

ITEM 2. JOINT OPERATION OF PADDINGTON LIBRARY AGREEMENT RENEWAL**FILE NO: S118730****SUMMARY**

In 2012, the City of Sydney (the City) entered into an agreement with Woollahra Municipal Council to jointly run a library in Paddington Town Hall, a building owned by the City. The parties agreed on the following:

- (a) the annual operating budget;
- (b) Woollahra Municipal Council operates the library;
- (c) operational costs are shared - 60% Woollahra Municipal Council and 40% City of Sydney - based on the use by residents of each Local Government Area; and
- (d) the City provides the building free of charge and pays for its maintenance; Woollahra Municipal Council pays for the cost of utilities.

The funding allocation is based on the residential location of Paddington Library members with those members who live outside the two Local Government Areas split using the same ratio.

In 2015, approval was given to exercise the option to extend the agreement until 30 June 2017.

The joint operation of the Paddington Library has been a highly successful venture. It has established co-operation between councils and enabled a cost effective, quality library service for the residents of both Woollahra Municipal Council and the City of Sydney's Local Government Area.

The City has reviewed Paddington Library's operations against the Key Performance Indicators outlined in the current agreement. Paddington Library currently meets the City of Sydney Library Network targets in relation to State Library of NSW benchmarks for minimum size and location within the city. It provides a very good collection for children and families, free public access computers, self-check facilities, and intergenerational programming which are well used by the community.

RECOMMENDATION

It is resolved that:

- (A) the City enter into a two-year agreement with Woollahra Municipal Council for the financial years 2017/2018 and 2018/19 with a two-year option to extend:
 - (i) the City will contribute up to a value of \$255,553, excluding GST, in the first year 2017/2018;
 - (ii) the City will contribute up to a value of \$255,553 plus CPI (CPI Sydney rate), excluding GST, in the second year 2018/2019;

- (B) the City continue the current arrangement of providing the building free of charge, maintaining the building at its own cost and charging the cost of utilities and security to Woollahra Municipal Council; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer an agreement with Woollahra Municipal Council for this purpose.

ATTACHMENTS

Attachment A: Woollahra Municipal Council Minute 27 March 2017

BACKGROUND

1. The City and Woollahra Municipal Council jointly fund the operation of Paddington Library. The contract between both parties provides a range of key performance indicators including collection size, library programs, visitation, and number of loans and members.
2. The cost per active member for Paddington Library is within the lower range compared to the City of Sydney Library network, and the cost per loan is above the range for the City's Library network.
3. In comparison to the City's Library network, Paddington Library has a mid-range number of users, a collection size within the City's network range, and a high number of loans. The collection is location dependent and does not form part of a 'floating' collection, unlike the City of Sydney collection which is used across the network.
4. The total cost for the operation of the Paddington Library for the current financial year 2016/17 is \$610,252. The contribution made by the City towards this is \$244,101.
5. The Woollahra Municipal Council preliminary draft budget for 2017/18 indicates operational costs for Paddington Library of \$638,882. It is proposed that the current funding arrangement for operating costs continues (Woollahra Municipal Council 60% and the City 40%). Based on current usage, Woollahra Municipal Council will pay \$383,329 and the City will pay \$255,553 as a result.
6. Currently, the City of Sydney invoices Woollahra Municipal Council for utilities and security costs. The City maintains the building at no cost to Woollahra Municipal Council. The City does not charge Woollahra Municipal Council for the use of the space and forgoes annual rental income.
7. The following table outlines the breakdown of costs for each Council for financial year 2016/17:

Annual Costs 2016/2017	City of Sydney	WMC
Utilities and Security		5,735
Cleaning		8,284
Building Maintenance	38,895	
Foregone Revenue	119,700	
Operating Costs	244,101	366,151
Totals	402,696	380,170

8. The library was closed for three months, 24 July to 2 November 2015 for a rejuvenation project. During the closure Paddington Library had a pop-up library operating from 10am to 1pm at EJ Ward Community Centre. Woollahra staff were allocated to the pop-up library, assisted with deselection of items in the Paddington Library collection, and took leave.
9. In May 2016, Woollahra Municipal Council opened a new library in Double Bay.
10. A project to connect dedicated fibre optic Wi-Fi to Paddington Library is planned for completion by 30 June 2017 and an increase in visitation and membership is predicted to follow. The associated costs for the Wi-Fi are included in ongoing financial year annual operational costs.

KEY IMPLICATIONS**Strategic Alignment - Sustainable Sydney 2030 Vision**

11. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following *Sustainable Sydney 2030* strategic directions and objectives:
 - (a) Direction 7 - A cultural and creative city - The City is committed to supporting Sydney's cultural life. We recognise the intrinsic and instrumental value of creativity as a cultural, economic and social force.

BUDGET IMPLICATIONS

12. Provision has been made in the City Life draft 2017/2018 budget for its contribution to the operations, valued at \$255,553. Provision for the building maintenance costs (Library only) is included in the Properties' draft 2017/18 budget valued at approximately \$38,895.

RELEVANT LEGISLATION

13. Section 356 of *Local Government Act 1993*.

CRITICAL DATES / TIME FRAMES

14. The agreement must be finalised by 30 June 2017 to ensure authority for the payment of the fee for the 2017/18 financial year.

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