



# CAPITAL WORKS PRIORITISATION AND APPRAISAL

## COVER SHEET

VERSION 5: 12.01.11



# CAPITAL WORKS PRIORITISATION AND APPRAISAL

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## 1.0 INTRODUCTION

Every year the capital works are a key financial component of the budget and the community places great importance on the type and location of the works that are undertaken. In developing this strategy, we will consider the principles, purpose and processes that will underpin the document. It will detail the phases of capital works, how individual projects will be assessed and those that will have a full business plan completed.

## 2.0 DEFINITIONS

In the context of Asset Management;

- “Renewal” of assets means providing whatever treatment or maintenance needed to reinstate the asset’s useful life and standard of service back to the position existing when the asset was first provided.
- “Upgrading” of an asset means providing whatever treatment or maintenance needed to increase the standard of service provision over and above that originally existing when the asset was first provided. The upgrade will by necessity provide an increase in service capability (ie where a 200m<sup>2</sup> hall is upgraded to provide a 300m<sup>2</sup> facility, 200m<sup>2</sup> of the capital expenditure would be “renewal” and 100m<sup>2</sup> would be classed as “upgrade”)
- “New” asset expenditure relates to the provision of service where no previous service existed.

## 3.0 PURPOSE

The purpose of this policy is to:

- Build a robust and impartial priority based system for allocating finite Council resources to capital works;
- Develop a frame work that supports the implementation of the capital works component of the Council Plan;
- Boost public confidence in the Council decision making process;
- Increase awareness of Council’s procedures and responsibilities; and
- Provide Councillors and Council staff with appropriate information and direction on capital works.

## 4.0 PRINCIPLES

This policy is underpinned by the following principles:

- Capital works will be prioritised with reference to the Council Plan, funding sources and the community’s wishes;
- Capital works proposals will be rigorously evaluated against agreed criteria;

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- Council will maintain its existing infrastructure and adopt a primary policy of ‘renewing’ its existing assets ahead of other ‘upgrade’ and or ‘new’ possibilities;
- Renewal items will be evaluated for their viability and continuing fit with community desires and the Council Plan;
- Business cases are recognised as a useful tool to evaluate proposals for ongoing costs, sustainability, risks and project preferences.
- Business cases will be fit for purpose

### 5.0 THE PHASES OF CAPITAL INVESTMENT

PHASE	COUNCILLOR INPUTS	OFFICER INPUTS
Broad objectives for achievement across the Shire	<p>Council Plan</p> <p>Confirm key land use strategies</p> <p>Confirm key levels of service</p> <p>Confirm existing strategies for capital consideration and sanctioned significant grant and capital expenditure development.</p>	<p>Databases of asset information (i.e. Molonies &amp; Conquest)</p> <p>Strategic Resources Plan</p> <p>10 year rating strategy (reflecting renewal &amp; upgrade/ new consistent with community priorities- update in 2 years)</p> <p>Asset Management Plan</p>
Proposal identification and definition	<p>Capital works proposals provision along with public (see new form appendix A)</p>	<p>SMG members review and complete the “Capital Works Proposal” to confirm priority</p> <p>SMG member to scope the proposal and note the type of estimate provided with the proposal (i.e. 1<sup>st</sup> principles, comparative contract rates, current quotes, or guess timate)</p> <p>The Manager- Project Delivery will check proposal.</p> <p>Manager- Project Delivery in MP&amp;P, to oversight entry onto Capital Works database.</p>
Business case for Proposals greater than an appropriate amount		<p>Business cases to be prepared by the department with responsibility for the project type. Such will be reviewed by the SMG for completeness &amp; rigor.</p> <p>In the case of MP&amp;P, buildings</p>

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PHASE	COUNCILLOR INPUTS	OFFICER INPUTS
		<p>related will reside with Assets Manager, for Roads &amp; Bridges the Mgr- Civil Operations will prepare the business case. In the case of other divisions, the Department Manager having oversight of the proposal will prepare the business case.</p> <p>The business case will be per the model in Appendix B.</p>
Annual Budget	Consider all projects, recognising the required emphasis on those in the 'renewal' category. For 'new' projects, council consider the Appendix D summary and specific SMG reviewed business cases.	Make capital project recommendations to Council in keeping with the need to sustainably provide Shire services and reduce funding gaps for various asset classes, presenting the same in order of the Appendix 'A' priority and per the Appendix B Table 1- one line summary.
Asset delivery	Review quarterly exception report on progress.	Project Management and delivery-reporting quarterly by each relevant division.
Post project review	Confirm benefits of capital expense 2 years on as validation of investment decision.	<p>August- report on carry over expenditure needed.</p> <p>Annual check on savings or benefits derived from capital expenditure.</p> <p>Project delivery debrief.</p>

