

7.4. Governance and Finance Committee - Minutes 8 February 2021

AUTHOR: Ian Curry, Manager Governance & Committee Services

ENDORSED BY: Margaret Palmer, Director Corporate Services

ATTACHMENTS:

1. Minutes - 8 February 2021 [7.4.1 - 9 pages]

PURPOSE:

Council is required to consider the Minutes of this Committee under the Code of Meeting Practice.

EXECUTIVE SUMMARY:

This report presents the recommendations of the last meeting of the Governance and Finance Committee held on Monday 8 February 2021 for Council adoption. The minutes are attached for information.

FINANCIAL IMPLICATIONS:

Nil.

RECOMMENDATION:

- 1.THAT** the Quarterly Review of the Operational Plan - Oct to Dec 2020 be received. *(Item 3.1)*
- 2.THAT** the Committee notes the remedial action for those projects that were not on track for the period ending 31 December 2020. *(Item 3.1)*
- 3. THAT** the Quarterly Budget Review Statement – December 2020 report be received. *(Item 3.2)*
- 4. THAT** the revised 2020/21 Budget be adopted. *(Item 3.2)*
- 5.THAT** the report on Investments and Loan Borrowings held as at 31 January 2021 be received. *(Item 3.3)*
- 6.THAT** the requested information (GIPA Requests Impacts on Council Resources) be noted. *(Item 3.4)*
- 7.THAT** the Mayor and Deputy Mayor and General Manager or the General Manager's representative be authorised to attend the National General Assembly of Local Government, if they wish to do so. *(Item 3.5)*

8. THAT Council make a submission to the NSW Government in respect of the Exposure Draft of the Local Government Amendment (Rating) Bill 2020 as outlined in this report. *(Item 3.6)*

9. THAT the Senior Staff structure and Senior Staff positions illustrated at attachment 3 be adopted. *(Item 3.7)*

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

5. Our Civic Leadership

5.1 Council leads the strategic direction of North Sydney

BACKGROUND

In accordance with Council's Code of Meeting Practice:

20.24 The minutes of meetings of each Committee of the Council must be confirmed at a subsequent meeting of the committee.

The Charter of the Governance and Finance Committee states:

11.3 The recommendations arising at Committee meetings are to be submitted to the next available Council meeting for adoption. Any Councillor, irrespective of whether that Councillor is a member that Committee may be the mover or seconder of such recommendations.

CONSULTATION REQUIREMENTS

Community engagement is not required.

DETAIL

This report presents the recommendations of the last meeting of the Governance and Finance Committee held on 8 February 2021 for Council adoption. The minutes are attached for information.

Minute Book Page No 1

NORTH SYDNEY COUNCIL

REPORT OF GOVERNANCE & FINANCE COMMITTEE

SUBJECT: PROCEEDINGS OF COMMITTEE AT MEETING HELD IN THE SUPPER ROOM AT THE COUNCIL CHAMBERS, NORTH SYDNEY, ON MONDAY 8 FEBRUARY 2021 AT 6.00PM.

PRESENT

Councillor Gibson in the Chair, Councillors Mutton, Barbour, Brodie, Keen, Baker, Carr and Drummond (from Item 3.4)

Staff: Ken Gouldthorp, General Manager
Margaret Palmer, Director Corporate Services
Darren Goode, Manager Accounting Services
Jenny Gleeson, Manager Integrated Planning & Special Projects
Ian Curry, Manager Governance & Committee Services (Minutes)
Josh Jongma, Governance Coordinator

Visitors: Nil

Apologies were received from Councillors Beregi and Gunning.

At the commencement of business (6.05pm) Councillors present were:
Councillor Gibson in the Chair, Councillors Mutton, Barbour, Brodie, Keen.

Councillors Baker and Carr were present remotely at the commencement of business.

Declarations of Interest

Nil

1. Minutes

The Minutes of the previous meeting held on 9 November 2020, copies of which had been previously circulated, were taken as read and confirmed.

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The Motion was moved by Councillor Barbour and seconded by Councillor Mutton.

