



URALLA SHIRE COUNCIL

BUSINESS PAPER

ORDINARY COUNCIL MEETING

25 May 2021

Commencing at 12:30pm

Kate Jessep
GENERAL MANAGER

LATE REPORT

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9.1 LATE REPORT TO COUNCIL – DRAFT OPERATIONAL PLAN AND BUDGET 2021-2022



Department: General Manager's Office
Prepared by: Chief Financial Officer
TRIM Reference: UINT/21/5762
Attachments: UINT/21/4512 Draft 2021/22 Operational Plan and Budget

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal:	4.1	A strong, accountable and representative Council
Strategy:	4.1.1	Provide clear direction for the community through the development of the Community Strategic Plan, Delivery Program and Operational Plan
Activity:	4.1.1.1	Deliver integrated strategic planning and reporting requirements
Action:	4.1.1.1.3	Develop and monitor the annual Operational Plan, including Budget

SUMMARY:

1. Council's Operational Plan 2021-2022 outlines the projects and programs that Council will deliver throughout the Financial Year. This Plan is part of the Integrated Planning and Reporting Framework – a legislated requirement that includes a ten-year Community Strategic Plan, an interrelated four-year Delivery Program and a subsequent annual Operational Plan.
2. The Operational Plan is supported by the Resourcing Strategy (the Budget), a Revenue Policy 2021-2022 and a Fees and Charges 2021-2022 schedule. These documents outline and determine available resources, the revenue Council will collect, and the fees and charges customers will pay for the services Council provides.
3. The suite of Integrated Planning and Reporting documents must be adopted by 30 June 2021.

RECOMMENDATION:

That the Draft Operational Plan and Budget for 2021-2022 be placed on public exhibition from 26 May 2021 to 23 June 2021 and that a report be presented to the 29 June 2021 Ordinary Council meeting.

REPORT:

4. To prepare the Draft Operational Plan and Budget for 2021-2022 Council commenced community consultation with listening posts (total of 7 at various locations across the Shire) starting on 1 February 2021, public Budget Review and Finance Committee Meetings on 13 April 2021 and 4 May 2021, and formal stage 1 of a 2 stage community consultation process.

5. During stage 2 of the community consultation, in compliance with legislation, the following suite of documents must be placed on public exhibition for no fewer than 28 days before being adopted by Council before 30 June 2021.
 - 2021/22 Draft Operational Plan
 - 2021/22 Draft Budget
 - Resourcing Strategy
 - 2021/22 Draft Revenue Policy and 2021/22 Fees and Charges schedule.
6. A summary of the community consultation process, stage 1 and stage 2, is provided at paragraph 14, below.
7. The 2021/22 Draft Operational Plan details the works and services that Council plans to undertake during the coming year. The actions contained in the Plan have been balanced against the principal activities of the Delivery Program 2017 - 2022 and the goals and strategies of the Community Strategic Plan 2017-2027, as well as the resources, requirements and functions of the organisation.
8. The format has been amended in Part 2 of the Draft Operational Plan with the addition of budgetary information within each service area. A further noticeable change has been a shift from reporting under the four pillars; economy, society, environment and leadership to Council's service areas. The pillars are represented by icons as many service areas deliver outcomes under more than one pillar. The full budget is still provided at Part 3 of the Plan.

Resourcing Strategy supporting the Operational Plan

9. The 2021/22 Budget, is part of Council's Resourcing Strategy and details the proposed revenue and resourcing allocations to support Council's operational and capital activities.
10. The Draft 2021/22 Revenue Policy and Draft 2021/22 Fees and Charges will also be presented to Council for adoption as stipulated by the legislation.
11. This suite of documents give an overall picture of Council's projected activities, expenditure and revenue for the 2021/22 Financial Year.

CONCLUSION:

12. Development of the Draft Operational Plan and Budget 2021-2022 commenced in January 2021 with early community engagement commencing in February and ongoing throughout Council's preparation process. Part 2 of the community engagement process including formal public exhibition (mandatory), complemented with additional community engagement processes as detailed below, needs to commence by 26 May 2021 to enable Council to finalise and adopt the documents by 30 June 2021.
13. All submissions received will be presented to Council at the 29 June 2021 meeting and considered as part of the final documents, which must be adopted by 30 June 2021.

