



AGENDA

**FOR PROGRAM REVIEW SUB COMMITTEE MEETING TO BE HELD ON
8 MAY 2017 AT THE CONCLUSION OF SPORT, RECREATION & GRANTS
COMMITTEE**

IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY

MEMBERS

Cr E Gill (Chairman)
Mayor G Aldridge
Cr S Bedford
Cr D Bryant
Cr C Buchanan
Cr G Caruso
Cr L Caruso (Deputy Chairman)
Cr R Zahra
Cr S White

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Ms T Norman

APOLOGIES

LEAVE OF ABSENCE

Leave of absence for this meeting was previously granted to Cr C Buchanan.

PRESENTATION OF MINUTES

Presentation of the Minutes of the Program Review Sub Committee Meeting held on 14 March 2017.

REPORTS

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OTHER BUSINESS

CONFIDENTIAL ITEMS

PRSC4 Community Planning and Vitality Review

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

1. *Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*
 - *Non disclosure of this matter would enable information that may have implications for resourcing/service levels to be considered in detail prior to a Council position in relation to the matter being determined.*

*On that basis the public's interest is best served by not disclosing the **Community Planning and Vitality Review** item and discussion at this point in time.*

3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CLOSE



**MINUTES OF PROGRAM REVIEW SUB COMMITTEE MEETING HELD IN
COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY ON**

14 MARCH 2017

MEMBERS PRESENT

Cr E Gill (Chairman)
Mayor G Aldridge
Cr D Bryant
Cr G Caruso
Cr L Caruso (Deputy Chairman)
Cr D Proleta (as deputy for Cr Buchanan)
Cr R Zahra
Cr S White
Cr J Woodman (as deputy for Cr Bedford)

STAFF

Acting Chief Executive Officer, Mr M van der Pennen
General Manager Community Development, Ms P Webb
Manager Governance, Ms T Norman

The meeting commenced at 6:56pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

Apologies were received from Cr S Bedford and Cr C Buchanan.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr D Bryant
Seconded Cr L Caruso

The Minutes of the Program Review Sub Committee Meeting held on 13 February 2017, be taken and read as confirmed.

CARRIED

Moved Cr L Caruso
Seconded Cr G Caruso

The Minutes of the Confidential Program Review Sub Committee Meeting held on 13 February 2017, be taken and read as confirmed.

CARRIED

REPORTS

PRSC1 Presentation - Community Planning and Vitality Review

General Manager Community Development presented information relating to the Community Planning and Vitality Program Review for the information of the Committee.

OTHER BUSINESS

Nil

CLOSE

The meeting closed at 7:40pm.

CHAIRMAN.....

DATE.....

ITEM	PRSC1
	PROGRAM REVIEW SUB COMMITTEE
DATE	08 May 2017
PREV REFS	PRSC PRSC2 13/02/2017
HEADING	Strategic Development Projects Program Review Update
AUTHOR	Chantal Milton, Manager Strategic Development Projects, City Development
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
SUMMARY	This report provides an update on the Strategic Development Projects program review and some early observations. These are provided for noting along with an updated timing for the presentation of the final report incorporating final recommendations in July 2017.

RECOMMENDATION

1. That the update report be noted, and the matters arising from consideration of the report by the Sub-Committee be addressed in the final draft report to the Program Review Sub-Committee in July 2017 on the Strategic Development Projects Program Review.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

1.1 On 13 February Council endorsed the Strategic Development Projects Program Review Project Brief and Background Paper. The objectives of the program review are to:

- Clarify the role and function of the Strategic Development Projects Division within the organisational structure and role in delivering strategic residential and commercial development projects;
- Review the model for delivering strategic development projects reviewing the governance/risk and project management procedures with Council acting in a commercial environment; and
- Identify opportunities to improve broader community value achieved through the delivery of the projects, aligning the future project pipeline to Council's adopted strategic objectives.

- 1.2 The report endorsed by Council in February included a progress report to be provided to the Program Review Sub-Committee at its April 2017, with a final report to be provided in June 2017. Due to the delayed timing for the Strategic Property Development Sub-Committee to consider the outcomes of the Strategic Land Review a major input to the program review, the update and final report have been delayed one month from the original program until July 2017.

2. CONSULTATION / COMMUNICATION

2.1 Internal

2.1.1 Internal engagement has occurred with:

- Manager Governance.
- Staff of the Strategic Development Projects Division.

2.1.2 An internal customer satisfaction survey with key internal stakeholders will be undertaken in May 2017 as a component of the customer satisfaction survey.

2.2 External

2.2.1 External engagement will be undertaken through a customer satisfaction survey that is currently out for procurement to engage a consultant to undertake the survey across May 2017; the findings will inform the final report. The customer survey will address the following interest groups specifically:

- Existing purchasers within the Strategic Development Projects;
- Enquirers of the projects who choose not to buy; and
- Immediately adjacent existing community members.

2.2.2 An external peer review will be undertaken on the final report prior to presentation to Council.

2.2.3 In completing the investigations to date, the addition of an independent review from an external probity and governance expert is now recommended to ensure Council has the methodologies and processes in place to manage Council risks relating to operating within a commercial environment. This additional probity and governance review will be sourced in May 2017, and the findings included in the final report.

3. REPORT

3.1 This report provides a brief overview of work undertaken to date in respect to the Strategic Development Projects program review as well as touching on external factors influencing project delivery including residential demand and comparison government programs and projects. The final report, due to be considered by Council in July 2017, will include a fuller discussion of the research undertaken and the issues highlighted in this report as well as providing options and recommendations for Council's consideration.

3.2 The Strategic Development Projects program review deliverables seek to ensure services align with strategic directions of Council and include:

- a review and assessment of the current model, service activity, outcomes and strategic alignment;
- identification of external and internal factors likely to influence future projects and how they are delivered;
- identification of linkages with other parts of Council;
- identification of any current functions/projects that should be discontinued or transferred to other services providers including other Divisions of the organisation;
- identification of services and functions being delivered by other Divisions of the organisation that may be more appropriately and effectively delivered by the Division; and
- identification and assessment of options to optimise project delivery outcomes
- recommendation of a preferred option in relation to systems and processes, structure and resources, Divisional skills profile, business model and measurement.

4. KEY OBSERVATIONS

4.1 A starting point for this review is to understand the current state, strategic relevance and potential future pipeline of projects for the Strategic Development Projects Division. The key observations captured through the program review research to date are summarised below:

