



City of Nedlands

# Corporate & Strategy Reports


**Committee Consideration – 1 December 2015**

**Council Resolution – 15 December 2015**

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<b>CPS28.15</b>	<b>List of Accounts Paid – October 2015</b>
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<b>Committee</b>	1 December 2015
<b>Council</b>	15 December 2015
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Kim Chua – Manager Finance
<b>Director</b>	Michael Cole – Director Corporate & Strategy
<b>Director Signature</b>	
<b>File Reference</b>	Fin/072-17
<b>Previous Item</b>	Nil

## Executive Summary

In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996* Administration is required to present the List of Accounts Paid for the month to Council.

## Recommendation to Committee

**Council receives the List of Accounts Paid for the month of October 2015 (Refer to Attachment).**

## Strategic Plan

KFA: Governance and Civic Leadership

This report will ensure the City meets its statutory requirements.

## Background

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* requires a list of accounts paid to be prepared each month showing each account paid since the last list was prepared:

1. the payee's name;
2. the amount of the payment;
3. the date of the payment; and
4. sufficient information to identify the transaction.

The list is to be presented to the Council at the next ordinary meeting of the Council after the list is prepared and recorded in the Minutes of that meeting.

## Consultation

Required by legislation:

Yes

No

Required by City of Nedlands policy:

Yes

No

## Legislation / Policy

This report meets the requirements of *Regulation 13 of the Local Government (Financial Management) Regulations 1996*.

## Budget/Financial Implications

Not applicable.

## Risk Management

The Accounts Payable procedures ensure that no fraudulent payments are made by the City, and these procedures are strictly adhered to by the officers. These include the final vetting of approved invoices by the Finance Manager and the Director of Corporate Services (or designated alternative officers).

## Discussion

The list of accounts paid for October 2015 is attached and is presented to Council.


## Conclusion

The list of accounts paid for the month of October 2015 complies with the relevant legislation and can be received by Council.

## Attachments

1. List of Accounts Paid – October 2015; and
2. Purchasing Card Expenses – October 2015.

<b>CPS29.15</b>	<b>Policy Review</b>
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<b>Committee</b>	1 December 2015
<b>Council</b>	15 December 2015
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Pollyanne Fisher - Policy & Projects Officer
<b>Director</b>	Michael Cole - Director Corporate & Strategy
<b>Director Signature</b>	
<b>File Reference</b>	PP-PR-00012
<b>Previous Item</b>	Not Applicable

### Executive Summary

All Council Policies are required to be reviewed regularly and approved by Council. This report contains a policy that has been reviewed and requires formal Council adoption.

### Recommendation to Committee

**Council approves the ‘Purchasing of Goods and Services’ policy.**

### Strategic Plan

KFA: Governance and Civic Leadership

Under the *Local Government Act 1995* section 2.7, one of the roles of Council is to:

- (2)(b) Determine the local government’s policies.

### Background

Council commenced the policy review process in December 2009. Council policies are now continuously reviewed to ensure they reflect the strategic nature and responsibilities of Council and are kept up to date.

### Key Relevant Previous Council Decisions:

Nil.

## Discussion

The procedure for policy review is as follows:

- Policies will be discussed at Councillor Briefings prior to presentation to Council;
- Where a number of policies have common themes, these policies will be combined to establish a new policy. The old policies will be revoked, and the new replacement policy will be adopted;
- Administration may at times recommend a policy be revoked with no Council Policy to replace it. This may occur when it has been identified that the policy is operational or covered under legislation and/or the responsibility of the Chief Executive Officer.

Policy statements should provide guidance for decision making by Council and demonstrate the transparency of the decision making process.

The 'Purchasing of Goods and Services' policy is presented with a recommendation for approval, having been updated to meet the requirements of recent changes in the *Local Government (Functions and General) Regulations 1996* gazetted 18 September 2015.

Key changes to the policy are as follows;

- There has been a 50% increase in the minimum purchasing value that requires a Local Government to go to tender for the purchase of goods and or services. The policy has been updated to reflect that the value is now \$150,000, increased from \$100,000;
- To align with the increased costs of goods and services reflected in the increase of the minimum purchasing value for tenders, the procedures relating to the purchasing thresholds have also been reviewed and updated; and
- Division 3 s.24AC of the regulation now require a Local Government to prepare, adopt and implement a policy in relation to establishing a panel of pre-qualified suppliers for the procurement of goods or services and sets out what the policy must contain. The policy has been updated to comply with these requirements.