COUNCIL IMPLICATIONS:

14. Community Engagement/ Communication (per engagement strategy)

The documents must be placed on public exhibition for a period of 28 days.

All submissions received will be presented to Council at the 29 June 2021 meeting and considered as part of the final documents, which must be adopted by 30 June 2021.

The proposed timetable for submissions and adoption of the documents is:

25 May 2021:	Draft documents considered by Council for public exhibition
26 May 2021:	Commencement of public exhibition period
23 June 2021:	Closing date for public exhibition period
29 June 2021:	Consideration of public exhibition submissions and adoption of documents

Community engagement to assist Council with the development the draft 2021/22 Operational Plan and Budget commenced informally in February 2021 with a series of listening posts (7) across the Shire.

Formal community consultation is occurring in two stages.

Stage 1

To invite community consultation for Stage 1, Council has undertaken the following steps:

- Created information webpages
 - o <https://www.uralla.nsw.gov.au/Council/Budget>
 - o <https://www.uralla.nsw.gov.au/Council/Budget/Budget-development-process-and-timeline>
 - o <https://www.uralla.nsw.gov.au/Council/Budget/Frequently-Asked-Questions>
- Created survey for easy submission online (<https://www.surveymonkey.com/r/USCbudget1>)
- Public Notice on Council website
- Inclusion in May Council Newsletter
- Shared to Uralla Shire Council Facebook page
- Designed a poster (with QR Code link to survey) which is on display at:
 - o Bundarra General Store
 - o Kingstown General Store
 - o Invergowrie General Store
 - o Kentucky General Store
- Advertisement in the Armidale Express
- Printed copies of the survey for residents to pick up from the Customer Service Centre and Library drop-in session
- Promoted the engagement via the Mayor's regular radio interviews

A summary of stage 1 activities and feedback was presented to Budget Review & Finance Committee in April 2021.

Stage 2 –

Information will be displayed on Council's website inviting individual submissions.

To further assist the Community to consider and prepare a submission the following assistance will be offered:

DATE	ACTIVITY
Monday 7 June 4-6pm	Community drop-in session: Uralla – Council Chambers
Wednesday 9 June 4-6pm	Community drop-in session: Bundarra – School of Arts Hall
On-going	Contact a Councillor to discuss - https://www.uralla.nsw.gov.au/Council/Mayor-Councillors/Our-Mayor-Councillors
26 May – 16 June	Email questions to Council – https://www.uralla.nsw.gov.au/Council-Services/Contact-Council

Stage 2 of the consultation will be promoted via:

- June Council newsletter
- Public notice (website and in hard-copy at General Stores, libraries and Council’s office)
- Public advert (The Armidale Express – circulates in the whole of the Shire and is available at Uralla and Bundarra library branches)
- Budget information pages on public website
- Council’s Facebook page
- Email link to the public notice to key community groups requesting they inform their members
- Media Release.

15. Policy and Regulation

The *Local Government Act 1993*.

Integrated Planning and Reporting (IPR) Manual for local government in NSW

16. Financial (LTFFP)

The Operational Plan outlines a range of projects, programs and activities to be completed over the 2021/22 Financial Year. The Plan outlines specific activities budgeted for in the draft 2021/22 budget, and is part of the Resourcing Strategy, which endeavours to support Council to achieve the objectives Council has set.

17. Asset Management (AMS)

The Asset Management Plans will be reviewed in the next 12 months and will inform the resourcing strategy. The Operational Plan includes estimated capital expenditure for the year.

18. Workforce (WMS)

The Workforce Plan will be reviewed in the next 12 months - it forms part of the resourcing strategy. This plan also informs the budget.

19. Legal and Risk Management

Should Council fail to meet its statutory timeframe obligations to endorse the 2021/22 Operational Plan it would affect Council’s financial position, reputation and service delivery. The risk is considered to be *high*.