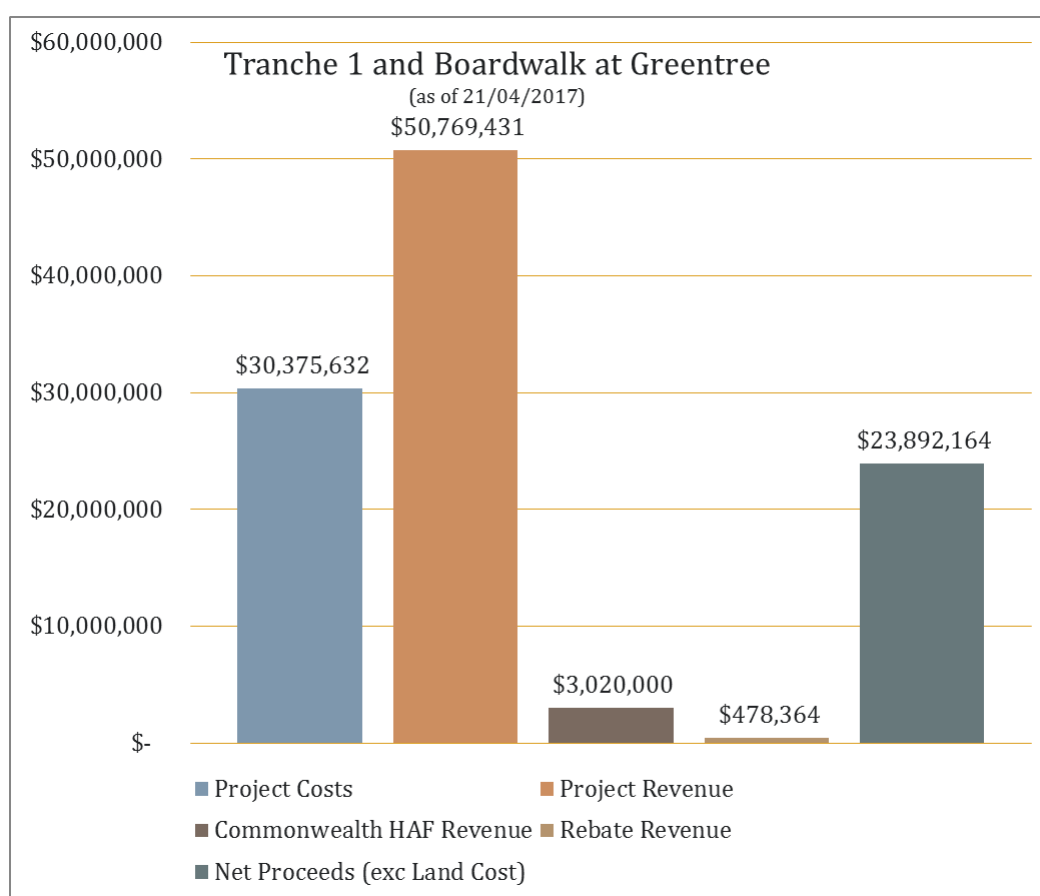
- In the current climate where Local Government is expected to do more with less and the expectations of our community are rising, the Strategic Development Projects program has helped in building capacity by reducing debt to deliver major infrastructure projects.
- The opportunity presented by the Strategic Development Projects program is a “one-time” opportunity in respect to the re-use and development of surplus Council land, bringing with it a mandate to ensure this land will not be required for core business purposes for future generations and that community benefit and commercial returns are maximised through delivery.
- The Strategic Development Projects Division is primarily responsible for delivery of discretionary services that are not core business for Local Government and ongoing delivery is subject to the ongoing support of Council and identification of a pipeline of projects.
- The Strategic Land Review endorsed by Council in April 2017 has identified a potential 25-year development pipeline with the potential to yield between 1,069 and 1,600 new dwellings using standard density benchmarks allowing for land required for road and new nodal open space across the 82 residential investigation parcels. With a further 9 non-residential sites identified, the Strategic Development Projects pipeline has a total potential land area of 80.1 hectares as the future available pipeline to support the ongoing function of the Strategic Development Projects Division.
- Council’s position on the delivery of these discretionary services and pipeline of projects could change at any time impacting on the Division; as a

result resourcing of the Division is currently managed through contract arrangements.

- The Division is required to be structured and have reporting processes that allow it to be nimble to capture new opportunities in a rapidly moving market driven industry operating commercially, however with an additional focus on community benefit within a Local Government regulatory, probity and decision-making environment. Specific project management and reporting structures and solutions are required to balance these two competing objectives.
- The City Plan 2030 places a high workload on the Division to deliver components of the organisations strategic agenda relating to both strategic project deliveries, including internal project management of the Salisbury Community Hub project, release to market of Salisbury City Centre landholdings freed up as a result and ongoing return of income to fund identified capital projects.
- Since establishment of the Strategic Property Program in 2009, the Division has sat within a number of different Departments within the organisation and significant learnings have been made on both the Division structure, skills and experience of team resourcing and project management and delivery processes that are required to successfully deliver these projects and manage Council risk and exposure.

- 1.1 As outlined in the City Plan, the City is transitioning from a fringe or growth area of Adelaide with a large component of its population growth and economic development delivered through major Greenfield housing developments such as Mawson Lakes to a more mature urban area. With the exception of the potential future development capacity within the Dry Creek Saltfields, future growth of the City of Salisbury will predominantly be achieved through housing renewal and urban infill development as one of Adelaide's middle ring suburbs through to 2030.
- 1.2 The Strategic Development Project Divisions role in the development of Council land for residential housing, provides Council a proactive direct action opportunity to bring forward high quality housing outcomes, demonstrate the commerciality of previously untested medium density housing outcomes within the Salisbury market and promote increased private development interest in the City.
- 1.3 The scale of projects managed by the Strategic Development Projects Division is not insignificant. In 2014/15, the City of Salisbury as a residential property developer was responsible for constructing and titling the highest number of new housing allotments into the Salisbury housing market.
- 1.4 The first five residential projects delivered by the Strategic Development Projects Division have delivered a total of 366 residential housing allotments. Once complete, these allotments will be home to an estimated 926 people living within 386 new homes in a range of quality housing options including family sized homes, affordable housing, medium density small lot housing and apartments. The projects are forecast to return revenue from land sales in excess of \$50.8 million supported by a further \$2.3 million in Housing Affordability Funding secured through the Commonwealth Department of Social Services, being returned through housing grants to support housing affordability.

- 1.5 The projects were delivered with a multi-year capital expenditure budget of \$30.3 million. The funds have delivered more than just residential roads and services. The neighborhoods created include landscaped streetscapes, new open space reserves, playgrounds and shelters, improved stormwater detention and flood mitigation, upgraded road networks and improved footpath and trail networks. The design components have contributed to improved community safety and strengthening of community pride within the broader locality around the development projects.
- 1.6 The first five projects within the City of Salisbury Strategic Development Program are due for full project close-out between June and December 2017 and are forecast to return net proceeds in excess of \$23.8 million dollars delivered across a five year development timeline from project identification through to completion of delivery. These funds are a major contribution to the organisation’s long-term financial sustainability, increasing our financial capacity within the long term financial plan to fund major capital projects in coming years.



- 1.7 The Division is required to operate commercially, but with a focus on community benefit, within a Local Government regulatory, probity and decision-making environment. Accordingly, the Program Review needs to consider the unique operating environment and risk mitigation required of the Division and the multiple strategic project objectives in reviewing the current operational model and resourcing. The review needs to be cognisant of the outcomes of completed and pending Program Reviews of other parts of the organisation that interface with the Strategic Development Projects Division given the cross organisational support required to deliver the residential project pipeline, specifically the

Property and Building Review given the pipeline of community land revocation work identified in the Strategic Land Review.

2. EXTERNAL TRENDS AND INFLUENCES

- 2.1 The commercial outcomes achieved by the Strategic Development Projects are directly impacted by State and Federal policy decisions relating to population, city structure, land release, infrastructure and finance reform along with macro and micro economic factors.
- 2.2 Australian Bureau of Statistics data shows that South Australian population growth has fallen to 0.5% a significant decline from the 2009 peak of 1.3%. Low population growth will continue to impact on overall economic growth, job availability and the volume of the population that has the capacity to build a new home.
- 2.3 The increasing focus towards infill housing, as a result of the State Governments policy focus set out in the 30 Year Plan for Greater Adelaide is notable in the location of new inner rim high density housing developments, the 1000 home in 1000 day Renewal SA program for renewal of Housing SA stock within 10km of the City and with the City of Salisbury being identified as a middle ring suburb in the draft update of the 30 Year Plan for Greater Adelaide in 2016.
- 2.4 The Adelaide land market remains steady and one the most affordable in Australia with vacant residential housing allotments with a median price of \$166,000 rising 5% since 2016. The outlook for sales and price increases in Adelaide is forecast to continue to be weak, with a range of new economic and political challenges in the coming year that impact on buyer capacity and confidence to enter the housing market. Government stimulus packages are declining in availability and the financial institutions have started to tighten lending criteria especially to the investor sector.
- 2.5 While the overall residential market in Adelaide is likely to remain slow and steady over the coming years, the City of Salisbury projects have the advantage of relatively low competitors and the opportunity to focus on our locational advantages, overall community amenity and flexibility to support housing innovation.

3. COMPARISON EXAMPLES

- 3.1 Investigations have proven that the scale of strategic development projects program being delivered by the City of Salisbury is unique in the Australian context, with relatively few comparison examples being identified.
- 3.2 In South Australia, Adelaide City Council successfully used \$3 million in Housing Affordability Funds from the Commonwealth Government combined with shared equity scheme and partnership with Homestart Finance to deliver a 178 Ergo Apartments project.
- 3.3 In South Australia, Renewal SA, formerly the Land Management Corporation (LMC) was tasked with the development of large tracts of farming land on the Adelaide fringe bought using Commonwealth transfers under the urban land commissions implemented by Gough Whitlam's Commonwealth Government (1972-75). In South Australia between the 1980's and 2000's, private developers were often invited to joint venture with LMC to manage the actual land

subdivision process delivering major Greenfield projects such as Golden Grove and Mawson Lakes.

