



City of Nedlands

Corporate & Strategy Reports

Committee Consideration – 4 December 2018
Council Resolution – 18 December 2018

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| CPS22.18 List of Accounts Paid – October 2018 | |
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| Committee | 4 December 2018 |
| Council | 18 December 2018 |
| Applicant | City of Nedlands |
| Officer | Vanaja Jayaraman – Manager Finance |
| Director | Lorraine Driscoll – Director Corporate & Strategy |
| Attachments | <ol style="list-style-type: none"> 1. Creditor Payment Listing October 2018 2. Purchasing Card Payments October 2018 (29th September – 28th October) |

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 2018 (refer to 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 October 2018 complies with the relevant legislation and can be received by Council (see attachments)

Consultation

Required by legislation:

Yes

No

Required by City of Nedlands policy:

Yes

No

Budget/Financial Implications

Nil.

| | |
|--------------------|---|
| CPS23.18 | Policy Review |
| Committee | 4 December 2018 |
| Council | 18 December 2018 |
| Applicant | City of Nedlands |
| Officer | Nicole Ceric – Executive Assistant to CEO & Mayor |
| Director | Lorraine Driscoll – Director Corporate & Strategy |
| Attachments | 1. Assignment of House Numbers 2. Council Provided Grants, Subsidies and Donations |

Executive Summary

All Council Policies are required to be reviewed regularly and approved by Council. This report contains Policies that have been reviewed and require formal Council adoption.

Recommendation to Committee

Council adopts the following updated policies:

- 1. Assignment of House Numbers**
- 2. Council Provided Grants, Subsidies and Donations**

Discussion/Overview

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.

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; and
- 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.

1. Assignment of House Numbers

The Assignment of House Numbers was last reviewed in 2016.

The context in which the policy operates has been more clearly defined. The main objective of these proposed amendments is to remove confusing text under the heading Statement in paragraph c “ascending order to the east and south sides of street and odd numbers to the west and north sides of the streets” and replace with reference to an Australian Standard “accordance with AS/NZS4819:2011;”.

Minor amendments to improve language has also been done as follows:

- Under the heading Context in paragraph 1 remove the words “ease of” and replace with “efficiency in”.
- Under the heading Statement in paragraph e replace the word “house” with “property’s owner”.

2. Council Provided Grants, Subsidies and Donations

The Council Provided Grants, Subsidies and Donations policy was last reviewed in 2013 and is due for review.

The following have been removed for the following reasons:

Community Safety & Crime Prevention, Lord Mayor’s Disaster Relief Fund, State Emergency Services, National Trust and Donation of Development Application Fees Charged to Sporting Club all approved on a case by case basis via report to Council.

Key Relevant Previous Council Decisions:

Nil.

Consultation

Policies are discussed at Councillor Briefings prior to presentation to Council.

Assignment of House numbers was presented to Councillor Briefing on Tuesday 20 November 2018.

Council Provided Grants Subsidies and Donations was presented to Councillor Briefing on 20 November 2018.

Budget/Financial Implications

Council makes provision for grants, subsidies and donations every year in the Annual Budget.

| CPS24.18 Post Audit Changes to 2018/19 Budget | |
|--|---|
| Committee | 4 December 2018 |
| Council | 18 December 2018 |
| Applicant | City of Nedlands |
| Officer | Vanaja Jayaraman – Manager Financial Services |
| Director | Lorraine Driscoll – Director Corporate & Strategy |
| Attachments | 1. Revised Rate Setting Statement as at 31 October 2018; and 2. Capital Works Program and Operational Income and Expenses |

Executive Summary

This report is being presented to Council to obtain approval to modify the 2018/19 Budget to reflect the brought forward surplus from 2017/18 following the audit of Annual Financial Statements for 2017/18.

Furthermore, this review process has provided an opportunity to further refine the Capital Works Program for the projects carried forward and to change scope of projects (as a result of better information becoming available), and to make changes in operating income and expenditure identified, and underground power project service charges and related borrowings.

