

2017/18 Budget Resolution Implementation – Progress Report – Council 20 March 2018

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
	2. (a) to articulate the following financial parameters for the 2017/18 budget and term of its new 4-year Council Plan, to be achieved by 30 June 2020, to improve Council's overall financial position;						
	(i) continue to achieve improved operating efficiencies through measures including:						
1	a. reviewing management staffing levels and corporate structures	CEO with GM PC&C	CEO with GM PC&C	1. First draft for internal project team review	Sept 2017	Complete	A confidential update will be presented to Council on progress toward a review of management staffing levels and corporate structures.
				2. Initial Exec Review	Nov 2017	Complete	
				3. Final Exec review	Jan 2018	Complete	
				4. Present to Council as part of mid-term review	Mar 2018	Complete	
2	b. further shared services and joint procurement	DCB&F	Manager Audit and Internal Controls	1. Project control brief to be completed	Nov 2017	Complete	Council has entered into a formal partnerships with the City of Melbourne, Port Phillip and Maribyrnong City Council known as the Central City Collective (CCC).  A number of collaborative procurement initiatives were completed in 2017 and a schedule for 2018 has been completed.  Yarra has proposed to the CCC Board a planning session to further advance this partnership in 2018. A report on further shared services and joint procurement will be presented to Executive in March 2018 with a briefing to Councillors to follow the CCC meeting on 8 March. This could be late
				2. Executive Review	Dec 2017	Complete	
				3. Present to Council	Apr 2018	On track	

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
							March/Early April depending on the outcome of the meeting.
3	c. reducing the use and cost of external consultants (including legal services)	GM-CEO Office	GM CEO Office	1. Initial Exec review	Nov 2017	Complete	Separate report will be presented to Council as part of the mid-year review.
				2. Final Exec review	Jan 2018	Complete	
				3. Present to Council as part of mid-term review	Mar 2018	Complete	
4	with reporting to Council as part of the mid-term review in 2(a)(ix);	CEO	CEO with support of all Executive	Report to Council on the 2017/18 Budget Resolution through the mid-year report.	Mar 2018	Complete	
5	(ii) implementing more effective debtor management strategies with actions reported on quarterly	DCB&F/ CFO	CFO	1. Review the current debtor management across the organisation.	Dec 2017	Complete	Council's overall debt position has been reviewed with target areas identified. The Finance team will work with each Branch to ensure they are delivering efficient and effective debt management practices to maximise Council cash flow, and recommend changes to Executive and Council in the first half of 2018.
				2. Review the processes within each branch to ensure they are delivering efficient and effective debt management practices and maximising Council cash flow, and recommend changes if needed.	Mar 2018	On track	
				3. Implement recommended changes if endorsed by Exec and Council.	Jun 2018	On track	
6	(iii) complete the delivery of a comprehensive property management strategy with targets to increase revenue from more effective use of assets, and prudent management of assets surplus to Council's requirements	GM-CEO Office	Property Services Unit Manager	1. Final Exec review	Aug 2017	Complete	The Property Strategy and Property Strategy Assessment Framework were adopted by Council on 6 March 2018.
				2. Councillor Briefing	Aug 2017	Complete	

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
7	(iv) that as part of the mid-term review in 2(a)(ix), Council receive a report, on how cash flow can be improved by setting a working capital ratio target over the next 4 years of 1.4 to be achieved by 30 June 2020	DCB&F/ CFO	CFO & Exec	1. Work with the Executive on how to achieve cash savings or generate additional cash revenue of \$9M by June 2021 (all other parameters being equal).	31 Dec 2017	Complete	Refer to the mid-year financial review report for commentary on cash flow.  The liquidity ratio at the end of December 2017 is 3.86. The forecast liquidity ratio at 30 June 2018 is 1.07.  The Mid Year Report presented to Council on 20 March 2018 recommends the date for achievement of the liquidity ratio and other financial measures be amended to 30 June 2021 in line with the conclusion of the Council Plan 2017-21.
			CFO	2. Report to Council on how that will be achieved, via the mid-year report.	Mar 2018	Complete	
			CFO & Exec	3. Implement recommended changes if endorsed by Exec and Council.	Jun 2018	On track	
8	(v) continue advocacy to increase Council's external grants for 2017/18 and subsequent years	CEO	CEO	Continue to proactively advocate for grant funding for the City of Yarra.	Ongoing	On track	Council continues to seek out and advocate for external funding opportunities.  External grants notified as being successful at the end of December is \$804k.
9	(vi) increase the quality of communication with regards to open space contributions, by reporting quarterly on contribution income, expenditure and the running balance (through the quarterly financial reports);	DCB&F	CFO	Report quarterly through the Finance Report on contribution income, expenditure, and the running balance.	Oct 2017	Complete	Reporting on contribution income, expenditure and the running balance on the Open Space Reserve is now occurring through the quarterly financial reports.
10	(vii) complete the review of Council's fleet with the aim of reducing passenger fleet reliance;	DCW&A	Manager City Works	1. Prepare a report for Executive	Oct 2017	Complete	Fleet has fitted telematics devices into 100 of its passenger vehicles. The devices were fitted in December 2017 and will provide Fleet with accurate utilisation data. Fleet requires 6 months of data to make informed decisions around reducing the fleet. The size of the fleet is determined by the requirements of each branch across Council. The data will inform Fleet and branch managers how best to utilise the fleet at its optimum size.
				2. Prepare a report for Council	Oct 2017	Complete	
				3. Analyse trend data and re-review in 12 months' time	Oct 2018	On track	