- 3.4 In recent years Renewal SA, has restructured Government's role in projects where they now act as both the land owner and developer in direct competition with private development projects. Renewal SA projects are typically located on land holdings with barriers that risk private commerciality benchmarks such as Playford Alive regeneration of former housing trust areas and Tonsley and Bowden projects that are both regenerating former manufacturing sites and introducing new innovative built form into the Adelaide market.
- 3.5 There is an assertion in Australia that some developers in Greenfield growth corridors can tend towards conservatism, sticking with proven formulas of product mix and design. This conservatism is often matched on the demand side by buyers and bank valuers reluctant to support new housing form until it is tested and proven. They often will not be prepared to take the risk of new product innovation or testing market acceptance when they are carrying up front land holding costs. Government development projects have been highly effective in innovation capacity, proving commercial viability of small lot and medium density housing and apartment buildings in previously untested markets.
- 3.6 Local Government intervention in the property sector, while rare in Australia is more common in New Zealand noting that local government in New Zealand operates at a regional scale in a government structure where only two levels of government exist. In New Zealand, Council property developments of significant scale have been delivered over the last few years. In many of the New Zealand locations rising property prices and home affordability challenges are putting pressure on all levels of Government to kick-start the property market and free up more land to meet rising demand.

4. STRATEGIC LAND DEVELOPMENT FUNCTION AND STRUCTURE

- 4.1 The strategic land development functions of Council were separated into a stand-alone Division in July 2014 with relocation of urban policy staff into the economic development division. This was subsequent to the original relocation of the function into City Development as a result of the Project, Asset and Maintenance Management Review (PAMMR) in 2012.
- 4.2 At the time of the PAMMR the reasons presented for the restructure related primarily to recognition of the strategic nature, specific experience and skills sets required to deliver the property projects within a commercial environment. The review also identified that given the overall program value and risk profile associated with the subdivisions and related activities that this would be best managed through a Division tasked to oversee the strategic land development function as its primary focus, sitting within City Development. The findings of the PAMMR are considered to remain as valid today.
- 4.3 During the past three years, staff in the Strategic Development Projects Division have amongst other things:
 - Completed a strategic land review of Council land holdings west of Port Wakefield Road, identifying a potential 25-year pipeline of between 1069 and 1600 allotments.

- Completed delivery of the Tranche 1 residential project program involving the delivery of 244 residential housing allotments that are home to an estimated 624 people living within 260 new homes. The projects, still in the process of being completed, are forecast to return net proceeds from land sales more than \$17 million.
 - In addition to the residential housing, the Tranche 1 projects also delivered 8 new community reserves with all associated infrastructure, traffic control devices to Diment Road and major stormwater detention infrastructure to address existing catchment issues outside the residential project scope.
 - In the role of delivering the Tranche 1 residential project program the Division oversaw a multi-year capital expenditure budget of \$20.6 million.
 - Substantially completed the delivery of the first Tranche 2 Project, Boardwalk at Greentree including the delivery of 122 residential allotments, including 30 small lot affordable housing products managing a project capital expenditure budget of \$9.6 million.
 - Completed the delivery and upgrade of Walpole Road, including major service infrastructure, road upgrade and landscape and footpath delivery to a total value of \$1.56 million.
 - The Division was responsible for the scoping, site identification and internal project management of the Salisbury Community Hub project.
 - Undertook residential feasibility and supported the masterplan development for the Salisbury Oval precinct endorsed in March 2017 and played a major role in the coordination, feasibility and development of the Salisbury Oval Masterplan.
 - Provided urban design advice and recommendations to a range of Divisions across Council including Technical Services, Development Services and Economic and Urban Policy, including key contributions towards the development of the Salisbury City Centre Urban Design Framework and Growth Action Plan.
 - Undertaken partnership programs to promote children exploration of the native environment, including the design and delivery of “Lowie’ Loop” nature trail, including the development and distribution in partnership with OPAL and the Libraries team of a Lowie colouring storybook.
 - Substantially completed Business Case reviews for the next Tranche of Council residential projects.
 - Contributed to the drafting of a range of Council strategies and agendas to identify opportunities for the Strategic Development Projects to contribute to broader social and environmental agenda’s identified within the City Plan 2030 and other strategic documents.
- 4.4 The recommendation that will be made in the final review works from the premise that there is a strong foundation of internal experience and demonstrated project delivery outcomes on which to continue delivery and evolve the current model further to increase support of Council’s strategic agenda building on the pipeline identified as part of the Strategic Land Review.

- 4.5 Further, the Division has been tasked with the internal project management coordination for the Salisbury Community Hub project. This project is a once in multiple generation investment for Council and is programmed for completion in 2019.
- 4.6 Over the last three years, the existing Strategic Development project resourcing has committed significant resourcing to closing out the four original Tranche 1 projects, including resolution of notable issues experienced on site including the discovery of Indigenous Remains at Emerald Green and contractor and consultant non-performance amongst others.
- 4.7 The lessons learnt from the first four projects has contributed to improved project management methodologies and a focus on quality feasibility investigations and Business Case development prior to Council committing to delivery of projects. Staff with over 25 years combined experience in the residential development industry are currently employed within the Division and significant progress has been made to improve the project reporting, risk management and feasibility processes with the creation of templates and consistent processes that will support the delivery quality, risk mitigation and commerciality of future projects

5. CONCLUSION / PROPOSAL

- 5.1 This report provides an update on the progress of the Strategic Development Projects program review and some early observations. During the early investigation stages a range of issues and opportunities have been identified. The next stage will identify recommendations to optimise project delivery and commercial outcomes, managing risks to Council ensuring operation is within required governance and probity guidelines. The final report and series of recommendations will be provided for Council's consideration at its July meeting.

CO-ORDINATION

Officer: EXECUTIVE GROUP

Date: 02.05.17

ITEM	PRSC2
	PROGRAM REVIEW SUB COMMITTEE
DATE	08 May 2017
HEADING	Future Considerations of Program Review Sub Committee
AUTHOR	Charles Mansueto, General Manager Business Excellence, Business Excellence
CITY PLAN LINKS	4.3 To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery 4.5 To apply business and resource management that enables excellent service delivery and financial sustainability 4.6 To provide our customers with excellent service that meets their needs
SUMMARY	This report provides information in response to a resolution of the committee which seeks consideration of the future of the Program Review Sub-Committee and any alternate approaches to continuing of service reviews.

RECOMMENDATION

1. That the information be received
2. That a further report be brought back at the conclusion of the current schedule of Program Reviews that incorporates the committees feedback on options available to Council to assess ongoing program and service needs

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Terms of Reference
2. Program Schedule

1. BACKGROUND

- 1.1 In 2012 Council endorsed the Business Improvement Framework (refer diagram below) as the structure for oversight of the ongoing program review.



- 1.2 The framework provides for two streams – Program Review and Process Review. The work of the Program Review Sub-Committee (PRSC) is focused on the Program Review stream, which addresses the ‘what and how’ we deliver our services.
- 1.3 The Program Review schedule is nearing completion with the majority of the organisation undertaking a full service review by June 2017. The actual completion of all the program reviews is likely to be around October 2017.
- 1.4 At its November 2016 meeting the committee requested that a further report be brought back during 2016/17 regarding the future of the Program Review Sub Committee, including alternative approaches to enable future reviews of levels of service.
- 1.5 This report seeks feedback from the committee on options for the future reviews of programs and service levels that will be incorporated into a further report for Council’s consideration.

2. CONSULTATION / COMMUNICATION

- 2.1 Internal
- 2.1.1 Executive Group

3. PROGRAM REVIEW SUB COMMITTEE TERMS OF REFERENCE

- 3.1 The purpose of the Program Review Sub Committee as defined in its terms of reference notes:
- The Program Review Sub Committee has been established to provide advice to the Budget and Finance Committee in relation to the appropriateness of programs and services that Council delivers. To achieve this goal, the Program Review Sub Committee will:
 - Review programs and services provided by Council.
 - Address such matters as:
 - Service levels
 - Service delivery models
 - Demand on services.

- Make recommendations to the Budget and Finance Committee on programs and service levels to be delivered by the City of Salisbury.
2. The Sub Committee will adopt a risk management focus in its considerations, delivery and recommendations to Council. The advice to Council will reflect both the risk and opportunities of the issue to enable Council to act as an informed and responsible decision maker representing the interests of the community.

