



WEDDIN SHIRE COUNCIL

POLICY NUMBER: 1.27.1

POLICY FOR SUSTAINABLE BEST VALUE

Adopted: 21 June 2018

BACKGROUND

The NSW Local Government Act, 1993 (section 8) establishes a number of guiding principles, the object of which is to enable councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous. Council considers the objective of delivering ‘sustainable best value’ via the Integrated Planning and Reporting Framework sums up most of the key principles and so communicates the essence of what Council needs to achieve.

The NSW Government has flagged its intention to monitor Council’s performance against a number of benchmarks defined as part of the Fit for the Future program and the commitments Council has made to improvements as part of the program. Council considers that its efforts to deliver sustainable best value will satisfy these requirements.

The NSW Local Government Act also includes provisions (section 421B) for the Auditor General to undertake performance audits of all or any particular activities of 1 or more councils to determine whether the councils are carrying out those activities effectively and doing so economically and efficiently and in compliance with all relevant laws. Council also considers that its efforts to deliver sustainable best value will assist Council to satisfy the requirements of any such audits.

OBJECTIVE

The objective of this policy is to define what sustainable best value is and how Council intends to realise it via the Integrated Planning and Reporting Framework.

SCOPE

This policy applies to all Council activities including the management of infrastructure assets (therefore, it serves as Council’s Asset Management Policy).

DEFINITIONS

Sustainable: Council is financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community (source: TCorp Financial Sustainability of the NSW Local Government Sector, 2013)

Best Value: Council is delivering ‘best value’ when, in consultation with the local community, it allocates its limited resources across all its activities to address priorities in relation to:

- Performance (meeting community needs and expectations in terms of the quality, functionality and capacity of services and infrastructure established in the context of their willingness to pay, where appropriate)
- Sustainability (minimising the long term social, environmental and economic cost of Council’s services and infrastructure) and
- Risk/Resilience (managing risk to an acceptable level as assessed under Council’s Risk Management Policy and ensuring that Council’s infrastructure and the organisation itself are able to withstand shocks and major change)

POLICY FOR SUSTAINABLE BEST VALUE (NO 1.27.1)

POLICY

Council will develop documentation under the Integrated Planning and Reporting Framework – in particular the Delivery Program and Resourcing Strategy – in a way that supports its efforts to deliver sustainable best value to the community.

Council will develop a Delivery Program detailing the principal activities it will undertake to perform its functions (including implementing the strategies set out in the Community Strategic Plan) within the resources available under the Resourcing Strategy and review this annually.

The Delivery Program will be in the format of Service Dashboards that identify concerns with the value Council can provide now and in 10 years (based on the funds available in the Long Term Financial Plan) and the resources Council is investing in that function to facilitate the prioritisation of Council's limited resources to the mix of activities that provides the best possible value overall.

Council will develop a Resourcing Strategy for the provision of resources to perform its functions and review this annually. The Strategy will be structured to consider Council's finances, infrastructure and organisational capability and capacity.

The Strategy will include an Improvement Plan focused on the following sustainability objectives and identifying the actions that Council intends to undertake to pursue each of them. These actions will inform Council's annual Operational Plan and reported on along with all other activities.

Council's Finances	
1	Make decisions about resource allocation in the Delivery Program considering competing priorities (best value) and what is affordable and sustainable, in particular aiming to maintain an underlying operating surplus
2	Review and, where appropriate and possible, increase revenues
3	Reduce expenditure while maintaining appropriate, preferred service levels
4	Maintain compliance with Best Practice Management Guidelines for water and sewerage functions and revise infrastructure and financial plans where significant changes (e.g. estimates for major projects) are identified
5	Use borrowings when appropriate (e.g. to finance peaks in infrastructure investment and to help ensure each generation equitably pays for the services they utilise)
6	Implement treasury management strategies to minimise borrowing costs and interest rate risk exposure while maintaining sufficient cash to accommodate outlay expenses

POLICY FOR SUSTAINABLE BEST VALUE (NO 1.27.1)

Council's Infrastructure	
7	Keep the asset register up to date; revalue assets as per accounting standards (and OLG Code); seek to improve alignment between asset valuation/service life assumptions and renewal plans; ensure condition data is meaningful and useful
8	Collaborate with other councils in asset revaluation and condition rating to realise economies of scale, improve consistency and confidence in the figures as well as create opportunities for regional strategic planning and advocacy
9	Review Asset Management Plans annually to optimise activities to be undertaken within available resources in each maintenance and capital works program to achieve performance targets in Service Dashboards as well as highlighting issues of concern that may warrant allocation of additional resources to a particular program
Council's Organisational Capability and Capacity	
10	Work co-operatively with other councils to improve organisational capability and capacity (e.g. Mid-Lachlan Alliance, Central West JO, friendship alliance with Hawksbury City Council)
11	Review the main priorities for improvement via an annual Organisational Capability and Capacity Survey to be completed by Council's leadership team and support this with internal/external audits against similar elements of good practice as appropriate
12	Review all services annually by keeping the Service Review Summary up to date; develop and implement an annual program of detailed service reviews that takes into account the audit program developed by the Internal Audit function
13	Ensure the internal audit function operates effectively and is supported by an appropriate Enterprise Risk Management Plan
14	Implement and review the Program and Project Management Framework to drive the continuous improvement program within Council
15	Undertake programs to equip leaders individually and as a group to realise meaningful change; take action to manage performance issues as required

RESPONSIBILITIES

There are a number of points relevant to this policy set out in the Local Government Act.

The role of the governing body is to ensure as far as possible the financial sustainability of the council and to develop and endorse the community strategic plan, delivery program and other strategic plans, programs, strategies and policies of the council.

The role of the Mayor is to ensure the timely development and adoption of the strategic plans, programs and policies of the council and to promote the effective and consistent implementation of these and to advise, consult with and provide strategic direction to the General Manager in relation to the implementation of the strategic plans and policies of the council.

The role of a councillor is to make considered and well informed decisions as a member of the governing body and to participate in the development of the integrated planning and reporting framework, to represent the collective interests of residents, ratepayers and the local community and to facilitate communication between the local community and the governing body.

POLICY FOR SUSTAINABLE BEST VALUE (NO 1.27.1)

The General Manager is to advise the mayor and governing body on the development and implementation of strategic plans, programs, strategies and policies of the council, to provide advice on the appropriate form of community consultation and to prepare, in consultation with the Mayor and governing body, the documentation under the Integrated Planning and Reporting Framework. The General Manager is also to conduct the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the Council.

HISTORY

Version	Details
1.27.1	Adopted 21 June 2018