

Agenda

Extraordinary Meeting of Council

Notice is hereby given that a Extraordinary Meeting of Council of Council will be held at Council Chambers, 1 Belgrave Street, Manly, on:

Monday 4 August 2014

Commencing directly after the Planning & Strategy Meeting for the purpose of considering items included on the Agenda.

Persons in the gallery are advised that the proceedings of the meeting are being taped for the purpose of ensuring the accuracy of the Minutes. However, under the Local Government Act 1993, no other tape recording is permitted without the authority of the Council or Committee. Tape recording includes a video camera and any electronic device capable of recording speech.

Copies of business papers are available at the Customer Service Counters at Manly Council, Manly Library and Seaforth Library and are available on Council's website:

www.manly.nsw.gov.au



Seating Arrangements for Meetings

Executive
Manager

Minute
Taker

General
Manager

Mayor
Jean Hay AM
presiding

Deputy
General
Manager

Deputy
General
Manager

Clr Cathy Griffin

Clr Hugh Burns

Clr Barbara Aird

Clr Alan Le Surf

Clr Candy Bingham

Clr Steve Pickering

Deputy Mayor Clr Adele Heasman

Clr James Griffin

Press

Public
Addresses

Public Gallery

Chairperson: The Mayor, Clr Jean Hay AM

Deputy Chairperson: Clr Adele Heasman

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DECLARATIONS OF INTEREST

CORPORATE SERVICES DIVISION

Corporate Services Division Report No. 14

Manly2015 - Capital Expenditure Review of the Manly Oval Carpark 2

******* END OF AGENDA *******

TO: Extraordinary Meeting of Council - 4 August 2014
REPORT: Corporate Services Division Report No. 14
SUBJECT: Manly2015 - Capital Expenditure Review of the Manly Oval Carpark
FILE NO: MC/14/91446

SUMMARY

This Report tables the Capital Expenditure Review (CapEx) received from the Office of Local Government (OLG) for the Manly Oval Carpark.

REPORT

On 3 June 2013, when the *Manly Community Strategic Plan Beyond 2023* was adopted, Council preserve expenditure on the Manly Oval carpark in the Long Term Financial Plan, with confirmation of spending subject, inter alia to, CapEx Review by the OLG.

In December 2013, Council finalised and submitted the CapEx to the OLG for its review.

On 2 June 2014, the Council reaffirmed its 3 June 2013 decision and requested for the tabling of the OLG's review to the next meeting of Council after it is received.

On 31 July, Council received the OLG's CapEx review. In sum, the OLG confirmed that Council has addressed all primary issues and "*...the Office of Local Government's capital expenditure criteria have been broadly met*". In its letter, the OLG suggested the following strategies for managing potential risks:

1. Monthly Progress reports being presented to Council as part of the business papers. Reports should be referenced to the Risk Assessment Matrix prepared by Council.
2. A community engagement program be maintained to allow Council to carefully consider ongoing concerns and to respond appropriately.
3. Ongoing provision of timely advice on progress, particularly of a financial basis, at the project level including any impacts on Council's Community Strategic Plan and Long Term Financial Plan, to Council.

Conclusion

Now that Council has addressed all primary concerns raised by the OLG and that the proposal has broadly met the OLG's CapEx criteria, the Council may now progress to DA for the JRPP as per its resolution of 3 June 2013.

RECOMMENDATION

That Council:

1. Receive, note and thank the OLG for its CapEx review of the proposed Manly Oval Carpark;
2. Adopt the risk management strategies suggested by the OLG, and
3. As per its decision of 3 June 2013, note that the project may now progress to DA for the JRPP.

ATTACHMENTS

AT- 1 Letter from Ross Woodward, Office of Local Government 2 Pages

OM04082014CSD_1.DOC

***** End of Corporate Services Division Report No. 14 *****

ATTACHMENT 1

Corporate Services Division Report No. 14.DOC - Manly2015 - Capital Expenditure Review of the Manly Oval Carpark - Letter from Ross Woodward, Office of Local Government



Office of
Local Government

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Sonja Hammond
02 4428 4143

Mr Henry Wong
General Manager
Manly Council
PO Box 82
MANLY NSW 1655



Dear Mr ^{Henry}Wong

Thank you for your letter of 14 April 2014 responding to issues identified by the Office during its review of Council's capital expenditure review for the Manly Oval Car Park Project.

I note your responses and the reviews you have undertaken with regard to the risk assessment of the project.

While primary concerns have been addressed, I note the significant complexity and risks associated with the project. The Office of Local Government's capital expenditure criteria have been broadly met; however, I would draw the Council's attention to these concerns:

1. the viability of the project, including in the event that growth assumptions are not realised, the risk that the sale of the Whistler Street Car Park does not proceed, and the level of community support;
2. the ability to achieve long term cost of debt at 5%; and
3. the potential impact of unforeseen cost increases.

Given the significance of this project both in terms of cost and risk (financial and non-financial) to the Council, should it decide to proceed, there is an ongoing need to oversee and monitor this project closely. To this end, I suggest that progress reports be prepared and put to the Council on a monthly basis as part of its Business Papers. In doing so, reporting should be referenced to the Risk Assessment Matrix prepared by Council. In addition, the Office will continue to monitor progress on the project through Council's quarterly budget review statements.

Although the Council has generally satisfied the Office's capital expenditure criteria, it is important to note that this response should not be construed to be an endorsement of the Manly Oval Car Park project.

In addition to the concerns raised above, as you would be aware, a number of councillors continue to have concerns about the project, particularly in relation to construction cost estimates and the financial modelling used. I understand that these concerns may also reflect elements of community unease with the overall Manly2015 strategy. In view of this Council would need to carefully consider ongoing concerns and to respond appropriately.

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ATTACHMENT 1

Corporate Services Division Report No. 14.DOC - Manly2015 - Capital Expenditure Review of the Manly Oval Carpark - Letter from Ross Woodward, Office of Local Government

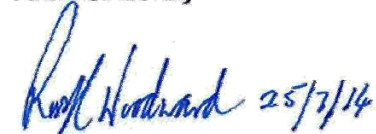
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With this in mind, it is important, that the councillors are provided with timely information on progress, especially of a financial nature, at the project level. Importantly, this should include any adverse impact on the Council's Community Strategic Plan commitments and long term financial plan should also be included.

While not directly related to the Office's capital expenditure determination, I would note that in relation to reporting on the condition of infrastructure assets, the Office is of the view that the service capability of an asset should be taken into account when determining whether an asset is in a satisfactory condition or not. Therefore the amount required to be spent on the Whistler Street Car Park to meet the compliance requirements should be captured in Special Schedule 7 (Report on Infrastructure) as the estimated cost to bring the asset to a satisfactory standard.

I trust this information is of assistance.

Yours sincerely



Ross Woodward
Chief Executive
Office of Local Government