**

Corporate & Strategy Reports

**Committee Consideration – 11 August 2020**

**Council Resolution – 25 August 2020**

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| **CPS14.20 List of Accounts Paid – June 2020** |

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| **Committee** | 11 August2020 |
| **Council** | 25 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. Creditor Payment Listing – June 2020
2. Credit Card and Purchasing Card Payments – June 2020 (28 May – 28 June 2020)
3. CEO Credit Card Payments – April – June 2020 (31 March – 28 June 2020)
 |

**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 June 2020 as per attachments.**

**Discussion/Overview**

**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. This list is to include the following information:

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.

**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 Manager Finance and the Director Corporate and Strategy (or designated alternative officers).

**Conclusion**

The List of Accounts Paid for the month of June 2020 complies with the relevant legislation and can be received by Council (see attachments)

**Consultation**

Required by legislation: Yes [x]  No [ ]

Required by City of Nedlands policy: Yes [ ]  No [x]

**Strategic Implications**

The 2020-21approved budget is in line with the City’s strategic direction. Payments are made to meet the City’s spend on operations and capital expenses undertaken in accordance with the approved budget.

The 2020-21approved budget ensured that there is an equitable distribution of benefits in the community

The 2020-21budget was prepared in line with the City’s level of tolerance of risk and it is managed through budgetary review and control.

**Budget/Financial Implications**

The payments are made in accordance with the approved budget and achieves a surplus cashflow balance.

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| **CPS15.20 Extension of Tenure – Nedlands Golf Club** |

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| **Committee** | 11 August2020 |
| **Council** | 25 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. Nil
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**Executive Summary**

Following Council’s decision to contribute $50,000 towards Nedlands Golf Club’s construction of a new greenkeepers shed, Nedlands Golf Club have written to the City requesting to extend their current Lease Agreement for a period of ten (10) years. The request is based on justifying the Club’s financial contribution towards the project.

Nedlands Golf Club have also requested Council consider a waiver of the Development Application Fee for their project.

This item provides Council with an opportunity to consider the requests

**Recommendation to Committee**

**Council:**

**1. approves the extension of tenure of Nedlands Golf Club for an additional period of ten (10) years, expiring on 31 December 2034, with no other changes to the current lease agreement;**

**2. requests that after receiving the Minister for Lands consent to the extension, the Mayor and CEO execute the agreement and apply the City’s common seal;**

1. **Considers the Nedlands Golf Club’s request to waive the Development Applications fees for their project and;**
	1. **approves a 100% waiver of the development application fee; or**
	2. **approves a 50% waiver of the development application fee; or**
	3. **does not approve a waiver of the development application fee.**

**Discussion/Overview**

**Extension of Tenure:**

Nedlands Golf Club (‘NGC’) leases premises at 120 Melvista Avenue, Dalkeith, from the City. The Land is described as part of Class ‘A’ Reserve No.1669 and whole of Class ‘B’ Reserve No. 7223 as identified on Deposited Plan 58769. Both Reserves are vested to the City for the purpose of Recreation by way of a Management Order (Order). The Order grants the City the power to lease any portion of Reserves for the designated purpose, for any term not exceeding 21 years, subject to the consent of the Minister for Lands.

The current Lease, which is based on the standard terms of the City’s peppercorn lease agreement with sporting clubs and community groups was entered into on 1 January 2010 for an initial term of 10 years and an additional Further Term of 5 years. The Further Term has recently been taken, meaning the agreement expires on 31 December 2024.

Following Council’s recent decision to include a contribution of $50,000 within the City’s Annual Budget 2020/21 towards NGC’s project to construct a new greenkeepers shed, the Club has requested to extend their current Lease Agreement for a period of 10-years, being 31 December 2034. The rationale behind the Club’s request is based on justifying the Club’s large financial contribution towards the project (estimated $182,000).

When meeting with the Club to discuss the request, Officers advised NGC representatives that all legal costs associated with arrangement of any extension of tenure documents would need to be bourne by the Club – a provision they have accepted.

NGC is not in default of any lease obligations and has a zero balance on their debtor account at the time of writing this report. NGC have not requested any additional changes to the current lease provisions.

As per s3.58 of the Local Government Act, Council approval is required to enter into, or vary any Lease Agreement.

**Waiver of Development Application Fee:**

NGC are also requesting Council to consider a waiver of the development application fee for their project. NGC are a not for profit volunteer community organisation. The proposed works incorporate the extension of a City asset on land that is controlled by the City. The fee amounts to $742.40

The planning policy allows for favorable consideration of fee waiver requests when the applicant is a government recognised charity, has obtained an income tax exemption from the Australian Tax Office and the application is either for a change of use or has a value less than $500,000. Ordinarily, a successful application will result in a 50% reduction of the applicable planning fee.

