



Stronger Together

Administrator's Report to the Community



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Administrator's Report to the Community

Table of Contents

Introduction		A Stronger Northern Beaches Council		Sound Financial Performance		Next Steps	
About This Report	7	Our Transformation Journey	17	Projected Surplus	29	Welcoming the New Council	33
Northern Beaches Today	8	Stronger Council Framework	18	Investing in Our Community	30	Maintaining Momentum	34
Key Achievements	10	Good Governance	20			Delivering Benefits to the Community	36
Vision for the Future	14	Robust Community Relationships	22				
		Sound Organisational Health	23				
		Strong Performance	24				
		Outstanding Service Provision	25				
		Strategic Capacity	26				

Welcome

Message from the Administrator

A little over a year ago, Northern Beaches Council was created and I was honoured to be appointed its Administrator. My job was to oversee the integration of the three former Councils of Manly, Warringah and Pittwater and establish an organisation that could serve the long term needs of the community.

This report is an opportunity for me to reflect on our journey so far and formally acknowledge the hard work of dedicated staff, former Councillors and community members in supporting our transformation journey.

Together, we have created an organisation of 1,800 employees working together from over 20 locations and across more than 25 different business units, providing over 150 services to the community. Supported by clear leadership, shared values and vision, and integrated systems, this decentralised model puts us in a strong position to effectively respond to the diverse needs of the community.

It has been very important for me to understand the diversity of local values and issues across the whole community so that we can meet current expectations for service delivery as well as define a strategic direction for the future of Northern Beaches.

The development of a draft Community Strategic Plan (CSP) was a welcome opportunity for me to listen to the community and understand their hopes and concerns. The draft CSP sets a long term vision for the future and provides leverage for the incoming Council to take action on community concerns such as transport, environmental sustainability, education, employment, health and housing.

Values-based foundation

Mark Ferguson, Chief Executive Officer, and I have worked in close partnership to build the organisation from within while continuing to deliver a high standard of service to the community. Nearly 500 staff participated in defining our corporate values which have formed the basis for our transformation journey. I was inspired by staff's strong sense of belonging and personal motivation to make Northern Beaches an even better place to live and work.

Stability during transition

This past year has been an exhilarating journey of discovery and understanding. Bringing together three different organisations - each with their own cultures, systems, processes – requires patience, respect and strong leadership. While it has been challenging at times, we have moved through expected transition turbulence unscathed. I attribute much of this success to the considered advice from our Independent Advisory Group (comprised of former Mayors), Local Representative Committees (former Councillors) and Strategic Reference Groups (community representatives). Their combined wisdom, expertise and local knowledge has helped inform decision-making and provided stability in our change process.

Good governance and local presence

When I first took on the role as Administrator, I was aware some community members were concerned that a large council automatically would entail a large, cumbersome bureaucracy. It is true that a larger organisation does introduce a higher degree of complexity to management; however this can be resolved through an integrated approach to good governance. Our governance approach is embedded in the organisation and safeguards the community's right to transparency, accountability and participation. Efficient integrated systems and processes have enabled flexibility and decentralisation so that we can maintain a strong local presence across the whole Northern Beaches.

Benefits to the community

Council is already in a position to deliver benefits to the community that most likely would not have been possible for any of the three former Councils to deliver singlehandedly. The single beach parking sticker for the Northern Beaches is an obvious example of this. We have also been able to reinvest savings from the merger as well as utilise NSW Government merger funding to deliver the following exciting projects, most of which will commence in 2017/18:

- **Connecting the Northern Beaches:** this \$32.6 million infrastructure program is being delivered in partnership with the NSW Government and includes: a spectacular world class coastal walkway and cycleway stretching from Manly to Palm Beach; the 'Connecting All Through Play' program that features a regional network of inclusive accessible playgrounds; and additional funding for upgrades to sporting facilities and surf lifesaving clubs to make them more inclusive and accessible.
- **Community cohesion and wellbeing:** funded through the Merger Savings Fund, this program invests a total of \$5.64 million over the next four years into four different outcome areas: Arts and Cultural Program; Youth Program; Environment Program; and a Community Events program.

There are also profound longer term benefits that will be realised over time. Based on our increased strategic capacity and stronger voice with the NSW Government, we can better plan for and advocate on behalf of the community on priority issues that are beyond the direct control of local government.

Looking to the future

Northern Beaches residents will take to the polls on 9 September 2017, electing 15 Councillors from 5 wards, which in turn will elect the Mayor and form the first Council for the Northern Beaches. I am proud to hand over an organisation that is in a strong position to support the incoming Council as it finalises the CSP and starts work on realising the community's vision of: **'a safe, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment'**. (Draft Northern Beaches Community Strategic Plan 2017 – 2028; July 2017)

It has been an absolute pleasure working alongside dedicated staff and community members to create a new Council for the Northern Beaches. I have no reservations in signing off, knowing that the new Council will be on firm ground to represent the Northern Beaches community over the next 3 years.



Dick Persson AM
Administrator

Introduction



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About This Report

The purpose of this report is to provide an update on how far we have come in creating a Council for the Northern Beaches that better can serve the community and advocate effectively on its behalf.

The report reflects on the past year or so (since the proclamation in May 2016) in summarising key milestones and achievements; outlining our current status and financial position; and proposing the next steps in Council's transformation journey, which will be led by the incoming Council. Further detail about Council projects and financial position will be provided in the Annual Report for 2016/17.

This report is an opportunity to formally acknowledge the hard work of staff, former Councillors and community members in working together to set the foundation for a successful Northern Beaches Council. The conclusion of the administration period is an opportunity to take stock, celebrate our success, and support a seamless transition to the new Council.

It is also an opportunity to draw attention to the draft Community Strategic Plan which currently is on public exhibition (until 5 November 2017) and, once adopted, will set the agenda for making Northern Beaches an even better place to live, work and play over the next decade.

