



**SOLGM**

NEW ZEALAND SOCIETY OF  
LOCAL GOVERNMENT MANAGERS

# LIVING THROUGH (ANOTHER) LONG-TERM PLAN

MANAGING A LONG TERM PLANNING PROCESS UNDER THE LOCAL GOVERNMENT ACT 2002

OCTOBER 2010



We know  
how it works



## FOREWORD

*Living Through (Another) Long-Term Plan* is the first of the SOLGM Guides to Long-Term Planning to be revised in advance of the 2012-22 long-term plans. Others in the revised suite are:

- *Piecing it Together – the Guide to Producing An Integrated Long-Term Plan* – due for release on 23 December 2010
- *Still Your Side of the Deal – Performance Management Under the Local Government Act*, due for release on 31 January 2011
- *More Dollars and Sense* – due for release on February 28, 2011
- *The SOLGM Long-Term Planning Seminars* – to be held in March and April 2011
- *Long Term-Planning for Decision-Makers* – guide and seminars in April 2011
- *Telling Our Stories* – to be released at the 2011 SOLGM Communications Forum
- *LTP 101 Seminars* – to be held in mid 2011.

SOLGM's revision of its guidance on long-term planning has been based on seven principles (which we call *the seven pillars of wisdom in long-term planning*). These are:

1. *Long-term planning is long-term* – delivering services to the community on a sustainable basis requires thinking beyond the next year and the next triennium.
2. *The Right Debate* – getting the most from long-term planning is about creating and managing the right debate with the public. This right debate will focus on the council's overall bundle of level of service, funding and policy choices and how these contribute to wellbeing.
3. *Plan Your Plan* – successful long-term planning requires careful sequencing of determining and debating future intentions, and producing information that sets out the consequences.
4. *One Coherent Story* – a long-term plan should tell a single overall story – at its most basic the content of the story is about community wellbeing and the things the council will do to make people's lives better.
5. *Answer the 'Why' Question* – being able to clearly and succinctly describe why your council does a particular activity, in terms that are relevant to the public, is critical to good long-term planning.
6. *The Flow of Logic* – each of the elements of a competent long-term plan will link with others in a logical way. A reader should be able to see a link between a financial strategy, the funding tools and the forecast financial statements. The choice of levels of service will determine what measures and targets councils use to assess their performance, and changes in levels of service will be reflected in asset plans and expenditure information.
7. *The Continuous Plan* – long-term planning is an ongoing process, not just a triennial document.

This guide deals with the third and seventh of the pillars. Successful long-term planning under the *Local Government Act* requires the marriage of:

- a set of current information with future expectations and intentions
- top down policy decisions (such as the financial strategy) with bottom-up drivers (sustainable delivery of services)
- inputs from across your local authority including asset management, finance, policy and service delivery.

Managing all of this requires not only the right level of resourcing (numbers of people and skills), but the careful sequencing of tasks and a complete, accurate base of underlying information. That is what this guide and the associated tools are all about. The guide has been structured around five key areas: culture; process/timeframes; personnel and resources; tools and quality assurance.

I would like to thank the following for their contributions to this guide:

- Susan Edwards, Strategic Development Manager, Tasman District Council
- Michael Hodder, Community Services Group Manager, Rangitikei District Council
- Tracey Hunt, Community and Strategic Development Officer, Manawatu District Council
- Jenny Lapham, Governance Support Officer, Dunedin City Council
- Sarah Lineham, Sector Manager – Local Government, Office of the Auditor-General
- Katherine Palmer, Strategic Policy Manager, Thames-Coromandel District Council
- Gillian Payne, Strategic Planning Manager, Western Bay of Plenty
- Raymond Horan, Senior Policy Advisor, SOLGM

I also want to thank:

- Jonathan Salter, Simpson Grierson for his legal review
- Janice Nadew for publication work
- Ian Carson and the staff of ID Media (for the layout of the guide).

As with the other products in the suite, this guide and the associated tools are intended to be living documents. If you have a process or a project management tool that you believe is good practice, and are willing to share with the sector, then please contact Raymond Horan ([rhoran@solgm.org.nz](mailto:rhoran@solgm.org.nz)).



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October 2010

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**Disclaimer**

*This guide is based on the collective wisdom of the local government sector on project managing a long-term plan under the Local Government Act 2002.*

*Every effort has been made to ensure that the information in this guide is as accurate as possible, including review by legal advisors and representatives of the Auditor-General.*

*The guide is not intended to be a substitute for appropriate legal and policy advice. Neither SOLGM nor the individuals involved in the preparation of this document accept any liability for loss or damage arising from the use of material herein. Reading the information beyond this point constitutes acceptance of the terms of this disclaimer.*

## 1.0 INTRODUCTION

### 1.1 Why A Guide to Process Management?

*“A failure to plan is a plan to fail” (Chebyshev)*

For many local authorities the preparation of a long-term plan (LTP) is the most important single process that they undertake during the triennium. The LTP is (or should be) the major focus for community engagement and debate.

Preparation of an LTP draws upon a wide array of information, both about the current state of affairs within your local community, your local authority and its assets and future expectations/intentions. Some input may sit outside of your local authority's direct control. While some tasks can be pursued largely independently of the remainder of the process most need to be integrated with others. For example the policy on development contributions is dependent on growth forecasts, the determination of levels of service, the revenue and financing policy and so on.

Managing the development of all of this information and turning it into a sensible LTP requires a structured process. The consistent and ongoing application of process management disciplines provides that structure.

Process management was one of the major issues with the first two iterations of the (then) LTCCP (in 2004 and 2006). Issues with those plans generally arose out of problems with process management. Typical issues were:

1. *underestimation of the time and resource involved*
2. *lack of support from some politicians and senior managers*
3. *issues with project sequencing*
4. *lack of rigorous quality assurance processes.*

In 2009 far fewer local authorities experienced issues with process management. We understand that approximately 30 of the 85 local authorities received commendations from their auditors for good or significantly improved process management<sup>1</sup>. The Auditor-General's report<sup>2</sup> on the 2009-19 plans credits the previous edition of this guide with helping local authorities see the importance of process management disciplines into their overall planning process. In particular the “health check” is credited with helping local authorities focus on the necessary systems and processes at an early date.

There are two reasons to revise the guide now:

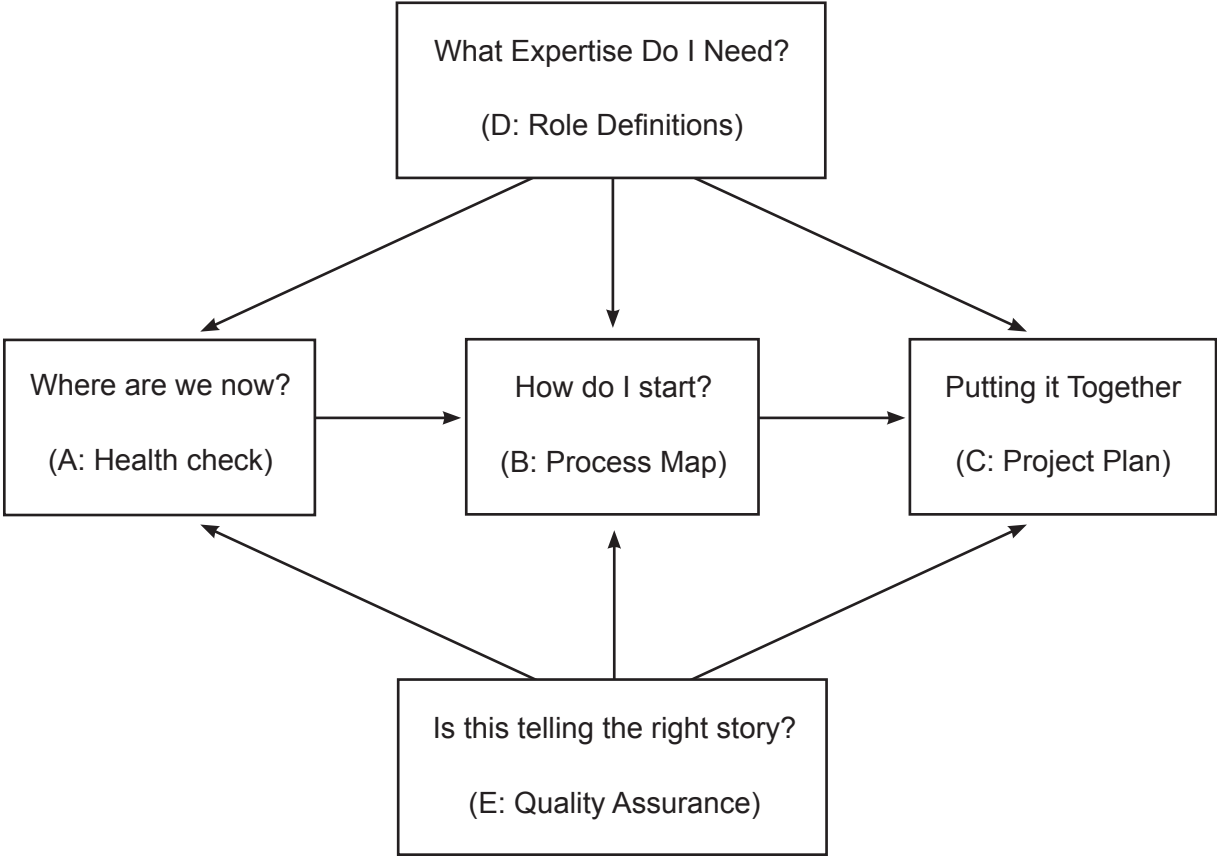
- *legislative changes* – amendments to the *Local Government Act* during 2010 do not fundamentally change long-term planning. But sensible implementation of the amendments may require some changes to the sequencing of tasks, some new information must be produced, and there is a new accountability document (the pre-election report)
- *turnover within the industry* – SOLGM is aware that a significant number of new LTP process managers have joined the industry in the past year.