### 6.0 PROJECT PROPOSAL & PRELIMINARY EVALUATION FORM

A preliminary evaluation is required for all proposed capital works, regardless of the cost of the project. This will not apply to capital works that are routine annual maintenance, like the road resealing program, or fleet replacement. See Appendix 'A' for an example of the Preliminary Evaluation Form.

## **7.0 BUSINESS CASE**

A business case will be provided for the consideration of Council for “new” and “upgraded” capital works with a capital cost in excess of \$100,000. This will include projects whose funding need in one year are less than \$100,000, but over more than one year will exceed this amount. This will not be required for routine annual maintenance, like the road resealing program, or fleet replacement. See Appendix B for the required business case and associated tables.

For “renewal” projects, in lieu of a business case and in keeping with the section 2 principles, a review consistent with item 5.0 will be undertaken of ongoing need, fit and relative priority.

The business cases will make allowance for project contingency according to the stage of estimate and otherwise perception of risk (ie for concept estimates- 40% contingency, for detailed estimates- 10% contingency minimum)

## **8.0 POST PROJECT REVIEW**

To assist organisation learning and improved processes, for every project where a Business case is required and where the project proceeds, a post project review must be completed once the project is delivered and all expenses incurred. See Appendix ‘C’ for the required format.

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### APPENDIX 'A'

<b>CAPITAL WORKS PROJECT PROPOSAL AND PRELIMINARY EVALUATION FORM</b>			
Project Priority Score:		Project No.:	
		(Assigned by: Mgr Project Delivery)	
Project Description:			
Project Title: (i.e. Project No., Town, Asset Type, location, 3 word Description)			
Works Type: (i.e. Renew, Upgrade or New)		Project Location:	
Name & Contact Details of project initiator:  (For discussion purposes only)			
SMG Member Reviewer:			
<b>URGENCY &amp; RISK - 30% WEIGHTING</b>			
<small>(note the following are to be considered in determining the project urgency. A 'yes' generates a score of 2, a No provides a zero score)</small>			
		Yes	No
	Is the project required to reduce or eliminate a hazard or address safety issues that may otherwise present legal implications to council?		
	Have there been changes in the law requiring changes to the council service/ asset?		
	Is the project needed to remedy the effects of accident, infrastructure failure or natural disaster?		
	Has external funding become available with limited time for expensing or is the same likely to become available in the near term (ie scope to seize the moment with limited impact on ratepayers)?		
	Is the project subject to carry over expenditure, existing contractual obligations or has there been a specific council resolution to fund within the appointed year?		
	Total 'Urgency & Risk' Rating Score		

## CAPITAL WORKS PRIORITISATION AND APPRAISAL

Comments: (where a YES is ticked, please elaborate on the hazard, law, accident etc)

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### FINANCIAL - 30% WEIGHTING

(note the following are to be considered in determining the project urgency. A 'yes' generates a score of 2, a No provides a zero score)

		Yes	No
	Is the project a renewal of an existing asset?		
	Is the majority of funding for the project from sources other than council?		
	Once the project is completed, will there be minimal or no ongoing maintenance cost?		
	Is there a cost risk of not proceeding with this project?		
	Will there be an impact on future budgets by completing this project?		

Total 'Financial' Rating Score

Comments: (where a YES is ticked, please elaborate)

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### COUNCIL & STRATEGIC PLAN FIT - 40% WEIGHTING

(note the following are to be considered in determining the project urgency. A 'yes' generates a score of 2, a No provides a zero score)

		Yes	No
	Does the project assist Council meet its vision of being a great place to live, work and visit?		
	Is the project specifically identified in the Council Strategic Plan or other sub-ordinate Council strategy?		
	Does the project improve the level of service provision?		
	Does the project improve environmental outcomes?		
	Have scheduled maintenance reports identified the need?		
	Total 'Council & Strategic Plan' Rating Score		

Comments: (where a YES is ticked, please elaborate)