Northern Beaches Today

We acknowledge the traditional owners of this land and elders past and present. We recognise Aboriginal people as the original custodians of the Northern Beaches.

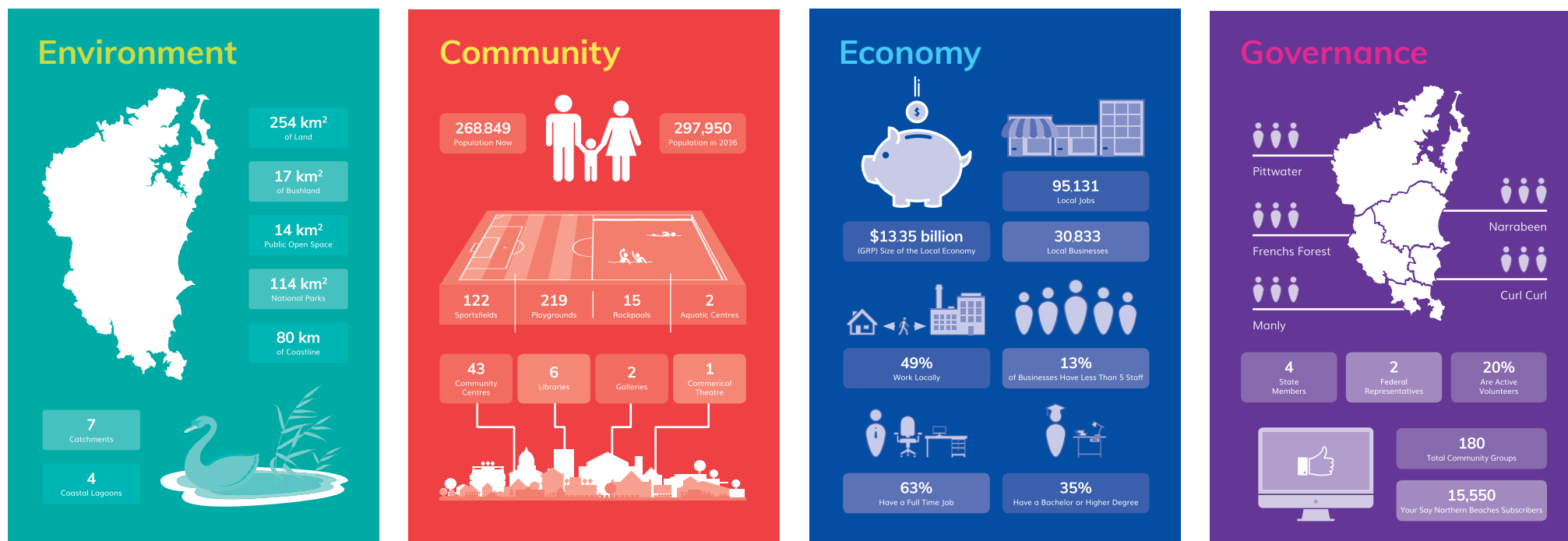
The total land area of the Northern Beaches is 254 km², stretching from its southern border at Port Jackson, which includes Sydney Harbour, Broken Bay and Pittwater to the north and Middle Harbour and Cowan Creek to the west. A large proportion of land is National Park, bushland or reserves; including coastal foreshores, beaches and waterways. The beautiful land and water environments are home to diverse and rich flora and fauna and also offer excellent active and passive recreational opportunities to residents and visitors.

Our population of 268,849 people is concentrated along the coastline and in the main centres of Manly, Dee Why, Brookvale, Mona Vale and Avalon. Smaller villages and neighbourhood centres connect the main centres and provide local amenity to people living in our leafy suburbs and in our semi-rural areas to the northwest. The area is also home to offshore communities that enjoy a unique lifestyle immersed in nature.

In looking to the future, the Northern Beaches Hospital Precinct in Frenchs Forest and the Ingleside land release area, will provide the majority of new homes and jobs for the growing population. Over the next 20 years, the Northern Beaches Hospital Structure Plan proposes the phased delivery of approximately 5,360 dwellings and 2,300 new jobs, where this development will be developed in step with infrastructure improvements. Traffic modelling has indicated that in the short term, the precinct can support up to 3,000 dwellings concentrated around the future town centre. The Ingleside land release area will provide approximate 1,500 additional homes. Both of these new areas will be developed sustainably using GreenStar accredited precinct planning frameworks.

The extraordinary beach and bush environment provides a distinctive sense of place and belonging for our community and is a defining feature of our collective identity and culture.

Figure 1: Snapshot of Northern Beaches 2016



Key Achievements

We continue to be guided by our corporate vision of *‘delivering the highest quality service; valued and trusted by our community’*.

With an overall aim to increase efficiencies and strategic capacity of local councils, the NSW Government proclaimed Northern Beaches Council on 12 May 2016 and appointed Dick Persson as the Administrator and Mark Ferguson as Chief Executive Officer for the interim period before the next Council elections on 9 September 2017.

The diversity and increased scale of operations has presented both challenges and opportunities in terms of maintaining service levels across a diverse and geographically dispersed organisation. On the one hand, a decentralised model requires strong organisation and supportive systems and processes which initially require careful planning and consideration in setting up. On the other hand the increase in scale and diversity has made it possible for us to retain specialised services in-house; many back-office functions have been centralised; our purchasing power has increased; and savings in salaries have been realised.

We have been busy this past year, building the organisation, continuing to deliver high quality services and planning exciting new projects. This section outlines key achievements so far in terms of managing our finances, looking after our environment, and caring for our community.

