




Corporate & Strategy Reports

Committee Consideration – 10 March 2015
Council Resolution – 24 March 2015

Table of Contents

Item No.		Page No.
CPS05.15	List of Accounts Paid – January 2015.....	2
CPS06.15	Corporate Business Plan – Quarter 2 2014/15.....	4
CPS07.15	Policy Review.....	10
CPS08.15	Mid-Year Budget Review – 2014/15	13

CPS05.15	List of Accounts Paid – January 2015
-----------------	---

Committee	10 March 2015
Council	24 March 2015
Applicant	City of Nedlands
Officer	Rajah Senathirajah – Manager Finance
Director	Michael Cole – Director Corporate & Strategy
Director Signature	
File Reference	Fin/072-17
Previous Item	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 January 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 January 2015 is attached and is presented to Council.


Conclusion

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

Attachments

1. List of Accounts Paid –January 2015
2. Purchasing Card Expenses - January (Statement period 29th December 2014 – 28th January 2015).

CPS06.15 Corporate Business Plan – Quarter 2 2014/15

Committee	10 March 2015
Council	24 March 2015
Applicant	City of Nedlands
Director	Michael Cole, Director Corporate & Strategy
Director Signature	
File Reference	Corporate Strategy & Systems
Previous Item	Nil

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 2 2014/2015 Report is presented here for Council to receive. This report outlines what the City plans to achieve in year 2 of its Corporate Business Plan, and progress towards that as at end of December 2014.

Recommendation to Council

Council receives the Quarter 2 2014/2015 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 Q2 2014/2015 (31 December 2014).

2. Operational Reviews

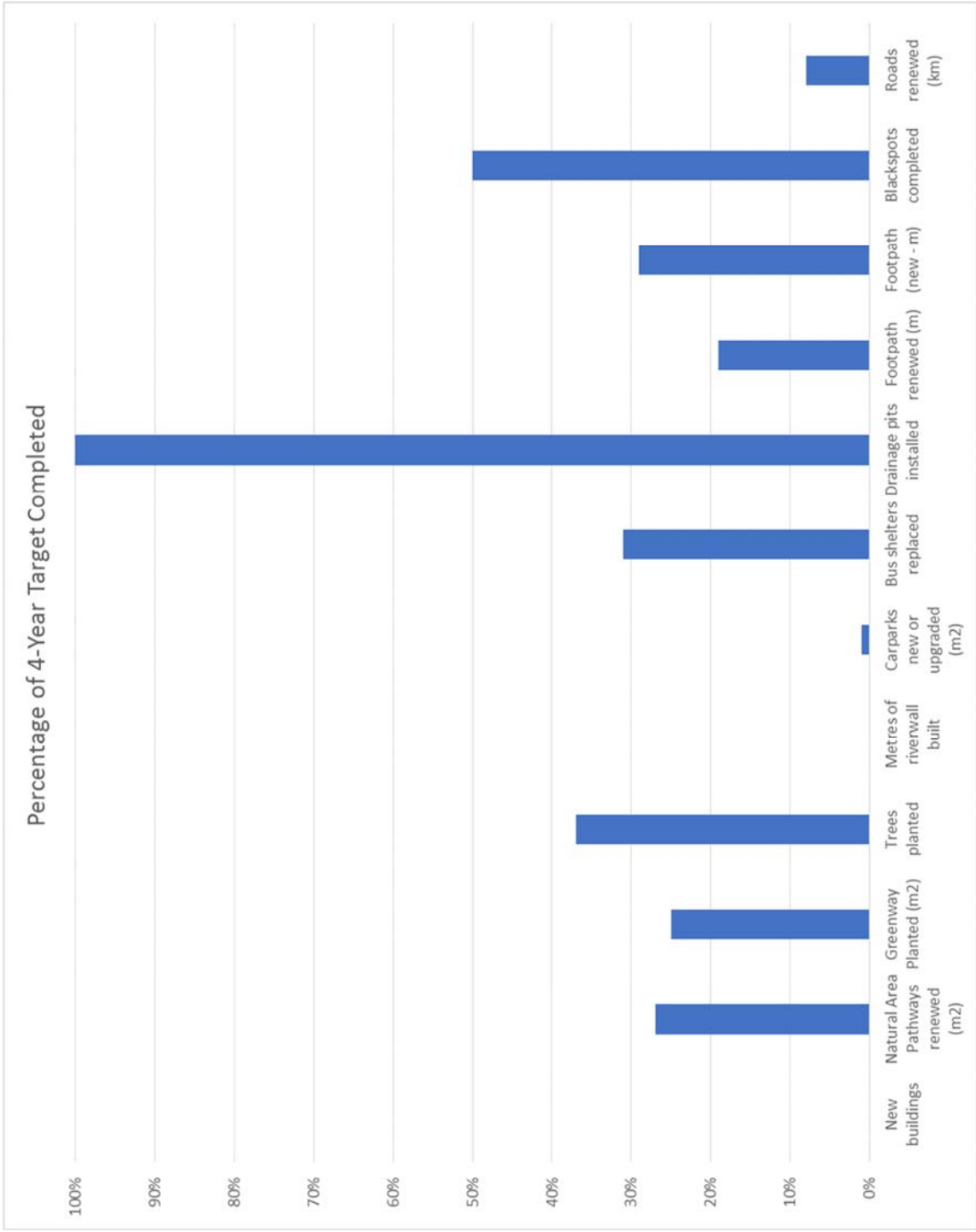
Operational reviews scheduled for 2014/2015 include traffic and transport planning, land use planning, access & inclusion, community recreation, consultation & engagement, planning & building control and compliance. Reviews have not commenced as at 31 December 2014.