Voting was as follows:

For/Against 7/0

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Absent | |
| Keen | Y | | Gunning | Absent | |
| Brodie | Y | | Mutton | Y | |
| Carr | Y | | Baker | Y | |

2. 3.1 Operational Plan Quarterly Performance Review Oct to Dec 2020

Report of Sarah Malcom, Corporate Planning Coordinator

In accordance with Statutory requirements this Quarterly Review reports project status updates against Delivery Program projects scheduled to have commenced or in progress in Q2 2020/21 and reviews the biannual result for cross functional operational key performance indicators (KPIs). The Operational Plan 2020/21, i.e. Year 3 of the Delivery Program 2018/19-2021/22, was adopted on 27 July 2020 and commenced 1 July 2020. The adopted Delivery Program includes projects and services. This Quarterly Review includes a status update of these projects and cross functional operational key performance indicators (KPIs). It is a statutory IPR requirement to present the biannual performance reports against the Delivery Program to the Council. Attachment 1 details the performance against projects by operational view (by Division) for the period 1 September to 31 December 2020. In summary, 269 projects were scheduled to commence/continue this quarter. 93% projects are on track (green and blue status) and 7% projects are behind schedule/delayed (red and amber status). 2 projects were discontinued (1.4.1.29 and 1.4.1.35). These projects are not included in the % analysis.

Recommending:

1. THAT the Quarterly Review of the Operational Plan - Oct to Dec 2020 be received.
2. THAT the Committee notes the remedial action for those projects that were not on track for the period ending 31 December 2020.

The Motion was moved by Councillor Keen and seconded by Councillor Barbour.

The Motion was put and carried.

Resolved to Recommend

1. THAT the Quarterly Review of the Operational Plan - Oct to Dec 2020 be received.
2. THAT the Committee notes the remedial action for those projects that were not on track for the period ending 31 December 2020.

Voting was as follows:

For/Against 7/0

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Absent | |
| Keen | Y | | Gunning | Absent | |
| Brodie | Y | | Mutton | Y | |
| Carr | Y | | Baker | Y | |

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3. 3.2 Quarterly Budget Review – December 2020

Report of Darren Goode, Manager Accounting Services

This report should be read in conjunction with Item 3.1 Q2 Review of the Operational Plan 2020/21. The purpose of this report is to inform Council of the results of the review of the budget for the quarter ended 31 December 2020 and to seek approval to make the necessary adjustments to the 2020/21 budget to reflect the current projected estimates of income and expenditure for the year. The 2020/21 Original Budget forecast a net operating deficit before capital grants and contributions of \$2.4 million and a net operating surplus of \$1 million after capital grants and contributions. It was necessary to make some adjustments to the budget at the end of the September quarter and these were reported to the Governance & Finance Committee on 9 November 2020 (Item 3.2). After the adjustments, the forecast net operating result before capital grants and contributions was a deficit of \$11.5 million which was a deterioration of \$9.1 million from the \$2.4 million deficit forecast in the Original Budget. The forecast net operating result after capital grants and contributions was a deficit of \$2.8 million. At the end of the December quarter, actual operating income was \$2.6 million (2.9%) above the year-to-date current budget and actual operating expenditure was \$2.1 million (4.4%) below the year-to-date current budget. After the proposed adjustments disclosed within this report, the forecast net operating result for 2020/21 before capital grants and contributions is a deficit of \$9.9 million which is an improvement of \$1.6 million from the \$11.5 million deficit forecast at the end of the September quarter. The main reasons for this were an increase in forecast revenue from parking meter takings and the development compliance levy, offset by a decrease in forecast revenue from bus shelter advertising and construction zone fees. With a \$2.9 million increase in capital grants, the forecast operating result after capital grants and contributions is now a surplus of \$1.6 million. Following the letting of the construction contract for the redevelopment of the North Sydney Pool, \$18 million of capital funding will be rephased from 2020/21 to 2021/22 in line with the construction program and associated cash flow estimates for the project.

