

Attachment 1 - Annual Report Sustainability Plan V2 for Council meeting 21.07.22

SNOWY VALLEYS COUNCIL ROAD TO SUSTAINABILITY PLAN V2

#	Subject	Action	What?	Project Delivery	When?	Progress to 30 June 2022	Status
1	IP&R	Prepare SRV	Prepare new SRV and scenario model in LTFP Develop engagement plan Deliver community engagement Submit to IPART	CFO	engagement phase 1 June- July 2021 engagement phase 2 October 2021 preparation of application Jan/Feb 2022	SRV approved by IPART - 10/05/22 Implementation 15.7% in 2022/23 and 17.5 in 2023/24	Closed
2	IP&R	Determine process for new suite of IP&R documents	Review the structure of Council's Delivery Program to focus on services (rather than Community Strategic Plan themes) to facilitate better strategic planning, aligning Council's activities with budgets Coordinate the preparation of the new suite of IP&R documents with key stakeholders	ECOS	by February 2022	IP&R documents prepared Adopted 16 June 2022	Closed
3	IP&R	Establish Integrated Water Cycle Management Strategy	Finalise a new integrated Water Cycle Management Strategy for the SVC local government area including strategic planning for water supply and wastewater services, financial planning etc.	EDIS	by December 2023	Steps to be followed - Analysis of existing system - Preparation of Issues Paper due to start Aug 22 - Draft IWCM Strategy - Options Analysis - Review of draft IWCM to assess affordability - Finalise IWCM - Review means Asses. - Reserves Policy reviewed. Reserves forecast integrated into IP&R documents	Integrated in Delivery Program 2022/23 and following years
4	Funding and revenue	Manage Reserves	Update reserves policy with view to sustainability, model reserve movements over the next 10 years and propose alternative funding models Utilise developer contributions to fund projects and upgrades	CFO	by September 2021 and ongoing	Fees and charges review is ongoing. 2022/23 charges increased where appropriate to achieve higher user pay contribution	Closed
5	Funding and revenue	Review fees and charges	Review of all fees and charges and benchmark against other Councils Establish the full cost of all services and raise fees and charges where applicable until they cover costs while considering community service obligations Council makes fully informed decisions about subsidising services	CEO	progressively over 3 years (2021-2023)	At the end of 2021/22 Council had \$73.7M in active grant funded projects, \$37M of funding had been rejected and a further \$11.4M funding was in the application phase Robeyan Road project \$12.7M	Ongoing
6	Funding and revenue	Continue to pursue operating grants	Continue to pursue operational grant funding Review all new and upgrade proposals for sustainability criteria prior to funding submission and clearly document this in submissions and project plans	CEO	ongoing	Operational savings achieved in 2021/22 \$188K Ongoing annual savings \$1.04M Multiple contracts reviewed and re-negotiated	Ongoing
7	Funding and revenue	Pursue commercial business opportunities	Proactively pursue commercial opportunities to realise economies of scale and generate commercial returns to support other areas of Council Decline commercial works that don't return profit margins at a level set in SVC's commercial works or other relevant strategy	CEO	ongoing	Overhead model implemented Direct costs are charged through financial system	Ongoing
8	Operational Expenditure	Review Council's procurement processes	Review procurement framework and implement improved procurement processes, including utilising enterprise systems capabilities	CFO	by December 2021	Procurement framework adopted 17/03/22	Closed
9	Operational Expenditure	Reduce operational employee costs	Evaluate and review all vacancies with a view to operational savings upon review of service levels Reduce employee costs through a review of workforce numbers, work patterns, benefits and restrictions around workforce and wages Ensure employee costs are capitalised where appropriate	CEO	ongoing cost savings reviewed by June 2022	8 FTE removed from structure resulting in ongoing cost savings of \$578K	Integrated in Delivery Program 2022/23 and following years
10	Operational Expenditure	Reduction of excess leave balances	Set excess long service leave reduction target (>20%) for 2021/22 Set annual leave and Toll/ROD balance reduction target (>10%) for 2021/22	CEO	reduction achieved by June 2022	Excess long service leave increased by 7.7% while long service leave overall increased by 3%, annual leave plus Toll increased by 5%, mainly due to Covid-19 shutdown periods and reduced taking of leave, increased workload and large number of non-accrual vacancies	Ongoing