## Consultation

Required by legislation:

Yes

No

Required by City of Nedlands policy:

Yes

No

The draft policy was workshopped with Councillors on Tuesday 3 November 2015.

## Legislation / Policy

*Local Government Act 1995*

*Local Government (Functions and General) Regulations 1996*

## Budget/Financial Implications

Within current approved budget:

Yes

No

Requires further budget consideration:

Yes

No

## Risk Management

Risk management processes are built into operational guidelines where appropriate.

Regularly reviewing and updating Council Policies reduces risk to Council and the City.

## Conclusion


Council policy is continuously reviewed to ensure policies are current and that effective service delivery and organisational performance is maintained.

Once approved by Council, the appropriate procedures will be updated or developed by Administration to reflect the new policy.

## Attachments

1. Purchasing of Goods and Services Draft Policy.

<b>CPS30.15</b>	<b>Corporate Business Plan – Quarter 1 2015/16</b>
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<b>Committee</b>	1 December 2015
<b>Council</b>	15 December 2015
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Pollyanne Fisher - Policy & Projects Officer
<b>Director</b>	Michael Cole - Director Corporate & Strategy
<b>Director Signature</b>	
<b>File Reference</b>	CS-BP-00002
<b>Previous Item</b>	CPS22.15 (Quarter 4 Report)

## Executive Summary

By regularly reporting to Council on progress towards the Corporate Business Plan, the City ensures that it is meeting the requirements of the Department's Integrated Planning & Reporting Framework as well as the expectations of its community.

The Quarter 1 2015/2016 Report is presented here for Council to receive. This report outlines what the City planned to achieve, and did achieve, for the first quarter of year three of its Corporate Business Plan.

## Recommendation to Committee

**Council receives the Quarter 1 2015/2016 report on progress towards “Nedlands 2023 – Making it Happen”, the Corporate Business Plan.**

## Strategic Plan

KFA: Governance and Civic Leadership

All local governments in Western Australia are required to have a Strategic Community Plan and a Corporate Business Plan, and to work towards achieving these. By reporting to Council quarterly regarding progress, the City's Council and Administration can ensure that the targets are being met.

## Background

Council adopted the City's inaugural Strategic Community Plan “Nedlands 2023” at its meeting of 11 December 2012. The plan was based on extensive community consultation including precinct-based workshops, open days, online and hard-copy surveys and a community conference. “Nedlands 2023” identified that the community is concerned about the City's deteriorating assets, and that urgent corrective action

must take place to ensure the community's vision of a thriving, liveable Nedlands can be realised.

### **Key Relevant Previous Council Decisions:**

The City's Corporate Business Plan "Nedlands 2023 – Making it Happen" was adopted by Council at its Special Council Meeting of 20 June 2013. This plan contained a number of service level changes to be achieved by 2016/17.

### **Discussion**

The City's Corporate Business Plan "Nedlands 2023 – Making it Happen" was developed to meet the expectations and commitments identified in the City's Strategic Community Plan. Deteriorating assets and infrastructure was a key concern for the community during the community consultation process.

The Plan assumes a 4% rates increase year-on-year above a balanced budget (assumed to be 4% per year above CPI) which will fund the implementation of "Nedlands 2023". The Plan also commits administration to ongoing efficiency-seeking to reduce administrative costs where at all possible.

#### **1. Service Level Changes**

The Plan identified a number of service level changes to be achieved by 2016/17. The attached report states progress towards each level of service change as at the end of Q1 2015/2016 (30 September 2015).

#### **2. Operational Reviews**

Operational reviews scheduled for 2015/2016 included traffic and transport planning, land use planning, access and inclusion, community recreation, consultation and engagement, planning and building control and compliance.

Reviews were completed by the Executive in March 2015 for presentation during the 2015/16 budget discussions with Councillors.

#### **3. Delivery of increase in infrastructure expenditure**

The Strategic Community Plan proposed a yearly 4% increase in rates above a balanced budget to be invested in the City's infrastructure.

