



## **GOVERNANCE**

Policy 9.12

SERVICE MANAGEMENT FRAMEWORK

**Version 1**

# 1. GOVERNANCE

## 9.12 SERVICE MANAGEMENT FRAMEWORK

### 1. POLICY STATEMENT

- 1.1 Council has a strong commitment to continuously plan, strategically review, and improve its services.
- 1.2 Consistent with the *Service Management Framework*, Council will ensure community expectations and standards are met in a cost-effective manner; and that the overall services provided, and outcomes delivered are financially sustainable, aligned to Council's long-term strategic objectives and comply with relevant legislation and policy.
- 1.3 Council's approach to *Service Management* will be undertaken in line with Council's Key Themes under the *Lithgow City Council [Community Strategic Plan](#)* and informed by the *Local Government Act 1993* (the **Act**), [Integrated Planning & Reporting Guidelines](#) (the **Guidelines**) issued under [Section 406](#) of the *Local Government (General) Regulation 2021* (The **Regulation**).
- 1.4 Council's *Service Management Framework* will provide for comparative choice between services to enable Council to ultimately determine the range of service provided and the preferred level of service to be provisioned by Council.
- 1.5 Council is also committed to continuous improvement when undertaking *Service Reviews* of individual services.

### 2. PURPOSE

- 2.1 The purpose of this policy is to establish a '*Service Management Framework*' that satisfies key [NSW Local Government Guiding Principles](#) as stated under section 8A of the **Act**:
  - a. *Councils should provide strong and effective representation, leadership, planning and decision-making.*
  - b. *Councils should carry out functions in a way that provides the best possible value for residents and ratepayers.*
  - c. *Councils should plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.*
  - d. *Councils should apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.*
  - .....
  - i. *Councils should be responsible employers and provide a consultative and supportive working environment for staff."*
- 2.2 In adopting a *Service Management Framework* Council will:
  - 2.2.1 Undertake **Service Planning (Strategic)** to determine the purpose and desired outcomes of each service, in line with Council's strategic objectives.
  - 2.2.2 Inform long-term sustainable financial planning of Council's budget via understanding Service Demand and Service Level requirements across Council's services currently and as forecast into the future.
  - 2.2.3 Ensure services meet the requirements of relevant legislation, regulations, and frameworks, and are delivered consistent with Council policies.
  - 2.2.4 Determine the standards for the service (levels of service) being delivered, including service demand, service priority and consider if the current service levels are sustainable in the longer term.
  - 2.2.5 Enable a continuous improvement environment by establishing an evidence-based prioritisation of *Service Review* importance to enable targeted **Service Review**

**(Tactical)** activity, assessing levels of service and investment requirements, suitability, and capacity to deliver services currently and into the future.

- 2.2.6 Identify service resource requirements for the longer term and consider what impact, if any, this will have on Council's long term financial sustainability.
- 2.2.7 Consider, and if necessary, take steps to manage risks and community impacts associated with delivering (or not delivering) the services.
- 2.2.8 Ensure services have appropriate measures in place to maintain key business activities, resources and service throughout a business interruption and minimise any adverse effects to the community or organisation.
- 2.2.9 Ensure **Service Delivery (Operational)** that occurs is delivered in a responsible, prudent, and cost-effective manner, providing value for money for the community or customer group.
- 2.2.10 Assist in developing true service cost awareness and ultimately reporting to ensure resources are effectively allocated across Council Services.

### 3. SCOPE

- 3.1 This policy applies to Councillors, the Executive Leadership Team, and all Council Staff.