11	Operational Expenditure	Allocate overheads and direct costs	Review allocation of overheads and direct costs to better reflect actual costs of services Allocate appropriate overheads across the entire organisation, including capital projects and commercial works - implementation depending on enterprise system review progress and improvements	CFO	by June 2021	Overhead model implemented Direct costs are charged through financial system	Closed
12	Operational Expenditure	Capture savings	Identify operational cost saving opportunities and efficiencies, capture savings rather than re-investing Renegotiate supplier contracts (enterprise system, IT, utilities, phones, fleet, waste, project management etc.) with a view to cost savings Set savings targets (>3%) for individual managers and coordinators	CFO	ongoing contract review and renegotiation by June 2022	Operational savings achieved in 2021/22 \$188K Ongoing annual savings \$1.04M Multiple contracts reviewed and re-negotiated	Ongoing
13	Operational Expenditure	Review the use of consultants	Ensure use of consultants is efficient and effective	CEO	ongoing	Reported annually to Council workshops Consultants are engaged where specialist skills required that cannot be provided in-house	Ongoing
14	Cash	Optimise working capital	Optimise working capital by maximising collections, timely billing, timely recouping of expenditures, extension of creditor payment terms to commercial terms and reduction of payment cycle frequency	CFO	ongoing	Processes reviewed in 2021/22	Integrated in Delivery Program 2022/23 and following years
15	Cash	Maximise Investment Returns	Maximise investment returns balanced against risk and policy requirements	CFO	ongoing	Processes reviewed in 2021/22 Monthly reporting to Council	Integrated in Delivery Program 2022/23 and following years
16	Projects, programs, capital works	Review Advocacy Plan	Review current advocacy priorities in the context of the Sustainability Plan	CEO	by June 2022 (new Council)	Council reviewed and updated advocacy priorities Adopted 16 June 2022	Integrated in Delivery Program 2022/23 and following years
17	Projects, programs, capital works	Enable Program Management Group	Enable fully functional PMG, including systems and processes	ECOS	by June 2021	Program Management Framework in place	Closed
18	Projects, programs, capital works	Implement whole of life costing model	Consistently follow Council's gated project assessment framework and implement compulsory whole-of-life costing model	CEO	by June 2022	The Program Management Framework requires all projects to be assessed for WLOC	Closed
19	Projects, programs, capital works	Review and reduce current project delivery program	Review projects and programs based on capacity to deliver	CEO	ongoing	Reduction of grant applications	Ongoing
20	Projects, programs, capital works	Prioritise capital renewal projects	Restructure the capital projects plan around essential assets	EDIS	ongoing	Reviewed delivery timelimes for existing projects to pre-assessment of all applications to assess affordability in terms of ongoing maintenance, operating and depreciation costs, resulting in a reduction of grant applications.	Ongoing
21	Service Levels	Assess holding costs	Assess holding costs of all non-income producing assets vs. current and future needs and consider divesting where financially unsustainable	CFO	ongoing	Assessments are undertaken in line with asset management plans	Integrated in Delivery Program 2022/23 and following years
22	Service Levels	Prepare Service Management Plans (SMP)	Finalise SMPs for all Council services Review and report on alternative delivery options for ALL services	CEO	draft SMPs by June 2021 progress report by September 2021 and ongoing quarterly	SMPs for all areas finalised	Integrated in Delivery Program 2022/23 and following years
23	Service Levels	Divest services	Divest low-value services Prioritise service delivery of those services that promise the highest gains or savings User/owner analysis to maintenance systems and assess opportunities for improvement, advancement and integration	CEO	by June 2022	No appetite by Council	Ongoing
24	Service Levels	Define maintenance management systems	Finalise maintenance management systems for transport, drainage, open space and facilities asset classes Establish business case for integration of service management into Council's enterprise system Effect integration of system into Council's enterprise maintenance module - pending	EDIS	by December 2023	Initial draft AMP Plans have been prepared With approval of SRV financial modeling to be redone	Integrated in Delivery Program 2022/23 and following years
