



BUSINESS PAPER

EXTRAORDINARY MEETING OF COUNCIL

To be held on

Tuesday, 22 December 2020
4pm

at

Armidale Council Chambers

Members

Councillor Ian Tiley (Mayor)
Councillor Debra O'Brien (Deputy Mayor)
Councillor Peter Bailey
Councillor Jon Galletly
Councillor Andrew Murat
Councillor Margaret O'Connor
Councillor Dorothy Robinson

AGENDA

INDEX

1	Civic Affirmation and Acknowledgement of Country	
2	Statement in relation to live streaming of Council Meeting	
3	Apologies and applications for leave of absence by Councillors	
4	Disclosures of Interests	
5	Mayoral Minute	
5.1	Mayoral Minute: Council facilities for Mayor	3
5.2	Mayoral Minute: Planning Inspections	4
5.3	Mayoral Minute: Reduction of Councillor numbers	5
5.4	Mayoral Minute: Code of Meeting Practice Introduction of Presentations	6
5.5	Mayoral Minute: Councillor tours and community engagement arrangements	7
6	Leadership for the Region	
6.1	General Manager Performance Review Committee	8
6.2	Performance Improvement Order	10
6.3	Appointment of Financial Controller/Temporary Advisor	13
6.4	Decisions taken during Administration Period	15
6.5	Organisation Status Report	17
7	Our People and Community	
7.1	Guyra Preschool and Long Daycare Centre	22
8	Close of Extraordinary Meeting	

Item: 5.1 **Ref:** AINT/2020/45098
Title: Mayoral Minute: Council facilities for Mayor **Container:** ARC20/4437
Responsible Officer: Mayor
Author: Ian Tiley, Mayor
Attachments: Nil

1. Purpose

The purpose of this report is to inform the community on cost saving measures proposed by the Mayor.

RECOMMENDATION:

That Council note the information provided in this report.

As Mayor, I seek to provide some cost savings to Council, given that the governing body needs to keep a tight reign of expenditure as one means of achieving long term financial sustainability.

I inform Council that I will not be using the vehicle provided for the Mayor, unless for travel on Council business outside the Council area. Rather, I will use my own private vehicle at my cost. The present Mayoral vehicle will become a pool vehicle which should provide some cost saving.

I also advise that I will not accept a Council owned phone but will continue to use my own mobile phone at my cost. My mobile number for benefit of constituents is 0438645433.

Additionally, I will not use the Council provide computer in Mayor's office but will use my own personal laptop at my cost.

Cr Tiley
Mayor
16 December 2020

Item:	5.2	Ref: AINT/2020/45099
Title:	Mayoral Minute: Planning Inspections	Container: ARC20/4437
Responsible Officer	Mayor	
Author:	Ian Tiley, Mayor	
Attachments:	Nil	

1. Purpose

The purpose of this report is for Council to consider on-site inspections for Development Applications.

RECOMMENDATION:

That Council:

- a. Introduce on-site inspections for substantial and potentially controversial Development Applications and also for other major or contentious matters or work site inspections.**

- b. Request the General Manager to prepare procedures to give effect to this proposal.**

At the 14 December 2020 Extraordinary Council meeting I foreshadowed that planning inspections would be introduced for all substantial and controversial Development Applications and also for other major or contentious matters and occasionally for project site inspections.

The purpose of inspections would be to enable the members of governing body to be well briefed on important matters and to visually appreciate the matter(s) under consideration. The Mayor would Chair and tightly control the on-site inspections to be conducted possibly on the Monday prior to the scheduled Council meeting. The Interim General Manager has undertaken to prepare a set of general procedures to be observed.

The inspections would be limited to:

- Development Applications beyond the delegations of staff.
- Development Applications which the staff deem to be controversial or substantial.
- Proposals which will go before the Joint Regional Planning Panel, or are State Significant Developments where Council may consider it needs to or will make a submission.

A staff member would introduce the matter under consideration. The opportunity would then be afforded to the proponent(s) and objectors to briefly address the Councillors who would be able to ask questions. Proponents and objectors could alternately elect to speak in the 'Have your Say' segment of the Council meeting.

I used this engagement mechanism successfully for several years in regard to major coastal development applications, as well as when Administrator in 2016-17. The process would also enhance transparency and trust.