NGC are not a government recognised charity but do operate as a not for profit organisation and are therefore not required to submit a tax return. Their application has a value of $232,000.

While NGC do not fully meet the criteria for a waiver, the Club provide a valuable service to the community and maintain large amount of land that is controlled by the City

Local Planning Policy –Waiving Development Applications Fees excerpt:



**Key Relevant Previous Council Decisions:**

Council’s Adoption of the Annual Budget 2020/21 at Special Council Meeting 30 June 2020 included provision of a $50,000 City contribution towards Nedlands Golf Club’s Greenkeeper Shed Project.

Report D28.09 – Council’s approval of the Exclusive Use Lease between Nedlands Golf Club and the City of Nedlands on 28 April 2009.

**Consultation**

Administration has considered the implications of the request and there were no objections from Community Development, Building Maintenance or Finance Teams.

**Strategic Implications**

**How well does it fit with our strategic direction?**

Support of this request contributes towards the ‘Community Development’ key focus area of the City’s Strategic Community Plan by building community partnerships and strengthening the community’s capacity to meet its own needs.

**Who benefits?**

Nedlands Golf Club and its local members benefit from the support of this request. The support will help enable a long term, and secure financial future for the Club

**Does it involve a tolerable risk?**

There is minimal risk associated with support of this request. Where it is foreseen that a master planning process may take place at a City reserve, the City tends to include an early termination provision within the tenancy agreement and at present, no such master planning process is planned for the Melvista precinct.

**Do we have the information we need?**

No further information is required, or available.

**Budget/Financial Implications**

**Can we afford it?**

Support of the extension of tenure request has no financial implications on the City as any legal costs associated with the arrangement of the extension are to be borne by the Nedlands Golf Club.

NGC have also requested Council consider waiving the Development Application fee for their project. The fee amounts to $742.40.

**How does the option impact upon rates?**

There is no impact on rates

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| **CPS16.20 City Membership of the West Australian Local Government Association (WALGA)** |

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| **Committee** | 11 August2020 |
| **Council** | 25 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | Nil. |

**Executive Summary**

This report is being presented to Council to support a recommendation for the City to renew its membership to WALGA and to seek Council approval to enter into discussions with WALGA for a membership agreement that is beneficial to the City.

The reason for this recommendation is because of Council’s expressed desire to keep rates as low as possible, despite there being a conflicting Council resolution (28 November 2017) against rejoining WALGA.

The City has tested the market for brokerage and management of the City’s insurances through open public tender and the results of that process are that the brokerage and management of the City’s Insurance schedule through LGIS will deliver significant savings on premiums and will also save on the $22,500 annual service fee currently being paid by the City.

These savings are only achievable if the City has access to the LGIS Scheme and this is reliant upon the City renewing its Membership of WALGA

**Recommendation to Committee**

**Council:**

**1. agrees to accept the recommendation that the City of Nedlands take up membership of the Western Australian Local Government Association (WALGA); and**

**2. authorises the Chief Executive Officer to enter into discussions with WALGA for a membership agreement that is beneficial to the City.**

**Discussion/Overview**

**Background**

The West Australian Local Government Association is recognised by the State Government as the premier organisation operating on behalf of WA Local Governments who are its subscribed members.

WALGA currently represent the majority of Local Governments in Western Australia and it is understood that the City of Nedlands has not been a member for some time.

Officers consider that City membership of WALGA would deliver a number of benefits, as follows:

* Greater efficiency in our business processes due to the availability of local government specific manuals, templates and guidance documents;
* Procurement cost savings due to economies of scale which can be achieved by the City having access to WALGA consolidated agreements with preferred suppliers, many of whom the City already engages with separately, sometimes at higher cost;
* Assistance with tender specifications and access to the WALGA “Vendor Panel” portal which can assist with probity and transparency in the conducting of Requests for Quotation for projects below the legislated tender threshold of $250,000
* Access to timely and informed legislative and procedural advice as per the recent amendments to the LG Act (Functions & General) Regulations 1996 in April 2020;
* Cost effective training opportunities (e.g. Contracts Management) which would contribute to an upskilling of the City workforce. This will further contribute to the delivery of projects on time and within budget and avoid the risk of delays and cost over runs;
* Access to process audits and reporting to drive further administrative improvements and increase efficiency, and
* Other benefits as detailed in the overview of WALGA services in the following pages of this report.

**Key Relevant Previous Council Decisions:**

This matter has been discussed at several Council Meeting over the past few years.

It was first resolved at the Ordinary Meeting of Council on 24 September 2013 to resign the City’s Membership.

