

CONSULTANCY BRIEFING

The NSW Local Government Minister has recently released the Local Government Independent Review Panel's final report titled "Revitalising Local Government".

Prior to the release of the paper, the Councils of Boorowa and Young had been working collaboratively to secure funding to undertake a study of the Hilltops region to identify the most suitable future Governance and Service delivery arrangements for the region.

The Councils are now in the position where they are seeking submissions from suitably capable organisations to undertake the above mentioned study which is anticipated to provide a roadmap for the future of governance and service delivery across the Hilltops region.

Consultants are invited to provide a submission to be received by 8th April 2014

Submissions are to be emailed to:

anthony.mcmahon@boorowa.nsw.gov.au and peter.vlatko@young.nsw.gov.au

Hard copies are also to be posted to:

*General Manager Boorowa Council
PO Box 96
Boorowa NSW 2586*

and

*General Manager Young Shire Council
Locked Bag 5
Young NSW 2594*

Submissions are expected to provide sufficient information to clearly understand how the consultancy service is to be delivered including resources allocated, deliverables and timeframes; and capacity to deliver.

The submission shall include a financial proposal that details all inclusions and any exclusions that may apply.

Consultants are asked to refer to the attached Hilltops Regional Governance Paper and Terms of Reference for Hilltops Region Review Steering Committee for guidance and details on consultancy services required.

Hilltops Regional Governance Options

Councils within the Hilltops Region of southern NSW have a vision to raise the profile of their region and improve the wellbeing and prosperity of local communities. The strategic vision builds on the successful Hilltops branding, originally developed for marketing and promotion of the region incorporating Boorowa, Harden and Young. It respects and capitalises on the identity of the region's main settlements while recognising the value of adopting a regional approach to ensure the long-term sustainability and growth of the area.

As part of this vision, the councils wish to explore new structural arrangements for local government within the Hilltops Region, to improve strategic capacity, operational efficiencies and service delivery.

The drivers and anticipated community outcomes of this project are depicted below.

Drivers

Preserve local identity

Each community is unique. We want to preserve our local identity and local involvement in decision making, but also recognise that we have a shared future in the Hilltops. We want to create a regional local government structure that works for our situation.

Provide more opportunities

The region needs more jobs and educational opportunities for our young people. We need a stronger voice to lobby for funding and get things done. Joining forces would help us to achieve this

Improve access to services

Our communities would really benefit from a wider range of services and better service delivery. As individual councils we find it difficult to meet these needs. Joining forces could improve the wellbeing of our communities.

Outcomes

Shared prosperity

Our people love living in their own communities, but get the benefit of being part of a wider region. Each community is better off since we started working together.

Sustainable communities

There are more jobs in our region, tourism increases and people want to invest in, and move to, the Hilltops to be part of our special community. We can see a positive future for our region.

A great place to live

People enjoy living in the Hilltops. It's a welcoming and "go ahead" place. The facilities that people need for their lifestyle are here and the local services are well managed and affordable.



The project

The councils of Boorowa and Young are seeking expressions of interest from suitably qualified consultants to develop a report on future governance options for the Hilltops Region.

The report will draw on draft inputs from the councils, as agreed, with the consultants being responsible for compiling and presenting the final analysis.

The report will explore two key themes, as outlined below:

Defining the region

This section will identify the current and future communities of interest, demographic profile and economic relationships of the Hilltops Region

Exploring the opportunities, considering structural options

This section will explore four structural scenarios for councils within the region, having regard to opportunities to improve strategic capacity and operational efficiency

- Scenario One: Maintaining the status quo of the three Hilltops councils
- Scenario Two: The Independent Local Government Review Panel's recommendation for the region - a merger of Boorowa, Harden and Young Shire Councils.
- Scenario Three An option for an alternative Hilltops Regional council structure, incorporating other communities of interest or local government areas as appropriate.
- Scenario Four: Maintain the existing Councils with a different administrative/management structure.

These themes are explained in detail on the following pages.

Deliverables

The project includes the following deliverables:

- A draft options report on Hilltops regional governance, presented for review by participating councils and the Division of Local Government
- A final options report on Hilltops regional governance, following consideration of feedback from the draft review
- Presentation of the report's key findings to a workshop of project stakeholders
- Ongoing advice and review, as required

Key themes of the report

Defining the region

The Hilltops Regional brand was originally developed with a tourism/economic development focus, to promote local wine production activities, agricultural produce and events. The region has traditionally been defined as the three local government areas of Boorowa, Harden and Young. The branding is now gaining a wider application, with plans to develop a regional approach to local governance.

