



Project Management Plan

Financial Sustainability Project

Stage 2

Revision History

Version	Version Description	Revised by	Date
0.1	First draft	[REDACTED]	30/05/2024
1	For EMT approval	[REDACTED]	18/06/2024
2	Baseline	[REDACTED]	19/06/2024

Project Summary

Input into the Project Summary will have been identified and can be taken from your Business Case. Any adjustments or variations to that identified in the Business Case, can be included here.

Project Name	Stage 2 Financial Sustainability
Business Owner	██████████
Project Sponsor(s)	██████████
Directorate	CEO/City Performance
Start Date	1/06/2024
Baseline End Date	12/02/2025

Executive Summary

This project will coordinate Financial Sustainability actions and initiatives in response to MIN23.667, MIN24.44 and from report CL23.420 – AEC Financial Sustainability review from November 2023.

Project Description

In November 2023, AEC provided a report to Council on its financial sustainability. In this report, Council was informed that the general fund net operating position has been in a deficit position over the past eight years and there is a structural deficit to fund recurrent expenditure of \$25-35 million per annum. AEC made 27 recommendations, including an SRV, and that all had to be implemented to ensure Council's financial sustainability.

At its Ordinary Meeting (MIN24.44) on 29 January 2024, Council resolved not to proceed with an application for a special rate variation with IPART. A special rate variation is considered to be a necessary step in improving Council's financial position. Instead, Council resolved to pursue all other recommendations in the AEC report as well as additional actions to improve financial sustainability.

The Financial Sustainability project will coordinate the response to these actions and has been defined with 3 major workstreams:

1. Asset and Project Management
2. Financial Management
3. Service Planning

The previous project management plan (D24/58074) for the financial sustainability project covered the scoping stage of the project (phase 1). Phase 1 ran from February 2024 to May 2024 and delivered the following outcomes:

- Established a regular Financial Sustainability workshop with Councillors and ran 8 workshops during phase 1.
- Established a monthly Financial Sustainability report to Council and produced 3 reports during phase 1.
- Launched awareness campaign with staff on Financial Sustainability project:
 - Set-up and regularly updated the Financial Sustainability digital workplace site as a means to communicate with staff.
 - 2 dedicated SLT meetings to brief managers on the project and their Financial Sustainability obligations.
 - Launched 3% challenge to generate more savings ideas and provide a path for all staff to participate in the financial challenge.
 - 2 CEO chats on Financial Sustainability topics.
- Set-up and regularly updated the Financial Sustainability site on the Shoalhaven City Council website to keep the community informed of our actions and plans.
- Agreed a service review framework, scheduled and commenced the calendar of service reviews.

This project management plan covers the project delivery stage (phase 2) of the financial sustainability project. Phase 2 will commence in June 2024. There will be a formal checkpoint of phase 2 in mid-February 2025.

Project Definition

Objectives

1. Coordinate Council's response to all AEC recommendations and Council resolutions in a timely manner.
2. Coordinate the effort in identifying and agreeing actions to improve Council's productivity and efficiency.
3. Ensure stakeholders, staff and community are kept informed of our progress to financial sustainability.

Benefits

1. Improvement in unrestricted cash balance of \$15m.
2. Improvement asset renewals ratio at 85%.
3. Achieve and maintain an operating surplus of at least 4%.
4. Improvement in asset and project management maturity.
5. Improvement in budget framework, governance and financial acumen across the organisation.
6. Improve, through demonstration, the level of confidence the community has in the pursuit of and efficacy of measures to improve financial sustainability by the Council.

Scope

The project scope is defined through the resolutions of Council and the AEC Financial Sustainability review.