Excluding plant replacement and the purchase of the Quarantine Boat Depot, the revised capital expenditure budget for 2020/21 is \$47.7 million. To ensure that the budget remains balanced, the forecast net drawdown from reserves is \$14.5 million.

Recommending:

1. **THAT** the Quarterly Budget Review Statement – December 2020 report be received.
2. **THAT** the revised 2020/21 Budget be adopted.

The Motion was moved by Councillor Mutton and seconded by Councillor Barbour.

The Motion was put and carried.

Resolved to Recommend

1. **THAT** the Quarterly Budget Review Statement – December 2020 report be received.
2. **THAT** the revised 2020/21 Budget be adopted.

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Voting was as follows:

For/Against 5/2

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Absent | |
| Keen | Y | | Gunning | Absent | |
| Brodie | Y | | Mutton | Y | |
| Carr | | N | Baker | | N |

6.30pm Cr Drummond arrived at the meeting during consideration of Item 3.4

4. 3.3 Investments and Loan Borrowings Held as at 31 January 2021

Report of Gary Ross, Manager Financial Services

This report provides details of the performance of Council's investment portfolio and borrowing limits for the period ending 31 January 2021.

Investment Portfolio: The Investment portfolio (cash and investments) held as at 31 January 2021 had a market value of \$98.2 million, with an annualised return of 1.77% for the year to date, 1.48% above the reportable BBSW Bank Bill Index of 0.29%. The total funds under investment decrease during January by \$3.0 million. This movement reduced the cash balance of the portfolio as these funds were required to pay contractors for completed works associated with infrastructure improvement and other operational liabilities. The actual investment returns for the year to date as at 31 January 2021 were \$855,457 which was \$11,467 less than the year to date budgeted estimate. During the month, no investment transactions occurred, other than interest payments. Council will see a decline in interest income over the next 12 months, with the RBA indicating interest rates need to be cut and remain low until their objectives of full employment and reduced inflation are reached. Council's cashflows continue to be monitored and assessed as the financial impacts of COVID-19 pandemic evolve. Any surplus funds will be invested in accordance with the Investment Policy.

Borrowings: Council entered into a fixed interest loan of \$9.5 million with quarterly interest and principal payments on 31 July 2018. The principal outstanding as at 31 January 2021 is \$7,468,761.18. Council has made provision for future borrowings of \$31 million to assist in the funding to complete the redevelopment of North Sydney Olympic Pool.

Recommending:

1.THAT the report on Investments and Loan Borrowings held as at 31 January 2021 be received.

The Motion was moved by Councillor Brodie and seconded by Councillor Drummond.

The Motion was put and carried.

Resolved to Recommend

1.THAT the report on Investments and Loan Borrowings held as at 31 January 2021 be received.

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Voting was as follows:

For/Against 6/2

| Councillor | Yes | No | Councillor | Yes | No |
|------------|-----|--------|------------|-----|--------|
| Gibson | Y | | Barbour | Y | |
| Beregi | | Absent | Drummond | Y | |
| Keen | Y | | Gunning | | Absent |
| Brodie | Y | | Mutton | Y | |
| Carr | | N | Baker | | N |

5. 3.4 Response to Mayoral Minute – GIPA Requests Impacts on Council Resources

Report of Emily Page, GIPA Officer

The purpose of the report is to provide the requested information related to the resolution of the 3737th Council Meeting - 26 October 2020 for MM03: GIPA Requests - Impacts on Council Resources. This information below outlines the volume and nature of GIPA (Government Information Public Access Act 2009) requests as well as indicates the workload involved to process these requests. At the 3737th Council Meeting - 26 October 2020 for MM03: GIPA Requests - Impacts on Council Resources, the following resolution was determined;

1. *THAT a report be prepared for the Governance and Finance Committee outlining the number of Informal and Formal GIPA requests received since 1 October 2017.*
2. *THAT the report identify the source of all GIPA applications, including the number submitted by Councillors*
3. *THAT the report identify topics of the GIPA applications, the level of complexity/ resource intensity of each request and the average processing time*
4. *THAT the report identify whether there is information that could be provided on the Council website to disseminated via Information Session to the community or Councillors to reduce the number of requests*