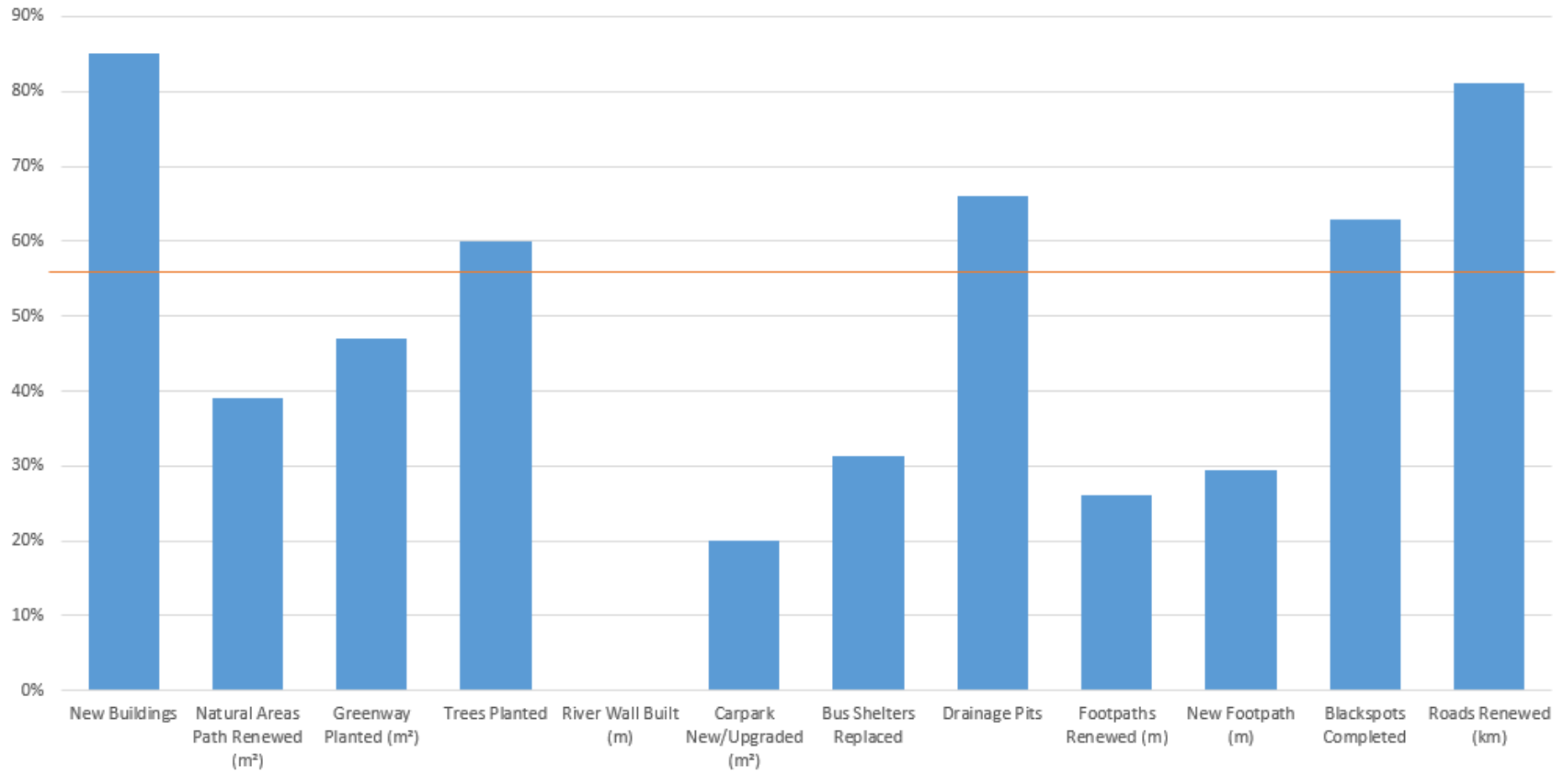
Key deliverables of this Plan and achievements to date are included in the table over page.