Cr Tiley
Mayor
16 December 2020

Item:	5.3	Ref: AINT/2020/45100
Title:	Mayoral Minute: Reduction of Councillor numbers	Container:
	ARC20/4437	
Responsible Officer	Mayor	
Author:	Ian Tiley, Mayor	
Attachments:	Nil	

1. Purpose

For Council to consider a Constitutional Referendum for the purpose of reducing the numbers of Councillors elected to Council.

RECOMMENDATION:

That Council notify the NSW Electoral Commission that it wants to undertake a Constitutional Referendum in conjunction with the 4 September 2021 Council election to reduce the number of Council elected representatives from eleven to nine councillors.

The matter of the possible reduction in the number of Armidale Regional Council councillors from eleven to nine has been informally discussed by councillors. The Member for Northern Tablelands Hon Adam Marshall, when meeting with Councillors immediately after the last State election, stated that he would be supportive of such a proposal.

The proposal would require a Constitutional Referendum of electors in conjunction with the 4 September 2021 Council election and would not take effect, if successful, until the 2024 election.

The decision made at a Constitutional Referendum is binding on the Council. The result would then be conveyed to the Minister for Local Government.

There is a view that the number of elected representatives could be reduced without adversely impacting local democracy. Councils such as, for example, Tamworth Regional and Clarence Valley have almost double the population of the Armidale Regional Council with nine councillors.

There would be some cost savings with two fewer Councillors. There would be less unwieldy servicing of Councillors

Prior to the conduct of the Constitutional Referendum, Council should canvass with the electors the arguments for and against such a proposal. Independent research could be conducted to properly prepare those views.

An important consideration would be to endeavour to ensure appropriate representation on Council from residents of the former Guyra Shire.

My view and experience is that with eleven Councillors, it could be argued that our constituents are unnecessarily over-governed and that a reduction in Councillor numbers would enhance good governance.

Cr Tiley
Mayor
16 December 2020

Item:	5.4	Ref: AINT/2020/45143
Title:	Mayoral Minute: Code of Meeting Practice Introduction of Presentations	Container: ARC16/0620
Responsible Officer	Mayor	
Author:	Ian Tiley, Mayor	
Attachments:	Nil	

1. Purpose

For Council to consider a new agenda item of Presentations.

RECOMMENDATION:

That Council, in conjunction with the current mandatory review of the Code of meeting Practice, provide in the order of business, a new agenda item of Presentations.

Council is required to review its Code of Meeting Practice within three months. It is considered important to enable presentations at open Council meetings by community groups and organisations as well as Commonwealth and State bureaucracies. Such presentations would be of a maximum of 15 minutes duration and limited to two per meeting.

It is important that Council and the community are well briefed on the salient issues of the day. As we know, with for example bush fires, drought, COVID-19, and various government programs and opportunities the need for quality and timely data is very obvious. Presentations would also give local groups and organisations to convey their aspirations and needs to the governing body.

Cr Tiley
Mayor
17 December 2020

Item:	5.5	Ref: AINT/2020/45181
Title:	Mayoral Minute: Councillor tours and community engagement arrangements	Container: ARC16/0025
Responsible Officer	Mayor	
Author:	Ian Tiley, Mayor	
Attachments:	Nil	

1. Purpose

For Council to consider a number of engagement proposals.

RECOMMENDATION:

That Council endorse the engagement proposals contained in this minute and request the General Manager to make the necessary arrangements.

In my acceptance speech on 14 December 2020, I foreshadowed a number of intended approaches to enhance engagement of Council with the Armidale regional community. I now seek Council's formal endorsement of these proposals.

It is proposed that on Saturdays in February and March 2021, as many Councillors as are available and a senior staff member will travel to the rural areas and meet at least two or possibly three local communities. Furthermore 'town hall' style meetings will also be offered in Armidale and Guyra. Our primary purpose will be to listen to the constituents and to inform them of Council's major current initiatives and actions.

The Mayor would chair these meetings with minutes taken and then placed before a following Council meeting. Some matters may be routine maintenance, others may require Council to reconsider works priorities or make representations on behalf of the local community to our State or Federal parliamentary representatives.

It is also proposed that return visits will be conducted when Council consults in May and June 2021 regarding next year's Operational Plan and Budget.

Councillors are also agreed that we will be very willing to address as guest speakers the various local groups and organisations.

The Mayor and Councillors intend to attend local coffee shops and public spaces in rotation each week to meet informally with constituents. Council's website will provide details.