In Scope

1. Asset and project management
2. Financial management
3. Service planning

	ASSET AND PROJECT MANAGEMENT SCOPE	PHASE 2 DELIVERABLES	SCOPE OWNER
1.1	Under-performing and excess asset disposal	<ul style="list-style-type: none"> • Execution of agreed land sales strategy (CL24.89) • Implement new lease calculator 	<div style="background-color: black; width: 20px; height: 10px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 60px; height: 10px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 10px;"></div>
1.2	Improve asset management processes, including the creation of a program to review/update asset management plans and asset condition data	<ul style="list-style-type: none"> • Update Councillors on progress against asset management improvement plan every 6 months through FS workshops 	<div style="background-color: black; width: 100px; height: 15px;"></div>

1.3	Road pavement management system	<ul style="list-style-type: none"> Update Councillors on the road condition data collection when complete 	██████████ ██████████
1.4	Review capital projects and place on hold	N/A - this was completed in Phase 1	EMT
1.5	Implement ePMO and establish a project management framework	<ul style="list-style-type: none"> Implement standard project management framework across Council Develop an ePMO roadmap and communicate to Councillors in a workshop 	██████████
1.6	ePMO to implement requirement for a Business Case and/or Capital Expenditure Review prior to approving projects that deliver new or upgraded services and assets.	N/A - this was completed in Phase 1	██████████
1.7	Develop an asset management strategy	N/A - this was completed in Phase 1	Technical Services
1.8	Update Community Infrastructure Strategic Plan	<ul style="list-style-type: none"> Complete community infrastructure audit Complete community infrastructure needs analysis 	██████████
1.9	Develop a state of the assets report	N/A – on hold for future phases	Technical Services
1.10	Review developer contributions plans to ensure that the current contribution levels are able to support the future development costs	<ul style="list-style-type: none"> Complete business case for software to better manage contributions Complete review of current contribution levels and present findings in a Councillor workshop 	Strategic Planning and IT ██████████

	FINANCIAL MANAGEMENT SCOPE	PHASE 2 DELIVERABLES	SCOPE OWNER
2.1	Formalise budget parameters in line with principles of financial sustainability	N/A - this was completed in Phase 1	Chief Financial Officer
2.2	Form Budget Review Committee	N/A – this was descoped from the project during Phase 1	City Performance Director
2.3	Review of deferred rates	N/A – on hold for future phases	Chief Financial Officer

2.4	Review high value procurement categories	<ul style="list-style-type: none"> Identified high value procurement categories are consultancy and external project management. Complete review of high-value procurement categories, provide recommendations to EMT and implement recommendations. 	Chief Financial Officer
2.5	Review fees and charges to reflect cost for services where practical to do so	<ul style="list-style-type: none"> Complete sports fees and charges review and present findings in a Councillor workshop Coordinated review of all fees and charges prior to FY26 budget process. Present proposal in a Councillor workshop. 	EMT
2.6	Implement a framework for grant applications	<ul style="list-style-type: none"> Implement new grants policy and framework. 	City Futures Director
2.7	Budget framework improvements - including activity-based budgeting and increased budget accountability	<ul style="list-style-type: none"> Develop a budget policy Build a roadmap and implement best practice budget processes. 	Chief Financial Officer
2.8	Review internal reserves to ensure alignment with the intended purpose	<ul style="list-style-type: none"> Complete review of internal reserves and present findings in a Councillor workshop. 	Chief Financial Officer
2.9	Implement a monthly reconciliation and reporting process for all external restrictions.	<ul style="list-style-type: none"> Develop an external restriction reporting and reconciliation process. 	Chief Financial Officer
2.10	Revise the Resourcing Strategy including the Long-Term Financial Plan informed by funding requirements from strategic asset management, workforce planning and strategic service planning.	N/A – on hold for future phases	Corporate Performance
2.11	Implement oversight and control of the funded organisation chart	<ul style="list-style-type: none"> Document process to demonstrate how the funded organisation chart is controlled. 	People and Culture
2.12	Develop the financial governance (defined roles, financial planning processes, performance reporting and accountability) and the financial acumen of staff all levels of management.	<ul style="list-style-type: none"> Develop a budget policy Develop training plan for managers and supervisors for financial management 	Chief Financial Officer