### 4. SERVICE MANAGEMENT FRAMEWORK

- 4.1 The Service Management Framework consists of a hierarchy of processes to ensure the systematic, efficient, and cyclical delivery of a continuous improvement and efficacy environment consistent with the Service Performance Principle of The Act:
  - 4.1.1 **STRATEGIC Service Planning** which entails profiling all of Council's Services in a cyclical (annual) manner to inform all stakeholders of the current portfolio, resource allocation, objectives, and performance, to ensure effectiveness and to inform cyclical strategic decision making as to resource allocation.
  - 4.1.2 **TACTICAL Service Reviews** that seek through review and engagement to address Service area opportunities and/or Service risks identified during the *Strategic Service Planning* cycle. The aim is to maximise positive outcomes from the limited Service Review resources available within each cycle (internal and/or external).
  - 4.1.3 **OPERATIONAL Service Delivery** is the unit level business plans, operational procedures and policies that will ensure the effective and efficient deployment of Council allocated resources to achieve the objectives of Services as they are documented and/or determined in the *Strategic Service Planning* or *Tactical Service Review* of a service in each cycle.
  - 4.1.3 **MONITORING & REVIEW** entails the myriad of managerial practices across Council to ensure that Service delivery and performance occurs in line with stated objectives and in accordance with all requirements. This information can inform any element of the Service Management Framework and will inform future cycles.

### 5. POLICY IMPLEMENTATION

- 5.1 Council will establish an integrated *Service Management Framework* environment by undertaking:
  - 5.1.1 Annual *Service Management Framework* review to ensure concepts and direction consistent with current legislative requirements, sector best practice and Council's objectives.
  - 5.1.2 Development of a *Service Management Annual Plan* prior to each financial year that documents and outlines the order of activities that are to occur across the coming financial year to ensure timely completion of tasks\activities to inform programmed strategic discussions, long-term financial plans and annual budgets and other dependent Council policies and activities.

- 5.1.3 Annual *Service Profiling* and Service Demand 10-year financial forecasts.
- 5.1.4 Annual *Levels of Service Assessment*, establishing performance measurement to agreed targets and reporting.
- 5.1.5 Annual *Service Assessments* to establish relative priority and alignment of services.
- 5.1.6 Annual *Service Review scheduling* informed by prioritisation scoring of *Service Assessments* and qualitative information from the Service Management Framework processes.
- 5.1.7 Integrated Service Demand 10-year financial Forecasts into Councils Strategic *Long-Term Financial Planning* (LTFP) modelling to enable growth to be allowed in forward estimates.
- 5.1.8 *Service Reviews* that include effective community \ customer engagement to either inform and/or support determination as to the suitable intervention levels required for a service under review ahead of enacting significant changes.

## 6. DEFINITIONS AND ABBREVIATIONS

- 6.1 **Service:** A group of programs, activities, and projects (irrespective of organisational structure and lines of reporting) which collectively aim to achieve similar overarching outcomes or objectives and are recognisable as a collective by the community or consumer group.
- 6.2 **Service Management Framework:** A strategic framework that enables the provision of a trusted high-level view per Council Service, *Service Planning*, to enable strategic decision making as to levels of service and resource allocation and the process to undertake detailed *Service Reviews* on a per service basis to ensure *Service Delivery* is effective and can be monitored to agreed performance targets \ levels of service.
- 6.3 **Level of Service (Community):** Defines the standard or quality of an outcome provided by a service in the language \ form relatable to the Consumer and/or community.
- 6.4 **Level of Service (Technical):** A specific operational and/or technical measure of how the organisation provides a service.
- 6.5 **Strategic Objectives:** The outcomes Council is seeking to achieve as outlined in the Corporate Strategic Plan.
- 6.6 **Service Outcomes:** Defines the broad population-based results/objectives a service is intended to achieve.
- 6.7 **Service Profile:** Documents the strategic level information relating to a service, its outcomes, activities, resource allocations and future considerations. The intended audience is stakeholders external to a Service and should provide sufficient insights to establish the relative importance of a Service to consumers and through targets and measures of performance to determine whether a current Service is meeting Council's intent and consumer need.
- 6.8 **Service Demand:** The changing demand profile for an individual service which may be common (e.g., total population) or unique to a service. A 10-year projection timeframe is utilised as part of the *Service Planning Framework* to align with Strategic long-term intent. Services can be neutral, in decline or growing. Their demand level is not a measure of efficiency or effectiveness and can be influenced by varying factors, both internal and external. Service Demand projections can either be actual (e.g., Known change to legislation from future date) or an informed estimate that Council leadership reasonably accept (e.g., increased electric vehicle usage over time).
- 6.9 **Service type:** Services have been broadly categorised into two service types, those being: 'External' services which cover services which are community facing and primarily deliver programs and activities to external target groups (non-Council); and 'Internal' services which deliver programs and activities primarily to support the delivery of external services.

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