The returned Council is determined to work as a team and to do our best to restore trust and confidence in the governing body.

Cr Tiley
Mayor
17 December 2020

Item:	6.1	Ref: AINT/2020/45040
Title:	General Manager Performance Review Committee ARC20/4448	Container:
Responsible Officer	Interim General Manager	
Author:	John Rayner, Interim General Manager	
Attachments:	Nil	

1. Purpose

Council needs to appoint a committee to agree with the General Manager of his Performance Agreement.

RECOMMENDATION:

That Council:

- a. Appoint a Councillor to the General Manager's Performance Review Committee.**
- b. Subject to the agreement of the General Manager engage Local Government NSW to assist with the performance review process.**

3. Background

The General Manager's Contract of Employment provides that within 3 months after the commencement date, the employee and Council will sign a performance agreement setting out agreed performance criteria.

Local Government NSW, as part of its contract to recruit a General Manager, is required to prepare a draft performance agreement. This is underway now.

Within 2 months after signing or varying the performance agreement, the employee will prepare and submit to Council an action plan which sets out how the performance criteria are to be met.

Council will ensure that the employee's performance is reviewed (and, where appropriate, the performance agreement varied) at least annually. Any such review is to have regard to the performance criteria.

4. Discussion

The General Manager is made accountable to the Council principally through their contract of employment.

The role of the Council is to oversee the General Manager's performance in accordance with the Contract.

Council needs to establish a performance review panel and delegate the task of performance reviews of the General Manager to this panel. The extent of the delegation should be clear.

The Office of Local Government recommends that the whole process of performance management be delegated to the performance review panel, including discussions about performance, any actions that should be taken and the determination of the new performance agreement.

Performance review panels should comprise the Mayor, the Deputy Mayor, another councillor nominated by Council and a Councillor nominated by the General Manager. Council may also consider including an independent observer on the panel. Panel members should be trained in the performance management of General Managers.

The role of the review panel includes:

- Conducting performance reviews
- Reporting the findings and recommendations of those reviews to Council
- Development of the performance agreement.

The Council and the General Manager may agree on the involvement of an external facilitator to assist with the process of performance appraisal and the development of new performance plans. This person should be selected by the governing body of council or the performance review panel.

All Councillors not on the panel can contribute to the process by providing feed back to the Mayor on the General Manager's performance.

5. Implications

5.1. Policy

The proposal put forward in this report is consistent with past practice of the Council and the Office of Local Government guidelines.

5.2. Risk

The performance of the General Manager will be key to the success of the Council.

Agreement on the performance requirements and regular reviews of performance will ensure that the General Manager and Council have agreement on what needs to be accomplished.

5.3. Sustainability

Sustainability of the organisation relies on the harmony and the productive relationship between Council and the General Manager.

5.4. Financial

There will be a cost to engage LG NSW in the review process.

6. Consultation and Communication

Communication and understanding between Council and the General Manager on performance requirements will assist in progressing the direction of the Council

7. Conclusion

The approach proposed in this report is regarded as best practice in performance agreements between Council and the General Manager.

Item:	6.2	Ref: AINT/2020/45051
Title:	Performance Improvement Order	Container: ARC16/0522-3
Responsible Officer	Interim General Manager	
Author:	John Rayner, Interim General Manager	
Attachments:	1. Performance Improvement Order - 9 December 2020	

1. Purpose

To advise Council on the detail and the requirements of the Performance Improvement Order served by the Minister for Local Government on the Council.

RECOMMENDATION:

That Council receive and note the report.

3. Background

Following receipt by Council of a draft Performance Improvement Order, the Minister for Local Government, on 9 December 2020, issued a Performance Improvement Order (PIO) on Armidale Regional Council.

As required by law the PIO was tabled at the Council meeting on 9 December 2020 and is available on Council's website. The issue of the order coincided with the end of the six month suspension of the elected Councillors.

4. Discussion

The PIO is issued under Section 438A of the *Local Government Act*. The PIO is an attachment. The Minister must give reasons for the order (Section 438A(3)(a)) of the Act.

Those reasons included:

- Deficiencies in governance practices.
- Non compliance with Legislation.
- Low rate of declarations of conflicts of interest.
- Poor information management practices.
- Poor risk management practices.
- Lack of oversight of procurement.
- Not meeting OLG capital expenditure guidelines.
- Poor financial management.
- Council's cash position 'remains tenuous'.