Key Achievements

Managing our finances

In managing our finances, we aim to ensure that no community member is worse off financially or in terms of access to services compared to prior to amalgamation. This is achieved through:

- **No increases in rates as a result of the merger:**

Until 2020, rates are to be maintained at the rate path that was determined by the Independent Pricing and Regulatory Tribunal (IPART) prior to amalgamations. Properties of the former Manly and Pittwater Councils will see rates increased by 1.5 per cent in 2017/18, while the Special Rate Variation for former Warringah Council properties means rates will increase on average by 9.4 per cent in 2017/18.

- **Harmonisation of fees and charges:** Fees and charges have largely been harmonised across the former local government areas, using case-by-case rigorous methodology to ensure that new fees are appropriate and fair to the particular service area

- **High quality service delivery:** Service delivery standards are to be maintained at pre-amalgamation levels and any changes to future service levels will be determined in consultation with the community

- **Responsible asset management:** Budgets will maintain assets to at least the same condition as they were at the start of the amalgamation process

- **Equity and fairness:** Services and capital investments will be based on sound research and analysis of (present and future) community needs, government requirements, and will be balanced across the whole of the Local Government Area

Key Achievements

Looking after our environment

The following provides a brief snapshot of some of our key environmental achievements. The Annual Report 2016/17 provides further detail on these and other programs and initiatives.

- Recovery from June 2016 storm event:** Less than one month after the proclamation, 5 to 7 June 2016, an east coast low combined with a king tide brought severe coastal damage to Northern Beaches and in particular to properties along Collaroy/Narrabeen beach front. Working closely together across all levels of our new organisation and liaising with the community and with experienced coastal engineers, Council responded effectively to the emergency. We have since implemented long term hazard reduction solutions and continue to work proactively with residents who are proposing coastal protection works.
- Stormwater upgrades:** Council manages an extensive stormwater infrastructure network that includes pipes, pits, open channels and pollution control devices. Council has completed the initial integration of the three former stormwater asset management systems which means that stormwater infrastructure is mapped and logged in the asset management system from Manly to Palm Beach, enabling effective risk management and better coordination of future works program. Major stormwater upgrade works have been completed this year in Oaks Avenue and Pittwater Road, Dee Why and stormwater upgrade works are continuing in McPherson Street, Warriewood. These works will help flood proof emergency evacuation routes from flood affected local areas.
- Protection of bushland and biodiversity:** Council has care, control and management of 17.18 hectares of bushland that are managed through a series of reserves. Aside from standard bush care programs, Council undertook extensive bush regeneration programs across the region this year using a combination of contractors and bush regeneration staff. Combining the efforts of our bush regeneration staff across the region is having a real impact and is value-adding to the bush regeneration effort in bushland reserves.
- Management of threatened species:** Council has continued to work with the community and key stakeholders in 2016/17 to monitor, manage and protect our region's threatened flora and fauna. A cornerstone of Council's threatened species program is the ongoing support of the Manly Penguin Wardens, who contributed over a thousand volunteer hours to create a safe nesting area for penguins at Manly Wharf. This year, key actions of the program included installation of infrared cameras under Manly Wharf to improve monitoring of penguin presence and behaviour and ongoing enforcement of a Wildlife Protection Area at Manly Cove.

Key Achievements

Caring for our community

- Manly Andrew Boy Charlton Aquatic Centre:**
 The new aquatic centre was officially opened to the public on Saturday 13 August 2016. The modern facility provides a family friendly, welcoming space for the whole community to get together – whether for a swim, gym session, play, spa, sauna or a poolside coffee and a meal.
- PCYC in Dee Why:** The first large-scaled facility on the Northern Beaches dedicated to young people, and open to the wider community, was unveiled on 29 July 2017. The iconic building boasts two multi-purpose indoor courts, changing facilities, youth space, function rooms, a café and office space. The building also includes a 348 space carpark which will have 120 commuter parking spaces associated with the new B-Line bus service, and the remainder offering free three-hour and \$5 all day parking to the public.
- Church Point upgrade:** This investment will improve car parking and pedestrian access to the commuter wharf; 120 new car spaces will be provided and a new seawall with suspended timber pedestrian boardwalk (forming part of the recently upgraded commuter wharf) is under construction. The project is scheduled to be finalised in December 2017.
- New Skate Parks - Mona Vale and St Mathews Farm:** Mona Vale Skate Park and St Mathews Farm Skate Park were opened in September 2016 and March 2017 respectively - catering for young and old skaters, BMX riders, scooter users and roller-skaters. Landscaped adjoining areas make it a nice place to visit for the whole family.
- Walter Gors Park:** The refurbishment of Walter Gors Park, Dee Why was completed in April 2017. The park is now three times its original size and caters for a range of different activities and age groups. Features of the upgrade include a large grassed area, children's playground, nature play area, community herb garden, outdoor fitness and kitchen area, improved seating, accessible toilets and a water feature.
- Revitalisation of Glen Street Theatre and Community Hub:** The new Glen Street Theatre was opened in June 2017, providing a thriving cultural hub consisting of the theatre, new library and reading space, restaurant/café with alfresco dining, and a pleasant landscaped area and playground.
- Playgrounds:** A range of playgrounds and parks throughout Northern Beaches have been refurbished this year, many of which now provide equal opportunity for people of all-abilities to participate. New playgrounds have also been installed at Village Park, Mona Vale and Passmore Reserve, Manly Vale to meet the needs of young families. The completion of a purpose built off leash dog park at the Forestville War Memorial Playing Fields has also proved to be very popular with the local community.
- Road upgrades:** This year, approximately \$10 million was invested into road upgrades throughout the area.

Vision for the Future

Northern Beaches - a safe, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment. (Draft community vision)

We have spoken with more than 2,000 community members who have helped shape our long term vision, goals and strategies for the Northern Beaches during two rounds of engagement for the Community Strategic Plan (CSP). The CSP, once adopted by the incoming Council, will be our roadmap for the future of the Northern Beaches. It sets a direction for everything we must do over the next decade to make the community's vision a reality. Council is the custodian of the CSP and will use it to shape all future planning, budgets and action. The CSP will set an agenda for our own business as well as for advocacy and partnerships with key agencies to deliver on the community's aspirations for a more sustainable future.