<sup>1</sup> There is no requirement for auditors to comment on LTP process management - these comments can be viewed as an unsolicited ‘bouquet’.

<sup>2</sup> See Office of the Auditor-General, 2009, Matters Arising from the 2009-19 Long-Term Council Community Plans, especially Part 10.

### 1.2 How to use this Guide

This Guide is designed to take you through the steps involved in managing an LTP process.





## 2.0 LTP CULTURE

### 2.1 The LTP – A Three Yearly Document or a Continuous Process?

The LTP is not just a document that gets produced once every three years. The LTP is a continuous process. In particular:

- local authorities monitor and review progress against objectives through the performance management process, and through the annual planning process. When your local authority reports against performance measures in the annual report, it is reporting against those in the LTP
- while the LTP is meant to be durable, circumstances change – so there is a mechanism available for amending the LTP in between the formal plans
- the information base that underpins the development of an LTP does not remain static, and the future will probably be different from that envisaged in the forecasting assumptions. In the ideal world, the information base would be updated regularly, with an update immediately prior to document preparation as the bare minimum
- the LTP document and prescribed consultative processes are statutory minima for some key issues (especially where significant change is proposed), initial consultation could be undertaken before the formal LTP process starts (in fact some functional legislation may require it). The issue of pre-consultation consultation has arisen in a number of authorities. While a business as usual LTP may be able to get away with a single wave of consultation, as per the legislation, a plan that involved substantial change to levels of service, might be better handled by engaging on specific issues ahead of formal engagement.

### 2.2 What does the Right Culture for Long-term Planning Look Like?

There can be few hard and fast rules regarding organisational culture, but the following characteristics are common in those local authorities that run good processes:

- the LTP is approached as a matter of organisational success and good business practice, rather than being approached as a compliance exercise
- the LTP is seen as core business and not as an interruption to business as usual
- elected members value the process, and have been involved at all its major steps, not just at the end
- service delivery is seen as a means of improving community wellbeing
- there is acceptance that the status quo is not inviolate i.e. questions such as “why is this in the LTP?” are asked without anyone feeling threatened
- the LTP is seen as an opportunity both to tell the community how your local authority is making their lives better and get them involved in the process
- the Chief Executive and all senior management are actively involved in the process
- LTP teams are drawn from across the organisation
- LTP work forms a key part of the performance agreements of individual staff.

### 2.3 LTP Readiness

*“A well planned project takes twice as long, a poorly planned one takes three times as long.”*

The LTP is a process of continuous learning. One of the first steps in the LTP process is to evaluate

your local authority's readiness for the process. An organisation that is ready to begin long-term planning will probably have:

- a good idea of the likely issues of importance during the process, including the issues that may be controversial and those that are non-negotiable
- processes that monitor the robustness of forecasting assumptions against events
- a current base of underpinning information
- information systems that deliver information necessary to govern and manage
- a well developed plan for communication and engagement with the community
- a commitment from all parts of the local authority.

To help you assess how ready your local authority is to begin long-term planning we have prepared a readiness health check (see Tool A on page 12). To get the maximum value from the health check:

- answer the questions honestly and at several points during the process
- share the results with senior management and with elected members
- where issues exist, focus on what action needs to be taken, by whom, when.

## 2.4 Education

Ingraining the LTP into organisational culture cannot occur without education both for elected members and staff. The LTP should form an important part of both the briefing that the elected members receive at their first meeting, with regard to their roles and responsibilities, and of the induction process for new staff.

The induction message needs to:

- briefly explain what the LTP is
- avoid the jargon of the Act where possible
- emphasise that long-term planning is good for both the local authority and the local community rather than a legal requirement
- emphasise the importance of the process to the individual. For an elected member, the communication should talk about the LTP as a commitment to the community, and how the LTP will play a major part in the community's assessment of the performance of elected members. Much of what elected members want to achieve can only be achieved through the LTP process (e.g. stopping project abc, holding rates etc). With staff members, explain that the LTP is the tool that explains how what they do makes a difference, it's how they get their budget and the thing that their performance agreement links back to).

As awareness of the LTP develops, further education might focus on the general processes for preparing an LTP, what your local authority is trying to achieve and why the project is/will proceed the way it is. Existing staff are likely to need periodic booster shots to whatever education they have been given regarding the LTP.

***Things to Remember: Long-Term Planning Culture***

1. The LTP is both a three yearly document and an ongoing process of assessing delivery against the plan and taking corrective action.
2. The local authorities with the best LTPs are generally those that approach the LTP as a project that is valued council-wide and not just an exercise in compliance.
3. Early assessment of the organisation's readiness for the long-term planning process is valuable. Areas to focus on are the likely issues, the readiness of systems, the availability of resources and the state of the governance processes. To have value, the assessment needs to be conducted freely and frankly with involvement from elected members and management.
4. Selling the benefits of the LTP throughout the organisation and community is a continuous process, not just a once in three year activity.

## TOOL A: 2012-22 LTP HEALTH CHECK

The purpose of this health check is to aid your planning for the 2012/22 LTP, by providing an honest assessment of your readiness and where there are concerns, noting what needs to be done, by whom and when, to improve readiness.

**We suggest you run this health check now, and then again at the end of March 2011, and July 2011 as a check on progress. By July 2011 a well-prepared council would rank all items at least 3, preferably 4.**

Rank		Prognosis
1	Haven't thought about this yet.	<i>Call the undertaker.</i>
2	Started thinking but too early to say one way or the other.	<i>Could be fatal if left too long.</i>
3	Firming up thoughts / timetabling	<i>There is some hope.</i>
4	Decisions made / fully prepared and timetabled / making progress.	<i>On the road to good health.</i>
5	Done	<i>Time to enter a marathon!</i>

ITEM	RANK YOUR READINESS 1 TO 5	WHAT DO YOU NEED TO DO?	WHO	WHEN
<b>1. Project Initiation</b>				
Have you:				
a. considered the lessons learned during the 2009-19 LTCCP and how they shape the process this time?				
b. thought about how to address any weaknesses?				
c. read and reflected on material such as the OAG report, or material from your community on the usefulness of the LTP?				
d. developed a checklist of material you will need to cover (including the legal compliance aspects)?				
e. identified the likely risks and thought about how these could be managed?				

**TOOL A: 2012-22 LTP HEALTH CHECK**

ITEM	RANK YOUR READINESS 1 TO 5	WHAT DO YOU NEED TO DO?	WHO	WHEN
f. reviewed your monitoring information about social, environmental, economic and cultural wellbeing in your community?				
g. defined the roles and appointed a LTP project sponsor, project manager, project team?				
<p><b>2. Project Scope</b> Will you need to / how do you propose to:</p>				
a. identify community outcomes and their link to wellbeing?				
b. review strategies and policies upon which the LTP will rely?				
c. develop the financial strategy?				
d. review growth models, uncertainties or assumptions?				
e. group activities (including the mandatory groups)?				
f. divest or stop doing any activities?				
g. change any aspect of the performance management framework for the LTP?				
h. review your asset management plans and their links to the LTP?				
i. introduce any CCO/CCTOs or change their objectives or performance measures?				
j. introduce controversial or major projects or policies?				
k. review your funding/financing policies?				
l. review your fees and charges?				
m. review your significance policy?				
n. change accounting policies?				
o. present material for years 5-7 in the LTP (i.e that which will go in the pre-election report)?				

**TOOL A: 2012-22 LTP HEALTH CHECK**

ITEM	RANK YOUR READINESS 1 TO 5	WHAT DO YOU NEED TO DO?	WHO	WHEN
<b>3. Community Engagement</b> Will you need to / have you:				
a. identify key projects, options or issues you want to engage on?				
b. determined what are your key messages to your community?				
c. reviewed the information you presently hold on community views and preferences on 'the big issues'?				
d. created a plan to engage with the community?				
e. seek early community feedback on anything?				
f. create/revise systems that manage community feedback?				
g. engage with your community on issues the community is expecting to be consulted on?				
h. change the processes your council has for engaging Maori?				
<b>4. Timeline</b> Do you have a timeline:				
a. for all inputs and how these match up with other things on the work programme?				
b. that matches with council, committee and community board meeting schedules?				
c. for the audit process – including both the service provider's work and review by the Auditor-General's office				
d. for document production?				
e. for communication deadlines (such as radio and newspaper)?				
f. for consultation and submission processing?				
g. for staff and council sign-offs?				

**TOOL A: 2012-22 LTP HEALTH CHECK**

ITEM	RANK YOUR READINESS 1 TO 5	WHAT DO YOU NEED TO DO?	WHO	WHEN
h. that allows for adequate quality assurance to be undertaken and changes made?				
i. that allows for slippage?				
j. that includes a debrief at the end of the process?				
<b>5. Researching Issues</b>				
Have you:				
a. commitments that key personnel will be available?				
b. reviewed existing IT systems to ensure they can deliver the information required for the LTP?				
c. factored in time for any planned IT system changes or upgrades?				
d. put in place arrangements to communicate with and resource inputs from activity managers?				
<b>6. Governance</b>				
a. have you and elected members considered how they will be actively involved in the process?				
b. have new councillors been inducted in LGA requirements including their role in the LTP?				
c. do existing councillors need an LTP refresher?				
d. have you set a process for input by community boards?				
e. have you established the strategic direction/parameters in which the council wants the LTP to be prepared, for example priorities, limits on acceptable rates increases, and so on?				

**TOOL A: 2012-22 LTP HEALTH CHECK**

ITEM	RANK YOUR READINESS 1 TO 5	WHAT DO YOU NEED TO DO?	WHO	WHEN
<b>7. Culture</b> Have your:				
a. customer service staff been briefed on the LTP and what issues they can expect to be contacted about?				
b. managers bought in to the LTP as the basis for doing things?				
c. councillors bought in to the LTP as the basis for doing things?				
d. performance plans and pay policy been updated to factor in LTP objectives?				
<b>8. Quality Assurance (QA)</b> Have you:				
a. reviewed the QA systems and processes from last time?				
b. thought about how to address any weaknesses?				
c. ensured your LTP project plan includes QA throughout?				



