



## RESULTS AND SERVICES PLANS (RSPs)

**This Circular requires all Budget Dependent and selected non-Budget Dependent General Government agencies to prepare a Results and Services Plan. This Circular explains the role of the Results and Services Plan as an agency's strategic medium term service delivery and funding plan, and requirements for its submission to Treasury.**

### Summary:

Under the NSW Government's Performance Management and Budgeting System, all agencies within the General Government sector which submit monthly financial reports to Treasury are monitored through either a Results and Services Plan (RSP) or Statement of Business Intent/Corporate Intent.

This Circular applies to agencies which are required to prepare a RSP.

The RSP is a strategic medium term service delivery and funding plan which links agency funding with the achievement of Government priorities through agency results and services.

The RSP provides a clear 'line of sight' for performance management by setting out the linkages between State Plan and other Government priorities, the results that an agency is working towards, the services it delivers to contribute to those results, and the costs of delivering those services as reflected in the agency's budget.

Treasury ensures value for money from Government expenditures by linking planning, funding and service delivery within the RSP framework.

All agencies are required to submit a RSP once every four years, at the commencement of each new term of Government. Treasury may require selected agencies to submit a revised RSP within the four year period following significant changes to the operations of the agency or identification of agency service delivery and/or Budget compliance risks. In addition, all agencies are able to self-nominate to submit a revised RSP to Treasury within the four year period.

All agencies are required, following determination of the annual Budget Allocations, to update their RSP results indicators, service measures and service group expenses through the Budget Estimates preparation process. On a case by case basis, agencies may also be required to provide updates to parts of the RSP in addition to the Budget Estimates requirements.

This Circular withdraws and replaces the previous 2006 Treasury Circular NSWTC 06/22.

Mark Ronsisvalle  
Deputy Secretary

### Further Information:

Agency specific issues: The agency's Treasury Resource Allocation Directorate (RAD) Analyst  
RSP policy issues: Dr Michael Di Francesco Tel: (02) 9228 3951  
NSW Treasury Internet: [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au)

### **Role of the RSP:**

Treasury uses RSPs as a framework within which an agency's overall budget, as well as specific service delivery and funding issues, can be discussed. This includes:

- clarifying how an agency's services contribute to State Plan and other Government priorities
- monitoring agency performance in providing services and contributing to the desired results
- assessing the costs of providing services, and comparing actual expenses with Budget
- identifying any gaps or duplication in agency service delivery strategies.

Agencies use RSPs to link internal agency corporate and business planning, budgeting processes and key performance indicators with the high-level results the Government seeks to achieve. This includes:

- explaining how agency budgets are used to deliver services and contribute to State Plan and/or other Government priorities
- explaining the expected impact of Budget submissions on planned service delivery
- reporting progress against key result indicators and service measures
- explaining the costs of providing services, and reporting actual expenses against Budget.

A key element of the NSW Government's Performance Management and Budgeting System was implemented with the preparation of the 2008-09 Budget Estimates on a RSP format. Agencies are now required to publicly report result indicators and service measures, and expenses on a service group basis.

The Budget Estimates RSP format provides a framework for improving disclosure of agency service delivery performance, and is an annual public presentation of those aspects of an agency's RSP which can be directly linked to the agency's annual Budget.

All agencies are required, following determination of the annual Budget Allocations, to update their RSP results indicators, service measures and service group expenses through the Budget Estimates preparation process.

On a case by case basis, agencies may also be required to provide updates to parts of the RSP in addition to the Budget Estimates requirements. These updates may include result indicators, service measures and/or service group cost information used by Treasury for monitoring and other purposes.