As a new Council, the development of the first CSP for the Northern Beaches has been a wonderful opportunity for us to get to know the community better. We have talked to residents, businesses, government and non-government agencies, stakeholders across the whole area to understand both shared values as well as diversity of concerns and hopes for the future of this extraordinary place.

The conversations have been passionate and lively. It is clear that there is a strong shared desire to protect and enhance the natural and built environment, to create more connected and caring communities, to embrace our diverse sports and recreation culture, and to live more sustainably and in balance with the environment. There is a need to manage and mitigate impacts from global and regional pressures (e.g climate change, population growth) on local values and urban character.

The draft CSP was endorsed by Council for public exhibition at the meeting 27 June 2017. To provide the incoming Council an opportunity to hear feedback directly from the community, the exhibition period has been extended beyond the usual four to six weeks and submissions can be made until 5 November 2017. This third and final stage of the engagement will focus on validating the final draft CSP and gaining input into the development of performance measures.

The final CSP must be adopted by the new Council by June 2018.



A Stronger Northern Beaches Council



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Our Transformation Journey

The drive behind the NSW Government's local government reform program was to create stronger Councils with greater capacity (financial and strategic) to deliver services and infrastructure to their communities into the future.

With the proclamation of Northern Beaches Council, we commenced a transformation to create a Council that better could look after the interests of the community and effect change on issues that matter in the long term. To deal with complex issues such as climate change, environmental protection and hazard management; transport, education, health, and economy, we must create a Council that has a regional outlook as well as an in-depth understanding of local issues and values.

Our transformation journey is about rethinking the role of Council. We are not just a service provider delivering 'roads, rubbish and waste'. We facilitate change across a broad range of areas, working closely with the community, government agencies, non-government organisations and other stakeholders to protect our extraordinary environment and create a more sustainable community for present and future generations.

One of the first steps in our transformation journey was to develop an Implementation Plan that could guide the merger and bring a degree of order to a situation that initially was confusing and uncertain.

Merging three organisations into one was never going to be a simple or quick undertaking. Each of the former Councils (Manly, Warringah, Pittwater) were well established, high performing Councils that had their own cultures and ways of doing things. There is no doubt that the change process has been difficult for many staff who had to 'unlearn' past practices and learn new ways of doing things; had to move offices or change teams; and were challenged to work within three different sets of systems and processes.

The Implementation Plan provided a framework for ensuring that the process of building a new organisation was well organised and was effectively communicated to staff and the community. The plan established the strategic direction for the new Council for the period leading up to the September 2017 election and progress was regularly reported to the NSW Government Department of Premier and Cabinet, Council, and the Implementation Advisory Group (consisting of former Mayors of each of the former Councils).

'Stronger Council Framework'

The NSW Government has prepared a 'Stronger Councils Framework' to guide and inform the transformation process for newly merged councils.

The Stronger Council Framework is founded on five characteristics of a council that is better able to deliver results for its community, builds successful partnerships, and has the leadership, culture, people and capabilities to make this happen. (Guidance to support seamless transition from administration to elected councils, NSW Department of Premier and Cabinet, June 2017: page 4). This section describes our progress against each of these characteristics.

The characteristics of a stronger council are outlined below. We have explicitly included governance in this model as this is essential to our change process. Our integrated governance approach ensures that we continue to operate in a transparent and ethical manner and that organisational risks are managed diligently and systematically:

Good Governance

Council considers this to be an essential element of creating a stronger organisation and have included this in the framework. Good governance ensures the continued transparent, ethical and fair operation of Council.

Robust Community Relationships

Residents and businesses have a voice in the vision for their community and there is meaningful, open dialogue between the council and community on solving local issues.

Sound Organisational Health

Council staff, leadership and culture directly contribute to the Council's success and to positive, customer-centric culture and delivery.

Strong Performance

The Council is a robust, flexible and capable organisation that delivers on the needs of the organisation.

Outstanding Service Provision

Residents and businesses have an efficient, convenient and satisfying experience when using Council services, information and infrastructure.

Strategic Capacity

Council is a strong partner in the system of government, with a strategic outlook, confidently representing and progressing matters of local and regional significance.

To date, we have focussed on getting our management foundation right; building the organisation from the inside. We have developed a values-based organisation that is solid yet flexible and that is easily accessible to the community – both literally and figuratively. We have also started integrating core systems and processes that further support informed decision-making and service provision.

It will be the role of the incoming Council to consolidate this internal transformation process while seeking to build strategic leverage through development of evidence based and holistic strategies that reflect the voice of the community.

Progress against each of the Stronger Council Framework elements is summarised in the following sections as they have been applied to the Northern Beaches Council transformation journey.

Good Governance

Good governance is essential to the ethical, transparent and accountable operation of Council.

Good governance is the basis for Council being able to conduct its business with integrity, make decisions that are in the best interest of the community, and systematically consider and manage any risks to the organisation and to the community. Our integrated governance approach is described below in terms of Council business and corporate business respectively.