	SERVICE PLANNING SCOPE	PHASE 2 DELIVERABLES	SCOPE OWNER
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3.1	Define Council Productivity and Efficiency Improvement Plan and track the delivery of the agreed actions	<ul style="list-style-type: none"> Implement agreed 3% challenge initiatives Monitor and report progress in the quarterly Productivity and Efficiency report Quarantine identified savings and track progress against savings target 	EMT
3.2	Agree comprehensive calendar of service reviews	N/A - this was completed in Phase 1	EMT
3.3	Review non-core services	<ul style="list-style-type: none"> Formal service reviews to be undertaken of Family Day Care and Tourism (visitor centre) Review non-core service levels and recommendations to be presented to a Councillor workshop 	EMT
3.4	Continue work on the Business Improvement Review Framework, by documenting and reviewing service levels	<ul style="list-style-type: none"> As service reviews are completed, the agreed service levels will be captured. 	Corporate Performance
3.5	Define and measure key productivity and efficiency metrics to benchmark with comparable Councils and complete trend analysis as part of budget process	N/A – on hold for future phases	Corporate Performance
3.6	Complete legal team service review	<ul style="list-style-type: none"> Complete service review Present findings in a Councillor workshop Implement recommendations and track progress in Council's corporate improvement register 	Manager Business Assurance and Risk
3.7	Complete Holiday Haven service review	<ul style="list-style-type: none"> Complete service review Present findings in a Councillor workshop Report recommendations to Council Implement recommendations and track progress in Council's corporate improvement register 	Manager Commercial Services
3.8	Complete Bereavement Services review	<ul style="list-style-type: none"> Scope defined and agreed with Councillors during Phase 1 Complete service review Present findings in a Councillor workshop Report recommendations to Council 	Manager Commercial Services

		<ul style="list-style-type: none"> Implement recommendations and track progress in Council's corporate improvement register 	
3.9	Complete asset custodian review	<ul style="list-style-type: none"> Complete service review Present findings in a Councillor workshop Implement recommendations and track progress in Council's corporate improvement register 	EMT
3.10	Review all of Council's commercial undertakings and define expected return on capital	<ul style="list-style-type: none"> This will be carried out for the relevant commercial businesses as part of the defined service reviews (Holiday Haven, Bereavement Services, Shoalhaven Entertainment Centre, Family Day Care) 	EMT
3.11	Review of corporate functions, focused on areas with largest cost base	<ul style="list-style-type: none"> Complete agreed internal service reviews (plant and fleet, customer experience, legal, workers compensation, corporate training, media and communications) 	City Performance Director
3.12	Get involved page to continue tracking financial sustainability initiatives	<ul style="list-style-type: none"> Regular updates of the financial sustainability webpage 	Media and Communications

Out of Scope

1.	Matters pertaining to Council's organisation structure, including headcount. These matters will be tracked and delivered by the CEO, unless requested to be included in the scope of the project.
2.	Some scope items from the original project scope have been deferred from phase 2 to allow staff to focus on the most critical items. While these scope items will be not progressed in phase 2, direction will be provided at the end of phase 2 as to when and how these scope items will be delivered.
3.	

Reports to Council

Report Title	Frequency	Responsible	REF
Financial sustainability report	Monthly	Project Manager	MIN24.44 item 15
Productivity and efficiency report	Quarterly	Project Manager	MIN24.44 item 2 MIN23.667 item 11 AEC item 18
Asset management report	On hold	Technical Services Manager	MIN23.667 item 6
State of the assets report	On hold	Works and Services Manager	AEC item 12

Financial sustainability report to ARIC	Quarterly	Project Manager	Requested by ARIC at 4 March 2024 meeting
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Stakeholders

Stakeholders will play critical roles in your implementation. They will provide advice, assurance, and authorisations. Any stakeholder identified, should be informed, and accepting, of their recognition and responsibility in this Project Management Plan.