## 3.0 PROCESSES AND TIMEFRAMES

This section considers the following:

- sequencing the tasks involved in an LTP (Tool B is a useful tool for this purpose)
- project planning an LTP (which is supported by the template plan in Tool C).

### 3.1 Starting the LTP Project

No local authority should need to start an LTP process from scratch. Look for the results from any debriefing of your local authority's learning from the last LTP process, and review what parts of the process and content that were identified as needing improvement. From that you should be able to prepare some initial thoughts about the process.

At an early point in the process your base of underpinning information will require review to ensure that it is current and complete, and that systems are in place to update this information as changes are made throughout the remainder of the project.

While some may be tempted to wait to start the LTP process until after each triennial election, much can be done beforehand or while the new council is 'finding its feet'. This includes activity such as:

- establishing a project team (especially the sponsor and manager)
- assessing organisational readiness for the LTP process
- developing some initial thoughts on likely scope (for example what key issues are likely to be the focus of attention) and processes (including an environmental scan and reviewing forecasting assumptions)
- review progress against the last LTP
- reviewing your information base
- developing tools and systems (such as reporting templates and information systems)

### 3.2 The Project Plan

The biggest single step your local authority can take towards a successful LTP process is to plan the processes that underpin the development of the LTP.

Tool C (page 31) provides a template project plan, adhering to this should ensure that all of the key information necessary to plan a project is included in your plan. Feel free to adapt the template to your local authority's particular governance and management arrangements.

#### Establishing the project structure and team

The project structure should be established by senior management (especially the appointment of a project sponsor, project manager, and members of the project team). The one obvious exception to this will be any oversight/governance arrangements that the elected members wish to put in place.

Further discussion of the skills, and background of project sponsors, project managers and project team members, can be found in Section 4 and Tool D (page 40). An important point to consider, is to structure the membership of the core team and of the supporting cast in such a way as to promote the different arms of your local authority talking to each other and thus integrating the information.

## Preparing a base project plan

The project team's first task is to prepare a base plan. This represents a preliminary or starter plan to:

- get key timeframes/milestones into elected member and staff schedules
- provide a foundation for more comprehensive planning, in particular the division of the overall project into tasks (see Tool B on page 21) the development of mini-project plans for each, and the integration of information
- provide a basis for work-shopping with elected members (especially around the key issues for resolution during the LTP).

The base project plan should contain the following:

- a statement of the issues that are likely to become important during the process (for example a major level of service issue or a controversial policy review)
- timelines for the development of particular plans (for example communications, consultation and quality assurance)
- identification of the key decision making points (integrated with meeting schedules)
- the overall timeframe for development of the LTP
- likely risks and threats
- a resource budget
- processes for monitoring.

The base plan should be discussed and agreed by the Chief Executive and senior managers, and then work-shopped with elected members. That first workshop with elected members should focus on the scope issues, and the processes the elected members wish to follow for governance of the project. Ideally that workshop would be held as soon as possible after the beginning of the triennium.

## Preparing the comprehensive project plan

The comprehensive project plan will serve as the final document for the organisation. For each of the tasks identified in the base plan – the comprehensive plan will:

- define the project scope
- specify the project deliverables
- assign roles and responsibilities
- identify key milestones and set deadlines
- specify project risks and strategies for mitigation or avoidance.

Development of a timeline should start with the key end dates and then work backwards. LTP processes have many interdependencies and can very easily be placed behind schedule by slippage in one of the projects (especially relating to levels of service and the preparation of asset/activity management plans). Plan for contingencies. This makes it particularly important that the project team takes people with them by:

- explaining the process and why the sequencing of steps is important
- securing agreement to the key deadlines rather than just imposing them
- ensuring that senior management have placed objectives relating to delivery of the LTP into the performance agreements of the relevant staff
- once the plan is developed it may be helpful to get time set aside in people's schedules for the purpose of working on their contribution.

Don't forget that the LTP will need information from external parties (such as financial and performance information from CCOs). These parties need to be involved in the development of the comprehensive project plan. Time should be allowed for several iterations, especially with the

audit process (where both the audit service provider and the Office of the Auditor-General will have some role in the process).

## Monitoring

Progress against the plan must be frequently monitored. Monitoring allows the early identification of areas of risk and allows time for the preparation of contingency plans so that issues can be dealt with before they delay progress of the remainder of the project.

Monitoring progress is a responsibility for the entire project team, not just the project manager (although the project manager still has the responsibility for reporting progress to the project sponsor and/or senior management). Monitoring should be frequent enough that issues can be identified at an early point, but not so regular or so formal that it becomes onerous. Many local authorities find that weekly meetings of the project team, and reports to project sponsors/senior management are a good monitoring tool.

The project manager and (particularly) the project sponsor need to be vested with sufficient authority to take action to ensure the project stays on track. From time to time this may include the need to direct others. If they are unable to do so for reasons of protocol, rank, or other barriers, their role as project manager becomes compromised and project slippage becomes more likely.

## Review

After adoption it is useful to conduct a formal debriefing to capture the organisation's learning from the process, including the successes and not just the things that could be improved. Ongoing review of the progress against the LTP objectives is important for managing overall performance. Formal processes for review should be established during the LTP project. The necessary resourcing must be incorporated into the plan or other process.

## 3.3 Elected Members

Another crucial factor in the success of a LTP process is the involvement of elected members. After all, the public holds them accountable for delivery against the plan.

Some of the techniques that worked successfully in past LTP processes include:

- a political co-sponsor for the project
- a political steering group (which may or may not be a duly constituted committee of council such as a strategy committee)
- workshops of various forms, such as topic based workshops
- formal retreats, typically for the high level strategic thinking discussions.

Whatever techniques you use for involving your elected members in the process:

- remember this is a political process, build time into your project plans to allow for delays in the decision-making process for whatever reason
- try to avoid situations where aspects of the LTP are compartmentalised, it undermines the concept of the LTP as an integrated document
- try to avoid situations where some members are outside the tent or seen to be
- to protect yourselves against legal challenge you should document all decisions, the reasons for decisions and the process by which they were reached as you go. Ensure that elected members are supplied with a written record of every decision they make, proceedings of workshops and so on.

***Things to Remember: Processes and Timeframes***

5. It's never too early to start an LTP project. You can review underpinning information and developing tools and templates in advance of elections.
6. Sequencing the tasks in the right order is all important.
7. Your project plan must include an allowance for contingencies and slippage.
8. Elected members should be involved in identifying the key issues for the LTP, and be comfortable with the general process. A draft of the project plan should be workshopped with members.
9. Involve all internal and external parties who have to contribute to the project in the development of the comprehensive project plan.
10. Regular monitoring is the key control tool for keeping the project on track.
11. Don't forget to allow resources for both a debrief and monitoring progress against the plan.

## TOOL B: THE THREE YEAR PROCESS MAP

Author's note – this description needs to be read in conjunction with the timeline on page 22. The process described here shows one way of structuring the process into tasks. Feel free to adapt as best suits your local authority's needs.

### Initiating the LTP

#### **Description**

This is the start of the process. Successful completion of this task ensures that the LTP has the resourcing and managerial support it needs to achieve success. The overall success criteria for your LTP will be set as part of this task. This task is the place where the project sponsor and manager are appointed, and the project team is established. An early discussion with the auditor is essential.

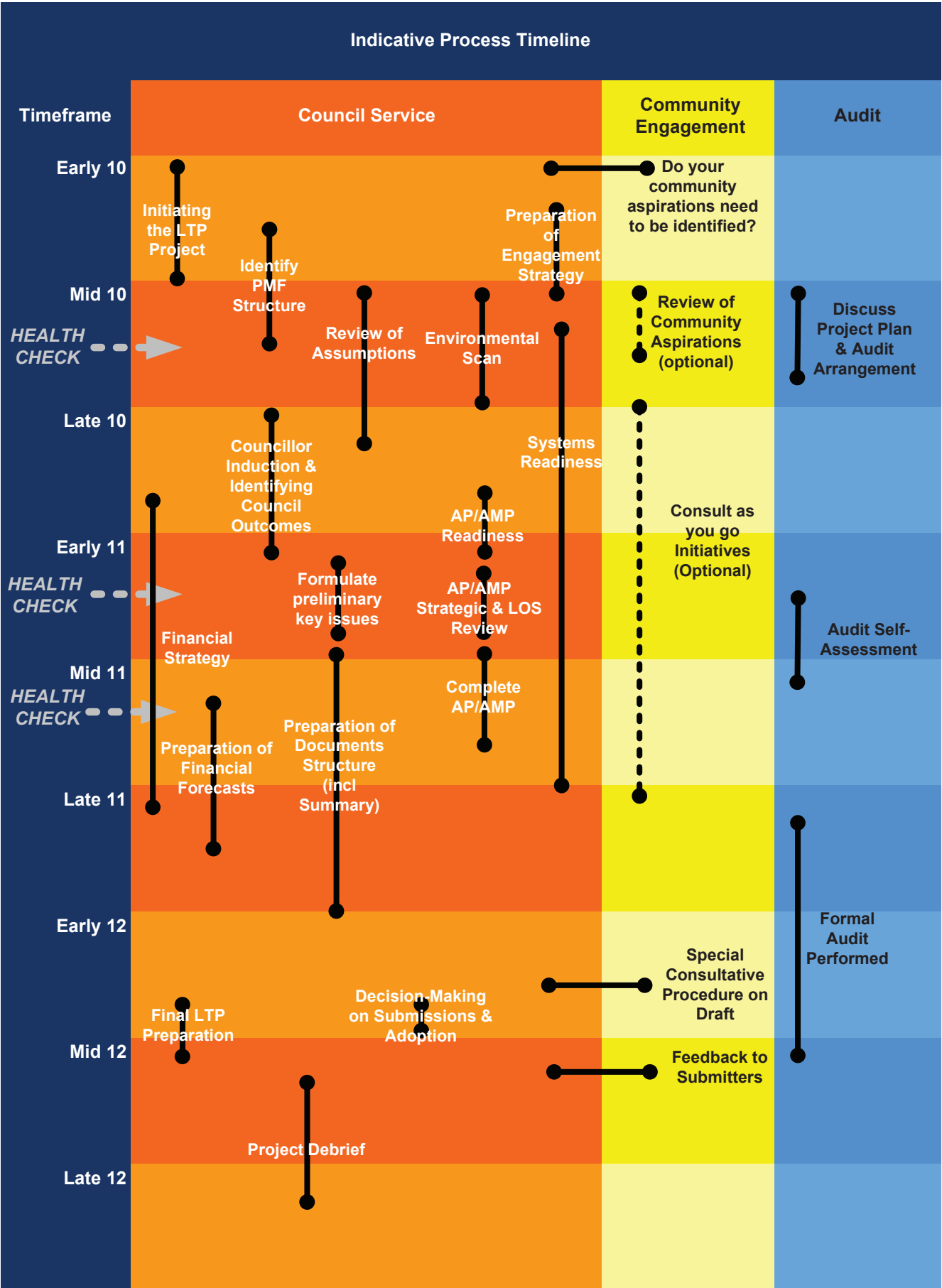
### Considerations:

