

DECISION REPORT

REPORT TITLE: 2011 -12 DRAFT ANNUAL BUSINESS PLAN AND BUDGET FOR CONSULTATION

ITEM NUMBER: 111

DATE OF MEETING: 28 March 2011

AUTHOR: NICOLA TINNING

JOB TITLE: FINANCE MANAGER

RESPONSIBLE OFFICER: CHRISTINE UMAPATHYSIVAM

JOB TITLE: DEPUTY CHIEF EXECUTIVE OFFICER

COMMUNITY GOAL: GOE.2 Generate an approach to all Council operations which maintains the principles of good governance such as public accountability, transparency, integrity, leadership, cooperation with other levels of government and social equity

REPRESENTOR/S: Nil

ATTACHMENTS: 1 – PROVISIONS OF THE LOCAL GOVERNMENT ACT
2 –COMMUNITY ENGAGEMENT STRATEGY
3 – DRAFT ANNUAL BUSINESS PLAN 2011-12

PURPOSE

This report provides information about the proposed Community Consultation Strategy to be used with the Unley community; about the services, projects to be provided, and the resources required by the City of Unley details of which are contained within the draft Annual Business Plan 2011 - 12.

RECOMMENDATION

MOVED:
SECONDED:

That:

1. The report be received.
 2. The draft Annual Business Plan 2011-12, Attachment 3 to report 111/11, be endorsed for the purpose of the Community Consultation to be conducted between the 6 and 29 April 2011.
 3. The Community Consultation Strategy outlined in report 111/11, be endorsed.
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BACKGROUND

The Local Government Act 1999 requires councils to prepare a draft document for community consultation prior to adopting the annual budget (Attachment 1 to report 111/11).

Attachment 1

The Annual Business Plan and Budget must be adopted after the 31 May and prior to the 31 August each year.

COMMUNITY ENGAGEMENT

The need for Community Consultation is not only a statutory requirement, it also provides the opportunity to enable the community to consider the sorts of plans, services and their related costs as they are being considered by the Council and to provide feedback to the Council for consideration before the final adoption of the Annual Business Plan.

This report recommends a process of Community Consultation that is consistent with the Council's Consultation Policy and that draws on the experience of the last couple of years, when more innovative techniques have been used to increase the level of community participation in this debate.

It is more than is required by the Act and more than is prescribed in the Council's own consultation policy.

A copy of the Community Consultation Strategy is provided for Members' information as Attachment 2 to report 111/11.

Attachment 2

DISCUSSION

Proposed Community Engagement Strategy

The Strategy being proposed includes a number of techniques to engage ratepayers in a meaningful discussion about the financial processes and plans of the City of Unley. Whilst the legislation provides minimum requirements for such a consultation, experience has demonstrated that the minimal statutory approach results in very little community participation.

At a recent workshop with Elected Members, some concern was expressed about the additional cost associated with the approach that is being proposed. However, taking an approach that is innovative and targeted at seeking comment from specific groups is important and yields a much more robust process with comments from a broad range of stakeholders.

The consultation program that is proposed includes the following;

- Broad community feedback through the receipt of written submissions via the Unley Column – Eastern Courier.
 - In early April 2011

(This is page 23 of the Council Agenda Reports for 28 March 2011)

- Direct feedback from specific interest groups – via focus group discussions: one with the business community, the other with residents
- At least one “community conversation style” forum with a selection of community members – by way of invitation & public notification – scheduled for 20 April 2011.
- Use of the City of Unley Community On-Line Panel.
- Use of social media; Facebook and Twitter, with links back to Council's website.

The effectiveness of this kind of approach can be assessed against the increase in participation. Previously when the statutory minimum was used as the benchmark, participation was very low, ie 1-4 participants and this experience has been shared by a number of local authorities.

The proposed approach is consistent with last years approach and the participation numbers from last year were as follows:

- On line panel, 174 respondents
- Focus groups, one residential group of 13 participants and one business of 9 business owners
- Community conversation style public meeting, approximately 17 attendees

In summary feedback from the participants last year indicated they were generally satisfied with the level of services provided by the Council.

Council was viewed with considerable goodwill by both business and residents with general support for the Draft Annual Business Plan.

Council's commitment to a genuine public conversation about the Annual Business Plans was also well regarded.

Communication Strategy

The following advertising schedule is proposed to draw awareness to the consultation process:

- The Consultation Strategy will appear on the Council's web site as will information detailing ways that members of the public can participate in the consultation program.
- The Community Consultation Strategy and ways for the public to become involved will be publicised in the Eastern Courier Messenger newspaper on 6 April 2011.

Consultation Information

The Draft Annual Business Plan 2011-12 meets all legislative requirements of the Local Government Act 1999.