Since 1 October 2017, there has been 3,128 GIPA applications with 2,881 (92.1%) Informal GIPA applications and 247 (7.9%) Formal GIPA Applications. 27 total applications were received from three different Councillors. 20 of these applications were from a single Councillor. Of all applications received, there have been three requests for an internal review in that time due to the applicant being dissatisfied with the response, and a further three external reviews for further dissatisfaction with two being considered by the IPC (Information and Privacy Commission NSW) and one by NCAT (NSW Civil and Administrative Tribunal.) External reviews in particular require significant time and expense from Council to respond and support. The external IPC reviews resulted in some, relatively minor, recommendations in respect to the form of the disclosure notices; but no substantive findings in respect to the records provided. The NCAT matter was withdrawn by the applicant after mediation with no additional disclosure from Council. Using data from 2019-2020, 30% of Formal applications received in 2019-2020 were from Private Business while 60% were the general public, leaving 9% with legal representatives and 1% from the Media. The majority of requests are in relation to property information, more specifically Development Applications and associated documents, making up approximately 47% of applications. A further 14.3% of applications are for Complying Development Consents, Occupation Certificates and Construction Certificates. Although there is a great deal of variation in the workload involved in different requests based on the age of the documents, the scope of the request and the number of third parties or stakeholders that might be involved to

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obtain the information, time in motion and sample handling time studies indicate an average of 2.2 hours per application for GIPA and Document Management Services staff to process. This average is significantly influenced by the large number of very specific requests that can be addressed quickly. The handling time for some requests can be much longer. This is particularly the case when the applicant submits very broad-based requests evidently searching for possible information rather than asking for specific information that is known to exist. This searching for information is generally associated with searches initiated for potential legal litigation or dispute purposes. Every effort is made sincerely to locate requested information once a GIPA application has been assessed, however should documents not be located, the most likely reason is that a document that matches the request does not exist. It is important to understand that GIPA provides a means of accessing pre-existing records. It does not require agencies to research and create additional information. In 2020, Council clarified its position on Planning and Public Exhibition submissions as Open Access Information. Planning submissions are now available via DA tracking. This is expected to reduce the number of GIPA requests substantially. There is an opportunity to investigate the publication of additional open access information and proactively release further documents for the general public. This will assist and streamline our resources. Given what is currently made available, and what does require some assessment to ensure we maintain Privacy Act obligations, the following type of documents may well be useful to explore making available via Council's website much as current DA's are;

- Planners assessment/ delegated reports
- Construction Certificates
- Occupation Certificates
- Complying Development Certificate

Recommending:

1.THAT the requested information be noted.

The Motion was moved by Councillor Barbour and seconded by Councillor Brodie.

The Motion was put and carried.

Resolved to Recommend

1.THAT the requested information be noted.

Voting was as follows:

For/Against 8/0

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Y | |
| Keen | Y | | Gunning | Absent | |
| Brodie | Y | | Mutton | Y | |
| Carr | Y | | Baker | Y | |

6. 3.5 2021 National General Assembly of Local Government – Attendance and Motions

Report of Ian Curry, Manager Governance and Committee Services

To consider attendance and submission of Motions to the 2021 National General Assembly of Local Government. The 2021 National General Assembly of Local

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Government (NGA) will be held in Canberra from 20-23 June 2021, under the title “Working Together for our Communities”. The Australian Local Government Association (ALGA) Board is calling for motions for the 2021 NGA. To assist councils in preparing motions, a Discussion Paper has been prepared by the ALGA and is attached to this report (Attachment 1).

Recommending:

1. **THAT** Council determine the number of Councillors to attend the 2021 National General Assembly of Local Government.
2. **THAT** Council determines whether it wants to submit any Motions to the 2021 National General Assembly of Local Government.

A Motion was moved by Councillor Keen and seconded by Councillor Barbour.

1.THAT the Mayor and Deputy Mayor and General Manager or the General Manager’s representative be authorised to attend the National General Assembly of Local Government, if they wish to do so.

The Motion was put and carried.