#### **Project management**

- determine the governance structure and membership of the project including, accountability and reporting to both the Chief Executive and elected members
- ensure agreement to the project plan and the commitment and support from the Chief Executive and senior management (including a commitment from all to provide resources)
- consider the relationship and timing of the LTP project with other organisational projects (such as the review of the District Plan) and processes both internally and externally (for example the regional council LTP process)
- define success criteria and use these as a framework for identifying existing gaps in resources and/or systems and for monitoring progress during the project.
- assess the learning from the previous LTP project such as the auditor's management report, notes from any debriefing exercises and so on
- perform the health check and ensure the results are captured in your planning. Consider not only the quality and readiness of the various components but how good the linkages are. Very good individual components with poor linkage provide no clarity, and add little value. Commit early to the audit self-assessment process.
- develop a risk register, identify key risks and the likely impact of each risk; assess the likelihood of the risk occurring and decide how to avoid or mitigate them.

#### **Scope and outputs**

- consider how your Council will respond to the expected changes in legislation regarding community outcomes. How does your community define wellbeing? How will your council arrive at its community outcomes – a section 91 style process or an internal process – or some other way?
- identify issues where your local authority wishes to undertake additional community engagement such as separate levels of service reviews or specific policies
- get agreement of elected members and senior management on the major outputs; consider the nature of the material to be produced e.g. will the documents be designed for print or electronic delivery or both? How will the public be engaged and will this affect the staff and system resources required?



### Resources and systems

- prioritise the resource requirements alongside other organisational requirements
- identify how quality assurance will be built into the project
- identify any new system requirements and allow time for their development, testing and rollout
- plan for contingencies such as losing a key project team member during the process.

## Systems

### Description

Having good systems, with associated controls, such as your systems having been peer reviewed, will greatly assist with the audit process. This task ensures that the systems, such as financial modelling tools, needed to underpin a robust LTP are in place so that they can be “run in” before the process begins in earnest.

### Considerations

- did the 2009 process signal the need to change or replace any systems?
- can your systems handle changed reporting requirements (for example, reporting capital expenditure by growth, renewal and level of service change drivers)?
- has your health check indicated any issues with your control environment?
- what useful ideas for system improvements can you borrow from others?
- can your financial system forecast and report on an input and output basis?
- carefully assess timelines and costs for these changes
- have a backup in case the systems development is not implemented in time or not fully effective
- were there issues over version control?

## Stock-take of Existing Strategies, Policies and Plans

### Description

This task ensures that all of the linkages between the LTP and other strategies and plans have been identified, and that either the messages in each are either consistent or that any changes are put on the work programme. This process informs future decision-making and consultation by collating information regarding:

- the priorities of your local authority
- issues, legislation or decisions impacting on your local authority
- any gaps in your local authority’s positions on important issues.

Further guidance on the stock-taking process can be found in *Piecing It Together*, including a template for assessing an individual policy or plan.

### Considerations

- what legislative and policy changes have occurred since the 2009 LTP, and what others are expected? Consider how the 2010 amendments to the Act affect your plan.
- what results have come from monitoring community outcomes? Review how your local authority has delivered on actions to achieve any outcome; consider whether changes need to be made in these actions, priorities re-assessed, or modifications sought in the support from other key agencies?
- determine how relevant changes to strategies and policies are to the LTP
- are other changes planned and if so how will these be accommodated?

- did the aggregation of activities result in a performance framework which provided important information to the Council and its community?
- review your performance management framework (further information can be found in *Performance Management Frameworks: Still Your Side of the Deal* to be released in January 2011)
- do your revenue and financing policy, development and/or financial contributions policy, investment policy and liability management policy all line up?
- how has your local authority engaged externally since the last LTP?
- does your significance policy need a review? This can drive your disclosures in the LTP and act as a trigger for LTP amendments
- what other change in the policy environment or other external factors could impact on your community in the future, how should these factor into the plan.

## Review of Growth Strategy and Other Forecasting Assumptions

### **Description**

This task ensures that assumptions around growth (or decline) over (at least) the ten-year period of the LTP are clearly articulated and consistently applied. Other key forecasting assumptions (such as the impact of price change) also need review. Further information on reviewing forecasting assumptions can be found in *Piecing It Together*.

### **Considerations**

- what is the status of your local authority's growth forecasting information (that is to say economic, population, housing, industrial, transportation)?
- what national and regional economic conditions are expected to prevail over the life of the plan and how is your local authority likely to respond?
- does the growth model need to be reviewed or updated? Do you need information at the sub-local authority level? Should this be peer reviewed?
- are the assumptions underpinning the model still reasonable?
- are there local indicators which can be applied to test the demographic projections from Statistics New Zealand?
- does deprivation data suggest there could be significantly altered social needs?
- are assumptions being consistently applied across your entire local authority? If not, why not?
- has the local impact of national/global issues such as emissions trading or climate change been taken into account?

## Strategic Review and Activity Planning

### **Description**

This task is where activity managers look at their individual activities and develop/review a simple, practical plan (say, 2-5 pages). This is the place for discussions of the linkages between the community outcomes, other strategic priorities and activities, and development of the rationale for service delivery (further information on these can be found in *Performance Management Frameworks: Still Your Side of the Deal*) and assessment of significant negative effects. Some local authorities may combine this task with the levels of service review.

### **Considerations**

- where are we now? Where do we want to be (in 10 years time)?
- how are we going to get there - which will include practical processes/projects that can be



included in activity budgets. These will also feed into the financial strategy and revenue and financing policies.

- what issues need to be addressed through the LTP?
- how clear is the rationale for the service delivery? Is it linked to community wellbeing or does it say “we do this because section x of the ABC Act says so”? How will you know whether the expected contribution to wellbeing has materialised (or not)?

## Levels of Service Review (LSR)

### **Description**

This task identifies and reviews your local authority’s current and future service priorities. It may include all of your activities, possibly only a few key activities. The review is informed by:

- strategic documents and policy documents
- the asset/ activity management plans
- council management, councillors
- stakeholders (both through engagement now, and the results of previous engagement).

The LSR can be considered in two sequential parts, providing two outputs. The first part identifies the current state of the service and options. The second part involves consideration of the options (i.e. status quo or change). The output is a recommendation to the elected members from the executive management team about service priorities.

Information developed in the early stages of the LSR should form an important component of elected members’ induction and direction setting. Decisions made in the latter part of the LSR must be reflected in the preparation of the asset management plans and financial forecasts.

Further information about levels of service reviews can be found in the NAMS publication *Developing Levels of Service and Performance Measures*, and in *Still Your Side of the Deal*.

### **Considerations**

- the decision-making provisions of the Act must be met when proposing significant service changes
- distinguish between external drivers for change such as altered legislative and regulatory requirements; and internal drivers such as updated information about infrastructure condition or facility use; and documented or perceived community requirements or expectations
- what relevant information do you have from different consultative processes?
- consider to what extent the levels of service could/should change over the period of the plan and document these
- consider whether consequential changes to the performance management framework are necessary
- communicate the non-negotiable such as levels of service set in legislation.

## Community Outcomes and Priorities

### **Description**

If your council has decided to conduct a more open process for developing community outcomes under the Act (as amended in 2010) it may chose to provide early opportunities, for the general public and specific stakeholders to engage in the process of setting community outcomes and priorities. Senior management and elected members should consider the results of this as part of

the induction and direction setting task and LSR. This task also provides an opportunity to develop and start the implementation of a communications plan relating to the LTP.

### Considerations

- what is the status of the community outcome monitoring and any other monitoring your local authority does? Can results be used in the long-term planning process?
- status of community outcomes, will they be reviewed?
- what are the key issues and choices you want feedback on and how will that feedback be used?
- what do your existing monitoring reports tell you?
- how are you measuring progress against community outcomes? Will that need to change?
- which stakeholders should be engaged? Is your directory of key stakeholders current?
- does your local authority have a formal approach and process to stakeholder engagement?
- would this consultation usefully engage with Maori?
- what obligations do your own policies on consultation place you under?

