

ICMA 2008 Annual Awards Program

Program Excellence Awards Nomination Form

Deadline for Nominations: March 14, 2008

Complete this form and attach to your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (select only one)

Strategic Leadership and Governance

Name of program being nominated: **Penrith's New Management Plan Model
~ Integrating Strategy, Sustainability and Services**

Jurisdiction where program originated: **Penrith City, New South Wales, Australia**

Jurisdiction population: **177,000**

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented by or before January 31, 2007 to be eligible. The start date should not include the initial planning phase.)

Month: **July** Year: **2007**

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Richmond, Virginia, September 2008. (Each individual listed MUST be an ICMA member to be recognized.):

Name: **Mr Alan Travers**

Title: **General Manager** Jurisdiction: **Penrith City Council, New South Wales, Australia**

SECTION 2: Information About the Nominator/Primary Contact

Name of person who should be contacted with questions regarding the nomination:

Mr Ross Kingsley

Title of nominator: **Corporate Development Manager** Jurisdiction of nominator: **Penrith City Council**

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Leaders at the Core of Better Communities

Integrating Strategy, Sustainability and Services Planning

1. The Program

Through a radically new model for its 2007-2008 Management Plan, Penrith City Council has built on established strengths to take its strategic management and governance to a new level.

Penrith has not only adopted but is now restructuring its entire strategic planning around the *United Nations Environmental Program (UNEP) Principles for Sustainable Cities*.

It has also specified the requirements for each of its 65 services to deliver the City's program and linked that operational planning and budgeting to leading sustainability practice.

The elected Council and its administration have restructured a proven planning model to more powerfully embody both sustainability and service delivery and to integrate these essential requirements for Council's leadership of the City.

Penrith is located 55 kilometres west of Australia's leading city, Sydney. It has a population of approximately 177,000, covers 420 square kilometres and includes both urban and rural areas. It is a recognised Regional City within metropolitan Sydney and is in many ways a microcosm of the range of issues relating to city management in Australia.

2. The Challenge

Australia has a federal system of government with local government operating under the legislative and administrative framework of the States. In this sector which is closest to the community, resources are limited, while expectations for services are increasingly high.

To respond effectively to this difficult context, Penrith City Council has developed an increasingly structured and disciplined approach to planning and management, as well as local, regional and international partnership building.

The Council's **Strategic Plan** is the foundation for its leadership of the City and response to the needs of its community. Over two decades, this has been distinguished by:

- The strength of ownership by the elected Council and the empowerment which it gives to the administration to implement the strategy;
- Strategic Plans which address the needs of the City and its community and how they will be met ~ not just a plan for the Council or what is in its control;
- The four year Delivery Program to implement the long term plan in each Council's term of office.

International Sustainability Principles

As national and international understanding of the principles and requirements for sustainability in the local government context have grown, Penrith City has embraced this in its policy settings. In 2003, this Council was the among the first in Australia to adopt the *UNEP Principles for Sustainable Cities* launched at the World Summit on Sustainable Development in 2002 through *Local Action 21*.

Directions were set in 2006-07 to complete sustainability measures and indicators for the City and for Council itself and to *Review Council's Strategic Plan framework to incorporate strengthened sustainability principles and measures*.

Specifying the City's Services

The City strategy directs that all operations are rigorously evaluated, prioritised and effectively resourced. Council's selection of services and their levels is to be based on considerations of equity, best value, relevance and benefit to the community.

The administration has undertaken a major program of 'specifying' (documenting and authorising service levels) for all of its 65 public and support services. A comprehensive training program has ensured that real ownership of the service specifications is driven

through senior and middle management to operational staff. The elected Council clearly owns and leads decision-making as to service directions and levels.

The incorporation of specified services was seen as a vital concomitant to the restructuring of the Management Plan to conform with the UNEP sustainability principles.

3. Implementation

The work of reframing the Management Plan was undertaken by two core departments and a cross-organisational sustainability team, with the backing of the executive and the elected Council. All managers and many staff contributed to what is quickly becoming part of the fabric of 'how we do things at Penrith'.

The 2007-08 Management Plan brings together three key adopted policy settings:

- The complete content of Council's *Strategic Delivery Program 2005-2009*
- The *UNEP Principles for Sustainable Cities*, together with the objectives which were developed as a basis for Penrith's local response to the principles
- Core elements from the 65 specified Services and their budgets

A *Strategic Overview* volume provides a comprehensive and mapping of the sustainability framework aligned with the Strategy. It details the annual component of the longer term action plan, demonstrating how each of Council's selected outcomes for the City or the organisation will be advanced in 2007-08 through Services, Tasks and Projects.

An *Operational Plan & Budget* volume provides key details of each of the 65 Services and their strategic direction, along with the budgetary provisions to deliver them.

Key management systems were modified to accommodate the new approach. Strong supporting systems are in place for management and financial planning and reporting, including performance management software and a rolling Long Term Financial Model.

The administration conducted a review of all current service levels and the assessment of any proposals for adjustment. This 'Stage 2' of the service specification program formed the central focus of the annual resource evaluation process but was established as an ongoing requirement, not a 'one-off' exercise.

4. Outcomes to Date

The new model effectively balances the City leadership and service delivery roles of the Council in a comprehensive sustainability context. This provides strategic direction to all operations through longer term goals and sustainability objectives linked to services to the community. It sets the platform for Penrith's next Strategic Plan to be based on internationally-recognised sustainability principles; while operational planning and delivery of direct services is fully realised and integrated.

A Sustainability Framework for Strategy

Penrith City's response to the UNEP Principles is being implemented and refined through the 2007-08 and 2008-09 annual Management Plans, allowing a thorough testing of the approach prior to the next Strategic Plan development with the new Council elected in late 2008. This initiative is adopted as '**Penrith's Principles for a Sustainable City**'.

Along with the annual plan itself, sustainability measures and indicators for the City (locally developed) and Council (GRI indicators) were completed. Sustainability indicators are also being incorporated in Services. Reporting on the 'outcomes' (progress) of Council's Strategic Plan and Program will become inherently reporting on the 'outcomes' (progress) of moving towards a more sustainable future for the City and the Council.

This is demonstrated by the Council's Annual Report for 2006-07, which is also an entirely new model moving towards leading practice sustainability reporting. In early 2008 a sustainability indicators website was launched.

Services Delivery and Reporting

The 2007-08 Management Plan is the full realisation of the 'Service Specification' approach and a key step in the commitment to continuous improvement of services and their delivery. Public consultation on the Management Plan immediately indicated the benefits of this transparent governance approach. Line managers have ownership of the Management Plan and its deliverables to a greater extent than ever before.

Council now has clearer standards and tools to make resourcing decisions and an even more effective base for accountability, performance reporting and communication to the community on the City's program.

The value which we believe this model demonstrates was recognised by the award to Penrith City Council of the 2007 *LGMA NSW Gold Award for Management Excellence*.

Council's recently-upgraded Standard and Poors credit rating is AA+. No other local government body in Australia has a higher rating.

5. Lessons Learned

This initiative places Penrith City Council in a strong position to meet the future challenges of local government, while responding effectively to the needs of the City's communities.

Important lessons are being learned, not only locally but for the benefit of our State. NSW is at present developing a new legislative model for 'Integrated Planning, Reporting and Asset Management' by local government, which is being directly informed by this leadership work undertaken by Penrith City.

Establishing a practical model for translating high order sustainability principles into city management strategy, along with the commitment to continuous service improvement, is an exciting new direction developed by a local government with the vision to take this step.