



SUPPLEMENTARY AGENDA

ECONOMIC AND SMART COMMUNITIES STRATEGIC REFERENCE GROUP

Notice is hereby given that a meeting of the Economic and Smart Communities Strategic Reference Group will be held remotely via TEAMS.

WEDNESDAY 20 MAY 2020

Beginning at 6:00pm for the purpose of considering matters included in this agenda.

Committee Members

Mayor Michael Regan (Chair)

Cr David Walton

Cr Sue Heins

Cr Stuart Sprott

Saul Carroll

Andy West

Stuart White Microsoft Australia

Drew Johnson Manly Business Chamber

Peter Middleton Newport Residents Association

Ngaire Young Northern Beaches Campus, TAFE NSW

Geri Moorman

Gordon Lang

Alexander Coxon

Stephen Pirovic International College of Management

Matthew Aderton

Chris Wilcocks

Council Officer Contacts

Karen Twitchett Director Workforce & Technology

Kath McKenzie Executive Manager, Community Engagement & Communications

Naren Gangavarapu Chief Information Officer

Deb Kempte Team Leader, Economic Development & Tourism

Tamara Lukic Governance Officer

Quorum

A majority of members including the Chair or one of the elected Councillors.

**Supplementary Agenda for Economic and Smart Communities
Strategic Reference Group Meeting
to be held on Wednesday 20 May 2020
Commencing at 6:00pm**

6.0	AGENDA ITEMS	4
6.3	Overview of the Draft Delivery Program 2020-2024, Operational Plan and Budget 2020/21 and forecast financial impact of COVID-19 Pandemic - <i>Jeff Smith - 20 mins</i>	4

6.0 AGENDA ITEMS

ITEM 6.3	OVERVIEW OF THE DRAFT DELIVERY PROGRAM 2020-2024, OPERATIONAL PLAN AND BUDGET 2020/21 AND FORECAST FINANCIAL IMPACT OF COVID-19 PANDEMIC - JEFF SMITH - 20 MINS
REPORTING OFFICER	EXECUTIVE ASSISTANT TO EXECUTIVE MANAGER
TRIM FILE REF	2020/288043
ATTACHMENTS	1 Download Draft Delivery Program 2020 - 2024

EXECUTIVE SUMMARY

PURPOSE

To provide members with an overview of the draft Delivery Program and Operational Plan 2020/21 including the Budget. In addition, provide an update on the forecast financial impact of the COVID-19 pandemic on the current 2019/20 budget and the support measures for occupants of Council properties affected by the public health measures that have been put in place to manage the spread of COVID-19.

REPORT

The draft Delivery Program 2020-2024 outlines the Council's priorities over the next four years to deliver the goals identified in the Community Strategic Plan. It addresses Council's operations and allocates responsibility areas for each action. The draft Operational Plan 2020/21 (including the Budget plus Fees and Charges) is a subset of the Delivery Program and details the specific actions Council will deliver during the year.

The Operational Plan supports the continued delivery of high-quality services, projects and capital works. Key activities for 2020/21 include:

- construction of Mona Vale SLSC (\$7.3 million) and Long Reef SLSC (\$3.9 million)
- completing the Coast Walk and nearby cycleways from Newport to Palm Beach (\$5.2 million)
- the Narrabeen Lagoon pedestrian and cycle bridge (\$4.9 million)
- coastal protection at Collaroy-Narrabeen Beach (\$2.9 million)
- extensive new footpath program (\$2.2 million)
- accelerating the streetlighting LED replacement program to reduce emissions (\$1.3 million).

Council has been developing response strategies to the many impacts for both the community and the Council of the pandemic. Following a resolution of Council (24 March 2020, item 8.2), the Small Business and Community Support Package has been established. In summary, the package provides for the waiver of environmental health, fire safety, outdoor dining and footpath merchandising fees, financial hardship arrangements including waiving of interest and a number of measures to continue to support small businesses. Council has also developed an approach to provide financial assistance to lessees and licensees of Council property.

The Council is also incurring financial losses due to both closed and impacted services the Council operates. The financial implications of these impacts are forecast to result in an \$8.7 million net cost for the remainder of the 2019/20 financial year. This includes \$2 million to support small business and the community in the 2019/20 financial year. A further \$7.3 million in losses is

anticipated in the 2020/21 financial year, inclusive of an additional \$1.6 million for the current support package. Should the Council adopt to provide a ratepayer subsidy equivalent to half the rate-peg and domestic waste increase for 2020/21 and to defer implementation of the 2020/21 Fees and Charges to 1 October 2020, the net cost in responding to the COVID-19 pandemic will increase by a further \$5 million, to a total \$21 million.

An option to delay issuing rates notices to ratepayers until 1 September 2020, and the collection of the first quarter rates instalment until 30 September 2020 is now available. Regulations have been made under section 747B of the Local Government Act 1993 to temporarily modify the application of the Act in response to the COVID 19 pandemic to facilitate this. If this option is taken up by Council it will defer the collection of approximately \$62 million by one month which will require Council to utilise funds collected in the fourth instalment of the 2019/20 Rates & Annual Charges in May to cover this deferral.