Snapshot of Progress - Council business

- **Continuation of Council meetings:** first meeting of Council was held on 19 May 2016, only one week after Proclamation. The last Council meeting under the Administrator is 22 August 2017. During this time, 28 Council meetings have been held, with the location of meetings alternating between the chambers at Manly, Dee Why and Mona Vale.
- **Transparency:** All Council meetings were webcast and agenda and minutes made available electronically on Council's website. An online portal to facilitate public Requests to Address Council was also established.
- **Clarity on procedures and ethics:** Council Code of Meeting Practice was adopted at the 22 November 2016 Council meeting. It establishes processes for orderly, efficient, respectful, and transparent meetings that support the democratic process.
- **Integrated complaints management framework:** A Complaints Management Policy was endorsed by Council for public exhibition in July 2017. The policy provides an integrated approach to complaints management.
- **Informed and representative decision-making:** Three committees were established to provide advice and guidance on diverse community views and strategic topics: Implementation Advisory Group (IAG) comprised of former Mayors; Local Representation Committee (LRC) comprised of former Mayors and Councillors; and 11 Strategic Reference Groups (SRGs) comprised of community representatives.
- **Preparation for Local Government elections:** Council has held two briefings for potential candidates in July 2017

Snapshot of Progress: Corporate Business

- **Framework for harmonised policy management:**
The policy management framework will provide a standard approach to policy development. This work included a review and rationalisation of policies.
- **Harmonisation of financial and administrative delegations:** Work is well underway to harmonise the key financial and administrative delegations into one unified inclusive function.
- **Integrated enterprise risk management framework:**
A Risk Management Policy and Framework and an interim Fraud and Corruption Control Plan were developed and form key elements of Council's business resilience framework.
- **Internal audit:** Council has established the Audit, Risk and Improvement Committee which meet quarterly with the main purpose of ensuring an adequate and effective system of internal control throughout Council and to assist in the operation and implementation of the Audit Plan.
- **Integrated Planning and Reporting:** Council continues to meet its statutory planning and reporting requirements, and provides consolidated financial and organisational information across the three former Council areas. A draft Community Strategic Plan (CSP) for Northern Beaches has been endorsed by Council for public exhibition and will be finalised by the incoming Council along with a Delivery Program and Resourcing Strategy (including Long Term Financial Plan, Workforce Management Plan and Asset Management Plan)

Robust Community Relationships

Effective community participation characterised by open, genuine dialogue, is critical to solving local issues, advocating on regional priorities, and delivering on the community's vision for Northern Beaches.

Involving the community in decisions which affect them is a vital aspect of local democracy and is a cornerstone of the local government principles (as described in the Local Government Act 1993). Community engagement is about seeking broad input and making informed decisions in the best interest of the wider community; however it does not necessarily mean achieving consensus. We need to make sure that we understand the diversity of views, local values and shared interests of the Northern Beaches community.

Through the following achievements, we have accomplished a firm foundation for the incoming Council to continue to facilitate genuine and effective community engagement into the future.

Snapshot of Progress

- **Solid policy direction for an informed and engaged community:** with the adoption of a clear Community Engagement Policy and Matrix (management framework), a solid foundation for consistent and transparent community engagement has been established. It aims to strengthen the trust between Council and the community and build confidence in Council's ability to plan and make decisions that will respond to the present and future needs of the community.
- **Strategic direction for community participation:** The draft Community Strategic Plan includes direction for how the community wishes to participate in Council's decision-making process. This will inform further engagement planning.
- **Effective engagement systems:** Council's update of its Community Engagement Register ensures that community members are informed of upcoming projects and engagement activities in a timely and transparent manner and that any enquiries are dealt with efficiently.
- **Digital transformation strategy:** adopted in July 2017, this Strategy moves the business into the digital age and outlines an approach for Council to take advantage of technological innovation in its business planning and service delivery.
- **Identity project:** this project gives visual form to the draft community vision and corporate values and will help inform the development of our brand and identity (e.g. design of signage, uniforms, fleet, communications, digital and social media).

Sound Organisational Health

Council staff, leadership and culture directly contribute to creating a positive, customer-centric culture.

Our starting point has been to develop a shared vision and values based reference –focussing on the future and our similarities rather than the past and any differences in work cultures of each of the three former Councils. We have established a flexible organisational structure, a strong leadership group, clarity on roles and responsibilities, and our staff are motivated to make Northern Beaches Council a leader in local government.

Snapshot of Progress

- **Cohesive and collaborative culture:** Our values are the 'glue' that holds us together. More than 500 staff participated in the fun and engaging process of developing our corporate values.
- **Flexible organisational structure:** We have put in place an organisational structure that reflects our corporate vision as well as the community's long term vision for Northern Beaches. The organisational structure enables holistic planning and service delivery.
- **Strong leadership:** Our Chief Executive Team has been selected following a rigorous recruitment process where candidates were considered on basis of technical merit, experience, values, management and leadership abilities.
- **Motivated staff:** We recognise that this time of transition and change has been difficult for many staff and continue to offer all staff comprehensive support through recognised programs such as our Wellness Program (motivating physical health), Employee Assistance Program (providing counselling support), and our Resilience Program (building skills to deal with change).
- **Shared sense of direction:** The draft CSP provides a shared reference and long term strategic direction for the organisation as a whole. It sets an agenda for future planning and collaboration.

Strong Performance

Council is a robust and flexible organisation that - through integrated systems, knowledge and technology – is able to efficiently deliver on the needs of the organisation and the community.

Our core systems and processes make it possible to distil large volumes of data from across the business into concise information and overviews of our performance – which in turn supports well-informed decision-making. Core systems and robust knowledge management are the means through which a flexible and decentralised organisation is made possible.

Our organisational performance is also dependent on the degree to which our planning (especially financial planning and asset management) is integrated across the business. Our consolidated management base enables efficient management of assets and resources as well as a capacity to accurately measure our performance in a timely manner.

Snapshot of Progress

- Integrated core services:** Our Implementation Plan identifies 25 core services that are essential to our transformation and integration and will be rolled out gradually. Systems that are critical to our operation have already been implemented and are integrated across the platforms. These include: financial management system (TechOne); Electronic Data Management System (TRIM); and Geographic Information System (GIS).
- Stronger asset management:** Effective integration of our asset management information (including the conditions of assets) as well as consolidating our asset management strategies is critical to our long term financial sustainability. So far, we have consolidated all asset data from each of the former Councils into one Asset Register and have also made significant progress in terms of mapping all of our assets across the whole of Northern Beaches. Improvements to the data and Council's asset management plans will continue to happen over the next financial year
- Consolidated Operational Plan and Budget and Fees and Charges 2016/17;** and Annual Report 2016/17: The consolidation of our budgets and reporting delivers a solid base for performance management and monitoring across the service areas.
- Harmonisation of planning proposal assessment systems and processes:** with the adoption of the Development Assessment Management Policy and the resolution to form a single Independent Assessment Panel for the whole of Northern Beaches, there will be greater consistency, certainty and transparency in determination of Development Applications.