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.

CITY OF NEDLANDS CAPITAL WORKS TARGETS						
DESCRIPTION	Corporate Business Plan (CBP) 4-year target	Completed 2013/2014	2014/2015 End of year target	Progress as at 30 September 2014	Progress as at 31 December 2014	Comments
NEW BUILDING PROJECTS COMPLETED	David Cruickshank completed	0	1	0	0	Collegians Amateur Football Clubrooms due for completion in 2015
SQUARE METRES OF NATURAL AREAS PATH RENEWED	Renew 2285 m ²	620 m ²	550 m ²	0	0	Due to commence February 2015
SQUARE METRES OF GREENWAY PLANTED	Plant 5860 m ²	1500 m ²	1500 m ²	0	0	Due to commence March/April 2015
NUMBER OF TREES PLANTED	2050 street/ reserve trees	481	650	287	287	On track
METRES OF RIVER WALL BUILT	281 m	0	0	0	0	On track
SQUARE METRES OF CARPARK NEW OR UPGRADED	Upgrade or build 13240 m ²	144 m ²	2500 m ²	0 m ²	0 m ²	Swanbourne Bridge club car park area in doubt due to lack of Bridge Club funding
NUMBER OF BUS SHELTERS REPLACED	16	5	2	0	0	On track
NUMBER OF PITS INSTALLED	20	23	20	4	11	Exceeding target
METRES OF FOOTPATHS RENEWED	Renew 12793 m	2492m	200m	0m	0	Consultation in progress for Stirling Highway footpath
METRES OF NEW PATH	1223m	360m (Karrakatta)	600m	0m	0	Nothing on 2014/15 programme
NUMBER OF BLACKSPOTS COMPLETED	8	3	0	1	1	On track
KILOMETRES OF ROADS RENEWED	34.31 km	3.02km	3.58 km	0m	0.9km	On track



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 31 December 2014.

Attachments

1. Q2 2014/2015 Report

CPS07.15 Policy Review

Committee	10 March 2015
Council	24 March 2015
Applicant	City of Nedlands
Officer	Phoebe Huigens, Policy & Projects Officer
Director	Michael Cole, Director Corporate & Strategy
Director Signature	
File Reference	Policy & Projects
Previous Item	NIL

Executive Summary

All Council Policies are required to be reviewed regularly and approved by Council. The Policies contained in this report have been reviewed.

