
Governance and Administration Matters - 24 November 2020

ITEM 7.2 **Quarterly Report of the 2020/21 Operational Plan and Budget to 30 September, 2020 and Review of the Delivery Program 2018-2022**

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PURPOSE AND BACKGROUND

To present the first quarter performance against Council's 2020/21 Operational Plan activities including capital works and financial performance for the three-month period July to September 2020 and to present a revised Delivery Program to 2022.

ISSUE

This report has been prepared in accordance with the requirements of the Integrated Planning and Reporting Framework which stipulates that regular progress reports are required to be provided to Council and the community. At the City of Canterbury Bankstown, they are provided on a quarterly basis.

It demonstrates the organisation's performance during the period 1 July 2020 to 30 September 2020 in delivering the actions outlined in Council's 2020/21 Operational Plan. The Operational Plan is a key plan for our City. It translates our priorities and services, set out in our Delivery Program, into measurable actions for the financial year.

In providing information on performance measures, status of projects, highlights and achievements, this report is divided into the following components:

- Operational result;
- Capital result; and
- Financial performance.

The report also includes an update to the Delivery Program to reflect Council's approach to Rates Harmonisation and Financial Sustainability, which is a significant issue that must be considered and reflected as part of Council's priorities and resourcing. It is proposed to exhibit these changes in accordance with Integrated Planning and Reporting requirements.

RECOMMENDATION That -

1. The quarterly progress report of the 2020/21 Operational Plan at 30 September 2020 be adopted.
2. The quarterly review of the 2020/21 Budget as outlined in this report be adopted.

3. The revised Delivery Program 2018-2020 (Attachment E) be exhibited in accordance with the *Local Government Act 1993* and a further report be provided to Council detailing feedback received.

ATTACHMENTS

- A. 2020/21 Operational Plan Progress Report - Summary
- B. 2020/21 Operational Plan Progress Report - Detailed
- C. September Revision Budget Review
- D. September Revision Budget Reports
- E. Delivery Program 2018-2022

POLICY IMPACT

The quarterly review is prepared in accordance with Schedule 1 of the *Local Government Amendment (Governance and Planning) Act 2018*, which requires regular progress reports to be provided to Council and community. Council currently generates reports on a quarterly basis to ensure thorough monitoring of the commitments it has made to the community.

FINANCIAL IMPACT

The report presents Council's operating result as at 30 September 2020. It also considers the strategic intent to harmonise rates and revise our Revenue Strategy to ensure that Council remains financially sustainable in the long term.

COMMUNITY IMPACT

The report provides the community with an understanding of Council's performance in delivering its yearly Operational Plan as well as an update on the financial position as at 30 September 2020. The Delivery Program foreshadows our Revenue Strategy and gives the community an opportunity to comment on changes.

DETAILED INFORMATION

Operational Result

Broadly, Council's Operational Plan progressed well, with 82% of projects listed as complete or on track for completion in June 2020.

Attachment A provides an overview of key highlights and achievements for this quarter structured around the seven destinations. The destinations are: Safe & Strong; Clean & Green; Prosperous & Innovative; Moving & Integrated; Healthy & Active; Liveable & Distinctive; and Leading & Engaged. They help to identify how Council is progressing towards achieving the community's aspirations in each of these areas.

Detailed actions for the entire 2020/21 Operational Plan are outlined in Attachment B.

The combined attachments highlight good progress for the first quarter with many important projects progressed and firm commitments made to ensure that Council is making a solid contribution to CBCity 2028. Of note is the number of projects completed despite to COVID-19 restrictions, and the projects developed to specifically respond to community needs because of the pandemic. Highlights include:

- "CBCity Open but Different" promotion in response to COVID-19;
- Adoption 2020-21 Operational Plan and Budget;
- Launch of Mayoral Scholarship Program;
- Say NO to Domestic Violence – Say YES to Healthy Relationships;
- Community Voice Panel for Canterbury Racecourse;
- Call for comment – Thurina Park Community Centre, Griffith Park Precinct, and Paul Keating Park;
- Masterplanning commences for Bankstown and Campsie;
- Free electronic waste event;
- Biodiversity Month;
- #EatGlobalVisitLocal campaign;
- Good progress for Lang Road Pedestrian Bridge;
- Miller Road, Chester Hill upgrades complete (including new footpaths, garden bed, street furniture, bins and bike rack);
- Changerooms at Deverall Park, Condell Park complete;
- Maluga Passive Park accessible toilet complete;
- Ewen Park sportslighting installed;
- Free Twilight sports events;
- Sporting Association fees scrapped for winter season (\$260,000);
- Representations made regarding infrastructure contributions, improved funding for illegal dumping, expansion of Collection Schemes to include glass bottles, improvements to liveable housing guidelines; and for feral cats to be classified as a 'pest' species; and
- Council wins Local Government Excellence Awards for Ramadan Nights and Complete Streets programs.

