

## 2. Process Management

### Introduction

This piece is probably the most important to get right, if you want to produce an integrated LTCCP, on time, without angst. This piece relates most closely to the third and fourth of the cardinal virtues plan your plan and the continuous plan. This piece is so central to the success of the process that it qualifies for two of the 24 steps to a great LTCCP!

Process management incorporates not only the production of the document, but also the other tasks such as preparing underpinning information, stocktaking existing strategies and the like. Your local authority should have either already begun the long-term planning process for the 2009 LTCCP, or should be doing so soon.

### Why is process management so important?

Good process management ensures you do it once, and do it right. Good process management ensures that long-term planning is adequately resourced and that there are links between the production of the information and policies, council decision-making, and community engagement.

### How does process management relate to the legislation?

There is no legislative requirement to manage the process of producing the LTCCP and underpinning information. Nevertheless good process management is the single biggest step you can take towards a good LTCCP.

The Act allows you to design your own planning processes in the way that best suits your community (subject to the content requirements and processes of the Act).

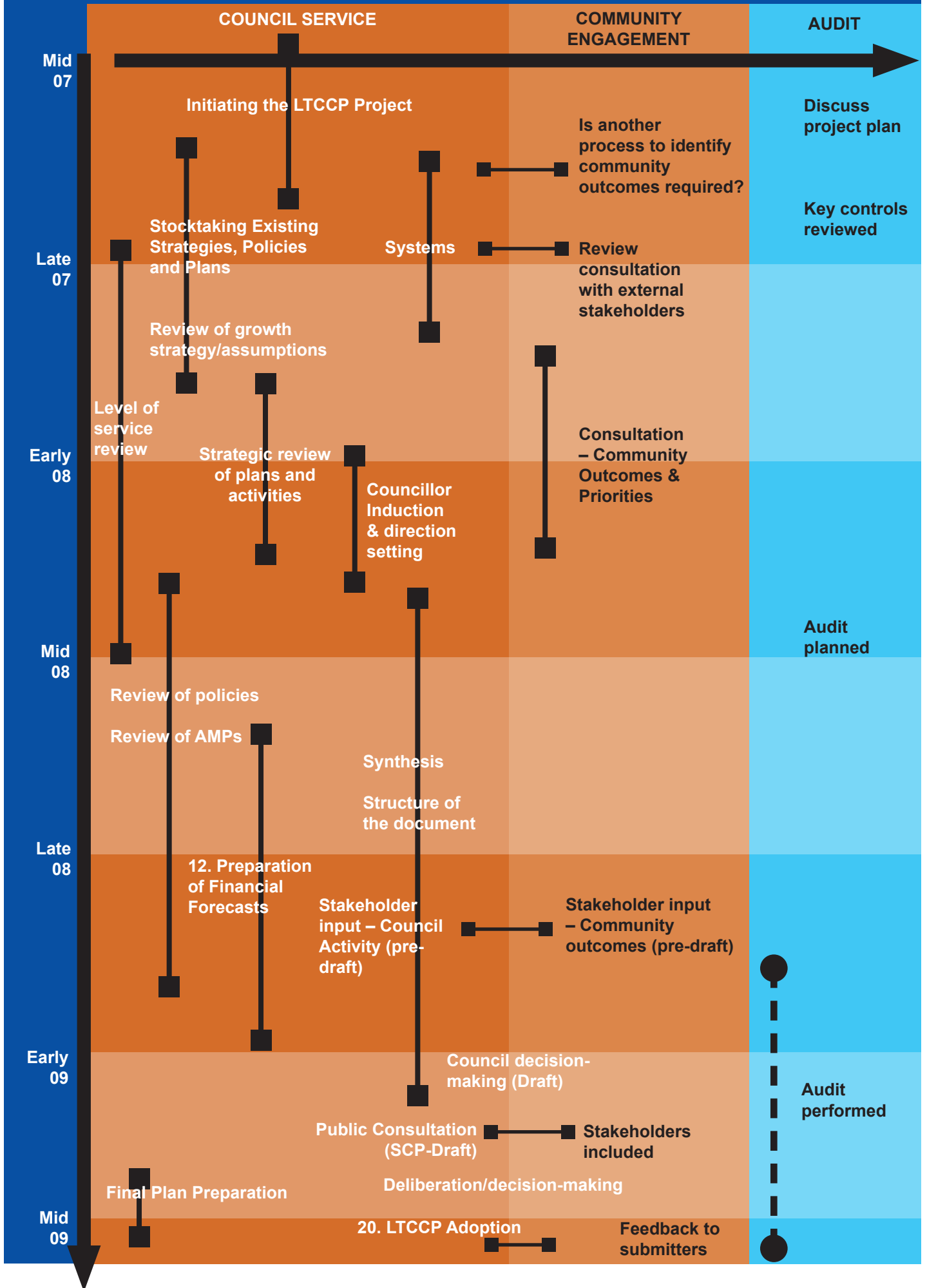
### **What are the practical implications of this?**

One process for long-term planning is set out on page 17. This process has been designed as a two year process and covers the whole range of activity including community engagement and audit. Your local authority may not choose to follow all of these steps. You might combine some, or even omit some altogether.