Stakeholder	Directorate / Company	Role
Project Control Group (PCG)	EMT – Shoalhaven City Council	<p>Approve project stages and deliverables.</p> <p>Oversee the implementation of activities and monitor and review progress of the project.</p> <p>Receive risks and issues log for review and action if appropriate.</p>
Project Working Group (PWG)	Shoalhaven City Council	<p>Cross-functional team of project leads and corporate project support.</p> <p>Confirm timeline and roadmap of actions/deliverables.</p> <p>Coordinate cross-department initiatives to ensure people, budget, process, communication and technology are planned and executed well.</p> <p>Recommend decisions to the PGC for consideration.</p>
All Directors	Shoalhaven City Council	<p>Recommend actions that can be taken in their Directorate to improve financial sustainability.</p> <p>Keep management team informed of project status.</p> <p>Commit resource to support Financial Sustainability initiatives.</p>
Mayor and all Councillors	Shoalhaven City Council	<p>Approve actions recommended to improve Council's financial sustainability.</p>
Shoalhaven Leadership Team	Shoalhaven City Council	<p>Complete agreed financial sustainability initiatives and keep the financial sustainability project manager informed of status.</p> <p>Ensure budget direction is followed (e.g. no overspends, no spending on discretionary items)</p>

		Keep team informed of project status.
Staff	Shoalhaven City Council	To participate in the delivery recommended actions. Keep informed via digital workplace and team briefs.
Audit Risk and Improvement Committee (ARIC)	Independent committee	Receive quarterly financial sustainability report and provide feedback on risk based on project progress.