### **Linkages:**

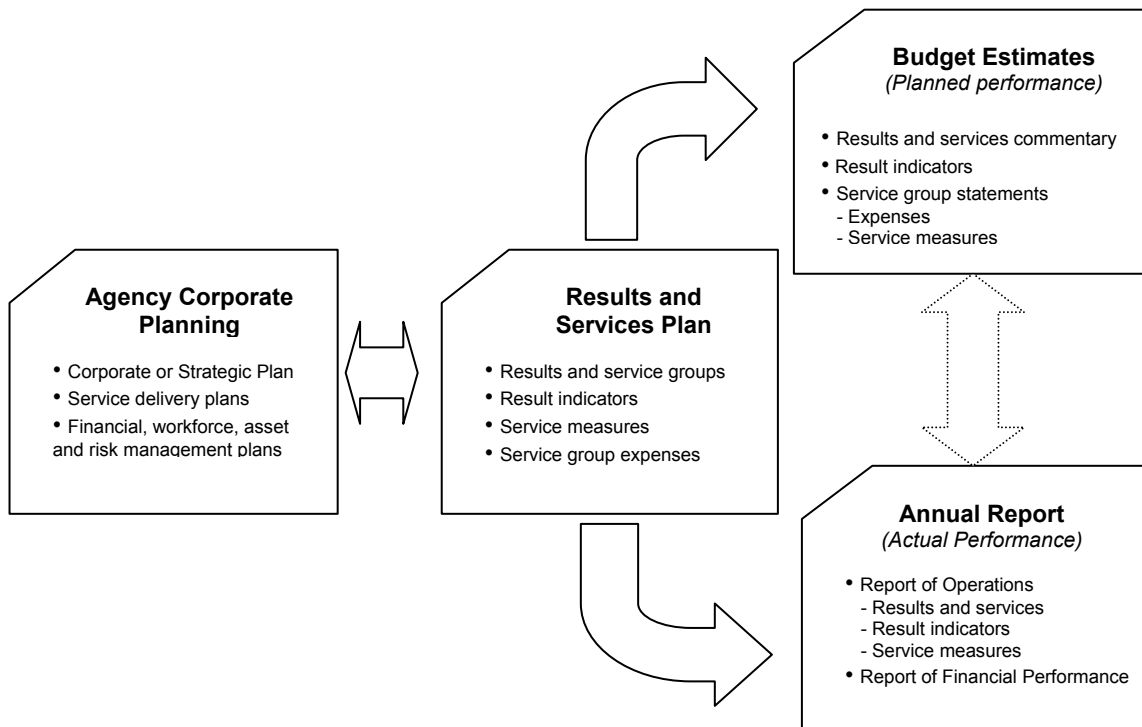
The NSW Government's Performance Management and Budgeting System links the planning, management and reporting of agency operations.

In this system, the RSP provides a clear 'line of sight' for performance management by setting out the linkages between State Plan and other Government priorities and the results and services that an agency is working towards, and providing a common set of key disclosures that agencies should use to structure the reporting of *planned* and *achieved* performance.

This means that the:

- RSP should be a summary of, and product from, an agency's own internal planning and budgeting processes
- results, services, service groups, result indicators and service measures, and service group expenses disclosed in the RSP should correspond with an agency's strategic, corporate and business plans
- results and service groups disclosed in Budget Estimates should be used by an agency to structure reports of performance in Annual Reports
- result indicators and service measures disclosed in Budget estimates should be reported as a subset of the performance information included in reports of performance in Annual Reports.

The diagram below shows the alignment of common disclosures across agency corporate planning, RSPs, Budget Estimates and Annual Reports.



To assist this process, Treasury recommends that agencies align preparation of their RSP with preparation of agency corporate plans on the same four year cycle.

Treasury's Total Asset Management (TAM) requirements are directly linked to the RSP. The requirements are outlined in NSW Treasury Policy and Guidelines Paper (TPP 08-2) *Total Asset Management (TAM) requirements for updating the NSW State Infrastructure Strategy (SIS)* and associated Treasury Circulars.

**Submission:**

All agencies are required to submit a revised RSP to Treasury every four years at the commencement of a new term of Government. Fully revised and updated RSPs which reflect the focus of a new term of Government (including implementation of any election commitments) would be required as part of the 2011-12 Budget cycle.

In addition, Treasury may request agencies to submit a revised RSP at any time during each term of Government. Potential triggers to this requirement include:

- *Significant changes to the agency:* Each year, in the lead up to the Budget process, NSW Treasury will identify a small number of agencies which have (or are expected to have) significant changes to their Budgets or service delivery arrangements which will impact on their RSP.
- *Identification of agency service delivery and/or Budget compliance risks:* If at any time during the Budget process NSW Treasury considers that an agency's value for money service delivery performance is at risk the agency may be required to submit a revised RSP.

Ministers and agencies required by Treasury to submit a revised RSP will be advised by letter, which will include instructions for RSP preparation.

All agencies are also able to self-nominate to submit a revised RSP to Treasury in any year. Agencies would typically do so to assist in their own corporate planning processes or to explain a proposed variation to their existing Budget Estimates reporting structure.

Following the submission of a revised RSP the key disclosures of the RSP (result indicators, service measures and service group expenses) will be updated by agencies through the annual Budget Estimates process.

Revised RSPs are Cabinet-in-Confidence documents. Revised RSPs are required to be signed by the agency Chief Executive Officer/Director-General and Portfolio Minister/s before submission to Treasury on behalf of Budget Committee of Cabinet.

Revised RSPs are formally approved by Budget Committee as a strategic medium term service delivery and funding plan which links agency funding with the achievement of Government priorities through agency results and services.

**Format:**

RSPs must be submitted in the standard format for all agencies as advised by Treasury. On a case by case basis, Treasury may require additional disclosures relevant to a particular change to the agency or identified risk to be included in the RSP.