The Minister, in her PIO, also listed the required performance of the Council including:

- To terminate the General Manager's contract, change delegations, amend the Councillor/Staff interaction Policy and to restructure the organisation, concurrence of the Deputy Secretary, Local Government, Planning and Policy must be obtained.
- Requirement to review the code of meeting practice by the 9 March 2021.

- Implementation of recommendations from:
 - Review of governance arrangements.
 - Review of Council Leased Portfolio.
 - Review of Council Finances.
- Councillor workshops to be open to the public.
- Developing a Councillor request system by 9 January 2021.
- Ensure resources are provided to the General Manager to maintain governance standards, deliver the operational plan, maintain infrastructure and improve financial ratios.
- Improve financial monitoring and reporting.
- Prepare an improvement plan with timeframes requiring all improvements by 4 September 2021.

The Minister has appointed a financial controller and a temporary advisor (being the same person).

Period of compliance with Order

The Minister has set timeframes for Compliance with the order

Compliance report one: A report on the implementation of action item 10 is due six weeks from the commencement of this order.

Compliance report two: A report on the amendments to the code of meeting practice (action items 7 and 8) is due four months from the commencement of this order.

Compliance report three: A report on the implementation of the governance review, finance review and land management review recommendations (action items 4, 5 and 6) are due six months from the commencement of this order.

Final compliance report: A report on Council's compliance with actions in this order is due on 4 September 2021.

Evidence to be provided with the compliance report

Compliance report one: A copy of the councillor request system rules to be provided.

Compliance report two: A copy of the amended code of meeting practice is to be included with the compliance report.

Compliance report three: A copy of the recommendations and actions taken is to form the compliance report.

5. Implications

5.1. Policy

The order identifies numerous failings, particularly in compliance and governance, and in Council's overall performance and financial management.

5.2. Risk

Council will need to place the PIO as its highest priority between now and 4 September 2021.

Council faces reputational risk if it does not progress the order and the Minister has the option of taking further action if she is not satisfied with Council's progress.

5.3. Sustainability

The implementation of the recommendations is essential if Council:

- Is to be financially sustainable.
- Is to gain trust and reputation with the community.
- Is able to attract and retain quality staff.

5.4. Financial

Council has resolved to find \$500,000 in the current budget to assist with the implementation. The way this sum will be allocated has not been determined. Some funds will go to staffing and other assist with implementation.

6. Consultation and Communication

As required under the *Local Government Act* the Performance Improvement Order has been tabled at a meeting of the Council and is on Council's website.

7. Conclusion

Being the recipient of the Performance Improvement Order means that Council has a considerable challenge ahead of it to meet the requirements of the order. It will be a priority of staff to assist the Council in complying with the order. Council will need to appreciate the enormity of the task and not divert staff resources away from getting its performance to the standard expected by the Minister.

Item:	6.3	Ref: AINT/2020/45078
Title:	Appointment of Financial Controller/Temporary Advisor	Container: ARC20/4108
Responsible Officer	Interim General Manager	
Author:	John Rayner, Interim General Manager	
Attachments:	Nil	

1. Purpose

This report explains the role and responsibilities of the Financial Controller/Temporary Advisor appointed by the Minister for Local Government to oversee the Council's response to the Performance Improvement Order.

RECOMMENDATION:

That Council receive and note the report.

3. Background

As part of the Performance Improvement Order(PIO) served on Council, the Minister for Local Government has appointed Mr John Rayner as the Financial Controller and Temporary Advisor to Armidale Regional Council.

4. Discussion

Pursuant to section 438HB of the *Local Government Act 1993*, Mr John Rayner has been appointed by the Minister as a financial controller to Armidale Regional Council to:

- a. Undertake the role of financial controller as provided in section 438HC of the Act;
- b. Implement financial controls;
- c. Provide advice on the adequacy of Council's assessment of its current financial position and make any recommendations to improve Council's immediate financial position;
- d. Provide advice on the adequacy of Council's financial accounting, monitoring and reporting systems and internal controls and make recommendations to improve Council's processes;
- e. Monitor the council's compliance with the performance improvement order; and
- f. Provide advice on the adequacy of Council's financial position and control environment at the end of the order implementation.

This appointment will cease upon the Financial Controller providing a report to the Minister on Council's final compliance report and financial position, due on 4 September 2021.