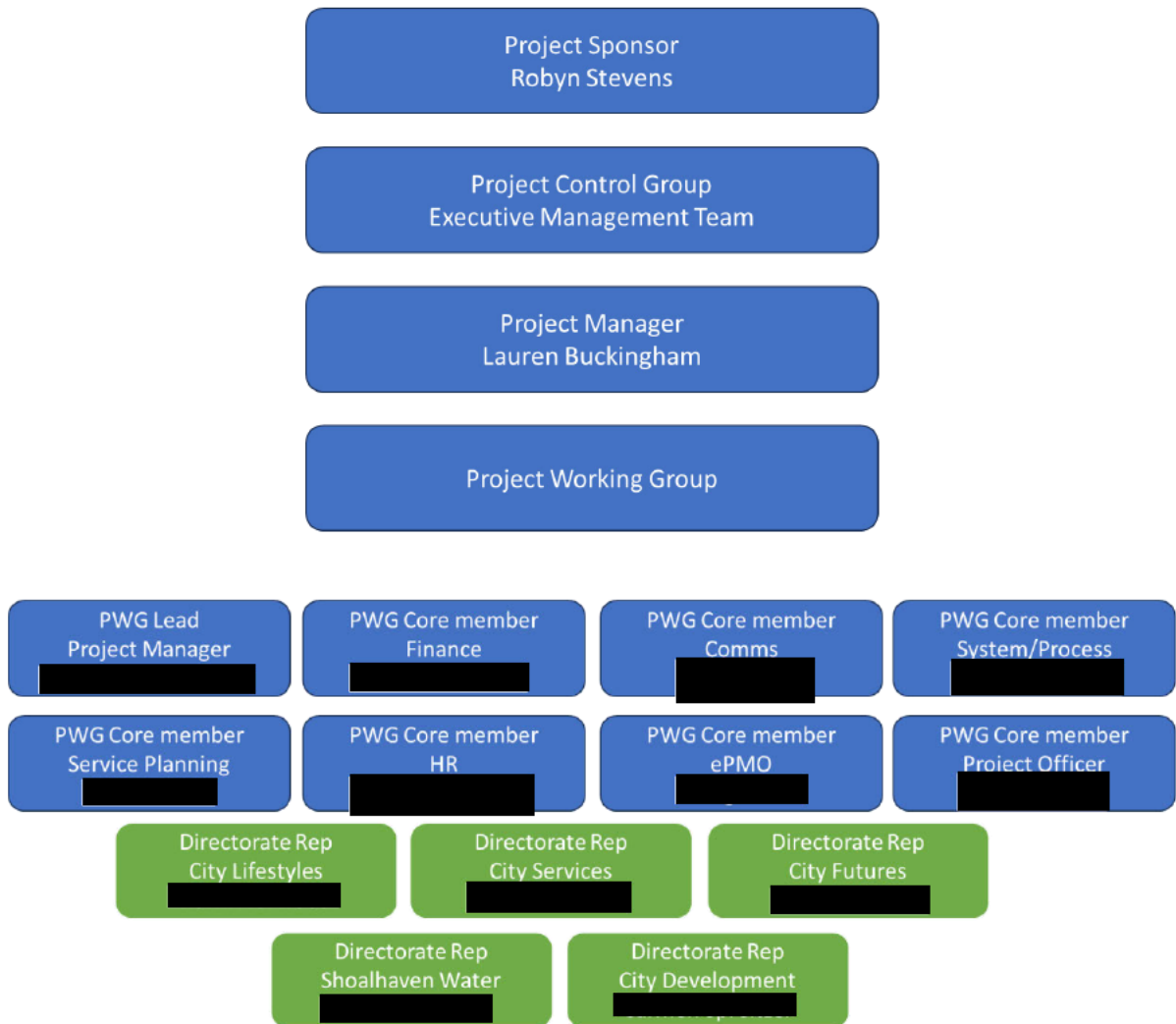
Communication Schedule

Timing	Channel	Audience	Details
6-weekly	Presentation	Shoalhaven Leadership Team	Present financial sustainability project update to SLT at the regular meetings. Share key messages for cascade through team briefs.
Weekly – June/July	Video	All staff	3% challenge updates – focus on one area each week
Fortnightly	Website	Community	Update financial sustainability project webpage with details of current initiatives and status
Fortnightly	Digital workplace	All staff	Update financial sustainability project webpage with details of current initiatives and status
Monthly	Media release	Journalists	Details of outcome of financial sustainability reports at Council meetings
Quarterly	Newsletter	All staff	Spotlight on financial sustainability – focus on celebrating success

Governance

Approvals			
	Approval	Date	Approved by
1.	Project Owner		
2.	EMT		

Proposed project governance structure



The Project Control Group (PCG) meets weekly in EMT meetings. The project manager presents a weekly update and raises risks and issues that requires the PCG attention. The PCG make decisions about project scope and direction.

The Project Working Group (PWG) is proposed to be established to support the defined project activity in phase 2. It is proposed to operate under the following terms of reference:

Roles and responsibilities

- Cross-functional team of project leads and project support from the following corporate functions (HR, Finance, Comms, Corporate Planning and ePMO).
- Confirm timeline and roadmap of actions/deliverables.
- Coordinate cross-department initiatives to ensure changes are planned and executed well, with consideration for people, budget, process, communication and technology.

- Recommend decisions to the PGC for consideration.

Membership

- 8 core members; representing the core project team and corporate functions.
- 5 directorate representatives; ensuring that all directorates receive and provide updates on status, risks and issues for financial sustainability topics impacting their directorate. The nominated directorate representatives are optional invitees and receive all project minutes to ensure they remain up to date with the project working group discussions.

Chair/convenor

- The group will be chaired by the financial sustainability project manager. Meetings will be convened by the chair and supported by the financial sustainability project officer.

