan developed to goal/objective level, plus the benefit of community input.

The inclusion of strategies will enable Council to describe how it is going to achieve its vision and will provide further detail on the results to be achieved. In essence it provides a bridge between where it sees itself currently and where it wants to be.

When drafting strategies it may be helpful to consider what role or roles Council is likely to adopt in relation to each goal. A list of possible roles could include:

Role	Council will:
Leader	Lead by example
Service Provider	Fully or partially fund and provide a service
Partner	Contribute funds and/or resources towards an initiative or service that is delivered by other parties
Educator/Information Provider	Develop, provide, promote, distribute and/or display information/resources
Facilitator/Initiator	Bring together stakeholders, join with other parties to collectively pursue a shared interest or resolve an issue
Owner/Custodian	Manage community assets
Regulator	Undertake specific roles, either as required by legislation, or under Council's own by-laws
Advocate	Make representation on behalf of the community

6.3 Weighting the strategies

Assigning a weighting to the various strategies is not an imperative. However, it is a useful tool to provide an indicator to the community of the relative importance or necessity associated with its goals/objectives at a point in time.

It would be helpful to identify where a particular strategy is being included because Council has an obligation to act, or a strong preference in favour, as opposed to a “nice to have”.

A simple rating system can suffice: e.g. a score of 1-4, with 1 being the highest, most important initiatives and 4 being “nice to have”.

This can then assist stakeholders to provide feedback on how they view Council's priorities.

6.4 Set the KPIs

By this stage the content of the plan will be sufficiently understood to propose the Key Performance Indicators. See the discussion at 3.3.8 above.

6.5 Updating the suite of SMPs

By definition, in [the Act](#), both the IAMP and the LTFP form part of the suite of strategic management plans and must be released for formal consultation, though not necessarily at the same time as the Strategic Plan. Council may choose to add other high level planning documents to the suite, for example a capital works program.

The following steps are critical to fully understand the impacts which proposals in the draft SMP may have.

6.5.1 Service Levels

Council needs to have policies which specify the service level that will be provided for each material service it delivers. Where these are not in place, follow the suggestion in 3.2 above to draw together a picture of current practices. Once strategies have been drafted, these should be tested against the service levels to identify any material impacts.

Changes to the SMP which impact on service levels need to be further explored and tested in the LTFP to ensure that Council fully understands the impact before seeking further community comment.

If the SMP contemplates significant changes in the number or competency sets of the workforce, then adjustment of the Council's Workforce Plan may be necessary.

6.5.2 Infrastructure and Asset Management Plan and Long-term Financial Plan

The IAMP of the Council sets out the resources necessary and timing of future asset management outlays and is used as primary input into the LTFP of the Council. The plan is reliant on service levels such as those identified in the Asset Management Policy.

The LTFP provides high level financial information about the expected outcomes of the SMP for a 10 year period.

Significant variations in the SMP that will affect the IAMP and/or LTFP first need to be tested by inserting approximations in order to understand the likely impacts. This might be thought of as scenario testing, to ensure that Council is comfortable with its ability to manage the positive and negative effects of its proposals over the longer term. It may be necessary to hold further discussions with the elected Council and modify the proposed strategies at this stage.

When the proposals of the SMP have been confirmed the IAMP and LTFP must be adapted to reflect the requirements of new and changed strategies. While they may not all be finally adopted by Council, these changes need to be in place before the formal consultation phase to reasonably identify the cost to Council and ultimately to its ratepayers and stakeholders.

Therefore, the release of the draft SMP should be accompanied by the draft revised IAMP and LTFP, so that all stakeholders can appreciate the long-term impacts of what is being proposed.

6.6 Formal Consultation on the Plan

Having undertaken steps 6.1 – 6.5 above the draft SMP must be presented to a formal meeting of the Council with a recommendation to endorse the plan for formal consultation, in line with section 50 of [the Act](#). Effective and full consultation is an important part of the planning process, because it:

- checks that the messages from previous consultations have been properly interpreted; and
- helps the elected Council, staff and stakeholders to develop ownership of the final product.