Description	Corporate Business Plan (CBP) 4-year target	Completed 2013/2014 (Y1)	Completed 2014/2015 (Y2)	Target 2015/2016 (Y3)	Completed Quarter 1 2015/2016	Comments
<b>New Building Projects Completed</b>	David Cruickshank completed	0	50%	1	35%	Project scheduled for completion during Q2, October 2015
<b>Natural Areas Path Renewed (m<sup>2</sup>)</b>	Renew 2285 m <sup>2</sup>	620 m <sup>2</sup>	895 m <sup>2</sup>	600 m <sup>2</sup>	0 m <sup>2</sup>	Point Resolution path upgrades commencing November 2015
<b>Greenway Planted (m<sup>2</sup>)</b>	Plant 5860 m <sup>2</sup>	1500 m <sup>2</sup>	2750 m <sup>2</sup>	1500 m <sup>2</sup>	0 m <sup>2</sup>	Greenway Development at Point Resolution – Stage 1 commencing April 2016
<b>Number of Tree Planted</b>	2050 street / reserve trees	481	1131	400	106	Planning underway to maximise planting next winter
<b>River Wall Built (m)</b>	281 m	0	0 m	0 m	0 m <sup>2</sup>	Dependant on approvals and grant funding from Swan River Trust
<b>Carpark new / upgraded (m<sup>2</sup>)</b>	Upgrade or build 13240 m <sup>2</sup>	144 m <sup>2</sup>	2644 m <sup>2</sup>	2500 m <sup>2</sup>	0 m <sup>2</sup>	Carpark improvements budgeted for at Beaton Park
<b>Bus Shelters Replaced</b>	16	5	5	2	0	Bus shelter replacements planned this financial year.
<b>Drainage Pits Installed</b>	100	23	42	40	24	On track overall. Carrington Street drainage project commenced
<b>Footpath Renewed (m)</b>	Renew 12793 m	2492 m	3084 m	800 m	306 m	Stirling Highway footpath renewal commenced
<b>New Footpath (m)</b>	1223 m	360 m	360 m	0 m	20 m	Hardy Road footpath reconstructed and extended by 20m

<b>Blackspots Completed</b>	8	3	4	1	1	Broadway / Stirling Intersection completed in conjunction with PTA
<b>Roads Renewed (m)</b>	8.52 km	3.02 km	5.64 km	2.48 km	1.30 km	On track

Percentage of 4-Year Target Completed



## Consultation

Required by legislation: Yes  No   
Required by City of Nedlands policy: Yes  No

## Legislation / Policy

Under the *Local Government Act 1995*, s5.56:

- (1) A local government is to plan for the future of the district;
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

Under the *Local Government (Administration) Regulation 1996*, regulation 19DA:

- (1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.
- (3) A corporate business plan for a district is to —
  - (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
  - (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
  - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.
- (4) A local government is to review the current corporate business plan for its district every year.
- (5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.
- (6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications.  
\*Absolute majority required.
- (7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

## Budget/Financial Implications

Within current approved budget: Yes  No   
Requires further budget consideration: Yes  No

## **Risk Management**

By regularly reporting to Council on progress towards the Corporate Business Plan, the City ensures that it is meeting the requirements of the Department's Integrated Planning & Reporting Framework as well as the expectations of its community.


## **Conclusion**

The City's Corporate Business Plan "Nedlands 2023 – Making it Happen" contains a number of service level changes to be achieved by 2016/17. This report advises Council and the community of the City's progress towards these changes as at 30 September 2015, the end of quarter 1 of the 2015/16 financial year.

## **Attachments**

1. Q1 2015/16 Report

<b>CPS31.15</b>	<b>City of Nedlands Standing Orders Local Law</b>
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<b>Committee</b>	1 December 2015
<b>Council</b>	15 December 2015
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Pollyanne Fisher - Policy & Projects Officer
<b>Director</b>	Michael Cole – Director Corporate & Strategy
<b>Director Signature</b>	
<b>File Reference</b>	CS-002595
<b>Previous Item</b>	Not applicable

**Please note that at the ordinary meeting of Council the Presiding Member will give notice to the meeting of the purpose and effect of the proposed local law immediately prior to consideration of this item.**

### **Executive Summary**

It is proposed to amend the City of Nedlands Standing Orders Local Law 2014 in accordance with the requirements of the *Local Government Act 1995*.

### **Recommendation to Committee**

**Council advertises the proposed City of Nedlands Standing Orders Amendment Local Law 2014 as contained in Attachment 1 for public comment.**

**ABSOLUTE MAJORITY REQUIRED**

### **Strategic Plan**

KFA: Governance and Civic Leadership

The City of Nedlands Standing Orders Local Law allows for the orderly conduct of meetings of the Council and Committees and Council decision making.

**The purpose** of the local law is to amend the principal City of Nedlands Standing Orders Local Law 2009. The purpose of the principal local law is to allow for the orderly conduct of meetings of the Council and Committees.

**The effect** of the local law is to ensure that all Council and Committee meetings are to be governed by the Standing Orders unless otherwise provided for in the *Local Government Act 1995* or Regulations.

## Background

A number of minor amendments to the City of Nedlands Standing Orders Local Law were identified at a workshop with Councillors in 2015. These amendments are contained in the attached Standing Orders Amendment Local Law 2015.