## Council Direction-Setting

### Description

This is a pivotal aspect of the LTP project, in that the elected members and senior management consider your local authority's role. Some local authorities might combine this with the review of community outcomes (especially those that want more council-focussed outcomes) or even place it before the review of community outcomes. Some initial thoughts about financial strategy may also take place here. After this point, you should be thinking about the likely content of the summary (if you have not started already). Further information about direction setting can be found in *Still Your Side of the Deal*, further information about financial strategies in *More Dollars and Sense*.

### Considerations

- the approach used to engage elected members must get them to think about the bigger picture and have a high degree of ownership from them
- encourage an approach that addresses community wellbeing (including the contribution that the core services in section 11A of the Act make to wellbeing)
- commit sufficient time to formulate the financial strategy
- has sufficient attention been given to assessing risk related to financial prudence having regard to current and forecast future economic conditions and community expectations of future service delivery?
- information from asset/activity management plans is critical – especially as it relates to performance against the levels of service indicated in these documents
- what are the non-negotiable projects that elected members need to know about?
- executive management need to agree on a process by which they can consider and prioritise services over the long term
- status of community outcomes, scale and scope of review (if any)
- what are the priorities for the elected members and why? How do they fit with existing council priorities? How do they fit with the community's priorities?

## Review of LGA Policies

### **Description**

This task relates to the review of policies required for inclusion in the LTP including:

- the section 102 funding and financial policies – note that most can be reviewed outside of the LTP process without triggering an amendment
- development of Maori capacity to participate in council decision-making
- policy summaries
- the policy on significance.

### **Considerations**

- the revenue and financing policy should be broadly framed and principles-based so that minor changes do not inadvertently trigger LTP amendments. It should also line up with the financial strategy
- has your local authority sought views from Maori on how they wish to contribute?
- you will need to identify and explain significant variations between LTP and latest Assessment of Water and Sanitary Services and Waste Management Plan.
- are there any plans to establish any CCOs or COs? Have the disclosure requirements regarding the activities and associated performance measures for CCOs and COs been met?

## Review of Asset or Activity Management Plans (AMPs)

### **Description**

The main focus of this task is on updating existing AMPs to reflect the results of council direction-setting and the LSR. These directives may require changes to AMPs to reflect:

- actual or planned growth and development
- changing or new standards
- exit from or changing modes of service delivery.

Each activity must review the expenditure and funding requirements to deliver against the strategic intent, the activity objectives and service standards.

### **Considerations**

- to what extent have the AMPs been updated since the 2009 LTP (e.g. reflecting decisions on District Plan change and development standards) and used as a management tool throughout your local authority?
- is your local authority's range of activities likely to change, for example are there new activities, proposals to cease an activity or altered scope for any activity ?
- do you need to change the structure and content of your AMPs?
- do you intend to have your AMPs peer reviewed? (and if so build in time and resource to allow both the review and acting upon any findings)
- review of the AMPs against the NAMS guidelines and the OAG's concerns about completeness and robustness to identify areas of deficiency and focus
- how will updates be made to AMPs?
- will you make AMPs publically available, if so, in what format?

## Preparation of Financial Forecasts

### **Description**

This task covers development and review of the forecast financial statements (and associated disclosures) and the funding impact statement. This includes substantive checks on the financial impact of decisions to date, and on the overall financial strategy.

### **Considerations**

- are there any issues regarding the robustness, and flexibility of the financial modelling process and tools? Can you model the impact of multiple options?
- where do you stand relative to proposed caps on rates and debt? Do these require review? What about other features of the financial strategy?
- are you building the financials on evidence which will stand up to audit scrutiny?
- are there processes in place to check that financial policies and assumptions have been consistently applied, and any departures appropriately justified?
- look for unexpected quirks in the first draft of the financials for example large increases in debt accompanied by large increases in cash reserves.

## Synthesis of the Information

### **Description**

This task draws together the information generated in the other tasks and parallel processes to prepare the pre-draft and draft plan<sup>3</sup>. Once the information is drawn together it all needs to be checked for consistency and coherence of message. About this time much of the substantive audit will be in progress.

### **Considerations**

- use an approach that identifies/demonstrates contributions to wellbeing
- are there any double-ups of information and, if so, are there trade-offs needed?
- are there any gaps and, if so, what needs to be put in place to address this?
- what projects/issues do you take to elected members for “trading off”?

## Preparation of the Draft Plan

### **Description**

This task involves the physical preparation of a draft plan that is both legally compliant and conveys key information in an easily understood and interesting way.

### **Considerations**

- have you checked that you have covered all the requirements of the Act?
- have you included all relevant information from internal and external sources?
- does the draft convey a picture of the local authority over a ten-year period?
- are your key messages clear?
- will the documents be easily understood by the community?
- what progress has been made with the summary?
- have you included an audit in the delivery timeframes of your documents?

<sup>3</sup> We use the term “draft plan” as a shorthand for “statement of proposal”.

## Stakeholder Input, Pre-draft Plan

### **Description**

Your local authority may wish to provide stakeholders with an opportunity to comment on a pre-draft plan and then formally consider stakeholder feedback in its consideration of the draft plan.

### **Considerations**

- is it better to gain a view from the community on relative priorities, options, trade-offs and so on before formal consultation?
- are there any technical issues where it is preferable to have advice (and acknowledge the advice in the draft plan) rather than as a submission to the draft plan?
- is there any issue or information in the Plan that needs to be consistent with information in the plans of other councils?
- are any issues of interest to the regional council or other territorial authorities?

## Council Decision-making (Draft)

### **Description**

This is the elected member's formal consideration of the draft plan and the adoption of the draft plan as the basis for consultation.

### **Considerations**

- consider whether the elected members will need to workshop the draft plan before proceeding to consideration in a formal, public meeting
- draft the summary at an early stage since this will be the main way in which the community engages with the draft plan
- How will you encourage feedback on the long term aspects of the plan, while still providing relevant information on the first year of the plan.
- factor in audit requirements and timing
- determine the presentation of the draft and adopted plan.

## Public Consultation

### **Description**

This task relates to the specific legislative requirements to publicly consult on the draft plan. Provided the statutory minima are met, there are opportunities for councils to tailor the consultation approach to meet local expectations. The challenge is to get communities to consider it as a ten-year plan and make submissions on that basis.

### **Considerations**

- ensure legal requirements in terms of timing, publicity, and availability are met
- what are the issues you want feedback on, and how will that feedback be used?
- what ways will be used to inform the community about the draft plan and the submission process?
- what ways will be available for people to make submissions?
- how widely are you distributing the summary?
- what other information should be made available to the public (for example community specific summaries, calculate your own rate tools and the like)
- what techniques, if any, will you use to supplement written submissions and hearings
- what databases/systems will be needed to manage submissions.

## Deliberation

### **Description**

This task covers the analysis of submissions, provision of advice and the elected members' consideration of submissions on the draft plan.

### **Considerations**

- has the decision-making process been correctly followed for all significant proposals being included in the LTP?
- how will your local authority consider trade-offs and or priorities if need be?
- allow sufficient time for revisions post the council deliberations
- how will your local media inform the community of changes made to the plan as a result of submissions? Will this have a bearing on the timing and content of responses sent to submitters?

## Final Plan Preparation

### **Description**

This task relates to the preparation of the final LTP including the decisions made by the elected members post the formal consultation.

### **Considerations**

- allow for plenty of time for audit (especially where there have been changes of direction between the draft and final).
- consider how to summarise the changes made from the draft (including the rationale for decisions).

## LTP Adoption

### **Description**

This covers the processes around the formal adoption of the LTP including distribution of the LTP and any publicity. This is the time to define how to proceed to review, monitoring, amendments and subsequent Annual Plans.

## Debrief

### **Description**

This covers the process of analysing what went well in the process, what didn't go well, and what lessons can be learned for future processes.

### **Considerations**

- schedule the debrief well in advance so that the required people can take part – enthusiasm will have waned by the time it takes place!
- when choosing dates, leave a bit of time for reflection after the publication of the Final LTP, but not so long that people have forgotten the lessons. Alternatively, consider developing a template participants can use to document issues during the process, (while it's still fresh) ready for the debrief discussions at the end.
- try to capture all your customer groups e.g. staff, elected members, stakeholders, Maori, submitters. Consider different ways of capturing the feedback, e.g. surveys, meetings, web forums, etc.
- consider ways of making it a positive experience, rather than a blame game.

## TOOL C: A TEMPLATE LTP PROJECT PLAN

Authors Note: This is an example of a project plan that is based on plans developed by local authorities acknowledged as having successful LTP processes. Local authorities are encouraged to adapt this template as best suits their own circumstances.

### 1. Introduction

A brief preamble to the document as a whole that includes the following:

- 1.1 the **objectives** for the overall project.
- 1.2 the key **assumptions** underpinning the development of the plan. Many will revolve around the availability of staff and resources, or completion of related projects being done outside the LTP, such as levels of service reviews.
- 1.3 any **constraints** on the project, for example any policy council has that might necessitate a review of a particular aspect of the plan.
- 1.4 a list of the key **milestones** and their timeframes. Some examples include:
  - appointment of a project sponsor and project manager
  - confirmation of the scope of the project
  - agreement of the project plan and budget (including external resources)
  - key decision points for items that precede development of the plan (such as levels of service reviews)
  - key decision points for each of the subprojects
  - a final internal approval point for each of the inputs to the LTP
  - a quality/integrity check (does the whole document tell a coherent story)
  - the audit opinion
  - a decision to adopt a draft 'plan' (which may involve several iterations)
  - decisions on items raised through the consultation process
  - and the final adoption.

### 2. Scope

This section will set out the key decisions that will fall within the scope of the LTP project, and those that are excluded (such as those levels of service or other policies where your local authority intends to maintain the status quo). This section should briefly explain the reason for any exclusions. This section might include:

- whether your local authority intends to review/refresh community outcomes and any decisions that have been made about the process
- identification of any issues that your local authority wishes to undertake additional community engagement, alongside the LTP process. For example, separate levels of service reviews or reviews of those section 102 policies that are optional inclusions in the LTP (such as the policy on development contributions)
- any related projects/processes (for example a review of the district plan, or a rating review).