4. OVERALL PROGRESS OF PROGRAM REVIEW TO DATE

- 4.1 The program review schedule includes 32 individual reviews. Of these 24 (75%) are completed and/or being implemented. A further 5 (15.6%) are in progress and 3 (9.4%) are yet to start, noting that two of these, Community Planning & Vitality and CEO & Governance are included on this agenda.
- 4.2 To support the ongoing delivery of improvement across the organisation a Continuous Improvement Specialist was recruited to continue the focus of identifying improved service delivery. A key focus of the role is to embed continuous improvement approach across the organisation.

5. STATUS OF REVIEWS IN PROGRESS

- 5.1 Business Support / Fleet / Store
 - 5.1.1 As previously reported to PRSC, this review was amended to focus on fleet operations rather than the broader division. This was in recognition of the major project (Asset Management Improvement Project) that will focus on improving how we manage the capture of asset information through the use of technology and improved business processes.
 - 5.1.2 As this project is likely to impact on the Business Support function it was agreed to defer until that project had been completed.
 - 5.1.3 A draft report from the consultants has been received and is currently being reviewed.
- 5.2 Property & Buildings / Security
 - 5.2.1 A draft report has been received and is currently being reviewed.
- 5.3 Strategic Property
 - 5.3.1 An update report is provided on this agenda with a final draft report scheduled to be presented to the July 2017 meeting
- 5.4 Inspectorate
 - 5.4.1 The appointed consultants have recently completed the benchmarking analysis which concludes the research component of the review. The research has involved:
 - consultation with team staff
 - consultation with interdependent Council teams and key service stakeholders
 - and a benchmarking study with 3 participating metropolitan Councils.

5.4.2 The consultancy team are currently compiling the review findings and developing the first draft report.

5.5 Financial Services

5.5.1 Both the benchmarking and customer surveys have been completed with a review of the feedback currently occurring prior to reporting to the Program Review Sub Committee.

5.6 Chief Executive Office & Governance Office

5.6.1 Commencement documentation for the Program Review of CEO and Governance is included on the Agenda for this meeting.

6. OUTCOMES TO DATE OF PROGRAM REVIEWS

6.1 The program review initiative provides Council with the opportunity to assess policy and service levels to meet changing community needs. It also provides the opportunity for consideration of alternate service delivery models should it be identified as a preferred option.

6.2 Overall the program reviews provide service level improvements, a more efficient and responsive organisation, and expenditure savings that provide the capacity for Council to enhance its financial sustainability to meet future community demands.

6.3 Since its commencement approximately \$1.5m in ongoing savings has been identified through the program review initiative. Various other improvements in service delivery and enhanced outcomes have also been achieved through the Program Review initiative.

7. FUTURE OF PROGRAM REVIEW SUB COMMITTEE

7.1 In assessing the future role of the Program Review Sub Committee consideration should be given to the purpose of the committee as identified in the terms of reference.

7.2 The overarching purpose was to provide advice in relation to the appropriateness of programs and services that Council delivers.

7.3 This overarching purpose will have been delivered at the completion of the current schedule of reviews with the recommendations, reflecting the appropriateness of programs and services that Council delivers, in various stages of implementation depending on the complexity of actions.

7.4 This does not mean that further reviews may not be required but not at the scale currently administered through the Program Review Sub Committee.

7.5 The options available for Council's consideration include:

7.5.1 Continuing the Program Review Sub Committee with a revised terms of reference

7.5.2 Ceasing the Program Review Sub Committee

7.5.3 Incorporating the ability for Council to review program and service levels into an existing standing committee's term of reference.

7.6 In assessing these options factors that will need to be considered include:

- 7.6.1 The scope of any further reviews given all parts of the organization would have been through a formal program review
 - 7.6.2 Time for outcomes to be implemented and benefits to be realized
 - 7.6.3 Other initiatives that improve Council services, for example, the Continuous Improvement Initiative and the enhancement of service delivery through the delivery of the Community Hub
 - 7.6.4 Other projects and change management initiatives currently being delivered or proposed.
- 7.7 Further, at its November 2016 meeting the committee also resolved to seek a further report at the conclusion of the current schedule of program review activity outlining the status of work undertaken by the Program Review Committee, including achievements, benefits and issues encountered through the course of the program review process be prepared.
- 7.8 This report is currently scheduled for June 2017 but it is proposed to be deferred pending completion of all the reviews.
- 7.9 To assist in assessing the future of the Program Review Sub Committee it is proposed to seek initial feedback on the options and issues that need to be considered at the May Program Review Sub Committee.
- 7.10 This feedback will then be used to develop a draft options paper for further consideration by the committee and Council.
- 7.11 The feedback and draft options paper will also incorporate the report scheduled to come back after the completion of the current schedule of program reviews, which would then provide for a more holistic consideration of the future of the Program Review Sub Committee.

8. CONCLUSION

- 8.1 The program review initiative has delivered both direct savings but also improved outcomes for Council in serviced delivery.
- 8.2 It is appropriate to consider the future of the program review initiative and the Program Review Sub Committee as the initial schedule of reviews is nearing completion.
- 8.3 Initial feedback will be sought from the committee at this meeting on potential options to be explored.
- 8.4 This feedback will be incorporated with the report due at the completion of the current program review schedule that will consider the following:
 - 8.4.1 Status of the work undertaken by the committee
 - 8.4.2 What achievements and benefits have been derived from the Program Review
 - 8.4.3 Any issues that may have been encountered in delivering the Program Review
 - 8.4.4 The future options for continuing enhancing programs and services in line with community's needs

Item PRSC2

CO-ORDINATION

Officer: Executive Group
Date: 02/05/2017



Program Review Sub Committee - Terms of Reference -

Endorsed by Council: 27 January 2015

Review Date: November 2018

1. Purpose

- 1.1 The Program Review Sub Committee has been established to provide advice to the Budget and Finance Committee in relation to the appropriateness of programs and services that Council delivers. To achieve this goal, the Program Review Sub Committee will:
- Review programs and services provided by Council.
 - Address such matters as:
 - Service levels
 - Service delivery models
 - Demand on services.
 - Make recommendations to the Budget and Finance Committee on programs and service levels to be delivered by the City of Salisbury.
- 1.2 The Sub Committee will adopt a risk management focus in its considerations, delivery and recommendations to Council. The advice to Council will reflect both the risk and opportunities of the issue to enable Council to act as an informed and responsible decision maker representing the interests of the community.

2. Status and Term of the Committee

- 2.1 The Sub Committee is formed under section 41 of the *Local Government Act 1999* as an advisory committee to the Budget and Finance Committee for the purpose of providing advice to Council in regard to the areas listed in section 1 above.
- 2.2 This Sub Committee will exist for the term of the Council.

3. Meeting Details

- 3.1 The Sub Committee meets as required during the second week of the month.
- 3.2 In the event that Monday is a public holiday, the meeting will convene on the Tuesday of the same week.
- 3.3 Meetings of the Sub Committee will be held in the Committee Rooms, City of Salisbury, 12 James Street Salisbury or as otherwise determined by the Committee.



Program Review Sub Committee - Terms of Reference -

Endorsed by Council: 27 January 2015

Review Date: November 2018

- 3.4 In accordance with Section 87 of the *Local Government Act*, a minimum of three clear days notice of an ordinary meeting will be provided to members of the Sub Committee.
- 3.5 Public notice of meetings will be given through publication of the annual meeting schedule on the City of Salisbury website. A copy of the Notice of Meeting and Sub Committee Agenda will also be displayed at 12 James Street Salisbury.
- 3.6 Members of the public are able to attend all meetings of the Sub Committee, unless prohibited by resolution of the Sub Committee under the confidentiality provisions of section 90 of the *Local Government Act*.

4. Membership

- 4.1 The membership of the Sub Committee is as determined by Council.
- Mayor Gillian Aldridge
 - Cr Betty Gill (Central Ward)
 - Cr Joe Caruso (East Ward)
 - Cr David Bryant (Hills Ward)
 - ~~Cr Brad Vermeer~~ Cr Steve White *from Feb 2017* (Levels Ward)
 - Cr Linda Caruso (North Ward)
 - Cr Riccardo Zahra (Para Ward)
 - Cr Sean Bedford (South Ward)
 - ~~Cr Donna Proleta~~ Cr Chad Buchanan *from Aug 2016* (West Ward)
- 4.2 All members must attend meetings and where unable to do so, must provide an apology prior to the meeting.
- 4.3 The alternate Ward Councillor is appointed as a Deputy Member to the Program Review Sub Committee, and in the absence of the appointed member will act as a full member of the Program Review Sub Committee.
- 4.3 Members of the Sub Committee must comply with the conduct and conflict of interest provisions of the *Local Government Act*. In particular, Sections 62 (general duties), 63 (code of conduct) and 73-74 (conflict of interest, members to disclose interests) must be adhered to.



