

DEPARTMENT OF NATURAL RESOURCES & MINES

Planning Guidelines for Water Supply and Sewerage

Chapter 11

PLANNING OUTPUTS

TABLE OF CONTENTS

	Page No.
1.0 Purpose.....	1
2.0 Key Principles	1
3.0 Why is this Important?	1
4.0 When Should Planning Reports be Developed?	2
5.0 Key Elements	2
5.1 Prepare Planning Report	2
5.2 Incorporate Outputs into Other Documentation	3
6.0 Checklist	3
7.0 Bibliography	3
<i>TABLE 5.1 – Indicative Planning Report Outline</i>	4
<i>FIGURE 5.1 – The Output from a Planning Study</i>	2

Planning Outputs

1.0 Purpose

It is essential that the results of the planning process are effectively communicated to key decision makers and other stakeholders by means of a planning report.

A planning report provides key decision makers with information to assess and demonstrate how the preferred option best meets the service need. This information should be sufficient to enable decision makers to:

- determine the preferred planning strategy
- endorse the preferred strategy
- agree on funding the implementation of the strategy.

2.0 Key Principles

Planning reports should clearly and succinctly communicate to key decision makers and other stakeholders how the preferred option best meets the service need, taking into account future development scenarios and assumptions.

Planning reports should demonstrate that a rigorous examination (at an appropriate level) of options, costs and risks has been undertaken, and that all legislative, financial, environmental and social issues have been addressed, or at least considered.

3.0 Why is this Important?

It is important that planning outputs are clearly communicated to stakeholders for the following reasons:

- Funding providers can justify the investment.
- Stakeholders are satisfied that the strategies are supported by appropriate rigorous analysis,
- It clearly communicates to decision makers how the preferred strategies will meet the service need at the lowest financial, social and environmental cost.
- It demonstrates accountability to customers and the community,
- It clarifies the key assumptions, risks and costs associated with the preferred strategies.
- It can form the basis for management to monitor the achievement of outcomes from implementation of the strategies.

4.0 When Should Planning Reports be Developed?

As discussed in Chapter 3 - The Planning Process, the outputs from a planning study could be one of the following:

- a strategic/master planning report
- a concept feasibility report
- a detailed planning report.

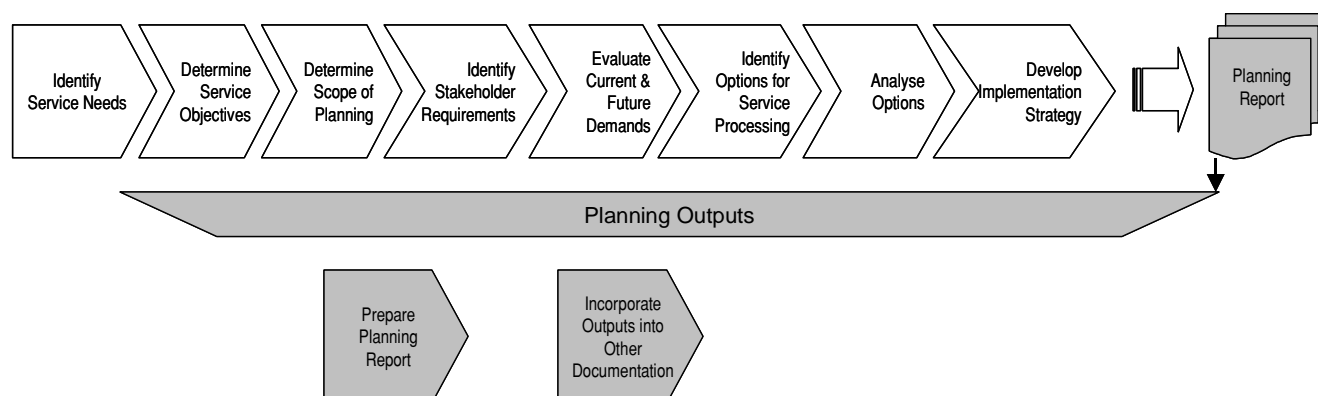
Planning an initiative is usually undertaken iteratively. The feasibility of an initiative will determine whether it is progressed into a more detailed planning phase.

Planning reports should therefore be prepared at the end of every planning study.

5.0 Key Elements

Figure 5.1 illustrates how the planning report and other outputs fits into the planning process.

FIGURE 5.1 – The Output from a Planning Study



5.1 Prepare Planning Report

An indicative outline for a planning report is included in Table 5.1. It should be noted that this is NOT a template and it can be adapted to suit the needs of service providers. The extent and detail in the planning report will depend on the extent and complexity of the planning issues to be considered.

5.2 Incorporate Outputs into Other Documentation

Planning report outputs should be incorporated into the service provider's:

- project prioritisation system
- capital works program which should be a component of its 10-20 year financial model
- Total Management Plan
- planning report summary documentation
- planning report relationship diagrams which illustrate the relationship between the various planning studies undertaken by the service provider.

Digital and hard copies of all planning studies should be registered and stored in a corporate network or library system.

6.0 Checklist

- To what extent is the planning report (in particular the executive summary) an effective means of communication for key decision makers?
- Does the document give enough confidence to stakeholders that the recommended strategies are supported by appropriate rigorous analysis?
- Is there sufficient logic in the analysis as outlined in the report?
- Are you confident that the recommended strategies are the most appropriate (financially, socially and environmentally) to meet the service need?
- Is the proposed implementation program and funding strategy feasible based on the results of your project prioritisation process and financial modelling?
- Have risk issues been adequately considered and are the proposed risk management strategies feasible?
- To what level can the planning be considered as "integrated"?
- Have a sufficiently wide range of options for service delivery been considered?
- Have non-asset solutions been adequately identified and assessed?
- Has the planning proceeded to the appropriate level to justify the recommended strategies?
- Do the recommended strategies identified in the planning study address the objectives and critical success factors that will deliver the identified service need?
- To what extent does the recommended strategy align with the service provider's strategic direction, land use planning, regional planning and regulatory requirements?
- Are you confident that the proposed strategy is the optimal strategy in terms of social, environmental and financial outcomes?
- Would you invest in this strategy if you were personally responsible for its implementation?