Frequency of meetings

- Meetings will be scheduled weekly for one hour
- A face to face and Microsoft Teams option will be provided for all meetings
- Core members to attend all meetings based on their availability (or a nominated alternative representative)
- Directorate representatives are invited to all meetings, and can attend based on their availability

Minutes

- Meeting minutes will be prepared by the project officer and shared within 2 business days of the meeting

Agenda

- Financial sustainability risks/issues review
- Round table updates from working group on their financial sustainability initiatives
- Agree items to escalate to PCG for action or decision

Task Management Approach

Waterfall
Share Point Tracker

Supporting Artifacts / Deliverables

Artifact	Responsible	Phase
Project Plan	Project Manager	Execution
Change Management Plan	Project Manager	Execution
FS working group terms of reference	Project Manager	Execution
Communications plan	Media and Comms Lead	Execution
Run the agreed Councillor workshops	Project Manager	Execution
Monthly status reporting to Council	Project Manager	Execution
Quarterly productivity and efficiency reporting	Project Manager	Execution
Audit, risk and improvement committee reporting	Project Manager	Execution
Regular project updates on digital workplace	Project Officer / Media and Comms Lead	Execution

Regular project updates on the project webpage	Project Officer / Media and Comms Lead	Execution
Delivery of agreed scope items across the 3 workstreams	Scope owner	Execution
Regular SLT engagement	Project Manager	Execution

Risk

Risk Likelihoods: Rare / Unlikely / Possible / Likely / Almost Certain

Risk Consequences: Negligible / Minor / Moderate / Major / Severe

Risk Treatment: Avoid / Transfer / Reduce / Accept

Risk	Likelihood	Consequence	Treatment
Impact on resources due to additional workload from Financial Sustainability actions/initiatives.	Almost certain	Moderate	Reduce: Directors to work with their teams to reduce existing workload to allow for financial sustainability initiatives to stay on track
Key stakeholders are not satisfied with the direction and pace of the Financial Sustainability initiative.	Almost certain	Major	Avoid: sponsor and project manager to set clear expectation on scope of project and provide regular updates of progress to stakeholders
Project scope is significant in size and change management impact and cannot be delivered simultaneously.	Almost certain	Moderate	Accept: project scope needs to be actively prioritised within each workstream to ensure scope owners are not overwhelmed with too many concurrent deliverables. Reduce: project manager to work with PCG to run portfolio prioritisation over financial sustainability initiatives to ensure the initiatives with the largest benefit are prioritised across Council for resource allocation.

Resources

Name	Role	Key Responsibilities
██████████	Sponsor	Champion the project. Provide resource and support to ensure project success. Promote support from key project stakeholders.
██████████	Project Owner	Champion the project in partnership with the Sponsor Lead organisation-wide change management. Business responsibility for the success of the project.
██████ ██████████	Project Manager	Manage the delivery of the project. Plans and manage the tasks to be delivered by the project. Authority, to run the Project on a day-to-day basis.
██████████	Project Officer	Track actions from workshops and project meetings. Support the delivery of the communications plan.
██████████	Finance Lead	Oversee the implementation of all Financial Management workstream initiatives. Support other workstreams by providing Finance subject matter expertise.
██████████	Media and Comms Lead	Define the comms plan. Coordinate the delivery internal and external communications activities including media releases.
██████████	Service Planning Lead	Provide expertise, support and quality assurance of any service planning initiatives that are run under the Financial Sustainability project.
Scope Owners – various		Delivery of scope item as per agreement with Director.
All Directors	Executive Management Team	Champion the project within their Directorate. Make resource available to support agreed Financial Sustainability initiatives.
Various Council Officers	SME	As requested by a Director, various Council Officers will be tasked with working on a Financial Sustainability initiative once agreed at EMT. Council Officers will provide timely information to contribute to workshops and Council reports.

There is no separate budget required for this project. Project resources are funded through existing Council headcount. Any agreed initiatives in scope of the Financial Sustainability project will be subject to a new budget request.

Timeline / Action Plan

Action	Responsible	Timing
Change management plan	Project Manager	June 2024
Councillor workshops	Project Manager/EMT	Monthly from May 2024 until advised
Project status report to Council	Project Manager	Monthly from March 2024 until advised
Productivity and efficiency report	Project Manager	Quarterly from June 2024 until advised
3% initiative planning	Scope Owners	June 2024
FS initiative prioritisation	PCG	July 2024
Update project management plan with confirmed scope/timings	Project Manager	July 2024