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## CAPITAL WORKS PRIORITISATION AND APPRAISAL

### Preliminary Score Calculation

Group	Raw Score	Weighting	Sub-total
Urgency/ Risk		X 0.30	
Finance		X 0.30	
Council Plan & Strategic fit		X 0.40	
<b>Total</b>			/ 10

Business Case			
Preliminary Priority Score:		Project Number:	
Project Name:			
SMG Member:			
SMG review date:			
Project Locality:			
Executive Summary:			
Project Objectives:			
Strategic Context: <i>(ie How the proposal outcome relates to; Council 2030 plan, the Council Plan, other ISC strategies, Regional and state strategies such as the Hume Strategy for Sustainable Communities 2010-2020, etc)</i>			
Financial Appraisal (Summary of Tables 1 & 2):			
Specialist Studies – Environment, Cultural, Heritage, Native Title etc. (Summary of Table 3):			
Public Interest Assessment (Summary of Table 4):			
Legislative and Legal Issues:			
Assessment of project delivery options:			
Market Sounding: <i>(ie to what extent does this proposal and the associated need matter to the public? Some evidence of consultation may be appropriate.)</i>			
Risk Analysis (Summary of Table 5): <i>The aim of this review is to understand the level of risk assumed by ISC by doing nothing, identify the initial risks associated with proposal implementation, identify reasonable means of reducing project risk, and finally appreciate the extent and level of risk remaining after project completion. Note an alternative to the project may be just alteration of insurances.</i>			
Conclusion, Including recommendations:			

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**TABLE 1 - ANNUAL CAPITAL REQUIREMENTS SUMMARY**

(note the following year, the subsequent year costs roll over as "Non-discretionary" expenditure which must be allowed for in other budgets)

PROJECT NO.:			PROJECT NAME:						
Preliminary SMG score	\$ risk before & after project	BCR (if such is available)	Initial Capital Cost (for budget approval)	Project total cost-for Year 1 equals initial cap cost plus year 1 maintenance and cost of capital (i.e. loan) all as % of rate base	Additional Costs				
					1 Year 1	2 Year 2	3 Year 3	4 Year 4	5 Year 5
	\$		\$	\$	\$	\$	\$	\$	\$
	\$		\$	\$	\$	\$	\$	\$	\$
	\$		\$	\$	\$	\$	\$	\$	\$
	\$		\$	\$	\$	\$	\$	\$	\$

**TABLE 2 – PROJECT COSTS OTHER THAN INITIAL CAPITAL COST**

(note: feeds into main summary table 1)

PROJECT NO.:		PROJECT DESCRIPTION.:			
Project Year	1 Annual maintenance costs	2 Recurrent Costs to ensure asset renewal (i.e. reseal once/10 years)	3 Straight line depreciation of initial capital cost over defined period	4 Loan cost	5 Social & Environmental Mitigation Costs
2010	\$	\$	\$	\$	\$
2011	\$	\$	\$	\$	\$
2012	\$	\$	\$	\$	\$
2013 etc	\$	\$	\$	\$	\$

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TABLE 3 – ENVIRONMENTAL IMPACT ANALYSIS			
	+	-	None
Local noise pollution			
Native flora and fauna			
Parks and gardens			
Local waterways			
Land use balance in the areas=			
Traffic flows			
Ecotourism			
Energy use			
Sustainable transportation energy use			
Water use			
Biodiversity			
Waste disposal, reduction, reuse, recycling			
Other (provide details)			
Insert comment on actions proposed to eliminate or mitigate impact			

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**TABLE 4 – SOCIAL IMPACT ANALYSIS**

TABLE 4 – SOCIAL IMPACT ANALYSIS			
	+	-	None
Existing facilities within the council area			
Neighbourhood facilities			
Other pursuits within the council area			
Demand on current amenities			
Tourism potential			
Non-resident usage of facility			
Community support for the proposal			
Demands/lobbying from community for proposal			
Segments of the community which benefit from the proposal			
Private providers within the council area			
Alternative government providers			
Changes in service standards			
Extent to which a new facility will cause changes in usage			
Other (provide details)			
Insert comment on actions proposed to eliminate or mitigate impact			

## CAPITAL WORKS PRIORITISATION AND APPRAISAL

NOTE:

**For the Risk Analysis/ Assessment,**

a typical risk quantification process would involve a matrix per that shown below where the perceived level risk (ie classified as being High= greater than \$250k liability or net cost impact on Council through increased costs of business etc, Medium = \$249k to 50k, or Low =\$49 to 10k insurance excess. Less than 10k liability should be covered by status quo operations and maintenance ) is subjectively rated against the likelihood of occurrence (i. e. High chance of happening, Likely to happen or unlikely to occur based on Council's experience and records over the last 15 years).