Outstanding Service Provision

Our corporate vision is 'delivering the highest quality service; valued and trusted by our community'.

This vision sets a clear path for excellent service delivery, even during times of challenging transition. Throughout this time, we have been able to meet the community's expectations in regards to customer service and without disruption to basic services. As we progress through our transformation journey and get our 'house in order' (e.g. integrating systems and processes) we will be able to offer our customers even better and more efficient and convenient services, information and infrastructure.

Snapshot of Progress

- **High levels of community satisfaction during transition (DPC, 2016):** An independent survey undertaken by Department of Premier and Cabinet in December 2016 showed that Northern Beaches Council was ranked amongst the highest in terms of community satisfaction compared to other merged councils in NSW.
- **High levels of community satisfaction after the first year (2017):** This independent community satisfaction survey was commissioned by Council to gain feedback on our performance one year after the merger. The survey of 750 residents showed that 88% of residents were 'somewhat satisfied' to 'very satisfied' with Council's performance, with the mean rating significantly higher than the benchmark score for all of NSW.
- **Putting the customer at the centre of our business:** with the adoption of the Customer Experience Strategy and allocation of funds for a Customer Relationship Management System, Council is making it easier for our diverse customers to access Council in ways that suit their individual requirements. It will also be easier for Council to respond to customer requests more efficiently and transparently.
- **Commitment and clarity on customer service standards:** Our Customer Service Charter establishes clear standards for the level of customer service our community can expect from us. The charter includes key performance indicators that we will be measuring and reporting on a regular basis.

Strategic Capacity

Council is a strong partner in the system of government, with a strategic outlook, confidently representing and progressing matters of local and regional significance.

We have invested some of the efficiency savings from the merger into strengthening our strategic capacity: recruiting expertise and specialist knowledge; conducting research and analysis in areas of community priority to strengthen our evidence-base; and purchasing technology and systems that facilitate better, more informed, decision-making. With these in-house strategic capabilities, the incoming Council will have a stronger voice with NSW Government and will be well placed to deliver on the community's vision of creating a more sustainable Northern Beaches.

Snapshot of progress

- **Sustainable precinct planning:** With our commitment to gain internationally recognised Green Star accreditation for our new neighbourhoods in Ingleside and Frenchs Forest, we want to deliver best practice governance, urban design, liveability, economic opportunities, environmental sustainability and fostering a culture of innovation in the development of these two new precincts. The benefits to the community are tangible. For example, when compared to current compliance requirements the Ingleside land release will deliver (approximately): 40% reduction in greenhouse gas emissions; 20% reduction in peak electricity demand; 35% reduction in water demand; and household savings of approximately \$800 per year in energy and water costs. (Kinesis, December 2016)
- **Integrated Structure Plan for Frenchs Forest:** The Structure Plan for the Northern Beaches Hospital Precinct provides a holistic and evidence-based framework for developing the strategic centre.

Over the next 20 years, the plan proposes phased delivery of approximately 5,360 dwellings (of which 10 – 15% will be affordable housing) and 2,300 new jobs. In the short to medium term, traffic modelling has indicated that the precinct can support up to 3,000 dwellings concentrated around the future town centre - assuming specific road and intersection upgrades. The provision of further dwellings (beyond the 3,000 dwelling threshold) will require the delivery of significant regional road works, including the proposed Beaches Link Tunnel, and an east-west bus rapid transit (BRT) system from Chatswood to Dee Why.

- **Better commuting between Newport and Sydney CBD:** The B-Line bus service will make it easier and quicker for commuters to travel between Newport and the Sydney CBD. There will be six commuter carparks (including bicycle parking) on the Northern Beaches to encourage people to 'park and ride' - the carparks are located at Mona Vale, Warriewood, Narrabeen, Dee Why, Brookvale and Manly Vale providing around 900 car spaces.



