



# Gladstone Regional Council

## Council Policy

<b>Title</b>	<b>INVESTMENT DECISION FRAMEWORK</b>
<b>Policy Number</b>	<b>P-2019-24</b>
<b>Business Unit/s</b>	<b>STRATEGY &amp; TRANSFORMATION</b>
<b>Date of Adoption</b>	
<b>Resolution Number</b>	
<b>Review Date</b>	
<b>Date Repealed</b>	

### 1.0 PURPOSE:

The intent of this policy is to specify the overarching intentions and guide opportunity investment decision making principles to support Council's Investment Decision Framework (IDF). It is consistent with the organisational corporate plan and aims to enable the investment decision process, strategic actions and outcomes to be developed and implemented. The policy includes a commitment to legislative compliance as well as continual improvement in investment decision making across the organisation.

### 2.0 SCOPE:

Investment decision making at Gladstone Regional Council, is the combination of management, governance, financial, economic and technical activities applied to all phases of the end to end lifecycle process. The purpose is to establish a common approach for considering and selecting investment opportunities, and their subsequent management through to completion.

To support its investment decision making, Council adopts a structured decision gate process across the end to end lifecycle in line with the Queensland State Government's Project Assurance Framework (with the initial focus being given to front end phases). Therefore, the end to end lifecycle phases covered by this policy are categorised as follows:

- Identifying – *considering the need and strategic alignment*
- Assessing – *considering potential investment opportunities*
- Selecting – *choosing the preferred investment option*
- Defining – *planning the investment value*
- Executing – *delivering the investment value*
- Operating, maintaining (& decommissioning) – *providing the service*

*Note: Appendix A depicts Council's complete end to end project lifecycle.*

### 3.0 RELATED LEGISLATION:

Local Government Act 2009  
Local Government Regulation 2012

#### 4.0 RELATED DOCUMENTS:

Gladstone Regional Council Corporate Plan 2018-2023  
Gladstone Regional Council Operational Plan  
Integrated investment decision framework overview  
Investment decision governance – Business Rules & Processes  
Investment decision guidelines – Procedures, tools and templates.

#### 5.0 DEFINITIONS:

**Investment Opportunity Committee** means the committee established to evaluate, oversee and support the opportunities being considered.

**Opportunity** means initiative, idea or concept.

**Opportunity Proponent** means the officer chosen to progress an opportunity through the investment decision framework.

**Works Management Framework** means guidelines, processes and templates for planning, scheduling and delivery of works, including resource management. This includes projects undertaken in the Define, Execute and Closure Phases

#### 6.0 POLICY STATEMENT:

Council recognises the benefit in adopting a disciplined approach for consideration of concepts or ideas, complexity and risks to ensure investment opportunities have been subjected to a reasonable level of value for money and assurance type analysis. Important decisions are required to be made to determine which of the various concepts and ideas should be progressed for further consideration (or not) to enable sustainable services to be delivered.

In recognition of the need to establish a system by which investment decision making is disciplined, robust and in the best interests of the community, Council aspires to the following:

**“To develop and implement an investment decision framework that enables identification, selection and management of investment opportunities in a fit for purpose manner so that resources are subsequently applied prudently and efficiently.”**

#### 6.1 Guiding Principles

Council’s investment decision making mission is guided by the following principles:

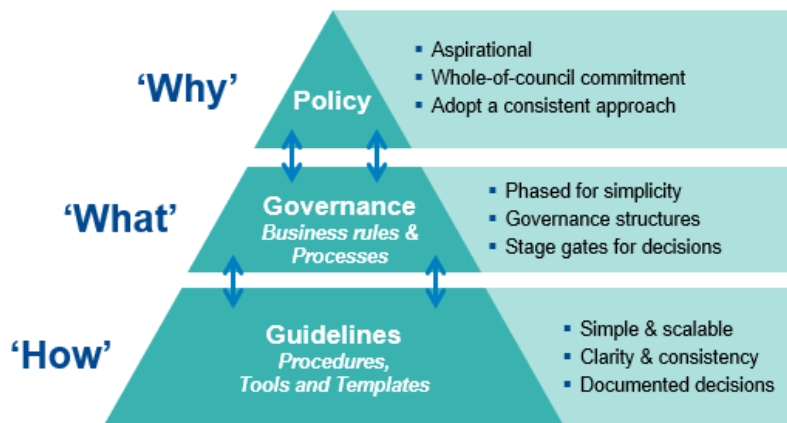
1) Governance and Accountability	<ul style="list-style-type: none"><li>▪ Building discipline into the investment opportunity selection process and commitment to undertaking the ‘right’ projects across the organisation.</li><li>▪ Prioritising investment opportunities across a common and agreed set of criteria.</li><li>▪ Linking investment opportunity selection to strategic intent</li><li>▪ Accountability for investment decision making activities is unambiguous, accepted and met</li><li>▪ Industry standards and guidelines are used where appropriate</li><li>▪ A consistent investment decision making language is used.</li></ul>
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2) Information Management	<ul style="list-style-type: none"> <li>▪ Council recognises, identifies, records and maintains investment opportunity information to a level of detail, accuracy and integration necessary for each 'opportunity' to be managed in accordance with the integrated framework.</li> <li>▪ Statutory requirements relating to Council's investment decision making are met (as a minimum).</li> </ul>
3) End to end lifecycle management	<ul style="list-style-type: none"> <li>▪ Selected investment opportunities are managed from a whole of life perspective</li> <li>▪ Risks and opportunities are identified and managed in accordance with Council's Risk Framework across the lifecycle</li> <li>▪ Prior to approval of any major investment opportunity that constitutes a renewal or up-grade to an existing service, a critical review, based on demonstrated service needs is undertaken and the 'whole of life' cost of that opportunity is determined</li> </ul>
4) Service level management	<ul style="list-style-type: none"> <li>▪ A planned approach is taken to growth and demographic change through demand management and investment opportunities using an agreed growth and demographic model</li> <li>▪ Current and desired levels of service are defined that consider technical and community requirements and the cost of services</li> </ul>