8. Performance Measures

The Integrated Planning and Reporting Framework documents are adopted by Council before 30 June 2021.

9. Project Management

The Integrated Planning and Reporting Framework is managed by the General Manager.

ATTACHMENT - SEE SEPARATE DOCUMENT

9.2 LATE REPORT TO COUNCIL - GRACE PERIOD FOR PRIVATE WORKS AND ONSITE PRESSURE SYSTEM WORKS TO CONNECT TO BUNDARRA SEWERAGE SCHEME

Department: Infrastructure & Development
Prepared by: *Director Infrastructure & Development*
TRIM Reference: UINT/21/6201

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal:	3.4	Secure sustainable and environmentally sound water-cycle infrastructure and services
Strategy:	3.4.2	Maintain and renew the sewerage network infrastructure to ensure the provision of efficient and environmentally-sound sewerage services
Activity:	3.4.2.1	Provide sewerage services
Action:	3.4.2.1.3	Undertake the project management of the construction phase of the Bundarra Sewerage Scheme through the engagement of project management staff or consultant.

SUMMARY:

1. This report recommends that Council provide an 18 month grace period for property owners to facilitate the necessary private works required for connection to the Bundarra Sewerage Scheme as well as an 18 month grace period for those property owners who delay access for Council's contractors to install Council "on property" sewer works at the property owner's expense.

RECOMMENDATION:

That Council;

- I. Provide for an 18 month grace period for property owners to undertake the necessary private works for connection to the Bundarra Sewerage Scheme including electrical and drainage upgrades, connection to, and commissioning of, the pressure sewer onsite system to Council's satisfaction; and concurrently
- II. Provide for an 18 month grace period for property owners who either refuse the contractor entry or do not respond to the contractor's repeated attempts within the contract timeframe to install all Council pressure sewer "on property" works at the property owner's cost and to Council's satisfaction.

REPORT:

2. The implementation of the Bundarra Sewerage Scheme will improve the quality of life of scheme customers with numerous public health, economic, and environmental benefits across the region.

3. The project is supported by the NSW Government's Safe and Secure Water Program, with a commitment of more than 75% of the project cost provided by State Government grant funding.
4. The Bundarra Sewerage Scheme is currently in the construction phase. A detailed report on the current status of the Scheme has been provided to this Ordinary meeting of Council (refer to item 15.4.)
5. As part of the construction implementation, electrical and plumbing works are required to be undertaken on some private properties to facilitate connection to, and the successful completion of, the Scheme.
6. Council understands that there are a number of Bundarra property owners who are concerned about the costs and affordability of these private works. Council has been advised that some of these property owners may have limited capacity to meet the costs in the short term.
7. Additionally, some property owners have indicated that they may not permit Council staff or the contactor access to their property to undertake the necessary project funded works to install the pressure sewerage on property works to service the property.
8. Council is actively seeking methods in which Council is able to assist the property owners to complete the necessary private works, including the implementation of a short-term interest free loan agreement (refer to item 15.5 provided to this Ordinary meeting of Council.) As set out in that report, Council is limited in the work it can undertake as part of the implementation of the Scheme within the requirements of the Safe and Secure Water funding agreement with the NSW Government. Council is also limited to the works it can undertake on private property pursuant to the requirements of the *NSW Local Government Act 1993*.
9. Council may resolve to provide Bundarra property owners with a grace period for the completion of the private works necessary to connect to the Scheme, including where access to the premises is prohibited by the landowner for the completion of the pressure sewer onsite works identified to be undertaken as part of the Council's contract.
10. The grace period would allow property owners additional time to source their own qualified plumbers and electricians to provide quotes and to undertake the necessary works.
11. The grace period for the onsite pressure sewer works (provided for under the Council's contract) will reduce the potential for delays to the project and associated costs.
12. An 18 month grace period would allow property owners to connect to the Scheme by July 2023, based on the current project completion timeframe of January 2022.
13. Should property owners refuse to undertake the necessary works within the grace period to connect to the Scheme, Council may order such persons to take the necessary actions as provided by Section 124 of the *NSW Local Government Act 1993*.