Whilst likelihood of occurrence can be thought of in terms of probability, objective probability determination is not envisaged on account of the outcome return for the time investment involved.

i.e. for each Risk area

	Low Liability Impact \$10k-49k	Medium Impact \$50k- 249	High Impact \$250k+
High chance of occurrence	↑		Council's priorities should be directed to higher chance higher impact events
likely			
Unlikely occurrence			

## CAPITAL WORKS PRIORITISATION AND APPRAISAL

**TABLE 5 – RISK ANALYSIS SUMMARY**

External project risk review per the attached matrix is to be done to highlight risks to the shire that the project is seeking to address. Moderate risks and above need to be identified along with financial implications.

Overall Assessment:	<i>i.e. For current expansion of ISC's only quarry</i>
Implications of doing nothing now:	<i>i.e. For expansion of a quarry- may be nil cost effective road pavement materials being available from within the shire after 10 years making for much higher road maintenance costs and less service being able to be delivered</i>
Implications of delaying up to 5 years:	<i>i.e. Costs of expansion may be considerable</i>
Implications of delaying between 5-10 years:	<i>i.e. Costs of expansion may be prohibitive in view of changed laws, cost on carbon, increasingly complex and restrictive planning and environment related constraints.</i>
<p><b>PROPOSAL IMPLEMENTATION RISK ANALYSIS</b></p> <p>Identify proposal implementation risks and provide a broad assessment of risk level and possible treatment options. Consider the following headings. Additional risk may also be identified such as timing of the proposal, availability of external funding and political issues that may affect the project.</p>	
<b>RISK AREA/RISK ASSESSMENT</b>	<b>RISK ASSESSMENT (H-High Risk, M-Medium Risk, L-Low Risk) &amp; POSSIBLE TREATMENT OPTIONS</b>
planning risk	<i>i.e. High Risks may be legislative change</i>
Design risk	<i>Low risk may be the slope of the quarry walls on account of the strength of hard rock materials. A high risk will be the depth of quarry on account of water ingress.</i>
External approvals	<i>Low risk may be approval from Mineral Resources in view of the project being a "brown fields" expansion of an existing site. A high risk may be ministerial approval to the development</i>
Demand/market risk	<i>Low risk may be minimal future need as transport becomes more localised and there is less maintenance needs</i>
Completion/construction risk	<i>A medium risk may be Council's exposure to contractor OH&amp;S</i>
Management/operations risk	<i>High Risk- continuity of in house Council quarry management skill. A medium level risk may be EPA approvals to operational levels of noise pollution</i>
Environment risk	<i>High risks may be significant landscape overlay, heritage overlay relating to nearby gold diggings, the known habitat of the threatened and endangered AC/DC.....</i>
Private sector risk	<i>High risk- VCAT appeals from people with vested interests</i>
Other	

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**EXAMPLE - ANNUAL SERVICE COST & OPERATING EXPENSE**

Council Name	Victoria City Council		
Council Rate Revenue (\$pa)	\$6,000,000		
<b>Investment Proposal</b>			
ID	2005/56		
Name	New Park Development		
<b>Data</b>	Renewal	Upgrade/Exp.	Total
Est. Capital Cost	\$40,000	\$100,000	\$140,000
Est. Useful Life	40	YRS	
Est. Demolition Cost	\$5,000		
Borrowing Rate	8.0	%	
<b>Est. Annual Costs</b>			
Operating Cost (for upgrade and expansion, additional to existing operating costs)			
Wages, labour	\$20,000		
On-costs	\$12,000		
Plant Hire	\$2,000		
Energy Costs	\$3,000		
Admin/overheads	\$1,000		
Other			
Total	\$38,000		
Maintenance Cost	\$2,000		
<b>ANNUAL SERVICE COST CALCULATION</b>			
Finance/Opportunity Cost		\$8,000	
Depreciation		\$2,500	
Operating cost		\$38,000	
Maintenance cost		\$2,000	
Demolition cost		\$125	
<b>Annual Service Cost</b>		<b>\$50,625</b>	(for upgrade component)
<b>ANNUAL OPERATING EXPENSE</b>			
Finance/opportunity cost		\$2,500	
Depreciation		\$38,000	
Operating cost		\$2,000	
Maintenance cost			
<b>Annual Operating Expense</b>		<b>\$42,500</b>	(for upgrade component)
<b>Additional revenue required as percent of council rate revenue</b>		<b>0.71%</b>	

Insert data into shaded cells on the Spreadsheet

This spreadsheet is available from the Local Government Victoria web site.