Under section 438G of the *Local Government Act 1993*, the Minister also appointed Mr John Rayner as a temporary adviser to Armidale Regional Council to:

- a. Observe Council meetings for the purpose of ensuring Council is complying with the code of meeting practice in respect of meeting procedures and dealing with acts of disorder;

- b. Observe Council workshops and councillor briefings for the purpose of ensuring that no decisions are made at those sessions;
- c. Provide advice in relation to the implementation of the recommendations from the governance review;
- d. Provide advice and assistance to the council for the purpose of ensuring that it complies with the performance improvement order; and
- e. Monitor the council's compliance with the Performance Improvement Order.

This appointment will cease upon the temporary advisory providing a report to the Minister on Council's final compliance report.

5. Implications

5.1. Policy

There are no Council policies applicable to the appointment, although through the process of complying with the PIO a number of policies, processes and systems will be put in place.

5.2. Risk

Council is currently exposed to financial risk and the risk of the Minister taking further action if the PIO is not complied with. It is noted in the Mayoral Minute of 14 December 2020 "we will adhere diligently to the Minister's PIO and to address the various discovered issues."

5.3. Sustainability

The implementation of the recommendations is essential if Council:

- Is to be financially sustainable.
- Is to gain trust and reputation with the community.
- Is able to attract and retain quality staff.

5.4. Financial

The cost of the Financial Controller/Temporary Advisor will be met by Council.

6. Consultation and Communication

It will be necessary for the Financial Controller/Temporary Adviser to communicate regularly with Council.

Under Section 438H and Section 438C of the *Local Government Act* Council is to give the Financial Controller/Temporary Advisor an opportunity to review any proposed compliance report at least 14 days before it is given to the Minister.

7. Conclusion

The Financial Controller/Temporary Advisor will have an important role in assisting the Council in its compliance with the Performance Improvement Order.

Item:	6.4	Ref: AINT/2020/45082
Title:	Decisions taken during Administration Period ARC16/0001-5	Container:
Responsible Officer	Interim General Manager	
Author:	John Rayner, Interim General Manager	
Attachments:	1. Significant Council Decisions from June 2020	

1. Purpose

This report is in response to the Mayor's Minute which included:

"I now request a special open to the public council meeting early next week so that Mr Rayner and his senior staff may brief the governing body on the Council resolutions and actions taken under the past six months of administration."

RECOMMENDATION:

That Council receive and note the report.

3. Background

During the 6 month period of suspension of Councillors the Interim Administrator continued meetings of the Council.

4. Discussion

The attachment lists important decisions of the Council during that time. Councillors can obtain further information on the background to the decisions by accessing the reports and attachments.

Please note that Council cannot rescind any decision of that period unless the proper process is followed under the Code of Meeting Practice.

During the period under Administration the business of the Council continued, particularly in seeking grants and policy development.

Of significance is the volume of work which went to Council for decision, identifying a clear separation of policy and operational decision making.

Also, it was rare for a matter to be considered in confidential session. This was a deliberate strategy to be open and transparent in decision making.

5. Implications

5.1. Policy

Any changes to decision will need to go through proper processes under the Code of Meeting Practice.

5.2. Risk

Many of the decisions were taken to improve governance and reduce financial risk in the future.

5.3. Sustainability

Decisions were taken to ensure the Council's financial sustainability and there was no risk to environmental sustainability.

5.4. Financial

Proper concern was taken for the financial capacity of the Council and the value Council would receive in return for its funding to external bodies. Council also took opportunities available to obtain grant funding.

6. Consultation and Communication

Since merger there had been little action to harmonise and review policies of the former Councils. Numerous policies have now been reviewed and have been or are on public exhibition. The remaining policies will be provided to Council early in 2021 for consideration by Council followed by community consultation.

7. Conclusion

During the period of Administration clear lines of decision making were established between Council and staff and open and transparent processes were a feature of Council meetings.

Item:	6.5	Ref: AINT/2020/45146
Title:	Organisation Status Report	Container: ARC20/4108
Responsible Officer	Interim General Manager	
Author:	John Rayner, Interim General Manager	
Attachments:	Nil	

1. Purpose

This report provides the Council with an update on the progress being made in rebuilding the organisation with an emphasis on actions taken during the period when Council was under Administration.