### Key Relevant Previous Council Decisions:

The City of Nedlands Standing Orders Local Law 2009 was adopted by Council on 28 April 2009, and subsequently amended on 22 February 2011 and 25 February 2014. The Local Law is due for review in 2017 but can be reviewed at any time in the interim.

## Consultation

Required by legislation: Yes  No   
Required by City of Nedlands policy: Yes  No

The proposed amendments to the City of Nedlands Standing Orders Local Law were presented at a workshop with Councillors in July 2015.

The process to amend a local law requires local and Statewide public notice for a period of at least 42 days inviting submissions.

## Legislation / Policy

Section 3.16 of the *Local Government Act 1995* requires periodic reviews of Local Laws. The Local Government is to carry out a review within 8 years from the day each Local Law commenced.

## Budget/Financial Implications

Within current approved budget: Yes  No   
Requires further budget consideration: Yes  No

There are no financial or budget impacts from this proposal.

## Risk Management

Review of the Standing Orders Local Law by Council and the invitation to residents of the City to comment on the proposed local law reduces the risk of the Local Law being out of date and not meeting Council and community needs.

## Discussion

The following changes to the City of Nedlands Standing Orders Local Law are proposed.

1. Part 14 – Implementing decisions

Delete Clauses 14.1(6) and 14.1(7) that prevent the CEO from receiving or the Council from entertaining a notice of motion to revoke or change a decision if any step been taken to implement the substantive resolution

Reason – Regulation 10 of the Local Government (Administration) Regulations sets out how a Council can revoke or change a decision. Advice has been received that Clauses 14.1(6) and (7) are too onerous and are unduly restrictive for administrative decisions. In addition. 14.1(6) and 14.1(7) are already covered at common law.

2. Part 2–Calling and Convening Meetings

Delete clauses 2.1, 2.2 and 2.3 relating to the calling of Council and Committee meetings and the notice required to be given and replace with a reference to Local Government Act 1995.

Reason – Sections 5.4 and 5.5 of the Local Government set out the process for calling Council meetings and the notice required to be given.

3. Part 5 – Disclosure of Interests

Delete clauses 5.2, 5.3 and 5.4 relating to requests from elected members to be present and participate and vote on a matter in which they have declared a Financial Interest and replace with a reference to Local Government Act 1995.

Reason – Section 5.68 and 5.69 of the Local Government Act 1995 set out the process for elected members with a Financial Interest to participate in meetings.

4. Part 17 – Establishment of Committees

Delete clauses 17.1 and 17.2 relating to the establishment of Committees and the appointment of Deputy Members and replace with a reference to Local Government Act 1995.

Reason - Section 5.8 and 5.11A of the Local Government Act 1995 set of the process for the appointment of Committees and Deputy Committee members.

5. Part 19 – Common Seal

Delete Part 19 relating to the use of the Common Seal and replace with a reference to Section 9.49A and 9.49 of the Local Government Act 1995.

Reason – Section 9.49A and 9.49 of the Local Government Act 1995 set out the process for use of the Common Seal.

Once Council considers any submissions received and adopts the Standing Orders Amendment Local Law 2015, the Local Law will be published in the Gazette and a copy will be given to the Minister. The Local Law will come in to effect on the 14th days after it appears in the Gazette.

## **Conclusion**


It is recommended Council approve the Draft Standing Orders Amendment Local Law 2015 for public comment.

## **Attachments**

1. Draft Standing Orders Amendment Local Law 2015



<b>CPS32.15</b>	<b>Post-Audit Changes to 2015/16 Budget</b>
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<b>Committee</b>	1 December 2015
<b>Council</b>	15 December 2015
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Kim Chua – Manager Finance
<b>Director</b>	Michael Cole – Director Corporate & Strategy
<b>Director Signature</b>	
<b>File Reference</b>	FIN-BUD-00007
<b>Previous Item</b>	Not applicable

### Executive Summary

This report is being presented to Council to obtain approval to modify the 2015/16 Budget to reflect the brought forward surplus from 2014/15 following the audit of Annual Financial Statements for 2014/15, and to include in the Capital Works Program the projects carried forward from the previous financial year.