Sound Financial Performance



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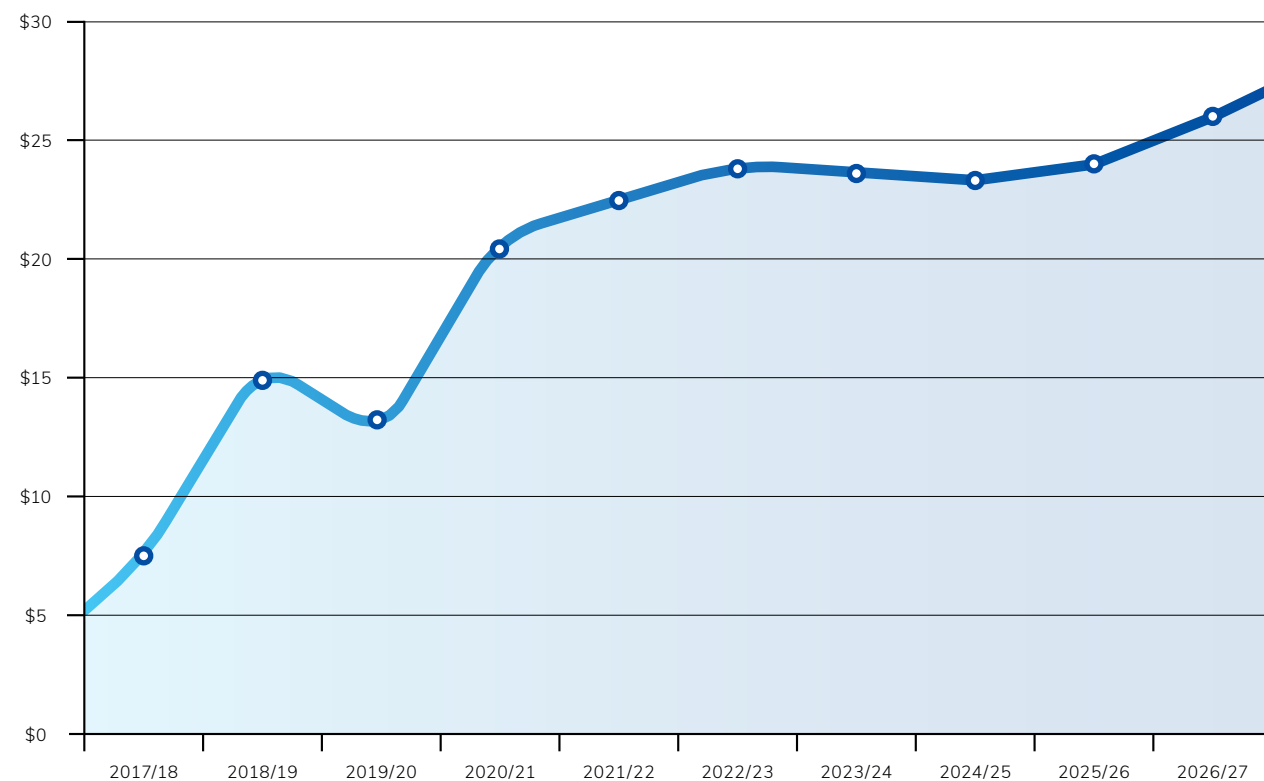
Projected Surplus

Council is in a strong financial position. The Budget 2017/18 projects total expenditure of \$439.3 million of which \$116.1 million is for high priority capital works.

The long term outlook is also sound. Over the next 10 years and with prudent financial management, there is scope to enhance service levels to the community. Capital works totalling \$719.2 million will provide new and improved facilities for the community over the next decade.

As shown in Figure 2 (page 29), we project a surplus from Continuing Operations before Capital Grants and Contributions of at least \$7.1 million over the next ten years.

Figure 2: Projected surplus 2017/18 to 2026/27



Investing in Our Community

The merger has made it possible to deliver a broad range of capital works and community projects that are not likely to have been possible for any of the three former Councils to deliver singlehandedly as these programs require funding above and beyond a standard Council budget allocation.

Council is able to provide a broad range of capital works that are funded through two main funding streams, both of which have been made possible through the merger:

- **Stronger Community Fund (NSW Government)**
The NSW Government has provided a total of \$15 million to fund community projects. This includes \$1 million for community grants. The remaining \$14 million will go toward funding the Connecting the Northern Beaches program (see below)
- **Merger Savings Fund (Council)**
It is estimated that the merger will deliver efficiency savings in the order of \$76.3 million over the next 10 years. This money will be set aside in a Merger Savings Fund with the purpose of delivering tangible benefits to the community that are the direct result of merger efficiency savings.

In addition to this funding, the NSW Government has also provided funding of \$10 million to cover costs related to the establishment of the new organisation.

There are three overarching community works programs which each are comprised of several capital works programs:

Community Grants Program (Stronger Communities Fund)

The Community Grants Program supports 53 community projects across a variety of focus areas including disability, art and culture, the environment, sporting, supporting people at risk and volunteer organisations. During two rounds of funding, eligible organisations were invited to apply for grants with the maximum amount of \$50,000, and a minimum of \$5,000. By June 2017, \$388,988 was paid out to the first round of projects, and seven projects successfully completed.

Connecting The Northern Beaches (Funding Partnerships)

This \$32.6 million infrastructure program is funded through a combination of sources, including \$14 million from the Stronger Communities Fund, \$4 million from the Merger Savings Fund and the remainder being sourced through other channels such as grants. The infrastructure program consists of two main projects:

- The \$22.3 million Connecting the Northern Beaches program, providing a spectacular world class coastal walkway and cycleway stretching from Manly to Palm Beach
- The \$10.3 million Connecting All Through Play program features a regional network of inclusive accessible playgrounds including two major new all abilities playgrounds at Manly Dam and Lionel Watts, upgrades to existing play areas across the Northern Beaches to make them more inclusive, and \$4 million for sporting facilities and surf lifesaving clubs.

Community Cohesion And Wellbeing (Merger Savings Fund)

This program of works delivers priority community, culture and environmental program and projects through the Merger Savings Fund: drawing on funds set aside from efficiency gains directly resulting from the merger, this program of works invests a total of \$5.64 million over the next four years. Consisting of four programs, and each comprised of several discreet projects, the aim is to strengthen community cohesion and wellbeing. The programs and projects are briefly described below:

Arts and Cultural Program

This program will deliver a new Creative Art Space at the northern end of the Northern Beaches local government area (e.g. Avalon or Newport) and will also provide Public Art in key locations (e.g. coastal walkway) with commissions from local artists where possible.

Youth Program

This program will deliver six major annual youth events and activities at the PCYC in Dee Why; seed funding for establishing a Youth Wellbeing Hub in the northern part of the local government area (e.g. Mona Vale); and developing Youth Friendly Spaces (e.g. multi-purpose courts, handball, parkour, graffiti walls, play maze, giant slides, ropes and wall ball).

Environment Program

The environment program consists of three discreet projects: establishment of a Community Nursery at Curl Curl Community Hub; Tick Research to enable Council to better manage risks to public health resulting from prevalence and exposure to ticks; and Single Use Plastics reduction program where a dedicated resource (new staff member) will work with local businesses to reduce reliance on single use plastics.