### 3. Measures of Success

Producing an LTP requires consistent effort over a long period. Establishing measures of success will provide you with valuable information to evaluate what is working in the project and what is not. Establishing measures of success for milestones throughout the project can also help to keep up motivation and interest in the project.

You may also find it helpful to include measures of success for the project team members, elected members and other staff. These could include, learning, having some fun along the way, making the LTP a good experience for all, keeping the LTP 'live' for all staff and elected members.

The following is a check list of measures that you may wish to consider when preparing the LTP:

- has a vision for the region/city/district that is meaningful and relevant to the community
- charts a course towards fulfilling the Council's vision for the community
- identifies the key activities and projects that the Council will do to work towards achieving the vision
- provides a programme and schedule for when the activities and projects will be delivered
- outlines how the Council will fund the activities and projects in a manner that is sustainable and affordable to the community
- outlines how the activities and projects will connect to the vision and what monitoring and measurement will be undertaken to see if the activities and projects are delivering the desired outcomes and vision
- will be understandable
- process encourages the community to engage in the preparation of the LTP
- document is useful to the public, councillors and staff, and it is used by all of them on a regular basis
- is delivered within budget and on time
- is legally compliant and receives an unqualified audit report.

### 4. Key Tasks

In this section each of the key tasks for your LTP project should be listed and defined. Tool B demonstrated one general division of tasks for an LTP project. The greater the level of clarity the more those with minor/peripheral involvement in the project will be able to determine exactly what their role is. Each of these is a subproject in its own right and will have its own key milestones spelt out elsewhere in the project plan.

Identify the start and end points for each task, as well as the key decision points. Any dependencies (that is to say tasks that are reliant on information from others) should be identified. Sequencing of tasks which are dependent on, or have implications for other tasks is vital – these should be clearly specified up front.

This part is the key link between this tool and Tool B, each of the tasks described will be included in this part of the project plan. Each should have their own mini-plan to ensure they deliver on time and to the agreed quality.



## 5. Milestones

A list of the key milestones for the overall project listed in chronological order, ideally with some different identification of the different work-streams (labelling, use of different colour text and so on). This could be supplemented by tools such as a Gantt chart.

## 6. Budget

### **6.1 Non-financial Resources**

*Staff time*, clearly identify the staff involved in the project and briefly what their role is and an estimate of the time commitment.

*External Consultants* – identify any external consultants required, such as legal advice, any specialist policy, financial, or asset management advice and systems developers. Specify the resources required rather than people, and briefly clearly describe what the consultant will do and why. The audit should be treated as a separate item.

*Systems* – any purchase or time spent developing planning and financial information.

### **6.2 Financial Resources**

The budget should clearly identify expenditure on the following in each financial year:

- audit
- external consultants
- systems development and software
- travel
- hospitality
- postage and tolls
- publications and printing
- staff time (assuming your council costs staff time to particular projects)
- overhead allocation (if any)
- costs of communications and engagement
- a contingency allowance.

## 7. Project Structure and Responsibilities

### **7.1 Project Structure**

Describe the overall structure of the project capturing all of the key decision makers and the flows of accountability between them including:

- the elected members
- the project steering group (if any)
- the project sponsor
- the project manager
- the project team
- subgroups of the project team.

## 7.2 Roles and Responsibilities

Describe the roles of each of the key personnel identified in the project structure - including their key tasks and their reporting lines.

## 7.3 Monitoring and Reporting Arrangements

Describe the arrangements that will be put in place for monitoring progress against the plan and reporting including:

- who reports to whom
- what they report (including content and any expectations as to format and style)
- when reports are expected.

## 8. Risk Register

A list of the key risks which should:

- identify the risk and some assessment of the likelihood of the risk materialising
- briefly explain the likely impact if the risk materialised
- explain what measures have been put in place to avoid the risk, and/or mitigate the impact of the risk if it occurs.

## 4.0 PERSONNEL AND RESOURCES

This section discusses the personnel and resource requirements for the long-term planning process. It links most closely to Tool D (page 40).

### 4.1 The Project Sponsor

The function of an LTP project sponsor is to act as the overall champion for the project within your local authority, both with staff and with the elected members. This role essentially provides the project manager and project team with the authority to drive the LTP project. The sponsor must send the message that the various units of your local authority must work together to integrate the information. The sponsor should also be prepared to take action to remove/resolve any blockages to the progress of the project.

The sponsor should be a very senior person within the organisation, either the Chief Executive or a second tier manager. Some of the issues to consider are:

- *perceptions of ownership* – if the sponsor is a second tier manager there are risks that the project will be seen as being owned by that manager's group
- *integration* – if the sponsor is a second tier manager they will need to ensure that they can take the helicopter view necessary to ensure that all of the inputs to the project are properly integrated. If a second tier manager acts as sponsor it may be desirable to supplement the sponsor with some form of steering group or regular reports to the entire second tier
- *time constraints* – the sponsor will need to be able to commit the time to regular briefings, and be available at reasonably short notice to help put out fires, this may mean the Chief Executive may not always be the best person to be sponsor. If the Chief Executive is to be sponsor then the project manager is likely to need a higher level of skill and experience as s/he may need to work alone to a greater extent.

### 4.2 The Project Manager

Selection of the project manager is perhaps the single most important decision your local authority will face during the LTP process. The project manager is the person who bears the overall responsibility for making the LTP happen including development of the project plan; management of resources and monitoring progress against the plan.

The project manager must be clearly accountable for the management of the long-term planning process and have the authority to get the job done. Any ambiguity in this area is likely to have serious consequences as the deadline for delivery draws near.

Tool D indicates that an effective LTP project manager needs a variety of skills and considerable experience. The project manager should be well versed in managing complex projects, and have substantial knowledge of several different facets of council operations. The project manager should have a high level of credibility within the organisation. This will generally rule out outsourcing the relationship aspects of a project management role, and may mean that recruitment of a person, to fill an internal project manager's role<sup>4</sup>, should occur at a point in the triennium that enables them to build their credibility before the bulk of the LTP development starts.

<sup>4</sup> An external project manager could take responsibility for some tasks and manage the mechanics (for example scheduling, and monitoring progress) but may struggle in tasks that require organisational knowledge. There is also a risk that knowledge around systems will be lost once the project is completed

The nature of the project management role means it will be close to a full-time responsibility at key points in the project. For much of the 12 months leading up to the adoption of a LTP the project manager will most probably need some assistance with (or relief from) other operational responsibilities.

### 4.3 The Project Team

#### ***Designing A Project Team: A Cautionary Tale***

Marlin District Council is a small local authority. During a 2007 reorganisation the Chief Executive decided that its next LTP would be run by the Finance Manager. But in February 2009, the Finance Manager required an urgent medical procedure and missed three months of work. Although the Chief Executive called in accounting firm Pesos, Lira, Franks and Marks they did not have the manager's institutional knowledge.

As a consequence the draft plan took about three months longer to prepare than expected. It received a qualified audit opinion due to an inability to obtain assurance over the integrity of the financial model. When the manager returned to work these issues were largely dealt with but the qualification on the draft was so central that the auditors felt they could not lift the qualification on the final plan.

The project team is the engine room of the LTP project. This is the team that advances many of the day to day tasks associated with the LTP and acts as a clearing house/point of contact for those such as activity/asset managers who have tasks but will generally not be on the project team.

Experience from previous LTPs suggests that a core team of 4-6 people works best. Fewer than four people may:

- not provide sufficient resource to do the work
- create the risk that the organisation as a whole may not buy-into the project
- create risks to the overall project if one or more of the team leaves, falls ill etc.

On the other hand a core project team of more than six people:

- could potentially create coordination/duplication issues
- runs the risk that one or more of the team may not contribute
- further creep in the team size is more likely.

If additional resource is desired for workflow or buy-in, the better way of handling these issues may be to form sub-groups to perform specific tasks than adding to the project team. There may be potential for people to rotate in and out of the team. The object should be to find the right mix of skills, knowledge, mindset and experience rather than ensuring there is representation from all of the divisions that have involvement with the preparation of an LTP. Although it is important that everyone buys into the process, alternative techniques can be used to secure buy-in, such as:

- including a wider range of individuals on subgroups assigned to particular tasks (this works well with activity managers)
- circulating the project plan in draft form with reasonable time for people to digest, assess the implications for their division, and respond
- getting senior management to sign-off the project plan as a group and individually
- regular communication with all involved.

So what skill sets and so on are necessary in a LTP project team? The following help:

- working knowledge of the planning and reporting provisions of the Act
- financial management and reporting
- planning and reporting and the information systems that underpin these processes
- skills in managing processes for community engagement (including with Maori)
- communication skills (including at least one person who can write for a non-technical audience)
- asset management planning.

A successful LTP project team should also exhibit the following behaviours:

- an understanding of and support for the purpose and objectives of the Act;
- high levels of personal commitment and perseverance;
- an openness to new ideas, systems and so on
- a commitment to quality.

A mix of thinkers (people who are able to generate sound ideas) and more pragmatic doers is also a good thing to aim for when establishing a project team.

Each team member should have a clear set of responsibilities. It is a good idea to have a preliminary idea of who might get what task as the team is created. This avoids the risk of duplication and/or non-contribution, and puts the right people in the right job.

## 4.4 Examples of Differing Approaches

### **Example 1: Strategic Planning Team Focus**

Council A (a city council) ran its LTP out of its strategic planning unit. While the Chief Executive was clear he had final responsibility for the project, he was not the sponsor. Instead this role was filled by two co-sponsors – the Group Manager Finance, and Group Manager Planning. The core project group consisted of the two sponsors and:

- a financial controller – who project managed the preparation of financial statements and the overall financial aspects of the information systems
- three strategic planners – each of whom lead an aspect . One led a level of service review, another led the development of the performance management framework, and a third acted as the overall coordinator.