There have since been several meeting to revisit the matter of renewing the City’s membership with WALGA, the most recent being the Ordinary Meeting of Council on 28 November 2017, where the Council decided that the City would not re-join WALGA.

**Consultation**

**What is WALGA?**

WALGA was formed in 2001 with the merging of the WA Municipal Association, Local Government Association of WA, Country Urban Councils Association, and Country Shire Councils Association.

WALGA exists to advocate and negotiate on behalf of the WA Local Government sector in the best interests of its Member Councils.

**How is WALGA funded?**

As with most member-based organisations, WALGA has an annual Membership fee paid by all Member Councils. To ensure fairness, the annual Membership fee is indexed to the size and capacity of each Local Government. It contributes less than 10 per cent of WALGA total turnover. WALGA secures additional funding through: charges to State and Federal departments and agencies for the administration of grants; fee-for-services selected for use by Member Local Governments; and returns from supplier contracts as part of group buying arrangements that guarantee lowest market rates for Members.

**Business Solutions**

WALGA provides services and advice including governance, industrial relations, procurement, recruitment, supplier panels, tender management and training for officers and Elected Members.

WALGA offers procurement improvement services including procurement advice, customised capacity building workshops, procurement reviews, procurement templates, development of sustainable procurement measures, and coordination of procurement network forums at the local and inter-state level.

Their training programs are especially useful and specifically tailored to Local Governments, unlike many other RTOs who work in the Public Sector. Officers believe a membership that allows for the City to cherry pick what it wants to use is an ideal scenario.

**Environment and Waste**

WALGA provides advocacy and advice to member Local Governments across a number of policy portfolios including environment and waste in part in response to legislative requirements.

Under Section 1.3 (3) of the Local Government Act, Councils are required to use their best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.

Consequently, advocacy and advice in the environment portfolio have included issues such as environmental licencing and regulation, container deposit scheme, natural area management, energy and water conservation, household hazardous waste program, pest bird control and the Municipal Waste Advisory Council.

WALGA provides Member Local Governments regular updates on changes to legislation and regulation along with insights into new practices through its WasteNews and EnviroNews publications and periodic.

**Finance and Marketing**

From a cost perspective, WALGA is a highly beneficial support service to Local Governments. Through its Preferred Supplier Panel program, WALGA provides consolidated procurement opportunities for economies of scale in areas which are common to all Local Governments by virtue of greater buying power. The program is not mandatory and individual Local Governments are free to utilise their own preferred suppliers where this is considered more beneficial.

This program is particularly beneficial for high volume / low cost items such as stationery, consumables, professional services and the like. They also offer the opportunity for cross council cooperation and this can be very useful. It is especially important to consider how useful this could be at this time of national emergency when sharing of resources could be essential to our recovery.

Local Governments which are Members of WALGA can use the **e-Quotes online portal** for accessing preferred supplier panels or to better coordinate their own procurement processes.

There is no cost to Local Governments to use the e-Quotes portal to access WALGA supplier panels and an upgrade licence fee for member Councils who want to use the portal to create their own supplier panels and procurement systems.

**Governance and Organisational Services**

WALGA provides a broad employee relations and human resources advisory and consultancy service together with best practice tools and resources to support Local Governments with employment related matter.

WALGA provides process auditing and risk assessment on a fee for service basis and these can be useful in assessing the robustness of current City practices.

**Infrastructure**

Topics and issues addressed by WALGA include securing road funding, road design and construction including pavements and materials, heavy vehicles and freight and pedestrian and cycling infrastructure.

WALGA works with Local Governments and other stakeholders including State and Federal agencies to assist Members to sustainably manage assets such as recreation facilities, community centres, cycle and pedestrian paths and waste management.

Areas encompassed in the infrastructure portfolio include natural disaster relief and recovery arrangements, utilities in the road reserve, street lighting, bridges and bus stop infrastructure.

**People and Place**

Planning services are a significant function for most Local Governments and consequently WALGA takes a prominent role in advocating and representing the sector’s interests to government and industry.

WALGA’s Planning Improvement Program identifies the need for the provision of high quality, tailored and accessible Town Planning education for Local Government personnel including CEOs, Executives, Elected Members and Officers. The Local Government Town Planning training pathway comprises a free Introduction to Planning followed by Planning Practices: Essentials and Planning.

**Strategic Implications**

**How well does it fit with our strategic direction?**

Membership of WALGA will provide the city with a number of opportunities for business process improvements and cost savings. This will be in line with the City strategic aims for good governance and value for money.

**Who benefits?**

This will benefit the City as a whole and provide for a better service delivery to City residents.

**Does it involve a tolerable risk?**

It is considered that membership of WALGA offers minimal risk to the City.

**Budget/Financial Implications**

**Can we afford it?**

The cost to the City will be that of an annual subscription fee which is indexed to the size and capacity of each local government.