The information contains:

- Information about Council's Long Term Plan.
- A summary of the services provided.
- Project Priorities.
- Funding requirements.
- Consideration of the rating structure and impact.

Two Elected Member workshops have already been held as part of the Annual Business Plan development process. The first of these workshops was held 7 February and the second on 7 March 2011. There are two more workshops to be conducted.

The Draft Annual Business Plan 2011-12 has been developed using the Long Term Financial Plan as a guide with the aim to achieve the adopted financial targets.

Financial Indicator	Council Adopted Target
Operating Surplus Ratio	3.5%
Net Financial Liabilities Ratio	= < Annual Rates Revenue
Interest Cover Ratio	< 10%
Asset Sustainability Ratio	= > 100 %

The following are proposed as the basis for consultation with the community:

- A total rate revenue increase of between 5 % and 5.5 %
- Operating Initiatives of \$596 000
- Capital Replacement of \$ 6.85 M
- Capital New of \$ 3.75 M
- Additional funding from borrowings of \$ 4.2 M

Proposed major new capital projects include;

- the continuation of the Federal Storm Water Projects worth \$1.18 M of which Council will receive \$610 000 from external grant funding;
- \$2.1 M for the possible procurement of strategic land, and;
- \$350 000 for a new storm water drain from the Wattle/ Fullarton Rd intersection to Randolph/ Kenilworth. All new capital will be funded by borrowings.

The proposed capital replacement program has been based on current asset information. The Asset Sustainability Ratio will be 108.3%. The 8.3% will be funded by borrowings. Main items include:

- major road works in Owen Street and Aroha/ Norman Terrace;
- over \$1 M for road reseals;
- \$780 000 for the replacement of plant and equipment; and,
- the replacement of the finance system at just over \$300 000.

A copy of the Draft Annual Business Plan is provided as Attachment 3 to Report 111/11.

Attachment 3

The impact of this draft plan does not compromise Council's longer term financial sustainability.

However, Council can no longer rely on the use of investment funds and will need to continually monitor the impact of its decisions on Net Financial Liabilities and Equity.

ANALYSIS OF OPTIONS

S123 of the Local Government Act 1999 prescribes the minimum level of consultation that a Council must undertake in conjunction with the draft Annual Business Plan. It requires the publication of a notice in a newspaper circulating within the area of the council inviting interested parties attend a public meeting, or a meeting of council where members of the public may ask questions and inviting interested parties to make a written submission outlining any concerns they have, or comments that they wish to make, about what is being proposed.

Option 1 – Conduct community consultation as outlined in the report.

Conducting the consultation process as outlined above satisfies Council's own Consultation Policy and meets more than the minimum requirements of the legislation.

It provides a number of opportunities to engage with the community around critical service decisions for the upcoming year.

This approach demonstrates transparency and good governance. It also indicates the commitment to customer service and responsiveness.

Whilst some concerns have been raised about the additional cost that this program will incur when compared to the statutory minimum, the Administration believe that it is important to demonstrate a genuine interest in creating opportunities for members of the community to comment on the plans that the Council has for the upcoming year, both in terms of services being considered and the costs associated with these. A robust community consultation program enables consideration of the proposition that what is being offered represents good value for money.

Whilst this option is more expensive, the costs are minor in the context of the scale of the budget.

Option 2 – Conduct community consultation to meet the minimum requirements of the legislation

Conducting the consultation process as outlined above without the use of the Community On-Line Panel or focus group will still satisfy Council's own Consultation Policy and the requirements of the legislation.

It is likely to elicit only a limited response as experienced in previous years and is not in keeping with a genuine attempt to engage the community and gain an understanding of its opinions.

It may be considered as not being a genuine attempt to consult with the community and to listen to what it has to say about the Annual Business Plan.

Option 3 – Conduct community consultation in a modified manner

Alterations to the recommended process may be suggested by Elected Members to assist in achieving the outcomes outlined above provided the basic legislative requirements of the Act are met.

RECOMMENDED OPTION

Option 1 is the recommended option.

POLICY IMPLICATIONS

The proposed Community Engagement Strategy is consistent both with the provision of the Local Government Act and with Council's adopted Community Consultation policy COU 11.

It draws on the experience of the success of the last couple of years.

A community Consultation Program that seeks to provide genuine opportunities for the community to engage in the development of the Annual Business Plan in a meaningful way must contemplate the sorts of times and venues that will facilitate this. Open and transparent operations are the hallmark of good governance and this is in keeping with Council's community engagement commitments.

CONCLUSION

The Local Government Act 1999 (The Act) requires Council to consult the community prior to adopting the annual budget. Specifically the Act requires Council to develop a DRAFT Annual Business Plan and follow a process of community consultation.

The consultation strategy outlined in this report builds on the successful experience of the last couple of years when different consulting initiatives have been trialed.