Recommendation to Committee

Council

- 1. receives and adopts the changes to the 2018/19 adopted Budget following the audit of the Annual Financial Statements for the 2017/18 financial year;**
- 2. notes the brought forward surplus from 2017/18 financial year of \$2,201,756 as per the audited financial statements compared to the forecast brought forward surplus included in the adopted budget of \$1,352,512;**
- 3. approves:**
 - a. the inclusion and exclusion in the 2018/19 Capital Works Budget,**
 - b. the brought forward capital works,**
 - c. additional scope and reduction in scope (as listed in Attachment 2)**

Resulting in an overall increase in capital spend of \$489,787 (mainly arising from the projects which were forecast to be completed in 2017/18 but were postponed due to various reasons and thus contributing to the increase in the 2017/18 year end surplus);

4. **approves the adjustment of the 2018/19 Operational Budget of additional and reduction in expenses and additional underground power service charge revenue (as listed in Attachment 2) resulting in an increased net result by \$1,620,720; and**
5. **approves the reduced borrowings by a total of \$1,661,275 and reduced repayment of borrowings by a total of \$152,974 for the underground power projects;**
6. **approves the revised Rate Setting Statement incorporating the above (Attachment 1), with a projected deficit of \$122,494 and being subject to the mid-year budget review in January 2019.**
7. **notes that the net result of all the above changes is a decrease in the 2018/19 year end deficit of \$594,370 in the adopted budget to a deficit of \$122,494 in the revised budget.**

ABSOLUTE MAJORITY REQUIRED

Discussion/Overview

Background

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 the monthly financial reports reflect the current financial capacity of the City.

In developing the 2018/19 budget in May 2018 the City estimated the surplus funds that would be available as at 1st July 2018 for operations and capital works to be carried out in 2018/19. This estimate was based on then available information of possible savings from operations and the completion of the capital works program.

The actual surplus available is confirmed following the completion of the independent audit of the Annual Financial Statements in November 2018.

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. The mid-year budget review, as required by the Regulations, will be carried out in January 2019.

The 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 a more meaningful monitoring of expenditure against the budget.

Consultation

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

Budget/Financial Implications

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

The implications of the recommendations in this report are summarized in the revised Rate Setting Statements for 2018/19 (Attachment 1). The estimated deficit for the year ended 30 June 2019 is \$122,494 reduced from a deficit of \$594,370 as per the adopted budget. This will be addressed further in the mid-year budget review to be conducted in January 2018.

Discussion

Operating Revenue – Net increase of \$1,688,800

The underground service project service charge was estimated at 25% affected rate payers choosing the option to pay on the single payment method, in preparation of the adopted budget. However, in reality, 72% of them have chosen to pay on the single payment method, when the rates notices were issued in July 2018. This has resulted in an increase in service charge revenue for the year by \$1,688,800.

Operating Expenses – Net increase of \$68,080

Savings of \$51,720 in interest expense for the year arising from the lower borrowings amount for the underground power project.

Some additional works for the West Hollywood underground power project of \$86,000.

Additional cost for ICT and customer services expenses of \$33,800.

Capital Works – Net increase of \$489,787

Some of the Capital works which were initially forecast to be completed within the 2017/18 financial year have been carried forward to 2018/19.

Additionally, some of the capital projects have been re-scoped with the requirement of some higher and some lower budgets. Savings have been made in the capital works program from some of the projects already completed in this financial year.

The above has resulted in an increased capital works budget to \$11,805,887 compared to the adopted budget of \$11,316,100, as detailed in Attachment 2.

Borrowings – Net decrease of \$1,661,275; and Repayment of Borrowings – Net decrease of \$152,974

Arising from the increase in the underground power service charges, the borrowings and the repayment of the borrowings is reduced by \$1,661,275 and \$152,974 respectively, as detailed in Attachment 2.

Conclusion

The objective of the recommendations in this report is to have the 2018/19 Budget updated to reflect the changes required as above which are detailed in Attachment 2.