7.0 Bibliography

The primary reference for this section is:

Department of Treasury & Finance, Victoria, 2003, Gateway Initiative, Business Case Development Guidelines.

<http://www.dtf.vic.gov.au/DTF/RWP323.nsf/webnav2/Gateway+InitiativeBusiness+Case+Development>

TABLE 5.1 – Indicative Planning Report Outline

Executive Summary

This should present a clear, concise plain English outline of the proposal, including the rationale for proceeding with the recommended option. This summary should be composed, as far as possible, in a non-technical language because:

- Decision makers will primarily consult the executive summary.
- It should convey a quick and explicit understanding of the arguments, key issues and major implications without undue detail.
- It should present a useful “big picture” overview.
- It should include specific recommendations

Project Objectives and Scope

This should include a clear statement on the objectives and scope of the proposed initiative and its connection to the service provider’s strategic direction as outlined in its Total Management Plan. This section should also indicate how this planning study relates to the planning studies.

Refer to Chapter 3 - The Planning Process.

Description of the Service Need

This section would clearly and succinctly describe what exactly the service need is and how this was determined.

Refer to Chapter 3 - The Planning Process.

Stakeholder Analysis

The results of identifying and analysing stakeholders needs, expectations, concerns and requirements should be documented.

Refer to Chapter 4 - Stakeholders.

Existing Service Delivery

This should clearly describe:

- the existing infrastructure and its condition
- how it is operated and maintained
- how the system relates to the rest of a scheme.

For describing infrastructure a schematic layout is usually preferable to long-winded descriptions.

Current Performance in Meeting Service Needs

This section will address such issues as:

- actual service levels against service standards
- future compliance with service standards
- regulatory compliance
- achievement of the service provider’s financial and non-financial objectives
- operational performance
- where gaps exist between current performance and desired service needs and social, financial and environmental objectives (short, medium and long term).

Refer to Chapter 7 - Options for Service Provision.

Current Demand and Future Projections

This section should summarise current and future demand/flows including peaking factors. The impacts of demand management should be clearly outlined.

The basis of the demand and projections should be described. The impact of changing key variables should be documented.

Refer to Chapter 5 - Demand and Projections.

Summary of Options

This would include a shortlist of options (infrastructure and non-asset) and reasons for selecting these options. Any assumptions should be clearly documented.

Refer to Chapter 7 - Options for Service Provision.

System Analysis

The section should demonstrate the degree that integrated water management has been considered. The section should describe and summarise any analyses that have been undertaken. Where modelling is undertaken (eg. network, hydraulic, water quality, treatment process, etc), the results can be presented in a range of graphical and textual outputs. This section should outline:

- the methodology for the model
- customer service, design and operational criteria adopted for the model
- assumptions used in the model
- limitations of the model
- verification of model accuracy
- results of the modelling and implications on the service provider.

Refer to Chapter 6 - Network Modelling.

Cost Estimates

This section would include a detailed breakdown of capital, operation, maintenance and renewal costs for each option. Proposed implementation dates and staging should be highlighted.

Refer to Chapter 9 – Analysis of Options.

Options Analysis

This section would summarise the results of options analysis which would include:

- technical analysis (ie. is the option technically feasible)
- economic and financial analysis
- social analysis
- environmental analysis.

Refer to Chapter 9 - Analysis of Options.

Funding Strategy

This section will outline how this initiative will be funded (eg. revenue, loans, infrastructure charges, subsidies etc). It should include a reference to how the funding strategy was determined (eg. the service provider's 10-20 year financial model).

Implications of the Proposal

This section should highlight the implications of proceeding with the proposal, eg:

- financial (eg. capital and recurrent costs (including depreciation), customer charges, the service provider's financial position)
- social (eg. improvements or reductions in service levels, community benefits)
- environmental (eg. environmental improvements)
- operational (eg. operational efficiency).

Implementation Strategy

This would include a discussion on the appropriate infrastructure delivery options (eg. traditional procurement, design and construct etc) and a recommended approach. It would include an implementation program that addresses approvals (regulatory and funding), land acquisition, investigations, design, construction and cash flows. An indication of how the proposed program could be incorporated into the existing service providers capital works program taking into account other competing priorities. Potential resourcing implications for the service provider should also be highlighted.

Refer to Chapter 10 - Implementation

Risk Management

A planning report should identify all material risks associated with the proposal and document:

- How the probability of a risk event will be managed;
- How the consequence of a risk event will be managed; and
- Who will be responsible for managing the risks.

A wide range of risks could be experienced. Some of these would include:

- | | |
|------------------------|------------------|
| - commercial/financial | - organisational |
| - contractual | - political |
| - demand | - public health |
| - environmental | - regulatory |
| - implementation | - security |
| - infrastructure | - social |
| - natural disasters | - technological |
| - operational | |

Recommendations

A clear recommendation for the preferred option and other supporting recommendations should be provided.

Appendices

The appendices could include:

- detailed tables and drawings
- reference listing including any detailed supporting studies
- minutes of critical meetings
- minutes of any value management workshops.