

## **RELEVANT INFORMATION FOR COUNCIL**

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**FILE:** S096187 **DATE:** 4 August 2017  
**TO:** Lord Mayor and Councillors  
**FROM:** Bill Carter, Chief Financial Officer  
**THROUGH:** Monica Barone, Chief Executive Officer  
**SUBJECT:** Information Relevant To Item 6.2 – 2016/17 Quarter 4 Review - Delivery Program 2014-2017 - At Council – 7 August 2017

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That the Lord Mayor and Councillors note the information contained in this memo.

### **Purpose**

As part of the 2016/17 Quarter 4 Review, further information was requested at the meeting of the Corporate, Finance, Properties and Tenders Committee held on 31 July 2017 on the items listed below.

### ***Employee Related Costs***

During the briefing, it was noted that employee related costs have exceeded budget by \$3.9M which is within 2% of budget, even allowing for a reduced rate of salary capitilisation (\$1.7M) reflecting delivery of the capital works program. Another contributing factor remains the cost of agency contractors used to temporarily backfill roles while permanent recruitment is underway, and to provide operational support for short term temporary needs that must be met.

For 2016/17, the additional agency cost includes an unbudgeted sum of \$1.1M for agency staff to address the legislative requirements relating to the non-residential roll, and other operational areas with agency costs above budget, including cleansing and waste, infrastructure and traffic operations, social programs and services (childcare), and properties.

Staff continue to actively recruit to fill vacant positions.

### ***Capital Works and Information Services budget revotes***

The report recommends revoting unspent 2016/17 funds into 2017/18 for both the Capital Works and the Information Services capital programs. Additional information was sought as to why the full amount of current year underspend is not automatically revoted into the following year.

The predominant reason is that this reported variance or underspend represents the full difference between the adopted 2016/17 budget and the final result achieved by 30 June. However, the 2017/18 capital budgets recently adopted by Council were prepared from February, when the forecast delivery of the program had been reduced from \$335M to \$287M. The 2017/18 budget therefore already incorporates approximately \$48M of works previously budgeted in 2016/17 which staff forecast during the preparation of this year's budget would not be delivered last year.

The recommended revote is therefore the final adjustment, reflecting the residual rollover of funds which we had forecast to deliver in the 2016/17 financial year, but which will now be delivered in future years.

***Reference under Regulatory Environment to the “Sydney City Region Awards”***

The City of Sydney has been a sponsor of the NSW Business Chamber Business Awards program, run by the NSW Business Chamber, since 2014, as a category sponsor for *Excellence in Small Business* across NSW.

Under a new sponsorship agreement endorsed by Council in 2016, the City became the Principal Partner of the Sydney City Region of the awards program, a region established by the NSW Business Chamber at the request of the City. The City has full naming rights over the Sydney City Region Awards’ year long program and awards event in July/August annually.

The City also negotiated that there was not a pre-requisite that participants should be chamber members, as was previously the case. This has opened up the opportunity for many more businesses in the local government area to enter the program and benefit directly from participation.

The City remains as the category sponsor for the NSW Chamber’s state-wide *Excellence in Small Business* category.

***Query regarding venue use by Leichhardt Women’s Community Health Centre***

The Vietnamese Women’s Weekly Support Group (a sub-group of the Leichhardt Women’s Community Health Centre) has been meeting at the Booter Community Centre for a number of years, supporting local Vietnamese women and their families to improve their health and well-being by promoting healthy social networks and social connections through culturally appropriate activities and in a supportive environment.

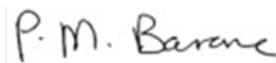
The majority of the group members are from the City’s local government area.

**Bill Carter, Chief Financial Officer**

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Approved



**Monica Barone, Chief Executive Officer**