### Recommendation to Committee

**Council:**

1. **Receives and adopts the changes to the 2015/16 adopted Budget following the audit of the Annual Financial Statements for the 2014/15 financial year;**
2. **Notes the additional brought forward surplus from 2014/15 financial year of \$5,257,945 includes \$3,175,783 unutilised funding for capital works approved in 2014/15 but carried forward for completion in 2015/16.**
3. **Approves the inclusion in the 2015/16 Capital Works Budget the brought forward capital works, (as listed in Attachment 1) and totalling \$1,904,300; and**
4. **Approves the revised Rate Setting Statement incorporating the above (Attachment 2), with a projected surplus of \$2,211,745 and being subject to the mid-year budget review in January 2016.**

**ABSOLUTE MAJORITY REQUIRED**

### Strategic Plan

KFA: Governance and Civic Leadership

The *Local Government Act 1995* requires changes to the adopted budget to be approved by Council with an absolute majority.

Adoption of the changes will ensure that monthly financial reports reflect the current financial capacity of the City.

## Background

In developing a balanced budget in May 2015 the City estimated the surplus funds that would be available as at 1 July 2015 for operations and capital works to be carried out in 2015/16. This estimate was based on then available information on possible savings from operations and the completion of the capital works program (other than those to be re-budgeted).

The actual surplus available is confirmed following the completion of the independent audit of the Annual Financial Statements in October 2015.

The *Local Government (Financial Management) Regulations 1996*, as amended, require every local government to review its adopted budget at the end of the first six months, and revise it to accommodate, amongst other factors, the difference between the estimated surplus in the adopted budget and the actual surplus as confirmed in the audited Financial Statements.

As in the previous year, Administration is proposing that the revision of the budget to accommodate the difference in the brought forward surplus be approved soon after the Financial Statements are audited. This will enable more meaningful monitoring of expenditure against the budget.

The mid-year budget review, as required by the Regulations, will be carried out in January 2016. At that stage consideration will be given to approving new initiatives as well as any changes to operational revenue and expenditure deemed necessary.

## Consultation

Required by legislation: Yes  No   
Required by City of Nedlands policy: Yes  No

There have been internal consultations with Managers of the various business units and with the Directors.

## Legislation / Policy

This report satisfies the requirements of *Local Government (Financial Management) Regulations 1996*.

*Local Government Act 1995*

## Budget/Financial Implications

Within current approved budget: Yes  No   
Requires further budget consideration: Yes  No

The implications of the recommendations in this report are summarised in the revised Rate Setting Statement for 2015/16 (Attachment 2). The estimated surplus for the year ended 30 June 2016 is \$2,211,745. This will be addressed further in the mid-year budget review to be conducted in January 2016.

## Risk Management

The main risk related to the proposal is that there could be over-runs of the operating budget or the capital works budget. Management will monitor and report to Council on a monthly basis variances between the current (revised) budget and actual financial performance for the period, and take appropriate action to minimise the risk.

## Discussion

The City has, for a number of years, adopted a practice of not carrying forward funds allocated to operations and not spent in the budget year. If the funds were for projects or activities deemed necessary, they are generally re-budgeted in the following year's budget. However, at the end of June 2015 there were two projects relating to Fair Value for Infrastructure Assets (\$26,000) and recommended changes identified as part of Internal Audit to the Civica financial system totalling (\$20,000) that will both need to be carried over to 2015-16.

Capital works, especially infrastructure projects, can span two or more financial years. In most cases these are projects which commenced, or were expected to commence, in the second half of the financial year, and will be completed in the first half of the following financial year.

Capital works carried forward from the 2014/15 financial year but not re-budgeted in the adopted budget have been identified, and are listed in Attachment 1. The total funds needed for completion of these projects this financial year amount to \$1,904,300.

It is recommended that the listed carried forward projects be entered into the 2015/16 budget.

Another component of the increase in surplus funds brought forward is the early receipt of General Purpose grants from the Grants Commission of \$394,500. This early payment will be offset by a reduction in General Purpose grants received during the current financial year by the same amount.

As reported previously to Council, an administrative error has been identified where 143 residential properties had been incorrectly valued for rate modelling purposes as both vacant land and developed land. This has resulted in actual rates raised being \$443,500 below the estimate adopted in the Annual Budget for 2015/16.

A revised Rate Setting Statement incorporating the recommended budget changes is attached to this Report (Attachment 2).

## **Conclusion**

The objective of the recommendations in this report is to have the 2015/16 Budget updated to reflect the capital works to be carried out this financial year.

No new capital project has been identified at this stage, with the changes to the budget being the capital projects approved for the previous year but not completed in 2014/15. Similarly no new operating expenses are being proposed. Any changes to the operating budget will be submitted for Council approval following the mid-year budget review.

## **Attachments**

1. Capital Works Program - Carried Forward Projects from 2014/15; and
2. Revised Rate Setting Statement as at 30 September 2015.