## 6.2 Investment Decision Framework

This investment decision framework policy is the highest level in the integrated decision framework as illustrated in the following diagram.

### Investment Decision Framework The Integrated Approach



## 6.3 Responsibilities

Council's investment decision making responsibilities and relationships have been established as follows:

### 6.3.1 Councillors:

- To act as stewards for all investment opportunities
- To consider Strategic Investment Opportunities
- To approve Council investment opportunities and monitor outcomes
- To set the Corporate investment decision framework and policy
- To set levels of service, risk and cost standards
- To ensure investment decisions consider whole of life costs

### **6.3.2 Chief Executive Officer / Executive Leadership Team (ELT)**

- To agree on the Corporate investment decision framework and policy with Council
- To implement the investment decision framework governance (i.e. end to end process) with agreed resources and review performance
- To provide support and ensure the Investment Opportunities Committee is working efficiently and effectively
- To ensure that accurate and reliable information is presented to Council to enable informed investment decision making
- To integrate the investment decision framework, policy, governance and guidelines into Council's overall corporate governance framework
- To review and approve/not approve recommendations made by the Investment Opportunities Committee.

### **6.3.3 Investment Opportunities Committee (IOC)**

- To understand the roles and responsibilities as defined in the IOC 'Terms of Reference'.
- To consider and assess investment opportunities at each decision gate throughout each phase of the adopted end to end lifecycle.
- To make recommendations for the ELT and Councillors to consider and ensure IOC decisions are documented and reported on where necessary
- Evaluate and monitor key performance outputs/criteria.

### **6.3.4 Opportunity Proponent**

- To progress the opportunity through the Identify, Assess and Select Phases and Gates 0, 1, 2 and 3 of the IDF and as required by the IOC.
- To fulfil the information requirements for each stage/phase as required under the IDF.
- To collaborate with the appointed Project Sponsor if/when the opportunity progresses to the Define phase.

### **6.3.5 Project Sponsor**

- To progress the project through the Define, Execute and Closure Phases and Gates 3,4 and 5 of the IDF and as required by the IOC.
- To fulfil the information requirements for each stage/phase as required under the IDF and works management framework.
- To collaborate with the Opportunity Proponent if/when the opportunity progresses to the Define phase.
- To provide resources and support for the project and be accountable for enabling success.

### **6.3.6 Project Managers**

- To be accountable for the project and project team's success.
- To lead the project team and be responsible for achieving the project objectives.
- To assist the Project Sponsor, as required, with progressing the project through the required phases and gates of the IDF.
- To develop and implement project management plans for individual approved projects in accordance with the guidelines.
- To manage and deliver projects to the agreed plans.
- To present project related information (i.e. status reports, project completion reports) as specified in the guidelines.

**7.0 ATTACHMENTS:**

Appendix A: GRC's Investment Decision Framework

**8.0 REVIEW MECHANISM:**

This policy will be reviewed when any of the following occur:

1. The related legislation or governing documents are amended or replaced; or
2. Other circumstances as determined by resolution of Council or the CEO; or
3. Three years from date of adoption.

<b>TABLE OF AMENDMENTS</b>			
<b>Document History</b>	<b>Date</b>	<b>Council Resolution No.</b>	<b>Notes (including the prior Policy No, precise of change/s, etc)</b>
Originally Approved			
Amendment 1			

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**LEISA DOWLING**  
**CHIEF EXECUTIVE OFFICER**

## Appendix A

### GRC's Investment decision framework