Program Review Sub Committee **- Terms of Reference -**

Endorsed by Council: 27 January 2015

Review Date: November 2018

5. Chairman and Deputy Chairman

- 5.1 The appointment of a Chairman will be made by the Council for a term determined by the Council.
- 5.2 The Deputy Chairman will be appointed at the first meeting of the Committee for a term determined by the Committee.

6. Voting Rights

- 6.1 All members have equal voting rights. A question arising for a decision will be decided by a majority of votes cast by all members present.
- 6.2 Each member must vote on a question arising for a decision.
- 6.3 The Chairman has a deliberative vote, but does not, in the event of an equality of votes have a casting vote.
- 6.4 In the event of an equality of votes, the matter must be referred to the Budget and Finance Committee for decision.

7. Meeting Procedures, Minutes and Documents

- 7.1 All meetings of the Sub Committee will be held in accordance with the *Local Government Act 1999* (and relevant Regulations), the City of Salisbury Code of Practice for Meeting Procedures and the City of Salisbury Code of Practice for Access to Meetings and Documents.
- 7.2 Minutes will be kept of the proceedings at each Sub Committee meeting. Members of Council will be provided with a copy of all minutes of the proceedings of this Sub Committee within five days after a meeting.
- 7.3 Members of the public have access to all documents relating to the Sub Committee unless prohibited by resolution of the Committee under the confidentiality provisions of section 91 of the *Local Government Act 1999*.



Program Review Sub Committee **- Terms of Reference -**

Endorsed by Council: 27 January 2015

Review Date: November 2018

8. Quorum

- 8.1 A quorum shall be determined by dividing the total number of members of the committee by two (ignoring any fractions) and adding one. For a committee comprising 8 members, the quorum is 5 (that is, $8 \div 2 = 4$ (ignoring any fractions) $= 4 + 1$).
- 8.2 When the Mayor (as an ex officio member) is in attendance at a Program Review Sub Committee meeting, the quorum requirement remains 5 (that is $9 \div 2 = 4.5$ (ignoring any fractions) $= 4 + 1$).

9. Reporting Requirements

- 9.1 This Sub Committee reports to the Budget and Finance Committee.
- 9.2 The Sub Committee shall make whatever recommendations to the Council it deems appropriate on any area within its Terms of Reference where in its view action or improvement is needed.
- 9.3 Recommendations made by the Sub Committee will be referred to the next Budget and Finance Committee meeting, through presentation of minutes, for final resolution.

PROGRAM REVIEW SCHEDULE

Function	Stage	Status/Timeframe
Organisational Restructure Stage 1 (2011)	1	Completed
Organisational Restructure Stage 2 (2012)	1	Completed
Project Asset Management & Maintenance Review (PAMMR)	1	Completed
Recreation Centres	1	Completed
Cemetery	1	Completed
Library	1	Completed
Marketing & Communication	1	Completed
Cultural Program	1	Completed
Nursery	1	Completed
Dogs Wandering at Large (res. 1696 May 2013)	1	Completed
Twelve25	1	Completed
People & Culture	2	Completed
Parks & Landscape	2	Implementation
Civil (inc. Capital Works Team)	2	Implementation
Development Assessment	2	Implementation
Information Services	2	Implementation
Community Centres Governance Review	2	Completed
Technical Services	3	Implementation
Capital Works (City Infrastructure)	3	Implementation
Waste Transfer Station	3	Implementation
Procurement	3	Implementation
Business Support / Fleet /Store (City Infrastructure)	4	In progress
Property & Buildings / Security	4	In progress
Environmental Health	4	Implementation
Community – Planning & Vitality	5	May 2017 meeting
Urban Policy	5	Implementation
Financial Services	5	In progress
Economic Development	5	Implementation
Strategic Property	6	In progress
Inspectorate	6	In progress
Community – Health & Wellbeing	6	To commence subject to joint work with the City of Playford on the implications of the NDIS
Governance / CEO Office	6	May 2017 meeting

ITEM	PRSC3 PROGRAM REVIEW SUB COMMITTEE
DATE	08 May 2017
HEADING	CEO and Governance Program Review Brief and Background Paper
AUTHOR	Tami Norman, Manager Governance, CEO and Governance
CITY PLAN LINKS	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
SUMMARY	This report is to enable the commencement of the CEO and Governance Program Review. Attached to this report is the proposed program review brief and background paper for information, feedback and endorsement.

RECOMMENDATION

1. Information be received.
2. The CEO and Governance Program Review Brief and Background Paper as set out in Attachments 1 and 2 to this report (Item No. PRSC3, Program Review Sub Committee, 8 May 2017) be endorsed.

ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. CEO and Governance - Program Review Brief
2. CEO and Governance - Program Review Background Paper

1. BACKGROUND

1.1 The CEO and Governance Department comprises the Governance Division and Executive Office and is one of the last remaining areas of the organisation to undergo a Program Review. The initial steps required to commence the Program Review are the preparation of the Program Review Brief and Background Paper for review by the Program Review Sub-Committee (PRSC), which is the purpose of this report.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 Executive Group
- 2.1.2 Governance Division Staff
- 2.1.3 Executive Office Staff

2.2 External

- 2.2.1 N/A

3. REPORT

- 3.1 The key elements of the Program Review are:
- Strategic relevance of services
 - Understand customer expectations / needs
 - Ensure compliance with legislative requirements
 - Review the efficiency and effectiveness of service delivery
 - Consider alternative service provision options
 - Set KPIs for measuring performance
- 3.2 The Program Review Brief details the project deliverables which primarily focus on current state compared with desired future state, which is to be informed from stakeholder feedback. There is a need to determine how any gaps between current and future state may be addressed. This information would provide for a series of prioritised recommendations for PRSC and Council consideration.
- 3.3 Stakeholder feedback is seen as a critical element of the Program Review process and given the direct interface with Elected Members on a significant range of matters, it is proposed that initially a workshop will be conducted with Elected Members to inform the program review process.
- 3.4 The Background paper seeks to provide a high level summary of the services currently provided by the Governance Division and Executive Office, and the resources that support this delivery.
- 3.5 Subject to the consideration of the Program Review Sub Committee it is intended that consulting assistance will be engaged to undertake elements of the Program Review, in particular a customer survey, legislative compliance review and benchmarking review. Procurement/engagement processes will mean that resources should be able to be engaged by end June/early July 2017, with reporting back to the Program Review Sub Committee on proposed recommendations / outcomes anticipated no later than October 2017.

4. CONCLUSION / PROPOSAL

- 4.1 The CEO and Governance Program Review is part of the overall Program Review initiative currently being delivered across Council. The review will consider the current service delivery provision by the Governance Division and Executive Office and compare to a desired future state which is to be developed from customer feedback, an understanding of the changing external environment, and alignment to our City Plan strategic directions.

CO-ORDINATION

Officer: Exective group
Date: 02/05/2017



Program Review Brief

Program Review – CEO and Governance

Name:	Program Review – CEO and Governance
Number:	
Project Sponsor:	John Harry, Chief Executive Officer
Project Leader:	Tami Norman, Manager Governance
Project Team Members	Joy Rowett, Governance Coordinator George Kendall, Business Analyst, Internal Audit and Risk Karen Boyd, Governance Support Officer Michelle Woods, Governance Projects Officer Tracy Roberts, Insurance Officer Belinda Hanlan, Executive Assistant to the CEO & Mayor Mercedes Healy, Personal Assistant – Executive Office

1. Background

The review will consider the current delivery of services by the Governance Division and Executive Office, to ensure that the services provided are appropriate and relevant, delivered through the best use of resources and provide value for money.

The review will assess current service delivery by both areas and provide recommendations for future service delivery. Key components of the review will be:

- Strategic relevance of the service
- Customer expectations/needs
- Compliance with legislative requirements
- Efficiency and effectiveness of the delivery of services
- Alternative service provision options
- KPI / monitoring / measurement of performance

The review should identify opportunities to improve business support to the organisation including:

- Advice/service provision
- Capacity to respond to changing organisational activities and priorities
- Planning and scheduling activities
- Resource levels and capabilities
- Technology deployment to better support current and future business practices

The strategic direction for the organisation is detailed in Council's City Plan 2030 with the Governance Division and Executive Office being aligned to Key Direction 4 – Enabling Excellence, and its objectives being:

1. Strengthen partnerships that enable us to better address our community's priorities
2. Develop strong capability and commitment to continually improve Council's performance
3. Have robust processes that support consistent service delivery and informed decision making
4. Embed long term thinking, planning and innovation across the organisation

Throughout the review, both areas will continue to meet ongoing work requirements within existing resources.