This section of the report will largely be undertaken through desktop analysis and consider the following:

- The demographic and economic profile of the existing “Hilltops region”
- Future demographic trends and economic opportunities
- The region’s existing alignment with state planning, administrative and service delivery boundaries
- Communities outside of the traditional “Hilltops” grouping (Boorowa, Harden & Young) which may have current or future common interests with the region. This assessment will consider access to services, cross-border movements and social/economic links.

Suggested References: <http://www.hilltops.com.au/>, Council websites, CENTROC website, ACT Government website, Department of Planning and Infrastructure website.

It is expected that consultants will undertake a comprehensive review of all reference information available, not limited to the above suggested references.

Exploring the opportunities, considering structural options

This section will draw on information provided by participating councils, as well as publicly available information on council performance within the region. This component of the project will require on-site attendance as well as desktop analysis.

The main focus of this section will be on exploring the different scenarios with an emphasis on determining the most suitable long term outcome for the region.

This section will:

- Explore the “base case” of the three councils (Scenario One), including:
 - Review of existing integrated planning and reporting for the subject LGAs
 - Current financial sustainability ratings
 - Existing service profiles, including, as far as possible, service or skills gaps within the subject councils.
 - Current asset management, including infrastructure backlogs
 - Current and historical trend information from annual reports regarding operating costs and revenues

- Review of historical missed opportunities and learning's
- Identification of barriers to providing higher quality services under current arrangements

The base case will also consider existing regional service arrangements, for example water supply arrangements and shared service contracts relating to the subject councils.

- Conduct an analysis of the potential impacts of the participating councils maintaining the status quo over the longer term (minimum 10 years), including financial sustainability, strategic capacity, asset management and service delivery.
- Conduct a strategic analysis of the potential costs and benefits associated with a merger of the three subject councils (Scenario Two) in terms of increased strategic capacity. This analysis to include:
 - Financial sustainability
 - Strategic planning capacity
 - Opportunities to address skills or service gaps
 - Opportunities for more effective application of existing resources
 - Opportunities for increased or improved service delivery, particularly on a regional basis, including capacity to undertake larger scale or more complex projects. This analysis to specifically focus on opportunities for water management, waste management and land use planning
 - Governance and community engagement, including opportunities to support local democracy and local determination
 - Opportunities for improved state-local co-ordination at the sub-regional level.
- Conduct an analysis of the potential costs and benefits associated with Scenario Two in terms of improved operational efficiencies. This analysis to include:
 - Potential efficiencies in administration, governance, service provision and infrastructure/asset renewal
- Consider the costs associated with amalgamation and establishment of a new entity under Scenario Two, based on available case study information and/or estimates prepared by participating councils
- Consider the revenue implications of structural reform under Scenario Two, including existing liabilities, changes to grant income, property rating/tax levels, variations in fees and charges and development contributions across the three subject councils.

- Complete a financial analysis over a minimum 10 year period of Scenario Two. This analysis will consider the ability to establish a sustainable financial basis, the ability to fund asset renewal gaps and the impact on revenue and levels of property rates.
- Suggest a possible corporate structure and local representation model for the proposed Scenario Two regional entity.
- Identify a potential configuration for Scenario 3 and provide a broad analysis of potential strategic capacity and operational efficiencies that may be achieved through this wider regional governance configuration
- Provide comment on potential governance configurations for Scenario Three that would support local identity concepts, while realising the identified benefits of a regional entity.
- Provide a comparative analysis between Scenario Two and Scenario Four to determine if Scenario Four is a workable model that will achieve desired outcomes.

Indicative References:

- Council annual reports
- TCorp analysis
- Infrastructure audit

Timeframes and milestones

Consultants are required to provide a suggested timeframe and program with their submission, with reference to the project steering group at the following milestones:

- Completion of analysis for the “Defining the Region” section
- Completion of analysis for Scenarios One and Two
- Completion of draft final report for review
- Completion of final report.

Contact details

Mr Peter Vlatko – General Manager Young Shire Council –
peter.vlatko@young.nsw.gov.au – (02) 63801231

Mr Anthony McMahon – General Manager Boorowa Council –
anthony.mcmahon@boorowa.nsw.gov.au – (02) 6380 2000

TERMS OF REFERENCE FOR HILLTOPS REGION REVIEW STEERING COMMITTEE

Background

As a result of sector wide consultation commenced in Dubbo NSW in August 2011, the NSW Government has been undertaking what is considered a comprehensive review of the local government sector within NSW.

The initial consultation was the basis of "Destination 2036" and was attended by representatives from all 152 Councils that currently exist across NSW.

According to the Division of Local Government (DLG) "Destination 2036 is the start of a new way of planning which moves local government in NSW from talking about and reacting to change, to managing change to create a preferred future. In effect, it will begin the strategic plan and delivery program for NSW local government, mirroring key elements of the integrated planning and reporting frameworks which individual councils are implementing."