Additionally a number of other staff had supporting roles including:

- the Communications Manager – administering the communications aspects (including lead responsibility for the summary)
- the Democracy Services Manager – managing the submissions, hearing, and deliberations process
- activity managers prepared activity management plans and budgets.

What works well about this approach is that:

- the project team has sufficient senior level people involved to ensure the project is seen to be important and to drive preparation of the core information sets
- the project team members each had clear roles
- having three key personnel in the one team allows frequent, informal sharing of ideas among people who are close colleagues and heavily involved in the LTP

- the project team was able to draw on a wide range of other skills, knowledge and experience as required without having to widen the project team.

Some of the potential risks of an approach such as this are:

- when so many personnel from one team are involved there are risks that the project may not be owned across the council (hence dual sponsorship)
- in a similar vein, with three members from one unit the team needs to regularly draw on input from others (as this team did) or there is a risk of group-think
- the dual sponsorship arrangement could potentially lead to some lack of clarity between the two divisions involved.

### **Example 2: Executive Management Focus**

In setting up its LTP project team Council B's main concern was to achieve buy-in across the local authority and drive the LTP through the organisation. The project team reported to a steering group consisting of the Mayor, several elected members and representatives from the Maori Liaison Committee.

The project team consisted of:

- the Chief Executive (who was project sponsor, and chaired team meetings)
- all four second tier managers
- a financial accountant
- an engineer (who oversaw development of the asset management plans)
- a policy analyst (who acted as the overall project manager).

What works well about this framework is that:

- having all second tier managers on the team improves buy-in
- the collegial dynamic of senior management teams is replicated
- reprioritisation within the LTP and between the LTP project and others can be made rapidly
- a low level project manager counteracts any view that one division owns the plan
- having the sponsor as a member of the team sends strong signals about the importance of the project and also as a spur to deliver
- political sensibilities can be explored outside of the formal council setting
- Māori are given an opportunity to participate in proactive, significant ways (this is one of several steps to meeting the obligations of the Act, not the only one).

The potential risks of this approach are:

- having a low level project manager means the risk of non-delivery increases (although this risk was managed through involvement of the Chief Executive)
- team meetings must be tightly run or they become another management meeting
- some non-asset activities could potentially have lacked resources
- selection of the politicians on the steering group becomes critical – they need to be strong communicators who will take ownership of the LTP. If not there is a risk that staff become the link to council and the benefit of the steering group is reduced.

### ***Things to Remember: People and Resources***

12. The project sponsor should be someone senior within the organisation – the Chief Executive or a direct report. If the latter, then some thought must be given to getting other senior managers to buy-in.
13. Appointing the right project manager is a big step towards a successful LTP. This person must have experience managing complex projects, have an in-depth knowledge of the local authority and community, be able to manage project resources and possess good communication skills. The project manager must have the necessary authority and support to fulfil the role.
14. A project team of 4-6 people works best. Look for a mix of skills rather than appointing for “representation” purposes. Key skills include: management of community engagement; asset management; financial management; policy development, and communications.

## TOOL D: JOB DESCRIPTIONS FOR THE KEY LTP ROLES

Authors Note: This set of roles has been developed based on the most likely division of responsibilities in a medium sized local authority. While these roles have been developed so that they are “neutral” across different project structures - you are encouraged to combine, add or subtract from roles as you see fit.

### LTP Project Sponsor

#### **Role**

Responsible for ensuring the development of the LTP is aligned with council's direction, meets council's expectations and that the necessary internal resources to complete its preparation according to agreed timeframes are available. This might include:

- providing guidance and support to the project manager
- promoting an LTP culture within the organisation
- acting as a champion for the LTP project within the organisation and ensuring that all senior managers do so
- providing effective and consistent internal communication
- acting as principal advisor to the council on LTP preparation and process issues
- providing the ultimate 'staff-level' interpretation of council's intent
- making the final decision on resourcing priorities in relation to LTP preparation
- reviewing the achievement of milestones for the LTP project.

#### **Person Specification**

Will normally be the Chief Executive, a direct report to the Chief Executive (or will have been delegated authority to make decisions on behalf of the Chief Executive and will be directly reporting to the Chief Executive on LTP matters)

Able to sense and evaluate the significance of strategic issues allocated to and arising from LTP preparation, and be decisive in leading a process for their resolution

Familiar with legislative requirements for local authority planning and decision-making

Skilled at effectively resolving competing resourcing priorities and conflict resolution

Skilled at building and maintaining interpersonal relationships that deliver

Consistently exercises sound professional judgement under pressure

Has the trust and confidence of the elected members

Must be willing and available to meet with the project manager on a frequent basis.



## LTP Project Manager

### **Role**

Responsible for ensuring the LTP is delivered while meeting the requirements of the legislation, and the objectives of council.

Single point of accountability to the project sponsor.

Author of the project plan, is chiefly responsible for monitoring progress against the plan.

Day to day manager of their resources necessary to deliver the LTP.

Manager of the key internal relationships to ensure all the necessary parties are informed, engaged and participating in the work. Manages external relationships.

### **Person Specification**

Detailed knowledge of the planning, consultation and accountability requirements of the Act and how they apply to the development of an integrated LTP.

Should have a sound knowledge of the local authority and the local community.

Experience in strategic planning or operational roles in central or local government.

A demonstrated record of managing complex projects in a political environment.

Excellent practical knowledge of, and experience with, project management techniques.

Substantial previous experience with budget and human resource management.

Excellent skills in building and managing a wide variety of relationships.

Skilled at communicating effectively to a variety of audiences.

Can take a global view to LTP development, while remaining conversant with the detail.

A commitment to producing quality deliverables.

Consistently exercises sound professional judgement under pressure.

Achieves and maintains high levels of personal commitment.

## LTP Project Team Member

### **Role**

The role of project team members is to:

- ensure that the project manager fulfils their responsibilities, by ensuring their own responsibilities are met to agreed standards and within agreed timeframe/budget
- provide collegial support to the project manager
- manage one or more aspects of the overall LTP project.

### **Person Specification**

Working knowledge of planning, consultation and accountability.

Specialist knowledge of one or more of the following areas: financial management, asset management, corporate planning community engagement, or communications.

Some budgetary and human resource management skills are desirable but not essential.

Effective written and oral communication skills.

Takes a global view to LTP development, while providing specialist input.

A commitment to producing quality deliverables.

Consistently exercises sound professional judgement under pressure.

The ability to achieve and maintain high levels of personal commitment.

### **Other LTP Contributor**

#### **Role**

This role includes those people who contribute content to the LTP, from outside the project team. Many will be activity managers, but some may be policy or financial staff.

#### **Person Specification**

Values the LTP, and understands how their area contributes to the objectives in the LTP.

Specialist knowledge of their area- including council decisions and policies in their area.

Effective written and oral communication skills.

A commitment to producing quality deliverables.

The ability to exercise sound professional judgement under pressure.

Meets deadlines for content for the LTP, while handling day-to-day issues in their area.

## 5.0 QUALITY ASSURANCE

This section discusses one of the most important parts of successful LTP process management – good quality assurance (QA).

QA is more than ‘giving something a proof-read’ – in the LTP context QA is *‘the formal and informal systems and processes a local authority has in place that ensure a long-term planning process delivers a result that tells a consistent story in a comprehensible way, while meeting legal requirements’*.

Good QA should help your local authority:

- detect errors and omissions and minimise the amount of re-working
- keep your audit fees (both now and in future LTPs) to their lowest level<sup>5</sup>
- minimises the chance of non-compliance (and the risk of associated challenge)
- improve the overall clarity and consistency of the document
- maximise the level of useful feedback you receive on the document by improving the public’s understanding of your proposals.

QA is not something that should wait until you have a full LTP document – in fact most LTP assurance can be done ‘as you go’. Some QA systems should be put in place not long after the LTP process starts. Leaving the bulk of the QA until last also carries risks that time for assurance gets shortened where deadlines for other aspects of the process are missed (e.g. the auditors raise unexpected issues and the like).

### ***QA is Important: Two Cautionary Tales***

#### **A: A Missing Consistency Check**

Kiwi District Council is a provincial authority. The Chief Executive considered that activity managers needed to own their performance – including both financial and non-financial. All activity managers prepared full financial information in their plans – the finance team checked the forecasts and compiled them into a single model. No officer undertook a “stand back” test.

The first version of the plan highlighted a major flaw in the process – Kiwi’s financials showed it planned to double both its rates and debt over ten years, while accumulating significant cash reserves. The community was baffled by this. By the time Kiwi had sorted things out, they were three months late adopting.

<sup>5</sup> We understand that a local authority put 10 drafts of its 2006-16 draft LTP through its audit service provider before the document went out to consultation (with a qualified opinion).

## B: Rushed QA Can Have Big Consequences

Weka District Council is also a moderate sized territorial authority. In 2009 it conducted a rating review alongside the development of the policies and other information in the 2009-19 LTP.

While not making any significant change to the revenue and financing policy and how it funded particular activities, the rates review proposed to switch the general rate from land to capital value. Opinion on the council moved backwards and forwards before the council decided at the eleventh hour to adopt capital value.

In the rush to finalise the plan, the finance staff got most of the consequential amendments in the LTP but missed a crucial change. The revenue and financing policy made reference in one place to the general rate being set on capital value but also referred to the council's policy that the general rate be set on land value

In 2010 a local sawmill found the error in the policy and challenged the council's policy and all consequent decisions in the High Court. While acknowledging that the records of the decision clearly indicated the intent to move to capital and that rates had been set on capital value, the judge held that a reasonably well informed reader of the LTP could not have known that. He struck out all aspects of the policy on to the general rate and all decisions that flowed from this.