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## EXAMPLE - FINANCIAL ANALYSIS

AQUATIC CENTRE: Financial Evaluation													
[\$ Millions: 2002 Constant Prices]													
Year ending 30-Jun	FINANCIAL COSTS (= economic costs as all GST paid on inputs is credited back to Local Government Authority) (1)								FINANCIAL RECEIPTS			NET CASH FLOW	
	CAPITAL			CURRENT					TOTAL	Gross Receipts	Less GST @ 6%		TOTAL
	Health and Fitness (aerobic classes)	Aquatic Facilities (2)	Sub-total	Operations	Ongoing Maintenance at 1% of capital	Periodic Replacement (3)	Major Replacement (tiles, plant, roof)	Sub-Total		Financial receipts for memberships and casual visits (less GST tax)	(Retained by LGA as offset to other GST credits)		
1	2005	0.01	0.04	0.05				0.00	0.05	0.00	0.00	0.00	-0.05
2	2006	0.01	0.04	0.05				0.00	0.05	0.00	0.00	0.00	-0.05
3	2007	0.01	0.09	0.1				0.00	0.10	0.00	0.00	0.00	-0.10
4	2008	0.5	10.00	10.5		0.05		0.05	10.55	0.00	0.00	0.00	-10.55
5	2009			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
6	2010			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
7	2011			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
8	2012			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
9	2013			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
10	2014			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
11	2015			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
12	2016			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
13	2017			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
14	2018			0	1.40	0.11	0.05	1.81	1.81	1.39	0.13	1.26	-0.54
15	2019			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
16	2020			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
17	2021			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
18	2022			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
19	2023			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
20	2024			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-0.29
21	2025			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
22	2026			0	1.40	0.11	0.05	1.56	1.56	1.39	0.13	1.26	-1.29
23	2027			0	1.40	0.11		1.51	1.51	1.39	0.13	1.26	-0.24
24	2028			0	1.40	0.11	0.05	1.81	1.81	1.39	0.13	1.26	-0.54
25	2029		-2	-2	1.40	0.11		1.51	-0.49	1.39	0.13	1.26	1.76
Residual Value estimated at 20%								Totals	42.44			26.52	-15.92
									\$22.81		\$11.77		
NPV at 6%												NPV (@ 6%) (\$M)	- \$11.04
												BCR	0.52
												IRR (%)	- 21%

### EXAMPLE - POST IMPLEMENTATION REVIEW

<b>Project</b>	
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Investment Proposal		Actual Project	
Capital Estimate	\$	Capital Cost	\$
Forecast Benefits		Actual Benefits	
Assessed Pre-Project Risk		Assessed Post-Project Risk	
Estimated Operating Expense (\$ pa)	\$	Actual Operating Expense (\$ pa)	\$

INVESTMENT PERFORMANCE REVIEW	
Did the project deliver the estimated benefits? (Y/N)	
Comment on reasons and lessons learnt.	
Was the project delivered within 10% of the approved investment proposal estimate? (Y/N)	
Comment on reasons and lessons learnt.	
Did the project reduce risk to Council? (Y/N)	
Comment on reasons and lessons learnt.	
Is the actual operating expense within 10% of the approved investment proposal estimate? (Y/N)	
Comment on reasons and lessons learnt.	

RECOMMENDED IMPROVEMENTS	
A. Funding allocation to Asset Classes	
B. Appraisal Criteria	
C. Investment Appraisal Process	
D. Project Management and Delivery	
E. Post-Project Review	