Capital Result

Council's adopted Capital Works Program for 2020/21 contains an investment of approximately \$146 million.

At the close of the first quarter, 68% of Council's Capital Program was either completed, under construction or in design. Of the 58 projects complete, there were 37 roads and transport projects, 13 building projects, and eight sportsfield, playground and open space projects.

Financial Performance

Following a review of the first quarter's financial performance, Council's broader financial position continues to convey a sound and stable position and generally compares well to its budget estimates.

Having reflected all required adjustments, Council's revised Operating Result is expected to be a deficit of \$2.6M, a decrease of \$3.8M to that set as part of the original budget process. The decrease is predominantly due to operational budget carryovers of \$7.0M, as resolved by Council at the August Council meeting that are largely grant related, the recognition of new Grants & Contributions income not known at the time of preparing the original budget of \$15.2M, the prepayment of the 2020/21 Financial Assistance Grant in June 2020 of \$5.6M and the payment regarding the Georges River Footbridge of \$5.3M as resolved at the August Council meeting.

Regarding service reviews, staff realignments and quarterly budget reviews completed during the September quarter; Earlwood Children's Centre added one position as a result of increasing their licensing capacity which required one additional educator to abide by National Regulations for staff child ratios. The Customer Service unit identified that commencing February 2020, 7 additional positions will be required to effectively manage the additional calls resulting from the insourcing of the domestic waste service and household clean-up services. For this financial year, these additional costs will be offset from expected vacancy savings. This will see the existing establishment of 1457 increase to 1465.

Council's capital works and acquisition program is now expected to be \$145.6M, having increased by \$67.3M to that originally proposed. The adjustment largely relates to the need to account for carryovers (2019/20) resolved by Council at the August Council meeting and additional grant funded projects identified throughout the first quarter less projects that have been deferred. These adjustments are a part of Council's ongoing review which ensures that the capital works and acquisition program reflects the planned pattern of expenditure.

In reflecting our carryover program and other adjustments made as a part of this revision, Council's level of cash and cash equivalents are expected to increase by approximately \$2.5M (assuming no carryovers exist at 30 June 2021).

Having completed the review, Council's major ratios remain at acceptable industry levels.

Further detailed analysis regarding the September review, including the Quarterly Budget Review Statements, is provided in Attachments C and D. The review contains details of any

major variations which are reflected by the adjustments detailed in the Quarterly Budget Review Statements.

Review of the Delivery Program

Council prepares a Delivery Program every four years to align with the electoral term. The Delivery Program is effectively where Council takes ownership of the Community Strategic Plan objectives that are within its area of responsibility and, with the associated resourcing strategies, outlines the priorities and broad strategies to achieve required outcomes. Integrated Planning and Reporting legislation requires a re-exhibition where significant amendments are proposed.

The forced rates harmonisation was not meant to be dealt within this term of council. With the onset of COVID-19 the NSW Government pushed back the timing of the next local government election. Which means we must now exhibit an update to our Delivery Program that encapsulates Council's suggested approach to rates harmonisation and financial sustainability.

The key issues outlined in the revised Delivery Program are:

- Being a more resilient City, particularly in response to the devastating effects of COVID-19 world pandemic, and climate change events such as bush fires and extreme weather;
- The need to harmonise our rates in a manner that minimises the impact on our community;
- The need to introduce more equity and fairness into the current rating system for business and residential properties; and
- Exploring options with the community to secure additional funding through changes to the rating system to provide the quality of services and facilities expected by our community. Options will include special rate variations and rating category restructures.

Conclusion

The Quarterly Report (Attachments A and B) provide a progress report for the first quarter of Council's 2020/21 Operational Plan. The provision of this report ensures Council is meeting its obligations under the Integrated Planning and Report Framework and contributes to the ongoing enhancement of good governance across Council. The data contained within these reports will also be made available on Council's website.

Whilst many great outcomes have been delivered during the first three years of Council's Delivery Program, the critical issue for the future is to secure its current financial stability and sustainability, and to ensure generations to come are well placed to both benefit and enjoy living in Canterbury-Bankstown. Options for a new Revenue Strategy will be instrumental to achieving those outcomes.