Recommendation to Committee

That Council:

1. Approves the following policies:
 - a) Freemen of the City
 - b) Use of Council Facilities for Community Purposes
2. Revokes the following policy:
 - a) Access to Council Services, Facilities and Functions

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:

Not applicable.

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 following policies are presented for approval:

- Freemen of the City
 - Workshopped with Council on Tuesday 3 February 2015;
 - This policy was last reviewed in 2013. The main difference between the old policy and the new is the inclusion of the new eligibility criteria whereby current serving members of Council are not eligible for nomination.
- Use of Council Facilities for Community Purposes
 - This is a new policy to explain the differences between leases, management licenses and hire, and the circumstances which each apply to for Council-owned facilities;
 - This policy explains Council's current approach to hire, leases and management licenses. No changes to the current arrangements are proposed;
 - Workshopped with Council on Tuesday 3 February 2015.

The following policy is to be revoked:

- Access to Council Services, Facilities and Functions
 - This policy was adopted by Council in 2010. The content of this policy is either included in the new "Use of Council Facilities for Community

Purposes” policy above, or covered by the *Disability Services Act 1994* (as amended in 2004).

- This policy is now redundant, and should be revoked.

Consultation

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

The draft policies were workshopped with Councillors on Tuesday 3 February 2015.

Legislation / Policy

Local Government Act 1995
Disability Services Act 1994 (as amended in 2004)

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 policies.

Attachments

1. Freeman of the City Policy (New Draft)
2. Freeman of the City Policy (Old)
3. Use of Council Facilities for Community Purposes Policy (New Draft)
4. Access to Council Facilities, Services and Functions Policy (To Be Revoked)

CPS08.15	Mid-Year Budget Review – 2014/15
-----------------	---

Committee	10 March 2015
Council	24 March 2015
Applicant	City of Nedlands
Officer	Rajah Senathirajah, Manager Finance
Director	Michael Cole – Director Corporate & Strategy
Director Signature	
File Reference	LEG/025
Previous Item	NIL

Executive Summary

Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year, as per Local Government (Financial Management) Regulations 1996. Management carried out this review in February 2015, and the recommendation for changes to the current Budget are submitted for consideration and adoption by Council.

Recommendation to Committee

Council:

- a) receives and adopts, in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996, the budget review and the Revised Rate Setting Statement for the year ending 30 June 2015;
- b) notes that following the audit of the 2013/14 Annual Financial Statements the Council had on 28 October 2014 approved changes to the 2014/15 adopted Budget, as reflected in the Revised Rate Setting Statement in Attachment 1;
- c) notes the requested changes to the current 2014/15 Budget listed in Attachments 2 and 3, and summarised in the Report.
- d) approves the Revised Budget incorporating all the changes listed in Attachments 2 and 3 of this Report, providing a net surplus of \$8,100.

ABSOLUTE MAJORITY REQUIRED

Strategic Plan

KFA 4 - Governance and Civic Leadership

This Review will ensure the City meets its statutory requirements.

Background

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires as follows:

- (1) *Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.*
- (2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) *A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*
- (4) *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

**Absolute majority required.*

Discussion

Accounts which are anticipated to vary from the current Budget by \$5,000 or more are identified, and submitted for Budget adjustment. These submissions are submitted for Council approval (Attachment 2 to this Report).

The variance between the carried forward surplus from 2013/14 financial year estimated during the budget process and actual surplus following the audit of the Annual Financial Statements was considered by Council in October 2014, as part of the Post-Audit Budget Review. The major portion of the variance, amounting to \$1,204,900, was related to capital projects which could not be completed in that financial year. Council agreed to add these unfinished works to this year's adopted Budget. A revised Rate Setting Statement for 2014/15, incorporating the additional surplus funds brought forward and the additional capital projects brought forward, was also adopted by Council. No Operating Budget changes were proposed in the October review.

This Budget Review deals mainly with the amendments to the Operating Budget deemed necessary due to changes in the assumptions that were used in developing the Operating Budget six to eight months ago. Amendments to the Capital Budget

are also requested as some projects have to be deferred due to factors outside the control of the Administration.