CONCLUSION:

14. Council is committed to assisting property owners within its capacity to deliver the Scheme and its public health, environmental and economic benefits to the Bundarra community. An 18 month grace period will provide additional time for property owners to undertake the necessary private works required to connect to the Bundarra Sewerage Scheme.

15. Property owners who do not grant access to Council's contractor to undertake the Council contract works will be given an 18 month grace period to provide the Council pressure sewer onsite works at the property owner's expense.
16. Annual sewer charges may still be applied to these properties in the interim.

COUNCIL IMPLICATIONS:

17. Community Engagement / Communication

Communications as per Council's Customer Service Charter, project construction phase communications plan, and engagement as per Council's Community Engagement Strategy. Should Council endorse the recommendation, an update will be provided to the community (public notice and update to the project webpage) and letters confirming these arrangements will be sent to affected property owners.

18. Policy and Regulation

Council is bound by the requirements of the Safe and Secure Water funding deed and its obligations under the *NSW Local Government Act 1993*.

Section 191A of the *NSW Local Government Act 1993* states (in part):

191A Power of entry--construction and maintenance of water supply, sewerage and stormwater drainage works

(1) Without limiting [section 191](#), a council employee (or other person) authorised by a council may enter any premises to carry out water supply work, sewerage work or stormwater drainage work on or under the premises (being work that the council is authorised by this or any other Act to carry out).

Section 124 of the *NSW Local Government Act 1993* states (in part):

124 Orders

A council may order a person to do or to refrain from doing a thing specified in Column 1 of the following Table if the circumstances specified opposite it in Column 2 of the Table exist and the person comes within the description opposite it in Column 3 of the Table.

	Column 1 To do what?	Column 2 In what circumstances?	Column 3 To whom?
5	To take such action as is necessary to bring into compliance with relevant standards or requirements set or made by or under this Act or under the Local Government Act 1919 --(a) a camping ground, caravan park or manufactured home estate(b) a moveable dwelling or manufactured home(d) a place of shared accommodation(e) a hairdressers shop or beauty salon(f) a mortuary(g) a water meter on premises(h) a water supply or sewerage system on premises, but only in relation to any work that is not plumbing and drainage work within the meaning of the Plumbing and Drainage Act 2011	Failure to comply with relevant standards or requirements set or made by or under this Act or under the Local Government Act 1919	Owner, occupier or manager or, in the case of a water meter, water supply or sewerage system in respect of which a defect occurs in work due to faulty workmanship of, or defective material supplied by, a licensed contractor (being the holder of a licence in force under the Home Building Act 1989 authorising the holder to contract to do the work) within 12 months after the work is carried out or the material is supplied, the licensed contractor

19. Financial / Long Term Financial Plan

Council has received \$6,354,000 in grant funding from the NSW Government under its Safe and Secure Water Program to deliver the successful completion of the project to the Bundarra community.

20. Asset Management / Asset Management Strategy

Nil

21. Workforce / Workforce Management Strategy

Infrastructure & Development staff.

22. Legal and Risk Management

Risks associated with the implementation of the system include the existing private electrical infrastructure which must be upgraded to meet the necessary standard for compliance with the current regulations. Additionally, some properties will also need to fund upgrades to the privately owned wastewater drainage systems. There is a risk that property owners may not undertake these works due to costs and therefore be unable to connect to the scheme.

This report recommends the 18 month grace period to property owners to mitigate these risks and minimise the potential for delays and associated additional costs to the contract.

Not providing the 18 month grace period may lead to contract delays and additional associated costs to the project.

The requirement for property owners who do not permit access to the Council's contractor to undertake the Council pressure sewer "onsite" to fund the costs of the works within the 18 month grace period will reduce the potential for the associated additional costs to be borne by the sewer fund.

23. Performance Measures

Compliance with Safe & Secure Water funding agreement and completion of Bundarra Sewerage Scheme.

24. Project Management

Director Infrastructure & Development; Bundarra Sewerage Scheme Project Manager.

END OF LATE REPORT
for
BUSINESS PAPER

25 May 2021