The consultation process needs to be in accordance with Council's Public Consultation Policy and should encompass:

- establishment and promotion of processes to seek, receive and consider the feedback;
- distribution of the draft plan to all stakeholders inviting comment;
- personal distribution to those who registered an interest as part of first consultation; and
- public availability through a variety of medium, including on Council's website, and at all offices and access areas.

6.6.1 Adopting the SMP

Following receipt and consideration of feedback and any further alterations Council needs to adopt the plan. If the SMP is subject to material change as a consequence of the formal consultation, a further public consultation process should be undertaken.

6.7 Publication

Ensure that the final adopted version of the SMP is made publicly available. This may include prominent access on Council's website, copies on display in libraries and a short version enclosed with rates notices. As a Council's peak document, and one which will be used for a number of years, it is appropriate to produce a Strategic Management Plan with a professional "image". Many Councils go to considerable effort and expense to produce attractive documents which promote the Council area. However, care should be taken to ensure that the version on Council's website is a reasonable file size that can be easily downloaded to improve accessibility.

7. Implementation

This phase finalises development of associated papers which include:

- revision of service levels , IAMP and LTFP;
- addition of actions, timeframes and accountabilities for achieving the outcomes; and
- establishment of the processes by which the plan will be measured and reported back to the Council and community.

7.1 Actions, Timeframes & Responsibilities and Performance Measures

Accountability for implementation of plans is essential. Senior managers may be allocated particular goals/objectives and strategies with employees (at any level) assigned specific actions.

“Actions” are the steps that must be taken, or activities that must be undertaken, for a strategy to succeed. Actions have three major elements:

- Specific tasks: what will be done and by whom;
- Time horizon: when will it be done; and
- Resource allocation: what funds and resources are required.

Some of the actions necessary to implement strategies in the SMP may occur immediately. Others will be ongoing over many budget cycles. Most are likely to have a number of parts, some predictable and some depending on the outcome of previous actions.

Assigning actions and timeframes is best addressed as part of the annual budget process, and integrated with the other accountabilities assigned to individuals through the staff goal setting and performance scheme.

The use of performance measures to monitor the progress of plans is encouraged. Below is a model report format which can be adapted to serve a number of purposes, including regular reporting on progress of the SMP and ABP to Council and the community, as well as preparation of the AR.

7.2 Reporting

The following example of a report format can be used successfully to track and report on progress with the SMP, ABP and AR. This example is used with thanks to the District Council of Lower Eyre Peninsula.

Objective 3 Responsibly manage (Council’s) impact on and preservation of the area’s natural resources, natural and built environment and heritage						
Outcome 3.1 Safe and efficient management of Council waste and effluent water systems						
Strategy	Action	Council’s Role	Measure	Timeframe	Responsibility	Progress report
3.1.1 Implement cost effective waste management	Explore opportunities to reduce waste to landfill	Service Provider Partner Educator/Information Provider Facilitator	Number of initiatives identified and progressed	Term of Council	Works manager	
	Explore opportunities for efficient collection of recyclables, particularly inside township boundaries	Service Provider	Improved recycling options	Term of Council	Works manager	
	Support Regional Landfill Facility	Partner	Annual budget provision	20xx/xx	Council	
	Explore opportunities for issue of joint Council contracts for the collection and disposal of waste, including recycling where shown to be cost effective	Leader Facilitator Partner	Discussion with Eyre Peninsula Councils commenced	December 20xx	CEO	

<p>3.1.2 Maintain and consider options to upgrade township effluent waste systems</p>	<p>Pursue increased levels of Community Waste Water Management Scheme funds for expansion and upgrade of innovative and economically sustainable wastewater collection, treatment and reuse systems</p>	<p>Advocate</p>	<p>Additional funding secured</p>	<p>Term of Council</p>	<p>CEO Works Manager</p>	
	<p>Review the requirement for implementation of new CWMS systems at townships where environment is impacted by current systems</p>	<p>Owner/Custodian</p>	<p>CWMS requirements with the district are documented in the 10 year capital works program</p>	<p>December 20xx</p>	<p>Works Manager</p>	

8. Integrating the SMP with Council business processes

As the key planning document of the Council it is essential that the flavour and content of the SMP is embedded in the day to day activities of Council. Care needs to be taken to ensure that both the elected Council and all staff see the SMP as common ground for attainment of the vision; the glue that keeps everyone pulling in the same direction. This will best be achieved through use of the ABP and staff performance scheme but will include reflecting its intent in:

- Council Policies and procedures;
- statements about organisational values; and
- any management plans, promotional material, and newsletters.