Resolved to Recommend

1.THAT the Mayor and Deputy Mayor and General Manager or the General Manager’s representative be authorised to attend the National General Assembly of Local Government, if they wish to do so.

Voting was as follows:

For/Against 8/0

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Y | |
| Keen | Y | | Gunning | Absent | |
| Brodie | Y | | Mutton | Y | |
| Carr | Y | | Baker | Y | |

7. 3.6 Draft Submission - Exposure Draft of the Local Government Amendment (Rating) Bill 2020

Report of Jenny Gleeson, Manager Integrated Planning and Special Projects

This report seeks the Council’s endorsement of the draft submission (Attachment 1) in response to the Exposure Draft of the Local Government Amendment (Rating) Bill 2020. If endorsed Council will be making a late submission; as it is noted that the timing of this consultation is problematic, with the exhibited documentation released just prior to Christmas and the submission date of 5 February 2021 closing prior to the majority of councils holding their first meeting for 2021 On 22 December 2020, the NSW Government released the Exposure Draft of the Local Government Amendment (Rating) Bill 2020 for public comment, its response to IPART’s review of the local government rating system (2016). This is the next stage in the long awaited review of the NSW Rating System. All feedback will inform the preparation of the final Bill for introduction to Parliament in early 2021. Allowing application effective from 2021/22. Council made a detailed submission to the previous consultation round (2019), responding to the initial IPART recommendations that the NSW Government had released for comment. Council’ position as detailed in the 2019 submission has been

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re-emphasised in Attachment 1 where relevant. It acknowledged that while the Exposure Draft Bill is a welcomed step towards an improved rating system with increased flexibility, the proposed reforms do not address all concerns raised by councils in the previous consultation rounds. The move to Capital Improved Value as the basis for setting ad valorem rates has been discounted by the NSW government at this time. In the consultation guide accompanying the Exposure Draft Bill, further stages of consultation have been foreshadowed. The NSW Government has commissioned IPART to prepare a report recommending a revised rate peg methodology, that allows the general income of councils to be varied annually in a way that accounts for population growth. The expected release of IPART's report is September 2021.

Recommending:

1. THAT Council make a submission to the NSW Government in respect of the Exposure Draft of the Local Government Amendment (Rating) Bill 2020 as outlined in this report.

The Motion was moved by Councillor Barbour and seconded by Councillor Brodie.

The Motion was put and carried.

Resolved to Recommend

1. THAT Council make a submission to the NSW Government in respect of the Exposure Draft of the Local Government Amendment (Rating) Bill 2020 as outlined in this report.

Voting was as follows:

For/Against 8/0

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|-----|--------|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Y | |
| Keen | Y | | Gunning | | Absent |
| Brodie | Y | | Mutton | Y | |
| Carr | Y | | Baker | Y | |

8. 3.7 Establishment of Senior Staff Position - Governance

Report of Ken Gouldthorp, General Manager

To seek Council endorsement to establish a Senior Staff position responsible for the Governance function. In February 2020, a Temporary Executive Manager Governance position was established. The temporary role concludes in mid-February. In the last six months two managerial positions, Manager Risk and Manager Document Services, have become vacant as a result of natural attrition and not replaced. It is now proposed to establish a permanent Senior Staff position reporting directly to the General Manager in order to consolidate the Governance function currently spread across a number of departments and improve the organisation's Governance capacity.

Recommending:

1. THAT the Senior Staff structure and Senior Staff positions illustrated at attachment 3 be adopted.

The Motion was moved by Councillor Keen and seconded by Councillor Drummond.

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The Motion was put and carried.

Resolved to Recommend

1.THAT the Senior Staff structure and Senior Staff positions illustrated at attachment 3 be adopted.

Voting was as follows:

For/Against 6/2

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Beregi | Absent | | Drummond | Y | |
| Keen | Y | | Gunning | Absent | |
| Brodie | Y | | Mutton | Y | |
| Carr | | N | Baker | | N |

The meeting concluded at 7.06pm.

CHAIRPERSON

GENERAL MANAGER

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