Community Events Program

This program sets aside funding for a major community event that showcases the Northern Beaches. The program also allows for implementation of priority recommendations from the strategic review of the annual events program. Funding was also provided to host a global amateur street skateboarding qualifying series on 21 – 23 July 2017 at Mona Vale Skate Park.

Next Steps



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Welcoming the New Council

Council is looking forward to welcoming the 15 newly elected representatives who will form the first elected Council for the Northern Beaches following elections on 9 September 2017.

The incoming Councillors will be offered a comprehensive induction program of workshops, briefings and training in so that they are well-informed of Council's governance framework as well as current processes and projects. This will also be an opportunity for Councillors to get to know each other better and build good working relations that can facilitate constructive dialogue and effective collective decision-making.

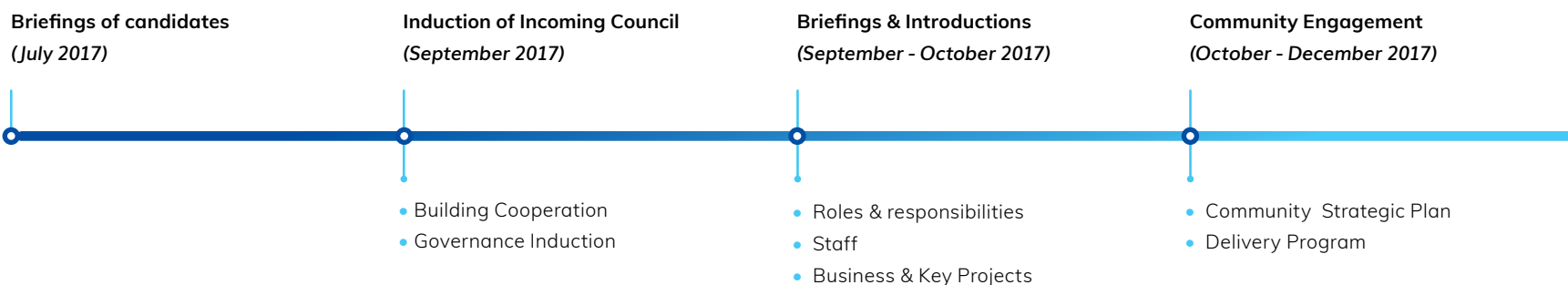
The first Council meeting will be held no more than 14 days after election results are declared. The new Council will elect the Mayor at the first meeting. Council papers (agenda and minutes) and recordings of all Council meetings will be made available to the public on our website.

A brief overview of next steps following the local government elections is provided in Figure 3 below.

The diagram illustrates a staged approach to building a strong new Council where focus initially is on internal capacity building, and shifting to a more external focus in October with a range of important community engagement opportunities – namely for the finalisation of the Community Strategic Plan and the Delivery Program. The diagram is indicative only; there will be overlap between the three stages.

Figure 3: Welcoming the new Council

July to December 2017)



Maintaining Momentum

A summary of next steps in the implementation process is provided below. In terms of Council business, priorities include finalising Integrated Planning and Reporting (IP&R) documentation. In relation to Corporate business, priority will be given to integration of core corporate services, systems and processes.

Council Business

(responsibility of elected Council)

Council must adopt its suite of IP&R documents (the CSP, Delivery Program, Operational Plan and Resourcing Strategy) by 30 June 2018. These documents are statutory requirements and will be the main priority of the incoming Council. Once adopted, they will set a vision and long term strategic direction and budget for Council.

Key steps in this process include updating of the Community Engagement Strategy for the CSP and the Delivery Program, defining key objectives and main consultation activities and timing; finalising the CSP through consideration of outcomes from the previous two rounds of consultation as well as supportive research and analysis; and developing a Delivery Program for the three year term of the new Council. Outstanding activities of the newly elected Council's implementation plan should also be considered in the development of the Delivery Program.

The 2017/18 budget will remain in place until 30 June 2018 to guide Council activities during that period, alongside the Operational Plan and Implementation Plan. The budget will also serve as an important reference document to inform the development of the newly elected Council's first Long-Term Financial Plan, and the broader Resourcing Strategy.

Corporate Business

(responsibility of the Chief Executive Team)

While we have made significant progress in just one year in terms of integrating core systems and processes, there is still a lot of work ahead of us. The following projects are examples of high priority projects in 2017/18. This is by no means a comprehensive list; our Implementation Plan provides further detail of priority projects.

- **Customer Relationship Management System:**

Enhancing the customer experience by providing a single view of the customer that includes a line of sight over all channels of communication (letters, email, phone calls, social media interactions)

- **Integrated Procurement Framework:** Effectively managing procurement across the Northern Beaches Council, taking advantage of increased purchasing power and reducing the risks associated with disparate procurement and contract management methodologies

- **Consolidation of a Recreation Planning Framework:** Guiding management and developing recreational assets and facilities on the Northern Beaches

- **Integrated Emergency Management, Incident Management and Business Continuity planning:** that ensuring that we adequately support emergency services and there is alignment between WHS, Incident Management and Emergency Management

Delivering Benefits to the Community

We have come a long way in creating a strong foundation for the first elected Council for Northern Beaches.

This past year has been hard work, but we are already in a position to deliver significant benefits to the community – many of which have already commenced. These can broadly be summarised as:

- Infrastructure improvements that support a more connected community.
- Through the merger savings fund, reinvestment of efficiency gains into programs that support community wellbeing programs,
- Enhanced customer experience and localised presence.

- Better regional planning, hazard management and emergency response.
- Stronger voice with NSW Government and other stakeholders to advocate on behalf of the community on their priority issues (e.g. transport, environmental protections, health, education, employment).

While it is clear that the transformation will take time and there is still a lot of work ahead of us, we look to the future with confidence. We are well placed to work with the community, government agencies and key stakeholders in making the Northern Beaches an even better place to live, work and play and we look forward to the journey ahead.







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