To emphasise the importance of the SMP, and from the practical perspective of duplication of effort, it is recommended that the ABP and AR are designed in a way which not only drives the achievement of the SMP but also allows for reporting in the format of the SMP (in preference to the “departmental emphasis” on activity which is often prevalent in these documents).

8.1 Staff Performance Scheme

Linking the annual performance plans of staff to the achievement of outcomes in the SMP (through the ABP) is a key method of integration. This process typically cascades responsibility for achievement from the CEO through the various levels within the Council. The most effective implementation would commence with the assignment of performance plans to second tier staff at the time of development of the ABP and proceed promptly through all levels, with everyone assigned some responsibility of implementation.

The collation of information on achievement for the AR will then feed into the annual performance assessment process.

8.2 Annual Business Plan ⁷

The ABP is Council’s annual statement of intended activities and outcomes for the year and links the SMP and Council’s annual budget and allocation of resources for the year. The document comprises a physical description of activities and resources allocations to finance operations for that financial year. The ABP must take into account, and be consistent with both the LTFP and IAMP of Council.

8.3 Annual Report

The Annual Report of the Council is the scorecard for achievement of the ABP and the SMP. While many Councils have tended to report on a “departmental basis” in the AR it is preferable to follow the structure and outcomes proposed in the SMP. If the SMP has a well crafted set of goals/objectives and strategies, statutory and departmental reporting can be interspersed in the report.

⁷ See LGA Financial Sustainability Information Paper 13 “*Annual Business Plan*” at <http://www.lga.sa.gov.au/goto/fsp>

9. Conclusion

Following the key messages of this guide can improve the content and practical use of Council's SMP.

The key advantages of having a good SMP process, is that it will:

- ensure that the Council is well aware of the environment in which it is planning;
- help set realistic and achievable goals which are supported by stakeholders and understood by staff;
- provide a key planning document which can be integrated into all Council activities and responsibilities; and
- enable report to be made, on progress in a simple yet comprehensive way.

The content of this guide is as relevant to a mid-term review as it is to starting with a blank sheet, and can be used to make incremental or fundamental improvements.

Appendix Glossary of Terms

Whilst different Councils may refer to their respective plans by different names for the purposes of this paper the following apply:

Actions: steps that must be taken, or activities that must be undertaken, for strategy to succeed. Actions have three major elements (1) Specific tasks: what will be done and by whom. (2) Time horizon: when will it be done. (3) Resource allocation: what funds and resources are required.

Annual Business Plan (ABP): A Council's statement of its intended programs and outcomes for the year.

Annual Report (AR): A report prepared annually relating to the operations of Council for the previous financial year that contains the material set out in Schedule 4 of [the Act](#).

Business Plans: internal, medium to short-term, specific and action oriented – although often it refers to plans which group specific functional area plans in one document. Generally the life span of the business plan is 1 to 3 years.

Corporate Plan: internal, medium-term and integrated. More action focussed than a strategic plan. In the Local government context a corporate plan usually identifies management strategies, including those required to deliver the Strategic Management Plan and the Annual Business Plan.

Core Values: principles that guide a Council's internal conduct as well as its relationship with the external world.

Development Plan: a set of documents that set out the local authority's policies and proposals for the overall development and use of land within the Council area. See the [Development Act 1993](#). It must be reflective of the State vision/plan. The development plan also guides and informs day-to-day decisions as to whether or not planning approvals should be granted.

Environmental scan: Careful monitoring of an Council's internal and external environments for detecting early signs of opportunities and threats that may influence its current and future plans.