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
11	(viii) that progress against the above parameters be reported in quarterly financial reports during this Council's 4-year term;	CFO	CFO	Report quarterly through the Finance Report on the 2017/18 Budget Resolution actions.	Oct 2017	Complete	Quarterly reporting, along with monthly reporting to Council's finance Committee has been enhanced to meet Council's requirements and will continue to be refined over the four years.
12	(ix) that the Chief Executive Officer implement a rigorous review of the 2017/18 budget and that Council receive a comprehensive mid-term review by the first Council meeting of 2018 ;	CEO	CFO & Exec	1. Complete a review of 2015/16 and 2016/17 Budget vs Actuals for each Branch	Nov 2017	Complete	Refer to the mid-year financial review report. The Finance Team has completed a review of 2015/16 and 2016/17 Budget vs Actuals for each Branch to inform budget discussions with Managers throughout February/March.  Revenue and Expenditure parameters have been discussed by Council through 2018/19 Budget planning sessions which are being used to guide the discussions with Managers and development of the 2018/19 Draft Budget.
				2. Assess this information against mid-year results and annual budget for 2017/18	Mar 2018	On track	
				3. Report to Exec on the results	Mar 2018	On track	
				4. Report to Council on the results	Mar 2018	On track	
				5. Implement recommended changes if endorsed by Council	Mar+ 2018	On track	
	(b) to implement:						
13	(i) the approach to the planning of capital works, including renewals and maintenance, be communicated more effectively to the Yarra community	DCW&A	Manager Advocacy & Eng (MA&E)	Communications plan to be developed and implemented, outlining the capital works program process	Nov 2017 – Apr 2018	On Track	A communications plan is being developed. Communication actions will be rolled out from March 2018, these will include a plain English infographic explaining the infrastructure budget planning process, social media and Yarra News.
14	(ii) the production of a supplementary plain language budget document that makes the budget more meaningful and accessible to the Community	DCB&F/C FO with Comms	CFO	1. Complete a supplementary plain language budget document for the 2018/2019 budget.	Mar 18	On track	Work on a supplementary plain language budget document for the 2018/2019 budget will commence in February 2018, drawing on examples from other Councils and enhancing infographics and information the Yarra community is familiar with.
			CFO/ Comms	2. Engage the Comms team to trial its effectiveness.	Mar 18	On track	

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
			CFO/Exec	3. Engage with Exec to test the draft document.	Mar 18	On track	
			CFO/Council	4. Engage with Council to test the draft document.	Mar 18	On track	
			CFO	5. Engage with volunteers from the Yarra Community to test the draft document.	Mar 18	On track	
			CFO	6. Make any changes requested by Council and the community volunteers, and have document ready to be launched with Draft Budget.	Apr 2018	On track	
	(iii) that considering Council's financial position and the need to review expenditure and/or find additional revenue, and further, considering impacts of changes in expenditure on the provision of services to the community:						
15	a Council call for a report outlining a proposed participatory/deliberative process to engage a representative sample of the Yarra population in the development of a Services Policy; this process may take the form of a panel, a citizen's jury or some other form;	A/DCWB	UMSPR	1. Establish Project Control Group and Project working team	Sep 2017	Complete	Report presented to Council on 5 December 2017. Process and revised timelines endorsed. A Budget bid has been developed and the project will commence in 2018/19 if funded.
			UMSPR	2. Seek professional advice on cost and process for baseline market research and deliberative engagement	Oct 2017	Complete	
			UMSPR	3. Report to Executive to confirm expectations and timelines	Oct 2017	Complete	
			UMSPR	4. Report to Council outlining proposed participatory/deliberative engagement process and confirm expectations and timelines	Nov 2017	Complete	