As of the time of writing, the council's validating legislation was stalled in Parliament, and the council's rate collection for the year is down five percent. The council has also had to relitigate the whole valuation debate through an LTP amendment, while incurring another fee for auditing the LTP amendment.

## 5.1 The Quality Assurance Plan

A lot of QA is informal and takes places as staff go about their work on a day to day basis, a process and document as important as the LTP also needs more formalised QA. Good QA must be factored into the overall project plan – and therefore QA itself needs to be planned for before the LTP project starts.

A 'bare bones' QA plan is shown in figure 5.1 (overleaf). The plan identifies:

- the systems and controls, both formal and informal, that promote QA
- who is responsible for what tasks (including any external resources)
- the points where things are most likely to "go wrong".

## 5.2 Standardisation

Documents such as asset/activity management plans, progress reports, and draft budgets lend themselves well to standardisation. Standardisation:

- encourages efficiency (for example savings in time spent peer reviewing material)
- helps communicate and support clear expectations to staff (especially those such as activity managers whose only involvement with the plan might be to contribute a small amount of content)
- focuses attention on the key issues (if your templates are designed carefully).

FIGURE 5.1: CONTENTS OF A GOOD QUALITY ASSURANCE PLAN

QA Area	Description
Role and Responsibility	<ul style="list-style-type: none"> <li>• Who is responsible for what part of QA</li> <li>• A decision on the use of internal vs external resources</li> </ul>
Consistency checks	<ul style="list-style-type: none"> <li>• The general 'does the whole document make sense' test.</li> <li>• Checking financials and groups of activity statements against the funding and financial policies.</li> <li>• Checking the Mayor and/or CE foreword and/or strategic issues discussion aligns with the rest of the document.</li> <li>• Checking that forecasting assumptions have been consistently applied and reasons for any departures have been documented.</li> <li>• Consistency of language</li> </ul>
LTP Preparation and Processes	<ul style="list-style-type: none"> <li>• Checks of data compilation controls</li> <li>• Identifying project risks and pressure points</li> <li>• Checking links between underlying data (e.g. AMPs) and the LTP</li> </ul>
LTP Content	<ul style="list-style-type: none"> <li>• Legislative compliance checklists</li> <li>• Checks of content against agreed formats</li> <li>• Checks that the LTP is readable and as user friendly as possible (e.g. have the key issues for consultation been clearly identified)</li> </ul>
External Audit	<ul style="list-style-type: none"> <li>• Liaising with auditors on how internal QA work may help with the completion of the external audit of the LTP</li> </ul>
Key points	<ul style="list-style-type: none"> <li>• List the key points of the LTP process at which QA needs to be satisfied.</li> </ul>

However the risks in standardisation are that:

- a desire for uniformity can result in key information being missed or hidden amongst extraneous detail (in particular, if using templates produced outside the organisation be sure to review these carefully)
- imposing a standard form may work against people buying into the process.

It is often wise to both circulate drafts of forms to all of those who have to complete them and pilot-test the forms with a smaller, but representative group. This means tools should ideally be developed as soon as possible in the process. Early development and circulation of the tools:

- helps reinforce that the LTP is important
- highlights areas where there may be gaps in the information and
- provides a spur for activity managers to start their own processes early.

Some of the templates or other forms of standardisation you could develop for use in your council include:

- a template for analysing a strategy or policy and its implications for the LTP
- reporting templates (all councils have these in some form, but possibly specific templates might be needed for the LTP)

- a template for levels of service reviews
- a template asset management plan
- a template activity statement
- a template progress report to the project manager or sponsor
- templates for disclosing information on CCOs
- standard forecasting assumptions that are intended to apply 'authority-wide' (this one is a must).

### 5.3 The 'Standback Test'

The most important formal QA technique, and one that should never be forgotten or even squeezed for time is the "standback test". Simply put, the test involves someone stepping back from the detail of the document and looking for disconnects in the overall story and how the story is conveyed.

### 5.4 Peer Review

One formal QA technique is to submit your plan or discrete components of your plan to an outside person or organisation for an independent peer review. Independent peer review may be either best practice or industry-standard for some parts of the LTP - especially some of the technical aspects such as asset management plans.

Depending on your selection of reviewer, an independent peer reviewer can bring specialist technical knowledge to the task, and a knowledge of approaches taken in other local authorities. Their independence from the local authority will generally mean that they are more prepared to be free and frank in their views and advice – though some may be tempted to try and sell you 'solutions' to the issues they have found.

Few peer reviewers can be expected to have significant levels of understanding of local circumstances, which may place some limits on the usefulness of the advice they give, or that they have to spend some time in gaining enough knowledge to be useful (which will cost).

Some local authorities have attempted to resolve these issues by using past employees (such as a retired finance manager) to provide peer review. While generally cheaper, on occasion a peer reviewer such as this might not be sufficiently distant from the local authority to provide the kind of review needed. Other local authorities have secured peer review by making arrangements to 'swap plans' with a neighbouring local authority – again a cheap form of peer review, though in this case a rigorous peer review may compete with any number of day-to-day issues, expertise cannot always be guaranteed, and on occasion relationships can be compromised.

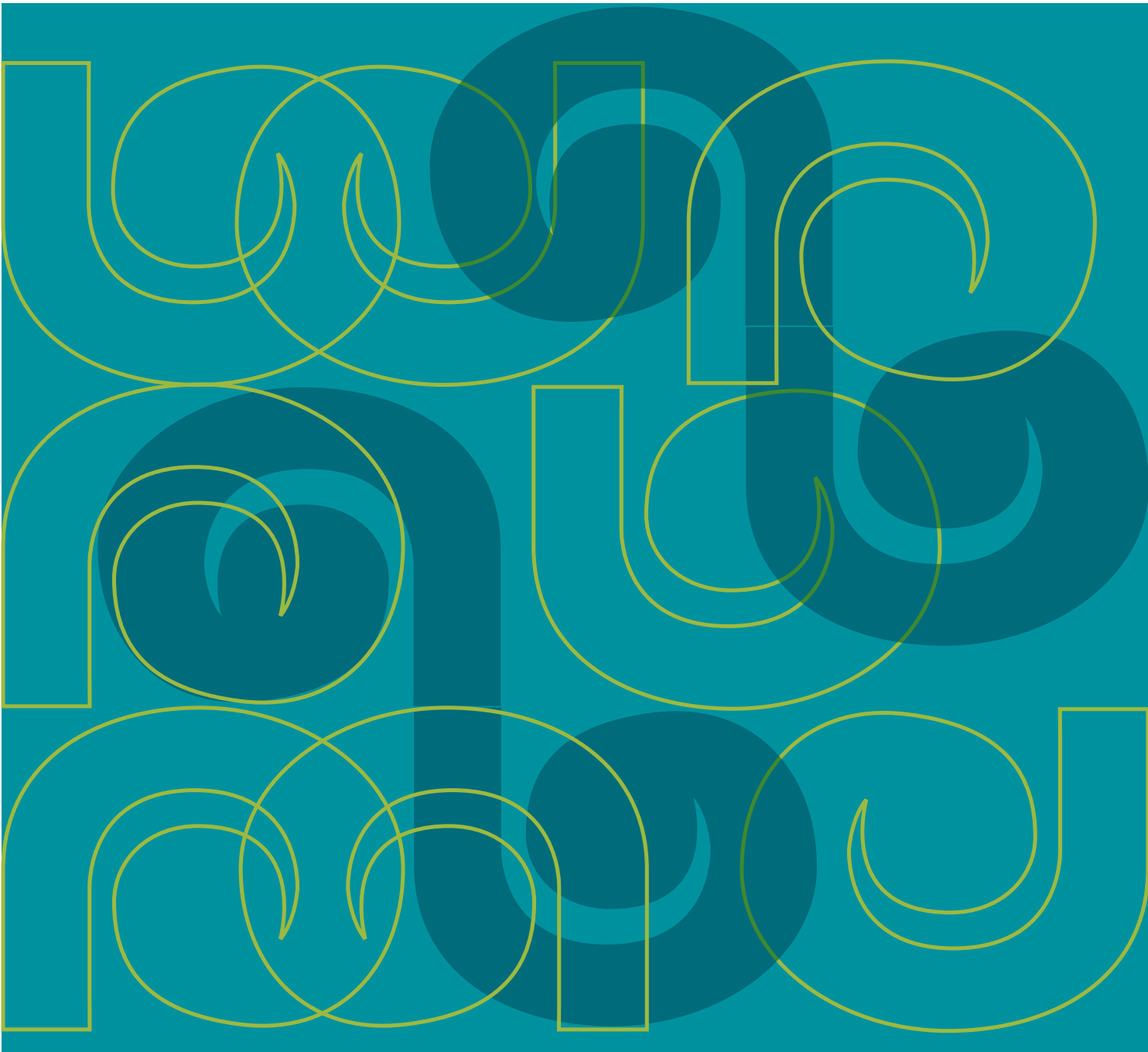
We regard peer review as one tool for QA rather than the entirety of the process.

### 5.5 The Role of the Auditor

An LTP audit not designed as a QA process other than the sense that as an attest that the plan has complied with legislation, and a report on the underpinning information and forecasting assumptions. Those local authorities that use auditors as a form of QA, either consciously or (far more often) subconsciously, should expect to pay for it.

***Things to Remember: Quality Assurance***

15. It is important to undertake QA throughout the long-term planning process – not just at the end. A lot of the basics of good quality assurance can (and should) be put in place at the very beginning of the process.
16. Having someone ‘stand-back’ and look at the overall story the document tells is the most important QA of all, and should not be ignored or “squeezed” for time.
17. Standardise as much as you can and advise of the standardisation as early as you can.
18. External peer review can be useful if the advice received is treated seriously. Key tradeoffs with external review revolve around the degree of independence in the advice, cost, and the degree of local knowledge.
19. An LTP audit is a QA process in only the most limited sense – widening the auditor’s role will ultimately cost your local authority.



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