### **The basic tasks involved in running an LTCCP process are:**

*Initiating the LTCCP* - this task represents the beginning of the process and is mostly about ensuring the production of an LTCCP has the appropriate resourcing and managerial support to achieve success. The overall success criteria for the process will be set as part of this task. This task is the place where the project sponsor and manager are appointed, and where (at very least) the rules of engagement for the project team are created. Some of the discussions around this will also involve:

# PROCESS TIMELINE



- assessing your readiness for the LTCCP (Living Through the LTCCP has a useful tool for assessing readiness)
- establishing processes for quality assurance (see [page 29](#) for more information on quality assurance plans)
- considering the relationship of the project to other planning and/or organisational projects both internally and externally – see [page 31](#) for information on taking stock of your existing strategies, policies and plans, and
- having an early discussion with your auditor (see [page 38](#) for more on audit) and
- identifying risks.

At the end of this phase of work you should have formed a judgement on whether your next LTCCP will be merely an 'update and revision' of the existing LTCCP, or a more fundamental 'zero-based' project.

**Systems** - ensuring that the systems needed to underpin a robust LTCCP are in place so that systems are operational before the process begins in earnest. This includes your base of asset information, your performance management framework, and your financial systems (especially the modelling tools). This has links into the asset information ([page 64](#)), forecast financial statements ([page 72](#)), activity statements ([page 61](#)), and in systems for recording the results of decisions ([page 27](#)) and managing consultation ([page 15](#)).

**Stocktake of Existing Strategy Policy and Plans** - identifying the linkages between the LTCCP and other plans, and that the messages in each are either consistent or that any required change is progressed. This might include consideration of legislative change since 2006, the results of your monitoring of community outcomes (see [page 53](#)), or an initial review of the content of your performance management framework ([page 67](#)). This process informs future decision-making and consultation by collating information regarding:

- the priorities of your local authority
- issues impacting on your local authority, and
- any gaps in your local authority's positions on important issues.

**Review of growth and other forecasting assumptions** - ensures that assumptions around growth (or decline) over (at least) the period of the LTCCP are clearly stated and consistently applied. Other key forecasting assumptions (such as price change) should also be reviewed ([page 40](#)).

**Strategic review and activity planning** - This task is where activity managers look at their individual activities and develop/review a simple, practical plan (no more than 2-5 pages). This is the place for discussions of the linkage between the activity and community outcomes, and development of the rationale for service delivery (further information on this is in Your Side of the Deal). Some local authorities may combine this task with the levels of service review.

**Levels of Service Review (LSR)** - this task identifies and reviews your local authority's current and future service priorities. This review should encompass the entire set of activities. The review is informed by:

- strategic plans
- the asset/ activity management plans
- elected members, management, and
- stakeholders.

Information developed in the early stages of the LSR should form an important component of elected members' 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. This task has obvious links with the performance management framework ([page 67](#)) and activity statements ([page 61](#)).

**Consultation and direction setting on community outcomes and priorities and council priorities** - your local authority may choose to provide early opportunities for the general public and specific stakeholders to comment on its long-term priorities or the community outcomes, priorities and indicators (and indeed such a process would be good practice). Senior management and elected members should consider the results of this as part of the direction setting task and LSR. This task also provides an opportunity to develop and start the implementation of a communications plan relating to the LTCCP. Clear communications ([page 21](#)) informs the engagement ([page 24](#)).

**Council direction setting** is a pivotal aspect of the LTCCP project. It seeks to engage the executive management team and elected members to consider the local authority's role from a strategic perspective. This is a key part of the decision-making process ([page 27](#)). If you have not started already, you now should be thinking about the likely content of the LTCCP summary ([page 51](#)).

**Review of LGA policies** - the review of policies required by the LGA:

- the section 102 funding and financial policies ([page 76](#))
- development of Maori capacity to participate in your decision-making processes
- Council Controlled Organisations ([page 79](#))
- the assessment of water and sanitary services, the Waste Management Plan ([page 83](#)) and
- the significance policy.