Any recommendations arising from the review must incorporate a change management approach to support the implementation of recommendations through identification of timeframes & milestones and resource implications.



Program Review Brief

Program Review – CEO and Governance

2. Objectives

The high level objectives of this review are to assess current service delivery by the Governance Division and Executive Office, gap analysis of the services, capacity and capability of the Governance Division and Executive Office, and identification of service delivery options.

Project Deliverables:

Required deliverables to ensure service alignment with strategic directions include:

- Review current service provision including current status, scope, resource levels and service delivery. This includes an assessment of whether Council is meeting its statutory obligations in relation to the level and scope of services provided.
- Determine desired future state informed customer expectations and needs and changes in the external environment, with focus on effectiveness and efficiency.
- Analyse desired future state against Council's City Plan to validate and identify further opportunities for change and improvement.
- Assess desired future state and current service delivery model to identify the most appropriate service delivery models with reference to efficiency, effectiveness and value for money.
- Identification of gaps between current state and desired future state, and determine options for addressing including service delivery models, systems and processes, resourcing options, training and development, team structures, discontinuation of elements of current services, transfer in / out of services from / to other divisions.
- Identification of continuous improvement opportunities for service delivery in relation to
 - Systems & processes
 - Structure & resources
 - Capabilities, skills & knowledge
 - KPI's / Measurement

Project Management Deliverables:

Stage 1- Measure the current status

- Review the current service delivery (Elected Member workshop plus consultation with Stakeholder Reference Group)
- Gather and analyse both quantitative and qualitative data with respect to customer satisfaction with current service.
- Identify and assess interdependencies with other functions / Divisions.
- Legislative compliance check.
- Assessment of the utilisation of current systems and resources.

Resourcing: External Consultant (6 weeks)
 Project Team Members & Stakeholder Reference Group
 Customers including Elected Members, Executive, Internal Customers

Timing: July – August 2017



Program Review Brief

Program Review – CEO and Governance

Stage 2 – Analysis/Consultation/Future State/Options Study	
<ul style="list-style-type: none"> • Assess strategic relevance of service • Analysis of risk vs process • Gap analysis • Validation • Alternative models of delivery • Opportunities for enhanced delivery of services • Improvement opportunities 	
<i>Resourcing:</i>	External Consultant (6 weeks) Project Team Members
<i>Timing:</i>	September – October 2017
Stage 3 – Report: Recommended Actions/Implementation Plan	
<ul style="list-style-type: none"> • Alternatives • Enhancements. • Implementation plan for program review outcomes. • KPI's for adoption. • Measurement/monitoring benefits realisation. 	
<i>Resourcing:</i>	External Consultant (6 weeks) Project Team Members
<i>Timing:</i>	September – October 2017

3. Governance (include if known)	
Project Sponsor:	Chief Executive Officer – John Harry
Project Manager:	Manager Governance – Tami Norman
Project Team:	Joy Rowett, Governance Coordinator George Kendall, Business Analyst, Internal Audit and Risk Karen Boyd, Governance Support Officer Michelle Woods, Governance Projects Officer Tracy Roberts, Insurance Officer Belinda Hanlan, Executive Assistant to the CEO & Mayor Mercedes Healy, Personal Assistant – Executive Office
Assurance:	Reporting via Executive Group and to Program Review Sub Committee
Specialist Assistance:	External consultant to be appointed



Program Review Brief

Program Review – CEO and Governance

Item PRSC3 - Attachment 1 - CEO and Governance - Program Review Brief

4. Approach

Define: Develop understanding and agreement with Executive Group and Program Review Sub Committee regarding the scope and objectives of the review, the approach and commitment. Define program plan, change management assessment and communications plan, and refine resource and timelines.

Data Collection: Assessment of the current state comprising a review of current service delivery of Governance Division and Executive Office; relevant process analysis, feedback opportunities through customer survey and consultation; and consideration of current strategic alignment and delivery effectiveness.

Analyse: Critical analysis of future requirements including trends and directions in Governance/Executive Office service delivery, strategic alignment, clarification and agreement of customer expectations and alternative service delivery models. This phase will assess viable options for future services and service delivery and identify preferred option(s). The completion of this phase provides a decision point for recommendation of a preferred option(s), with the decision taken forming the basis of the implementation and change management plan.

Implementation: Develop a roadmap implementation and finalise the future design, delivery models and transition plans for implementation. Risk assess, finalise and deliver the improvements, then establish assessment of value realised

Interdependencies: Other program reviews may include recommendations that may impact on the future state of Governance Division and Executive Office.

Engagement of a Consultant: in line with procurement thresholds and Council Policy on Contracts and Procurement suitably qualified and experienced consulting resources will be engaged. Where relevant the Professional Services Agreement will be distributed with the Request for Proposal to expedite contract agreement on award.

Where required, the evaluation of proposals will be undertaken by the following staff selected as a result of their involvement in the Program Review and to ensure a transparent approach to staff involved in the review.

The panel will consist of:

Project Sponsor	Chief Executive Officer – John Harry
Project Manager	Manager Governance – Tami Norman
Project Team Member	Joy Rowett, Governance Coordinator George Kendall, Business Analyst, Internal Audit and Risk Belinda Hanlan, Executive Assistant to the CEO & Mayor

The evaluation criteria will include the following elements:

- Corporate capability
- Methodology
- Demonstrated knowledge and expertise
- Resources / subject matter personnel
- Deliverables / Value proposition
- Price assessment (hourly rates, hours, resources)

The preferred consultant/consultants will be chosen based on the company demonstrating the best capability and synergy to deliver the Program Review and address the criteria detailed in the brief. Final assessment will assess the personnel identified to undertake the review and the overall value for money in the submission.

The tender recommendations will then be signed off by the Chief Executive Officer and a contract awarded through Contracts and Procurement to the successful consultant.



Program Review Brief

Program Review – CEO and Governance

5. Communications

A detailed Communications Plan will be developed as part of project documentation, with some of the key objectives being:

- To provide staff with the opportunity to have ownership of the Program Review and allow input to this process.
- To provide an open and transparent process that provides opportunity for all levels to input into the Program Review thereby influencing its outcomes.
- To keep stakeholders informed of the process and progress of the Program Review.
- To identify roles and responsibilities in regards to communication and consultation.

6. Resources:

Budget: Consultancy **\$30,000** (GST exclusive)

Total CoS hours: To be determined upon consultant's quotation. It is anticipated that the majority of hours will be allocated by the Manager Governance, with support from the Project Team. There will also be time required from customers of the Governance Division and Executive Office, and staff from within both areas to enable information sharing, interviews and information gathering (considered minor commitment).

Assumptions: The Project Manager will support the delivery of the consultancy and to ensure that the project delivers on its objectives and within the designated time lines.

7. Program & Milestones (Dates for Key Events/Outputs)

Key milestones are:

- Endorsement of Project Brief and Background Paper by Program Review Sub Committee – May 2017
- Consultant Engagement and Appointment – June 2017
- Present findings of Program Review to Program Review Sub Committee – by October 2017
- Implement recommendations – timing to be determined once endorsed recommendations are known

8. Constraints and Risks

- Availability of suitable and experienced consultancy firm to undertake the project.
- Availability of staff and Governance Manager to be involved in the Program Review given the day to day workloads.
- Availability of stakeholders/customers to undertake workshops / surveys / interviews
- Availability of contemporary practice standards and measurement benchmarking.
- The potential negative impact that might be caused to staff as a result of the Program Review and the impact that this may have on productivity (mitigated through effective communication plan).

9. Background

Refer CEO and Governance Program Review Background Paper (attached)



**Program Review
CEO and Governance
Background Paper**

May 2017

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Introduction

This background paper forms part of the Project Brief for the Program Review of the CEO/Governance Department, which comprises the Governance Division and Executive Office.

A critical element towards improving Council's performance is to ensure that programs are delivered through the best use of resources and provide value for money for the Salisbury community. Accordingly it is necessary for Council to review service delivery options and levels of service of our programs and service provision by the Governance Division and Executive Office.

