

Joint Use Arrangement with Woollahra Council - Paddington Library

File No: S118730

Summary

Since January 1994, the City of Sydney (the City) has jointly run a library with Woollahra Municipal Council (Woollahra) in Paddington Town Hall, a building owned by the City,.

The City's current agreement with Woollahra to run the Paddington Library expires on 30 June 2021 and a new agreement is required in order to continue delivery of library services in this format to the community.

The operation has been a highly successful venture to date. It has established co-operation between councils and enabled a cost effective, quality library service for the residents of both Woollahra and the City of Sydney.

Recommendation

It is resolved that:

- (A) Council enter into a three-year agreement with Woollahra Municipal Council to jointly run a library from Paddington Town Hall from 1 July 2021 with an additional two-year option to extend;
- (B) Council continue to provide the building free of charge, maintain the building at its own cost, and charge the cost of utilities and security to Woollahra Municipal Council; and
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations and enter into and administer an agreement with Woollahra Municipal Council for this purpose.

Attachments

Attachment A. Key Terms of Draft Paddington Library Management Agreement (Confidential)

Background

1. On 26 June 2017, Council approved the City of Sydney (the City) entering into an agreement with Woollahra Municipal Council (Woollahra) for the joint operation of Paddington Library at Paddington Town Hall, a building owned by the City. The parties agreed:
 - (a) the annual operating budget;
 - (b) Woollahra would operate the library;
 - (c) operational costs are shared, 60 per cent Woollahra and 40 per cent the City, based on the use by residents of each Local Government Area. Members who live outside the Local Government Areas are split using the same ratio; and
 - (d) the City provides the building free of charge and pays for its maintenance. Woollahra pays for the cost of utilities, cleaning and security. The City does not charge Woollahra for the use of the space and forgoes rental income of an estimated \$70,399 per annum plus annual fixed increases of three per cent.
2. The existing agreement between both parties provides a range of key performance indicators (KPIs) including collection size, library programs, visitation, and number of loans and members. While Covid-19 related closures and restrictions have impacted statistics during 2020, Paddington Library had been successfully meeting KPIs prior to the pandemic.
3. 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 good collection for children and families, free public access computers, self-check facilities, and venues and programs which are well received by the community.
4. Paddington Library has a mid-range number of users, a collection size within the City's network range, and was maintaining a comparable number of loans prior to the Covid-19 pandemic. The collection is location dependent and does not form part of a 'floating' collection, unlike the City's collection which is used across the network.
5. It is recommended the City enters into a new three-year agreement with Woollahra to jointly run the library from 1 July 2021, with an additional two-year option to extend.
6. Woollahra's preliminary draft budget for 2021/2022 indicates operational costs for Paddington Library of \$852,173. This is a 15 per cent increase on the 2020/21 budget as a result of an increase in collections, including digital, and the required technology provisions. It is proposed the current funding arrangement for operating costs continues (Woollahra 60 per cent and the City 40 per cent split).
7. Based on the draft budget, Woollahra will pay an annual operating cost of \$511,304 and the City will contribute an annual operating cost up to a value of \$340,869 excluding GST each year of the agreement, plus CPI per year (CPI Sydney rate).

8. Over the past five years, business improvement projects at Paddington Library have included an upgrade to public Wi-Fi, installation of meeting rooms and Sunday opening hours. In 2018/19, the State Government announced an increase to the funding package for public libraries over a four-year period beginning 2019/20. Woollahra used the first year of the package to increase library staff salaries to a comparable level with other Sydney metropolitan libraries.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

9. 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 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.

Organisational Impact

10. This joint operation 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 Areas.
11. The joint operation has provided opportunities for collaboration and skills sharing between the two councils to provide stronger library services and programs to mutual communities.

Social / Cultural / Community

12. This agreement supports the City to meet State Library of NSW benchmarks for minimum size and location of libraries within the city. The Paddington Library offers a good collection for children and families, free public access computers, venues and programs.

Financial Implications

13. Provision has been made in the City Life draft 2021/22 operating budget for contribution to the operations, valued \$340,869 (excluding GST). Provision for the draft building maintenance costs (library premise only) is included in the City Property draft 2021/22 operating budget valued at approximately \$58,000.

Relevant Legislation

14. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

15. Attachment A to the subject report contains confidential commercial information which, if disclosed, would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
16. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

17. The agreement must be finalised by 30 June 2021 to ensure authority for the payment of the fee for the 2021/22 financial year.

Options

18. The City has an option to cease the agreement and remove resources from providing a library service in Paddington. The financial impact of this would be at least \$340,869 in operational savings and an opportunity for increased rental income from the site. This option would have a negative impact on City of Sydney residents using the library service and would be detrimental to the collaborative efforts between the two councils. This option is not recommended.
19. The City has an option to cease the agreement and fully resource a library service for the Paddington community. The financial impact of this is approximately \$829,275 (\$745,000 operations, plus \$84,275 costs for building maintenance, utilities, cleaning and security). This option is not recommended.

EMMA RIGNEY

Director City Life

Heather Davis, Manager Libraries and Learning