**Review of asset or activity management plans (AMPS)** – the main focus of this task is on updating existing AMPs to reflect the results of council direction setting, the LSR, and current information on asset condition and performance. 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, and
- the need to ensure service delivery over the long-term.

Each activity must review the expenditure and funding requirements to deliver on the strategic intent, and the resultant activity objectives and service standards. This will have implications for the asset information you disclose in the LTCCP ([page 64](#)).

**Preparation of Financial Forecasts** - this task covers development and review of the forecast financial statements and the funding impact statement. This is also the place for a substantive check on the financial impact of decisions to date, and on the coherence of the overall financial strategy.

**Synthesis of the information** - this task draws together the information generated in the other tasks and parallel processes to prepare the pre-draft and draft LTCCP. Once the information is drawn together it all needs to be checked for consistency and for overall coherence of message.

**Preparation of the draft plan** - the physical preparation of a draft plan that conveys key information in an easily understood and interesting way and is legally compliant.

**Stakeholder input-pre draft LTCCP** – your local authority may wish to provide stakeholders with an opportunity to comment on a pre-draft LTCCP and then formally consider stakeholder feedback in its consideration of the draft LTCCP. This is partly a process of engagement ([page 24](#)) which relies on clear communications ([page 21](#)).

**Council decision-making (draft)** – the elected members' formal consideration of the draft LTCCP and the adoption of the draft LTCCP for consultation. It most clearly links to the decision-making piece of the Jigsaw ([page 27](#)).

**Public consultation** - this task relates to the specific legislative requirements to publicly consult on the draft LTCCP. Provided the statutory requirements are met, there are opportunities for local authorities 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.

**Deliberation** - this task covers the analysis of submissions, provision of advice and the elected members' consideration of submissions on the draft LTCCP.

**Final plan preparation** - this task relates to the preparation of the final LTCCP including the decisions made by the elected members in completing the consultation.

**LTCCP adoption** - this covers the processes around the formal adoption of the LTCCP including distribution of the LTCCP and any publicity. This is the time to define how to proceed to review, monitoring, amendments and subsequent annual plans.

## Key roles

The project sponsor should be someone very senior in the organisation – preferably either the Chief Executive or one of the second tier managers.

The project manager needs to be:

- experienced at the management of complex projects
- knowledgeable about the local authority and community
- able to gain regular access to the Chief Executive
- able to manage financial and human resources, and
- a strong communicator.

The LTCCP project team should be kept to a maximum of 4-6 skilled and experienced people, rather than selecting the team to give departmental representation.

## Project plan

Your project plan should include:

- resource budget
- timelines for the development of associated plans (consultation, communication, quality assurance, training and audit)
- decision making milestones, and integration with elected member meeting schedules
- overall timeframe for development of the LTCCP
- likely risks and threats to the programme and means for mitigating these
- identifying critical issues
- monitoring processes
- key accountabilities, and
- for each part of the LTCCP development, specific project plans for:
  - project scope and deliverables
  - assignment of roles
  - involvement of, and engagement with, the external parties
  - timelines and milestones.

## Who should determine the process and prepare the project plan?

The LTCCP project team should prepare a proposal setting out the overall process, resources and the like. This proposal should only be prepared after consultation within the organisation (especially the CEO and senior managers). The proposal should then be workshopped with elected members resulting in a set of decisions about the scope of the project, and other parameters such as decision-making processes.

## What processes are linked to process management?

All of the other pieces need to be incorporated into the design of your process.

## What were the weaknesses with process management in the 2006 LTCCP?

Issues with project sequencing – especially involving the production of underlying information, the late starting of the community outcomes process, and preparing the LTCCP summary as the last step.

Underestimation of the time and resource commitments including a lack of time for quality assurance and audit processes.

Project management assigned to junior staff with no authority to 'make things happen'.

Lack of buy-in from elected members and some activity managers.

Some elements were produced on a just in time basis – slippage placed the timely completion of the LTCCP at risk.

Lack of monitoring of progress against the plan.

## What good practice information is available?

Office of the Auditor-General (2007), *Matters Arising from the 2006-16 Long-Term Council Community Plans*. This report sets out the Auditor-General's expectations with respect to LTCCPs and highlights the areas for improvement for 2009 including the importance of project management.

SOLGM (2007), *Living Through the LTCCP: A Guide to Managing a Long-Term Planning under the Local Government Act*: useful tips and tools for managing not only the preparation of the LTCCP document and using the whole triennium to your advantage.