Operating Revenue

2014/2015 Adopted Budget	\$30,005,200
Current Budget (Post-Audit)	\$30,005,200
Mid-Year Revised Budget	\$30,304,900
Variance (Favourable)	\$299,700

Significant factors contributing to this favourable variance include:

- Fees from new revenue services – Certification of applications for Building Permits, and the extension of this service to neighbouring local governments.
- Fees from additional Courses conducted at Tresillian Arts Centre.
- Fees from increased inspections of swimming pools.
- Contributions from neighbouring Councils for WESROC projects, with corresponding increase in expenditure.

It is to be noted that the favourable variance would have been higher if not for the fact that it has been offset by:

- The drop in interest yields from the City's investment of funds surplus to immediate needs in Term Deposits with the "Big Four" banks.
- The loss of rates revenue resulting from the successful applications by two institutions for rates exempt status.

Operating Expenses

2014/2015 Adopted Budget	\$29,298,200
Current Budget (Post-Audit)	\$29,298,200
Mid-Year Revised Budget	\$29,557,100
Variance (unfavourable)	\$ 258,900

Significant factors contributing to this increased expenditure include:

- A marginal increase (0.9%) in the Employee Costs arising from the annual salary review and the need to use relief staff to fill critical vacancies.
- Increased insurance premiums and brokerage fees when the City switched from using Local Government Insurance Services.
- Additional cost of building maintenance, arising mainly from the award of a new cleaning contract.
- Asbestos monitoring and removal work not budgeted for.

The impact of the above additional expenditure is offset by savings in other areas, especially in the collection and disposal of waste.

Capital Expenditure

2014/15 Adopted Budget	\$10,135,400
Revised Estimate (Post Audit)	\$11,528,400
Mid-Year Revised Estimate	\$10,955,100
Variance – reduction in expenditure	\$ 573,300
Reduction in Capital Grants	\$ 386,500

The City's 2014/15 capital works budget was developed to align with the four year priorities within the Strategic Community Plan. This includes an emphasis on infrastructure renewal and repair with an additional 4% on rates added to the proposed investment in this area. The capital works programme is on track to deliver most of the infrastructure and buildings 2014/15 programmed projects.

However, there are projects unlikely to be completed due to a number of circumstances (see attachment 2), typically where events outside of the City's control have impacted on the timeline, such as unsuccessful grants, state government requirements and geotechnical complications.

Importantly, the City is mindful of the imperative to renew and repair its infrastructure in line with good asset management practice and within the parameters set by the Strategic Community Plan and is therefore proposing that the shortfall due to projects at risk is made up by bringing forward some projects that were planned to be implemented in the next budget. This will then meet our net infrastructure expenditure objectives while project planning for the more difficult project continues, for execution in the next financial year.

The proposed changes to affected projects are described in the table in Attachment 2.

Consultation

Required by legislation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Required by City of Nedlands policy:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Legislation / Policy

The Mid-Year Budget Review meets the requirements of *Regulation 34(1) and 34(5) of the Local Government (Financial Management) Regulations 1996*.

Budget/Financial Implications

As outlined in this report.

Risk Management

Extensive consultation has been carried out within the organisation as part of the review process to minimise any significant variation from the Revised Budget at the end of the financial year. Management will continue to monitor and report to Council on a monthly basis variance between the revised budget and actual financial performance for the period.

Conclusion

The outcome of the Budget Review shows an estimated end of year surplus of \$8,100, compared with a deficit of \$157,300 in the Budget adopted in June 2014.

While there are a number of individual variations this is not unusual in a rapidly changing work environment, and the Budget Review process was instituted under Local Government (Financial Management) Regulations to enable local governments to take into account the changes.

The Budget Review is recommended for adoption and for the above adjustments to be approved.

Attachments

1. Revised Rate Setting Statement for 2014/2015
2. Listing of requested changes to the 2014/2015 Operating Budget
3. Listing of requested changes to the 2014/2015 Capital Budget