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
			UMSPR	5. Develop and submit 2018/19 Budget Bid	Jan 2018	Complete	
			UMSPR	6. Commence procurement consultant services - market research and deliberative engagement consultancy	Jun/Jul 2018	Not started	
			UMSPR	7. Administer baseline community poll	Jul/Aug 2018	Not started	
			UMSPR	8. Undertake deliberative engagement – community poll	Sep/Oct 2018	Not started	
			UMSPR	9. Report to Council on outcomes of deliberative engagement process	Late 2018	Not started	
			UMSPR	10. Commence policy development	Early 2019	Not started	
			UMSPR	11. Complete policy	By 30 Jun 2019	Not started	
15	b that this Services Policy will <b>guide</b> the types of services and service levels Yarra will continue to provide within expected resources; and	CEO and Exec	As above	As above			As above
15	c that the report to Council should include the costs and way to achieve a proposed participative/deliberative process for a Services Policy in 2017/18.	A/DCWB	As above	As above			As above

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
	3. That Council:						
	(a) having received and considered all submissions under Section 223 of the Local Government Act 1989 (the Act), resolves to incorporate the following amendments to the 2017/18 Budget:						
16	(iii) the Chief Executive Officer to establish dedicated in-house Heritage Advice from existing internal staffing resources on a 12-month trial;	DP&P	DP&P			Complete	A resource from City Strategy has been reallocated as a Senior Advisor City Heritage, reporting to the Group Manager CEO Office.
17	(iv) that as part of the mid-term review in 2(a)(ix), Council receive a report on options for deferring/reducing expenditure in areas that may include the following:	CEO and Exec	CFO	Report to Council on the 2017/18 Budget Resolution through the mid-year report.	Mar 2018	Complete	Refer below and to the mid-year financial review report for identified savings.
18	a. IT infrastructure, including but not limited to PC/laptop replacement, asset management system, mobile devices.	DCB&F/ MIS	MIS	1. Review Expenditure on Council IT infrastructure	Nov 2017 and ongoing	Complete	A review of IS capital expenditure will return approximately \$100k to the capital program in 2017/18.
				2. Update Council through the mid-term review	Mar 2018	Complete	An operational strategy has been finalised and work has commenced on a cost optimisation plan to assist in informing future investment.
19	b. Passenger car renewal	DCW&A	Manager City Works	1. Prepare a report for Executive	Oct 2017	Complete	Fleet has fitted telematics devices into 100 of its passenger vehicles. The devices were fitted in December 2017 and will provide Fleet with accurate utilisation data. Fleet requires 6 months of data to make informed decisions around reducing the fleet. The size of the fleet is determined by the requirements of each branch across Council. The data will inform
				2. Prepare a report for Council	Oct 2017	Complete	
				3. Analyse trend data and re-review in 12 months' time	Oct 2018	On track	

Ref	Resolution element	Lead	Responsible Officer	Actions	Due date	Status	Progress Comment
							<p>Fleet and branch managers how best to utilise the fleet at its optimum size. Fleet will present a report to Council upon review of the optimisation data which will outline the capital and operational requirements going forward.</p> <p>Fleet are undertaking a review of the fleet strategy. The strategy is exploring how to operate an optimum, environmental fleet at the best value for money for Council. The strategy will explore different modes of transport. The strategy will be completed by June 2018.</p>
20	c. Expenditure on building assets and Council owned premises	DCW&A	MB&AM	1. Review the expenditure on Council properties and identify opportunities for consideration.	Oct-Nov 2017	Complete	Officers have identified a number of Capital projects that will be deferred or discontinued to provide a \$1.4 million saving within the current financial year. These are presented in Attachment 4a following.
				2. Prepare and present a report to Executive.	Dec 2017	Complete	
				3. Report to Council through the mid-term review.	Mar 2018	Complete	