RECOMMENDATION:

- a. That Council receive and note the report.**
- b. That the Acting Director Organisational and Corporate Services propose a timetable to review the Budget through a series of briefings from the Managers.**

2. Background

For a number of reasons the Council's governance arrangements, depth of knowledge and skills in some parts of the organisation and financial situation had placed the Council in a vulnerable position.

Underlying reasons included:

1. Structure: since merger the organisation had operated under four structures, the current structure being unworkable.
2. General Managers/CEO: nine since merger.
3. Finance: Net Current Assets and Reserves declined \$11m in the first three years of the new Council and Council adopted deficit budgets (excluding Capital Grants) exceeding \$8.2m in total from FY 2017 to FY 2019.
4. Relationships: poor relationships existed between Councillors and between Councillors and staff resulting in Council spending \$87,500 on conduct reviews in FY 2020.
5. Decision making: lack of transparency and confusion between what was a Council policy decision and what was operational.
6. Governance: the loss of staff and associated knowledge has left the organisation with little local government experience.
7. Staff: overall fragile and lacking confidence and there have been numerous redundancies and resignations.
8. Grants: Council was qualifying for and receiving numerous grants enabling many projects to be brought forward. With other Councils in a similar situation there is serious competition for Project Managers. A lack of adequate forward planning and scoping has led to inadequate preparation and funding for some projects.
9. Committees: in some cases committees were not working the way they should with staff not able to service the demands.

10. Priorities: moving away from what local government is about led to a decline in funds allocated for basic infrastructure. Funding for Roads Renewal and Maintenance went from \$8.4m in the 2017/2018 Budget to \$4.2M in the current year.

3. Discussion

Over recent months a priority has been to identify issues of poor performance and governance.

In regard to finance Council is well served by the Manager and her staff who with the previous CEO provided reports warning of Council's deteriorating financial situation.

Many of the issues observed and now being addressed underpin a number of the reasons for the Minister's Performance Improvement Order.

Structure

While the current structure is unworkable action has not been taken to review it. The incoming General Manager will make a recommendation to the Council soon after his commencement. Existing gaps and positions being occupied by acting incumbents will provide some opportunities. A change to the structure will require the concurrence of the Deputy Secretary, Local Government, Planning and Policy.

General Manager/CEO

As part of the move to get back to business the title of CEO has been replaced by the Local Government Act title 'General Manager'. The incoming General Manager will commence on 11 January 2021.

Finance

Section 8A of the Local Government Act sets out guiding principles for Councils including:

- Providing best value for residents and ratepayers.
- Councils should consider long term and cumulative effects of actions.

Section 8B sets out the principles of sound financial management which apply to Councils including:

- Spending should be responsible and sustainable, aligning general revenue and expenses.
- Investing in responsible and sustainable infrastructure.
- Having effectively financial and asset management.

Two important reports were presented to the November Council 'Review of Finances' (Item 8.8) and Financial Sustainability (Item 8.9).

The recommendations from 'Review of Finances' are to be addressed in the Minister's Performance Improvement Order as are a number of other financial management concerns.

The September Quarterly Budget Review was a fairly in depth review of the 2020/21 Budget.

The General Fund was the key focus of the budget review and an improvement in the operating result has been recognised from a \$1.5m operating deficit to an \$805K operating surplus. A summary of adjustment is as follows:

Description	Amount
Savings recognised across business areas	\$1,508,652
Increased costs	(\$472,792)

Adjustment to Council expenses	\$226,300
Increased revenue	\$1,833,393
Reduced revenue due to Covid-19	(\$721,625)
Reduced revenue due to other reasons	(\$21,000)
Grant program adjustments	(\$1,500)
TOTAL	\$2,351,428

The net improvement to the General Fund operating result is \$2.4m from the above adjustments. A large contributing factor is the recognition of \$1,429,701 in grant funding relating to the Local Roads and Community Infrastructure program.

The improved position has resulted from a large amount of work being undertaken by Managers and key staff involved in budget preparation, including the Finance team. In addition to other activities, staff have undertaken in depth reviews of budget expenditure within a tight timeframe to achieve the favourable outcome.

However the result and the unrestricted cash position is propped up by \$1.07m in land sales. At the Council meeting on 25 November 2020 a decision was taken to propose a strategy for the treatment of the proceeds of land sales and at the 9 December 2020 resolved to find \$500,000 within the Budget to assist with compliance with the Performance Improvement Order.