The 2020/21 budget projects a total expenditure of \$433 million, including a capital works program of \$92 million. Our financial position will be temporarily impacted by the financial implications of the COVID-19 pandemic summarised above, with a projected operating deficit before capital grants and contributions of \$6.8 million.

In accordance with the Local Government Act 1993 the documents need to be exhibited for a minimum of 28 days. Any submissions received need to be considered by Council prior to adopting the Budget 2020/21.

RECOMMENDATION OF EXECUTIVE ASSISTANT TO EXECUTIVE MANAGER

That members of the Economic & Smart Communities Strategic Reference Group:

1. Note the draft Delivery Program 2020-2024 and Operational Plan and Budget 2020/21, including adjustments for supporting our community and economy during the COVID pandemic.
 2. Provide feedback via submission through the public exhibition on Council's Your Say website.
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20/05/2020



Agenda

- Our budget process
- COVID-19 impact and response
- Budget overview
- Funding summary
- Rate subsidy
- Domestic waste subsidy
- Planned expenditure
- Have your say



20/05/2020

Our budget process



Financial Objectives

1. Deliver a balanced budget
2. Fund current service levels
3. Fund infrastructure renewal
4. Ensure financial sustainability
5. Budget directed to new community assets



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COVID-19 Impact and Response

Net impact from Mar-Sept (\$21m)

2020/21 in focus


- Community Support Package
 - Subsidy on rates and DWM - \$4.3m
 - Deferral of payment of first rate instalment
 - Delay of fee changes - \$0.7m
 - Waiving of fees - \$0.5m
 - Tenant support package - \$1.1m
- Closed and impacted Services - \$5.7m




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COVID-19 impact and Response - \$21m			
	2019/20	2020/21	TOTAL
Closed and impacted services	\$6.7m	\$5.7m	\$12.4m
Community and small business support	\$2.0m	\$1.6m	\$3.6m
2020/21 ratepayer subsidy	-	\$4.3m	\$4.3m
Delay fee changes to 1 Oct 2020	-	\$0.7m	\$0.7m
TOTAL	\$8.7m	\$12.3m	\$21.0m



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Budget overview – operational	
\$365.1m	
Income from continuing operations	
-	
\$340.4m	
Expenses from continuing operations	
-	
\$31m	
Capital grant income	
=	
(\$6.3m)	
Deficit from continuing operations	

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Budget overview – capital



\$50.8m

New works

+

\$41.5m

Renewal works*

=

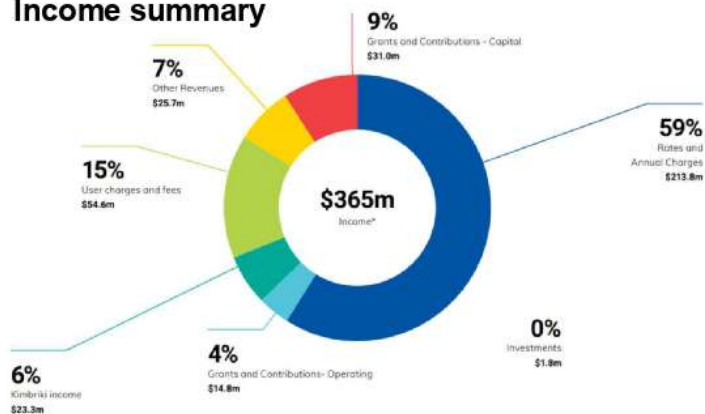
\$92.3m

Total works



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Income summary



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Rate subsidy



IPART
Independent Pricing and Regulatory Tribunal
New South Wales

Rate Cap 2.6% ↑
= \$4.4m



Average Rate	Maximum increase by IPART	50% subsidy of increase	You Pay
\$1,464	+ \$38 (2.6%)	- \$19 (1.3%)	= \$1,483 (1.3% rate)



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Domestic waste subsidy



80 litres
weekly



140 litres
fortnightly

Standard Service



140 litres
fortnightly



240 litres
fortnightly

2019/20 Fee	Increase 2020/21*	50% subsidy of increase	You Pay
\$405	+ \$41	- \$20.50	= \$425.50



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20/05/2020



Have your say

Feedback as easy as 1, 2, 3

- ★ Step 1. Read the draft Delivery Program, Operational Plan and Budget
Click the buttons below. View the [Council report](#) and [minutes](#).
- ★ Step 2. See what's happening in your area
Click the hotspots on the map below for area snapshots.
- ★ Step 3. Make a submission using the form below
Or email: council@northernbeaches.nsw.gov.au
Or write: Marked Budget and Delivery Program 2020-2024, Northern Beaches Council, PO Box 52, Manly NSW 1565.

Step 2. What's happening in my area:



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