Attachment 4a - Potential Deferrals - 2017/18 CAPEX program

Project Code	Project Name	Adopted Budget	Running total	Potential Deferral amount	Potential Deferral (running Total)	Commitment free	Notes or reason for nominating this project	Asset Type	Not commened	Not linked to ext funding	Delivery Ready	Address Risk	Service Need	Creates Backlog	TOTAL	Impact of not proceeding (qualitative)
1	175639140000 Mary st road pavement works (Madden st to Barkley Ave), Richmond	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	Yes	Project to be done next year as scope/funding will need to increased	ROAD	Y	Y	1	2	1	1	5	Proposal to stage works over two financial years and defer pavement works to 18/19
2	18223940000 FTH- Mechanical	\$ 400,000	\$ 450,000	\$ 320,000	\$ 370,000	No	Suggest leave \$80k for Design and defer \$320k for project implementation. Seek external contribution towards implementation.	Buildings	Y	Y	1	1	3	3	8	Comfort issue for meetings held in hall area and reading room. Will create some backlog pressure on building program. Recommend retrain \$80K to complete design as this will lower overall delivery risk and position Council well if external or internal funding becomes available
3	77193920000 Rushall Reserve shared path by-pass	\$ 545,000	\$ 995,000	\$ 485,000	\$ 855,000	No. Approximately \$40k has been committed to date and further funding will be required to get the project through to town planning stage. We may require up to \$60k in total	There is a Council resolution to build the path, but design/planning is far from complete and there are a range of issues still to be resolved. No construction will occur in the current financial year.	OPEN SPACE	Construct ion not commened	Y	1	1	1	5	8	Will need to fund this project in 18/19. Will need to be resubmitted for budget reconsideration.
4	171139280000 Edmunst st footpath works (Little Edmund st To Walker st), Clifton Hill	\$ 30,000	\$ 1,025,000	\$ 30,000	\$ 885,000	Yes	Can be deferred and it wont effect R2R funding	ROAD	Y	Y	5	2	1	1	9	Potentially higher level of reactive maintenance required but should be able to be managed within existing resources.
5	171239280000 Fenwick st footpath works (Wright st to Spensley st), Clifton Hill	\$ 50,000	\$ 1,075,000	\$ 50,000	\$ 935,000	Yes	Can be deferred and it wont effect R2R funding	ROAD	Y	Y	5	2	1	1	9	Potentially higher level of reactive maintenance required but should be able to be managed within existing resources.
6	171339280000 Johnston st footpath works (Gold st to Hoddle st), Collingwood	\$ 40,000	\$ 1,115,000	\$ 40,000	\$ 975,000	Yes	Can be deferred and it wont effect R2R funding	ROAD	Y	Y	5	2	1	1	9	Potentially higher level of reactive maintenance required but should be able to be managed within existing resources.
7	171439280000 Johnston st footpath works (Wellington st to Gold st), Collingwood	\$ 40,000	\$ 1,155,000	\$ 40,000	\$ 1,015,000	Yes	Can be deferred and it wont effect R2R funding	ROAD	Y	Y	5	2	1	1	9	Potentially higher level of reactive maintenance required but should be able to be managed within existing resources.
8	172739280000 Sackville st footpath works (Gold st to Hoddle st), Collingwood	\$ 40,000	\$ 1,195,000	\$ 40,000	\$ 1,055,000	Yes	Can be deferred and it wont effect R2R funding	ROAD	Y	Y	5	2	1	1	9	Potentially higher level of reactive maintenance required but should be able to be managed within existing resources.
9	172839280000 Sackville st footpath works (Wellington st to Gold st), Collingwood	\$ 25,000	\$ 1,220,000	\$ 25,000	\$ 1,080,000	Yes	Can be deferred and it wont effect R2R funding	ROAD	Y	Y	5	2	1	1	9	Potentially higher level of reactive maintenance required but should be able to be managed within existing resources.
10	191439430000 RTH Ramps & Entry	\$ 550,000	\$ 1,770,000	\$ 396,000	\$ 1,476,000	No	The Ramp and bulk of internal works could be deferred until 18/19. A glass security door on level 2 is proposed to b delivered in 2017/18 to increase access control to the building. New toilets on the ground floor are proposed to provide public access to toilets. Building Surveyor requirements (on access) state works need to be done by June 2019. The Project Manager has also indicated that because of the delay in this project (ie deciding whether to proceed), this has reduced the likelihood of this project being delivered in 2017/18 (& resolving/impacting of closing the customer service centre).	BUILDINGS	Y	Y	1	4	2	3	10	Compliance issue, must be resolved by 30 June 2019. Can be deferred but not beyond June 2019. DDA rampa and additional meeting rooms for confidential consultations in the foyer will be delayed. May create some backlog pressure on building program.