Program Review activity is generally related to ensuring the organisation is best positioned to respond to current and future operating environments and to assist in building a sustainable and responsive organisation.

The following have been identified as critical elements that must be addressed during each review:

- Strategic relevance of the service
- Customer expectations/needs
- Compliance with legislative requirements
- Efficiency and effectiveness of the delivery of services
- Alternative service provision options
- KPI/monitoring/measurement of performance

This Project Brief seeks consultant support to conduct a Program Review of the Governance Division and Executive Office. The focus of the review is to consider services provided by both areas, in light of the organisation's current and future needs, and in order to support the delivery of both internal and external services across the organisation.

The Program Review will review the level of, and approach to, delivery of services to the organisation. The review will also consider the efficiency of service provision by the Governance Division and Executive Office.

The review should identify areas which provide improved business support to the organisation including:

- Advice/service provision
- Capacity to respond to changing organisational activities and priorities
- Planning and scheduling of activities
- Resource levels and capabilities
- Technology deployment to better support current and future business practices

Corporate Context

Council's City Plan 2030 outlines the Vision, Values and Key Directions to achieve Council's goals. The Governance Division's primary role is administration and support of the policy and legislative framework to ensure consistent service delivery and informed decision making. A key aspect of this is the direct management of the Council governance systems and processes. The Executive Office provides direct administrative support to the Mayor and Chief Executive Officer (CEO), as well as coordinating civic activities, administering Citizenship obligations and provision of an internal catering service.

The primary focus of both areas within the City Plan is Key Direction 4-Enabling Excellence, with its objectives being:

1. Strengthen partnerships that enable us to better address our community's priorities
2. Develop strong capability and commitment to continually improve Council's performance
3. Have robust processes that support consistent service delivery and informed decision making
4. Embed long term thinking, planning and innovation across the organisation

The Governance Division is primarily an internal service delivery function and contributes significantly to the development, implementation, application and management of processes and systems that ensure effective and informed decision making, both from an administrative and Council perspective.

The Executive Office is also an internal service delivery function, but manages significant interface with external customers and stakeholders thereby playing a key role in relationship management on behalf of both the Mayor and CEO. This relationship management role operates across all levels of government and the community and is pivotal to positioning the City of Salisbury in the market place.

Legislative Requirements

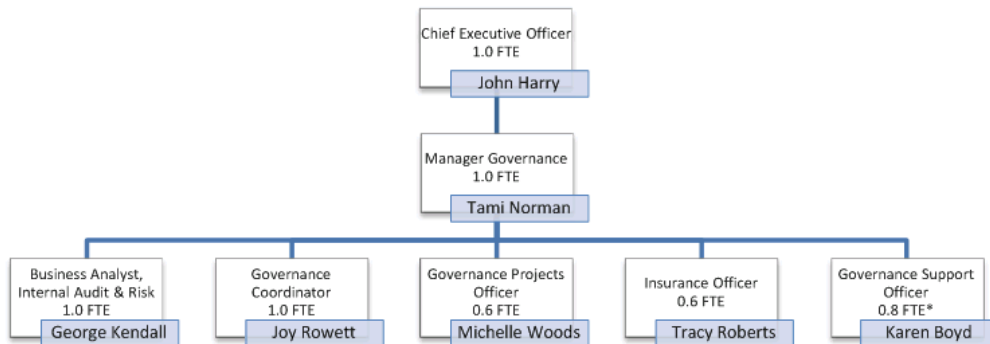
The Governance Division is responsible for administration of, and compliance with, the following legislation:

- *Local Government Act 1999*
- *Local Government (General) Regulations 2013*
- *Local Government (Procedures at Meetings) Regulations 2013*
- *Local Government (Elections) Act 1999*
- *Local Government (Elections) Regulations 2010*
- *Local Government (Members Allowances and Benefits) Regulations 2010*
- *Local Government (Financial Management) Regulations 1999*
- *Whistleblowers Protection Act 1993*
- *Independent Commissioner Against Corruption Act 2012*

Organisational Structure

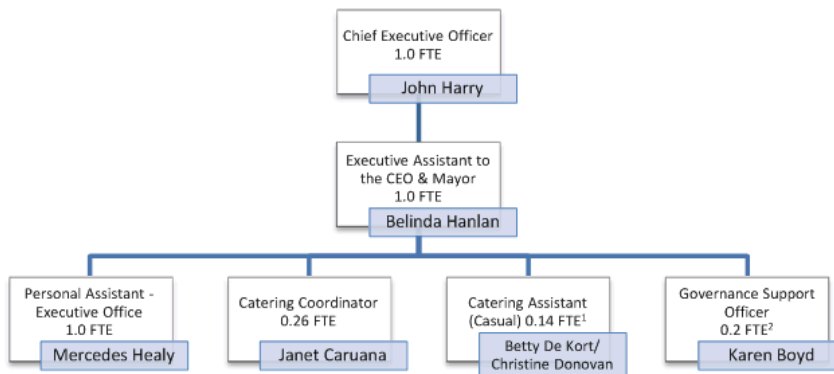


Governance Division Structure



* Employee is full time, 0.2 FTE of Governance Support Officer allocated to Executive Office

Executive Office Structure



1 - 0.14 FTE used to cover periods of leave for Catering Coordinator

2 - Employee is full time, 0.8 FTE of Governance Support Officer allocated to Governance Division

About the Governance Division

The Governance Division reports directly to the Chief Executive Officer and contributes to the development of a workplace culture that values and applies appropriate governance practices to support decision making, risk management and planning. To this end, the following Corporate Governance services are provided:

- Administration of the Governance framework and associated processes, including ensuring integrity of decisions made and opportunity of review (internal review of Council decision/ICAC/Ombudsman processes)
- Administration of the Policy Framework, Delegations and coordination of Legal Services provision
- Monitoring/administration of legislative compliance obligations
- Internal Audit, Risk Management, program review and oversight and administration of Internal Controls Framework
- Insurance

Council/Elected Members require a range of services to enable them to fulfil the requirements of their role in accordance with legislative and policy requirements. The Governance Division provides services to support Elected Members in the following areas:

- Administration of Council/Committee meeting processes
- Elected Member support and communications
- Elected Member training and development
- Monitoring/administration of legislative compliance obligations
- Management of Election processes

Resource levels within the Division have remained unchanged for at least the past five years, with efficiencies achieved through process improvement and system implementation, most recently the introduction of InfoCouncil to manage the Council/Committee meeting agenda preparation process.

Key Services

Governance (3.4 FTE)*

** The Manager Governance position is reflected in 3.4FTE but undertakes work across the full scope of services delivered by the Division*

- Advice provision to Elected Members, Executive Group and Staff including research
- Elected Member Support including compliance with legislative obligations, administration of allowance/benefits process, training and development, notice of motion/questions on notice, procedural advice
- Policy and Legislative interpretation and facilitation of legal advice
- Council/Committee Report preparation and review
- Code of Conduct, Complaints Management processes and liaison with/responding to relevant external bodies (eg Ombudsman SA, ICAC, SAPOL)
- Administration of the Policy Framework
- Administration of Council Delegations process
- Management of Council and Committee meeting process including terms of reference/membership (including Chairman appointment) management, meeting

*Program Review ~ CEO and Governance
Background Paper*

- scheduling, business paper production/distribution, minute taking, distribution and monitoring of resolutions for action, confidentiality process management, Future Reports preparation, and managing compliance with legislative obligations for meetings
- Major projects (e.g. Representation Review, Elections), research and special projects as required
 - Maintenance of registers: Confidential Items, Elected Member Gifts and Benefits, Elected Member Allowances and Benefits, External Representation, Publicly Available Information
 - Management of Internal Review of Council Decision process
 - LGA Process Management: AGM and OGM processes, nominations to external bodies, distribution of circulars
 - Supervision of Town Crier
 - Divisional Management: Business Unit planning and reporting, people management and leadership, contribution to corporate initiatives (eg presentation of training sessions, coordination of information forums, Luminosity etc)

Internal Audit & Risk Management (1.0 FTE)

- Develop, deliver and report on risk based Internal Audit Plan
- Oversight/conduct of internal audits
- Administration/maintenance of Risk Management Framework, including associated policies and procedures
- Facilitation of Strategic Risk Review process
- Risk Management advice
- Administration of Business Continuity Process
- Coordination of Mutual Liability Scheme Risk Review to inform calculation of rebates
- Administration of Internal Controls Framework and System, including facilitation of external audit process
- Administration of Gifts and Benefits Policy
- Administrative support to Audit Committee of Council
- Internal Audit/Risk Management project work as required