ITEM	ACTION
<p><b>4.0 Confirmation of Minutes</b></p> <p>That the minutes of committee meeting 6 October 2010 be confirmed. Moved: Cr Barbara Murdoch. Seconded: Cr Larry Goldsworthy. Carried</p>	
<p><b>5.0 Capital Works Evaluation and Prioritisation Framework</b></p> <p>Discussion around the current version of the Capital Works Prioritisation and Appraisal document with Andre Kompler advising that the current version incorporates the comments of Frank Bonacci and Roberta Baker but not those of Jo Riley as Andre believes the issue of risk has already been adequately covered in the document.</p> <p>Discussion around the definitions for the three types of capital works being renewal, upgrade and new. Andre Kompler agreed to include definitions for the three types of capital works within the framework.</p> <p>Discussion around the types of risk associated with different capital works projects. Andre Kompler to provide examples of other potential risks.</p> <p>Andre Kompler to prepare the Capital Works Prioritisation and Appraisal framework to put before the February 2011 Council Meeting. Supported unanimously.</p>	<p><b>Andre Kompler to prepare Capital Works Prioritisation and Appraisal for February Council Meeting with definitions for the three types of capital projects and examples of potential risks.</b></p>
<p><b>6.0 Grants Policy – review.</b></p> <p>Discussion around the Grants Policy with Mark Crouch indicating the Grants Policy had been prepared by Mark Florence and adopted by Council in 2009. There was discussion around the format of the adopted policy and that it constituted more a discussion paper than a policy.</p> <p>The committee was advised that Council followed a decentralised grant application structure where staff across various directorates were involved in grant funding applications and acquittal processes.</p> <p>It was resolved that Mark Crouch prepare a revised draft Grants Policy for consideration by the Finance Committee and Council. Moved: Cr Barbara Murdoch. Seconded: Cr Larry Goldsworthy. Carried</p>	<p><b>Mark Crouch to prepare revised draft Policy Review.</b></p>
<p><b>7.0 General Business</b></p> <ul style="list-style-type: none"> <li> <p><b>Changes to the Finance Committee</b> – Larry Goldsworthy raised concerns at the relevance of the Finance Committee. There was discussion around what should be on the agenda and whether the meetings should be held quarterly</p> </li> </ul>	<p><b>Mark Crouch to prepare report for Council to change Deed of Delegation.</b></p>

**ITEM**

**ACTION**

or bimonthly rather than monthly. Mark Crouch suggested one issue may be too few Councillors comprising the committee or no members of the public with expertise to make the Finance Committee effective. Barbara Murdoch suggested a 12 month rolling agenda could be instigated.

It was resolved that Mark Crouch prepare a report for Council that would change the Deed of Delegation to allow two committee members to be members of the public with expertise. Moved: Cr Barbara Murdoch. Seconded: Cr Larry Goldsworthy. Carried

It was recommended that a 12 month Finance Committee program or agenda be prepared for Finance Committee consideration. Moved: Cr Barbara Murdoch. Seconded: Cr Larry Goldsworthy. Carried

- **Long Term Strategic Plan** – Mark Crouch advised that Mark Florence and Roberta Baker were currently preparing a brief for suitable consultants to assist in the preparation of the Long Term Strategic Plan (LTSP). Note: a Council report on the preparation of the plan and the provision of resources to undertake same is to be considered by Council at its December 2010 Council meeting.

Discussion around the necessity of developing the Council Long Term Financial Plan (LTFP) ahead of the LTSP finalisation. There was agreement around the need to expedite the LTFP and to commence preparation of an initial draft concurrently with the preparation of the LTSP. The LTFP would be in draft form and would be able to be adjusted to reflect the agreed components of the strategic plan once finalised.

It was indicated that CT Management had developed a model for the LTFP. Mark Crouch indicated that Frank Bonacci and he will agree on a suitable model in the coming weeks.

The committee was advised that there would be a Finance Committee update and LTFP model overview at the February 2011 Finance Committee meeting.

The proposed draft Budget timetable for 2011/2012 was in the process of being finalised and would be made available to Councillors.

Frank Bonacci indicated that Council fees and charges and cost recovery levels would be initially considered by Councillors at a briefing session 21 December 2010.

## FINANCE COMMITTEE MEETING MINUTES

ITEM	ACTION
Meeting Concluded:	Approx 5.10pm
Next Meeting:	2 February 2010 4pm The Long Room Beechworth

### SUMMARY OF RESOLUTIONS

Resolution	Moved	Seconded
That the minutes of committee meeting 6 October be confirmed.	Cr Barbara Murdoch	Cr Larry Goldsworthy
Mark Crouch to prepare a revised draft Policy Review.	Cr Barbara Murdoch	Cr Larry Goldsworthy
Mark Crouch to prepare report for Council to change Deed of Delegation.	Cr Barbara Murdoch	Cr Larry Goldsworthy