As a follow on from the early work of Destination 2036, the NSW government commissioned an Independent Local Government Review Panel to thoroughly investigate all options available for the future of local government.

In April 2013 the Independent Panel released "Future Directions for NSW Local Government – 20 Essential Steps" which provided the first major insight into the thinking of the panel and the potential range of final recommendations to be delivered to the local government Minister.

With the initial report recommending major changes for the Councils of Boorowa, Young and Harden, it became obvious that the Councils could either be proactive in creating their own future or run the risk of being dictated to by the State Government.

This initially entailed the three Councils of Boorowa, Young and Harden working collaboratively to determine what the future of the region known as the Hilltops should be and how this new future would be achieved. Consultation with the NSW Local Government Minister as well as the Chief Executive of the Division of Local Government determined that the Division would be highly supportive of the three Councils in working together to develop a suitable future model for the Hilltops Region. This culminated in the Minister pledging funding on a 50/50 basis for the engagement of a consultant to specifically review the Hilltops Region and potential options for the future.

Subsequent to the offer being made by the Minister for funding support, Harden Council independently made the decision to wait to take any further action until the final report of the Independent Review Panel was made public (released 8 January 2014) and the State Government responded to the recommendations in the report.

Introduction

With Boorowa and Young Councils preparing to engage a Consultant to undertake a review of the Hilltops Region with a view to the future, it is important to clearly define how the process will occur and what the intended outcomes are. As the process involves multiple Councils and communities it is particularly important that an agreed framework is established early on.

This document is intended to be a guidance document and may be subject to review and change at any stage throughout the process as parameters change.

Project Parameters

Objectives

The overarching objective of Councils working collaboratively in shaping the future of the Hilltops Region is to ensure that the community receives the best quality of life possible.

There are a number of sub-objectives of the project which are as follows:

- Strengthen individual communities within a regional context
- Enhanced economic activity across the region
- Increased political strength and recognition with other levels of Government
- Maintain fair, open and accountable local democracy
- Maintain and strengthen local employment
- Securing the best value for money services for the community whilst acknowledging social and environmental implications.
- Strong place management where distinct communities have the ability to influence the identity of their place.
- Maintain the individuality and uniqueness of the communities that make up the Hilltops Region.

Outcomes

Specific outcomes of the project are as follows:

- Clear understanding of the definition and constituents of the Hilltops Region
- Identify areas of commonality across the region to identify obvious areas for cost saving
- Identify and consider strengths and weaknesses of current representation models, governance arrangements and service delivery mechanisms
- Identify and assess alternative representation models, governance arrangements and service delivery mechanisms
- Identify the most desirable future representation models, governance arrangements and service delivery mechanisms and develop a road map for how this best possible future can be achieved
- A clear and shared understanding of the desired future of the region with majority support from the community

Scope

The project is going to require a broad range of resources and a diverse range of stakeholders made up from a variety of communities.

The scope of the project will initially involve the following key aspects:

- Engage with Councils within and surrounding the Hilltops region to allow for early participation
- Development of a stakeholder communications plan
- Engaging a consultant to independently and objectively review the region, the Councils that make up the region and the way services are provided to the communities of the region.
- Identifying the most suitable model going forward that will provide the most cost effective, highest quality and democratically fair service to the community.
- Develop a transition plan that clearly identifies the steps associated with moving from where we are now towards the ideal future

Governance Framework

Participants

At commencement of the project participating Councils are Boorowa Council and Young Shire Council. It is acknowledged that participant Councils are likely to change as the process progresses.

The steering committee consists of the Mayor and General Manager of each participating Council.

Invited representatives of the Division of Local Government may attend as observers, to provide information and advice, as required and receive updates on project milestones.

Delegations

The steering committee has not been given any initial delegations and will act as an information and advice conduit between consultants and participating Councils.

Role of the Steering Committee

The role of the committee and its members is to undertake research, consultation and communications in relation to the progress of the project. The committee will meet as needed and provide regular updates to participant Councils. The committee will provide guidance and input into consultant work that will form the basis of draft reports to be presented to each participating Council for consideration.

Overarching Principles Critical for Success

At the outset of the project the following principles are considered as critical to moving towards a successful future:

- The project's main aim is to ensure that all Hilltops communities ultimately benefit from the proposal.

- The community will have opportunities to be engaged in the process and contribute to the final model
- The community will receive clear and consistent information from committee members regarding the process
- Local identity will be respected and enhanced
- Each participating Council agrees to remain focused on the long term benefits for their community and the wider region
- All options are to be considered objectively within the context of what is best for our long term future
- No future model shall be adopted unless endorsed by each participating Council.

Project Management

The project will be managed on a joint basis by the General Managers of the participating Councils. It will be the responsibility of the General Managers to coordinate meetings and ensure that all correspondence relating to the project is distributed to all steering committee members.