25	Service Levels	Needs analysis for recreational activities and community buildings	Undertake a needs analysis for recreational activities and community buildings, considering asset renewal needs, potential new/upgrade assets to meet community needs, opportunities for disposal etc. as part of preparing the Open Space and Facilities SMP	EDIS	by December 2022	No appetite by Council	Integrated in Delivery Program 2022/23 and following years
26	Service Levels	Improve data collection	Improve data collection about effectiveness, efficiency of services and other key performance drivers to allow for informed decision-making Focus reporting on operating performance ratios, own-source revenues and long-term sustainability	CEO	by June 2022	Improvements to ERP system implemented, ERP system uplift will result in further improvements	Integrated in Delivery Program 2022/23 and following years Capital works program 2022/23
27	Service Levels	Review corporate service model	Investigate shared service arrangements for corporate support functions	CEO	by June 2022	Investigations have not resulted in any feasible projects to date	Integrated in Delivery Program 2022/23 and following years
28	Service Levels	Empower community groups	Enable community groups to deliver projects and events that sit outside Council's responsibility	EDCC	by December 2021	Incorporation of existing 1,355 committees is finalised, resources handed over from Council. Community projects on council assets must utilise the Project Management Framework	Integrated in Delivery Program 2022/23 and following years
29	Service Levels	Digital transformation	Continue to identify improvement opportunities and deliver digital transformation projects for internally and for community-facing services	EDCC	ongoing quarterly progress report	Improvements to ERP system implemented, ERP system uplift will result in further improvements E-Planning portal replacing manual processes	Integrated in Delivery Program 2022/23 and following years Capital works program 2022/23
30	Strategy	Review Enterprise System	Review utilisation of enterprise system and system modules and how they can support sustainability targets Establish business case for continuation of Council's enterprise system (or otherwise), including resourcing Reconsider all Council systems, reduce systems in use and integrate with Council's enterprise system	ECOS	by June 2022	Improvements to ERP system implemented, ERP system uplift will result in further improvements. Rolling 2-3 year optimisation project.	Integrated in Delivery Program 2022/23 and following years Capital works program 2022/23
31	Strategy	Continue to establish strategic business plans	Strategic business planning for all business units including sustainability proposal	CEO	phase 1 - by June 2022 phase 2 - December 2023	Strategic business plans for Libraries, Customer Service, Community Services drafted and to be presented to Council	Integrated in Delivery Program 2022/23 and following years
32	Strategy	Define funding strategy	Define funding needs and develop a funding strategy that includes operational and capital funding and delivers on Council sustainability targets	CFO	by June 2022	Funding strategy integrated into Delivery Program and long-term financial planning	Closed
33	Strategy	Culture transformation	Continue to focus organisation on positive work culture and employee engagement concentrating on sustainability, business improvement, alternative ways of working, performance management framework, accountabilities and link to strategic plans	EDCC	ongoing progress report by December 2021	Not yet commenced. To be scoped with/post implementation of new organisation structure	Integrated in Delivery Program 2022/23 and following years
34	Strategy	Culture transformation	Develop a program of initiatives and a change management program	EDCC	by December 2021	Not yet commenced. To be aligned with new organisation structure	Integrated in Delivery Program 2022/23 and following years
35	Strategy	Review Council's overall risk profile	Utilise Enterprise Risk Management Framework (ERMF) to assist in identifying and exploiting opportunities for new or increased revenue streams and expenditure reductions	ECOS	ongoing progress report by June 2022	Risk appetite workshoped with Councillors on 07/04/22. No material change to risk appetite. ERMF reviewed and updated. Risk assessments now included in PMJ (for next inception to handover)	Integrated in Delivery Program 2022/23 and following years