Insurance (0.6 FTE)

- Administration of Public Liability Insurance including claims investigation, claimant communication, correspondence/document management and liaison with LGA Mutual Liability Scheme
- Management of Asset insurance claims including associated information gathering, correspondence/document management and liaison with LGA Asset Mutual Fund
- Administrative support to Governance Division and Executive Office, including coordination of Authorised Officer appointment process

*Program Review ~ CEO and Governance
Background Paper*

Governance Division Budget

	Budget 2016/17	Budget 2017/18	
38 - COUNCIL MEETINGS			
Council - Governance			
Wages & Salaries 0.6 FTE	47,200	49,300	
Contractual Services	29,000	22,000	[1]
Materials	31,600	31,600	[2]
Depreciation	11,600	11,700	
Other Expenses	480,919	480,969	[3]
Internal Expenses	26,800	25,300	[4]
Reimbursements	(1,630)	(1,480)	
	625,489	619,389	
Council - Printing Services			
Wages & Salaries 0.2 FTE	15,800	16,400	
Materials	2,000	1,000	
Internal Expenses	28,000	28,000	[5]
	45,800	45,400	
Council - Legislative Process Management			
Other Expenses	10,000	10,000	[6]
	10,000	10,000	
Council - Elected Member Training and Development			
Contractual Services	7,000	12,000	[7]
Other Expenses	36,600	36,650	[8]
	43,600	48,650	
38 – COUNCIL MEETINGS TOTAL	724,889	723,439	
41 - ELECTIONS			
Elections			
Contractual Services	65,000	65,000	[9]
	65,000	65,000	
41 - ELECTIONS TOTAL	65,000	65,000	
42 - GOVERNANCE			
Corporate Memberships			
Other Expenses	95,000	95,000	[10]
	95,000	95,000	
Governance - Administration			
Wages & Salaries 2.6 FTE	357,500	364,600	
Contractual Services	5,500	5,500	
Materials	2,800	2,800	
Other Expenses	13,000	13,000	[11]
Internal Expenses	4,100	4,890	
	382,900	390,790	

*Program Review ~ CEO and Governance
Background Paper*

	Budget 2016/17	Budget 2017/18	
Governance - Internal Audit			
Wages & Salaries 1.0 FTE	127,200	129,700	
Contractual Services	50,000	56,300	[12]
Other Expenses	400	400	
Internal Expenses	1,700	1,610	
	179,300	188,010	
Insurance			
Wages & Salaries 0.6 FTE	54,100	55,100	
Materials	200	200	
Other Expenses	485,500	475,500	[13]
Internal Expenses	800	680	
	540,600	531,480	
42 - GOVERNANCE TOTAL	1,197,800	1,205,280	
TOTAL	1,987,689	1,993,719	[14]

- [1] Contractual Services \$10k, Security Services \$9k, Internet Connection for Elected Members \$10k
- [2] Catering \$25k, Minor Equipment \$4k, Print/Stationery \$2k
- [3] Civic Allowances – Mayor & Elected Members \$473k, Audit Committee Fees \$6k
- [4] Mayoral Vehicle \$16k, Lease PC \$8.5k
- [5] Network Printing \$28k
- [6] Code of Conduct Process Management \$10k
- [7] Whole of Council Training & Elected Member Workshop \$12k
- [8] Elected Member Training & Development \$30.6k, Council Delegate Funds \$6k
- [9] Annual contribution for Electoral Roll Maintenance and Representation Review. Budget in 2014/15 for 2014 Local Government Elections \$346k
- [10] LGA Membership Subscription \$95k
- [11] Legal Services \$10k
- [12] Consulting funds to deliver Council endorsed Internal Audit Plan \$50k
- [13] Includes Public Liability Insurance premium \$435k & Insurance excess payments on claims
- [14] 17/18 budget yet to be endorsed.

About the Executive Office

The Executive Office reports directly to the Chief Executive Officer. The primary role of the office is to deliver services and support which facilitates the roles of Mayor and CEO to ensure Salisbury plays an influential role in the local government sector within South Australia.

Key Services

Executive Office (2.2 FTE)*

** does not include Chief Executive Officer*

- Executive Support to CEO including diary management, correspondence management, briefing/resource preparation for engagements
- Personal Assistant support to the Mayor including diary management, correspondence management, speech writing, briefing/resource preparation for engagements, attendance at community and council events etc.
- Coordination of Executive Group meeting process including Agenda preparation, minutes and other documentation
- Management of requests for information from external agencies/organisations, Members of Parliament and members of the community.
- Coordination and conduct of Citizenship Ceremonies including liaison with Department of Immigration and Border Protection
- Coordination and conduct of Civic/Ceremonial Events (eg Mayoral Breakfast)
- Coordination of International Delegation visits, including City of Salisbury representatives attending overseas delegations and Delegations visiting the City of Salisbury
- Responding to queries from Elected Members and coordinating attendance at events as representative of the Mayor
- Media liaison, in conjunction with Communications and Customer Relations Division
- Manage corporate gift stock/stationery and other supplies

Internal Catering (0.26 FTE)*

** The Internal Catering function operations on a partial cost recovery basis.*

- Council/Committee Meeting catering set up and clean up including maintenance of Long Room and catering related supplies for Elected Members
- Internal catering service including tea/coffee set up, sandwiches etc for meetings involving internal/external participants

**Program Review ~ CEO and Governance
Background Paper**

Executive Office Budget

	2016/17 Budget	2017/18 Budget	
Chief Executive Officer			[A]
Staff Christmas Break Up			[B]
Materials	5,000.00	5,000.00	
Other Expenses	1,000.00	1,100.00	
	6,000.00	6,100.00	
Organisation Review			[C]
Contractual Services	150,000.00	150,000.00	
	150,000.00	150,000.00	
Executive Management Admin			
Wages & Salaries 3.2 FTE	567,200.00	570,400.00	
Contractual Services	200.00	200.00	
Materials	12,000.00	12,000.00	[D]
Other Expenses	25,980.00	19,680.00	[E]
Internal Expenses	7,700.00	7,110.00	[F]
	613,080.00	609,390.00	
Catering			
Wages & Salaries 0.26 FTE	23,300.00	23,600.00	
Materials	10,000.00	10,000.00	[G]
Internal Income	(17,400.00)	(16,700.00)	
	15,900.00	16,900.00	
Total Chief Executive Officer	784,980.00	782,390.00	
Civic & Ceremonial			
Civic			
Wages & Salaries	8,100.00	10,800.00	[H]
Contractual Services	4,600.00	4,600.00	
Materials	25,500.00	25,500.00	[I]
Other Expenses	2,000.00	5,200.00	
Internal Expenses	2,800.00	2,800.00	
	43,000.00	48,900.00	
Sister Cities			
Contractual Services	3,000.00	3,000.00	
	3,000.00	3,000.00	
Total Civic & Ceremonial	46,000.00	51,900.00	
TOTAL	785,026.00	834,290.00	

[A] 2017/08 budget is yet to be endorsed

[B] Whole of organisation Christmas breakfast

[C] Funds allocated for costs associated with Program Review

[D] External catering expenditure (\$3k) & office supplies (\$9k)

[E] FBT Expense \$6k (vehicles, entertainment etc), Travel/Conferences \$8k

[F] Lease PC and Network Printing costs

[G] Consumables – tea, coffee, sandwich ingredients etc

[H] Overtime costs associated with conduct of Citizenship Ceremonies

[I] External Catering \$13k, Materials \$11k, Print/Stationery \$2k, (13 ceremonies per annum, approximately 1200 citizens, including Australia Day)

Conclusion

This Background Paper is intended to provide a high level summary of the Governance Division and Executive Office to provide context to the Program Review to be undertaken. It provides details of the environment in which both areas operate, and the services that are provided to support the organisation. The Governance Division is structured to provide both Civic and Corporate Governance functions and includes a dedicated Internal Audit/Risk Management resource. The Executive Office provides executive/administrative support to the Mayor and CEO, stakeholder relationship management, civic event coordination and an internal catering service.

The program review process is an opportunity to review the current state of operation of the Governance Division and Executive Office and ensure that service levels and resourcing are appropriate to support the ongoing delivery of organisational objectives as set out within the City Plan.