Financial indicators: Financial measures or ratios used in management plans, annual reports and other internal and external reports to guide and assess the financial performance and position of a Council.⁸

Financial sustainability indicator targets: A target, or target range, is a value or set of values that Council has adopted as its goal for each of the endorsed indicators.

Goal: An observable and measurable end result to be achieved within a fixed timeframe.

Infrastructure: A term used to describe physical assets such as roads, buildings, stormwater and community waste water systems provided by Council.

⁸ See Local Government Financial Sustainability Information Paper No. 9 *Financial Indicators* at <http://www.lga.sa.gov.au/goto/fsp>

Infrastructure & Asset Management Plan (IAMP): A Plan that projects the timing and level of cash flows associated with cost-effectively optimising acquisition of replacement and new assets and asset maintenance necessary to achieve desired service levels from the assets. Councils are required to prepare the IAMP with a planning period of at least 10 years. When balanced with the content of a Council's long-term financial plan and the Council's policies on Service Range and Service Levels, the IAMP assists in determining a Council's funding and financing needs, and will guide the development of annual business plans. It is one of a suite of documents that collectively make up a Council's Strategic Management Plans.

Key Performance Indicators (KPI): A KPI can be defined as providing the most important performance information that enables Councils or their stakeholders to understand whether the Council is on track or not. In the context of SMPs, there should be both financial and non-financial measures.

Long-term Financial Plan (LTFP): A Plan that, when balanced with the IAMP and the Council's policies on Service Range and Service Levels, forecasts Council's financial performance and position over a period of at least 10 years. It is one of a suite of documents that make up a Council's Strategic Management Plans. The LTFP must be consistent with, and express financially, actions expressed or required to give effect to strategies proposed in these other documents.

Mission Statement: A declaration of Council's core purpose and focus that often remains unchanged over time. Properly crafted mission statements serve as filters to highlight what is important and communicate an intended direction to the Council. A mission is different from a vision in that a mission is something to be accomplished whereas a vision is something to be pursued for that accomplishment.

National reforms: Commonwealth Government strategies that involve significant change.

Objective: An end that can be reasonably achieved within "a defined timeframe" with available resources. In general, an objective is broader in scope than a goal, and may consist of several goals. Objectives are a basic tool that underpins all planning and strategic activities.

Operational Plans: normally internal, short-term, specific and action oriented.

Outcome: a description of the desired long term achievement of a goal or objective which can be measured.

Performance Measures: Measurable outcomes used to guide and assess performance of Councils.

Policy: A stated stance or position Council will take in a given set of circumstances. Policies of Council provide an important link between the SMP and the services provided by the Council.⁹

Public Consultation Policy: Policies outlining when public consultation is required and how that consultation will be undertaken.

⁹ See the "LGA Guide to preparing and maintaining Council policies and Codes of Practice and Codes of Conduct" at <http://www.lga.sa.gov.au/goto/guidelines>

Service Levels: Levels of service prescribed for a service provided by Council.¹⁰

South Australia's Strategic Plan: The Strategic Management Plan for the state of South Australia.

Staff performance scheme/ personal development plans: The process of providing staff with annual targets, development options and performance feedback.

Strategic Management Plan (SMP): Long-term, integrated and visionary plan which outlines the realistic aspirations of the Council.

Strategy: A high level plan of action to achieve a goal or objective

Suite of Strategic Management Plans: The Strategic Management Plan and all the plans which support it. The IAMP and the LTFP are part of the suite of SMPs under the LG Act.

SWOT analysis: Examination of the strengths, weaknesses, opportunities and threats to identify available/possible choices of action.

Targets: A description of the endpoint by which performance will be measured.

Vision Statement: An aspirational description of what a Council would like to achieve or accomplish in the long-term. It is intended to serve as a guide for choosing current and future courses of action.

Workforce Plan: A plan assessing the current and future capacity of Council's workforce, including actions necessary to meet the strategic directions of the Council.

¹⁰ See Local Government Financial Sustainability Information Paper No 26: *Service Range and Levels* at <http://www.lga.sa.gov.au/goto/fsp>