The cost to the City will be $18,659.00 plus GST per annum.

**How does the option impact upon rates?**

Nil

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| **CPS17.20 City Insurances, Brokerage, Management and Consultancy**  |

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| **Committee** | 11 August2020 |
| **Council** | 25 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | Nil. |
| **Confidential Attachments** | 1. Tender Evaluation and Recommendation Report RFT 2020-21.02 City Insurance Brokerage, Management and Consultancy Services
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**Executive Summary**

The City’s current Insurances Brokerage contract expires on 30 September 2020. Its is imperative that a new contract for ongoing provision of these services be a smooth transition so as not to expose the City to considerable risk. The City went to public tender on 2 July 2020 to engage an organization to provide Brokerage, Management and Consultancy Services for the City’s insurances. The tender closed on 17 July 2020 and three submissions were received. The purpose of the tender was to select an organization who would not only provide static brokerage put also proactive and added value services to the City. The selected contractor is expected to provide the requirements including cost efficiencies, performance analysis, risk management and officer training for the City.

**Recommendation to Committee**

**Council:**

1. **Option 1**

**Accept the City’s recommendation to award the contract for RFT 2020-21.01 - Brokerage, Management and Consultancy Services to LGIS for the initial term of 24 months with the option of a further 12 months to be awarded at the sole discretion of the City.**

**OR**

**Option 2**

**Accept the City’s alternative recommendation to award the contract for RFT 2020-21.01 - Brokerage, Management and Consultancy Services to AON for the Annual fixed fee of $25,000 exc GST and the schedule of fees for additional services for the initial term of 24 months with the option of a further 12 months to be awarded at the sole discretion of the City.**

1. **Authorises the CEO to enter into a contract with the accepted tenderer.**

**Discussion/Overview**

The City previously tendered for these services in July 2019. The tender process was conducted on behalf of the City by Procurement Australia and was for an initial term of 12 months duration. The recommended contractor was Marsh Pty Ltd

During the course of the past 11 months it was concluded by City officers that the contract in place was lacking in some areas, specifically in the lack of proactivity by the contractor as this was not required under the contract. A decision was made to retest the market with a revised scope of works to address this required element.

A request for tender was published on 2 July 2020 and closed on 17 July 2020. The details of this tender and the responses received are contained in the attached Tender Evaluation and Recommendation Report

**Key Relevant Previous Council Decisions:**

At its Ordinary Council Meeting on 27 August 2019 Council resolved:

**Council:**

1. **agrees to award Insurance Broking and Risk Management Services to Marsh Pty Ltd (RFP Tender/Contract 0618/0626) and further negotiate with Marsh to review premiums and re-submit on an optimum programme at a price of approximately $549,595 (excluding GST) for a Contract Term of 1 year with 1 + 1 options; and**
2. **authorises the CEO to enter into a contract with Marsh Pty Ltd, subject to any minor contract negotiations.**

**Consultation**

To assist staff with the evaluation of the new Tender the City engaged the services of an expert Consultant, Peter Sellwood of Procurement Australia.

Tender submissions were evaluated by the Evaluation Panel and it was concluded that LGIS offered the best value solution to the City.

**Strategic Implications**

**How well does it fit with our strategic direction?**

The City holds a large portfolio of insurances necessary for its business activities and community obligations. The engagement of a suitable expert contractor to manage those insurances will contribute towards its goals of value for money and risk minimization.

**Who benefits?**

The availability of appropriate insurances will be a benefit to City residents and City assets.

**Does it involve a tolerable risk?**

The City is required by legislation to carry a number of insurances to minimize exposure to risk.

**Budget/Financial Implications**

**Can we afford it?**

To participate in the LGIS Scheme the City will be required to be financial members of WALGA

There is a Scheme membership contribution for the Scheme protections and no further fee (nil fee) is required for any of the risk management and claims management programs detailed in the LGIS proposal.

The previous tender awarded to Marsh Pty Ltd in July 2019 was priced at $549,595 excluding GST and this comprised of indicative base premiums and a service fee of $22,500. This service fee will not apply to LGIS.

Despite the fact that LGIS do not charge a separate fee for service for the provision of insurance and risk management services (they factor in their remuneration as part of the overall scheme members contributions / premiums), their overall cost to the City is estimated to be approximately 20% plus less than those rates charged by the open market. In addition, the scheme standard Property and Liability/Professional Indemnity policies offer higher limits than those available in the open market.

Consultation with Procurement Australia provided information that they have run tenders this year for a number of Councils nationally and the JLT schemes have been far more competitive than their competitors, in some cases by a premium margin of 35% plus

**How does the option impact upon rates?**

Nil