Council has indicated its desire to have a further close look at the Budget. This is essential and it is proposed that a series of presentations be made to Council early next year so that Councillors can make any necessary changes to the current Budget. These changes will flow into the 2021/22 Budget.

Relationships

The Mayoral Minute on 14 December 2020 sets a positive tone in terms of Councillor/staff relationships. Staff will assist Council in achieving their objectives, but it must be recognised that there are many gaps in the organisation and diversion from day to day responsibilities will impact on Council's ability to service residents and meet the requirements of the Performance Improvement Order.

Staff and Councillors must abide by the Councillor/Staff Interaction Policy and the Code of Conduct.

Decision Making

Over the past few months there has been a move to more open and transparent decision making and defining what decisions are made by Council and what is operational. This is evidenced by the number of reports going to the Council

Also staff are improving the structure and content of reports going before the Council.

Governance

The reports 'External Review of Governance Arrangements' and 'ARC Leased Portfolio', both presented to Council, highlight deficiencies in Council's management practices and compliance with legislative requirements.

This is no reflection on current staff who are embracing the recommendations with enthusiasm.

The fifty-five recommendations in the Governance review and the seventeen recommendations in the Property review must be addressed in the PIO. This will involve adding resources and educating staff.

Staff

Stabilising the organisation has been a priority over recent months. Turnover rates have fallen and there have been no redundancies since August.

There is a continuing reliance on contract staff, particularly in project management.

Some initiatives include:

- A Roads and Parks Manager commences in January.
- A Procurement Officer commences in January.
- The Finance Department has been strengthened.
- A Property Officer will be recruited early next year.

Grants

It is expected that opportunities for grant funded projects will continue as part of the many recovery and resilience programs being rolled out. Council is applying for funding under almost all programs it is eligible for. This will have the advantage of improving facilities and infrastructure. Management of the many projects underway or planned is putting stress on the organisation's capacity. In the future Council will feel the cumulative effect of these grants through the accounting for depreciation of the assets added and on operational and maintenance costs.

Committees

An independent review of Council Committees has been undertaken by David Ackroyd. The review is currently on public exhibition, closing 26 January 2021. A report on the community impact to the Report's findings and recommendations will be put to the February 2021 Council meeting.

The volunteers on these committees provide valuable knowledge and expertise and assist Council in its policy making role. Whilst there is a push to immediately restart these committees, with current pressures and the entering of the holiday period, staff will be unable to resource the committees to a satisfactory level.

Priorities

- Information Technology
 - A report will be received in December on an IT strategy.
- Getting back to basics on many aspects of the operations.
- Service Reviews
 - There is a need to commence a project which will review the level of service provided and the method of delivery. To do this properly will take approximately two years and will need to be led by a suitably qualified and experienced person. Reviews may cause controversy but they need to occur.
- Council donations and subsidies

- Council allocates almost \$1m to various organisations. There is no reporting back from most groups as to what has been achieved with these funds. Council receives various degrees of recognition.
- A review is underway and will be provided to Council early in the New Year.

4. Implications

4.1. Policy

The work undertaken is not done under any policy. It is an accumulation of tasks which are required to rebuild an organisation.

4.2. Risk

If significant progress is not made by the organisation it will not be able to adequately support the Council or the community.

4.3. Sustainability

The objective of all the work being undertaken is to build a sustainable organisation through its culture, its compliance and its financial strength.

4.4. Financial

Making the change that is necessary and properly resourcing the organisation will require additional funding. This will mean reallocation of funds and savings from service reviews and changes to service delivery methods.

5. Consultation and Communication

As changes and improvements occur in the organisation consultation is essential. Communication and training will also be a major factor in rebuilding the organisation.

6. Conclusion

The report highlights that there are numerous issues to be addressed however there is some comfort in the knowledge that many staff are enthusiastic to learn and to take the organisation to another level. The support from the Mayor and Councillors through the Mayor's acceptance speech will contribute to rebuilding the organisation.

Item:	11.1	Ref: AINT/2020/45142
Title:	Guyra Preschool and Long Daycare Centre Container: ARC16/0001-5	
Responsible Officer	Interim General Manager	
Author:	John Rayner, Interim General Manager	
Attachments:	1. Guyra Preschool Photos	

1. Purpose

To provide an update on Guyra Preschool.

PRESENTATION:

Acting General Manager John Rayner will provide an oral update on the Guyra Preschool.